

TDS ACCOUNTING ENTRIES

(IN THE BOOKS OF DEDUCTOR)

ENTRY IF NO TDS TO BE DEDUCTED

◆ AT THE TIME OF BOOKING EXPENSE

EXPENSE A/C DR
 TO PARTY A/C CR

◆ AT THE TIME OF PAYMENT

PARTY A/C DR
 TO BANK A/C CR

Example: Rent paid to VN & Co. ₹ 15000 p.m.

◆ AT THE TIME OF BOOKING RENT

RENT A/C DR 15000
TO VN & Co. A/C CR 15000

◆ AT THE TIME OF PAYMENT

VN & Co. A/C DR 15000
TO BANK A/C CR 15000

WHEN TDS IS TO BE DEDUCTED?

◆ Credit of such income to the account of payee.

OR

◆ At the time of payment

Invoice Receipt # 14256 * March 03, 2018

Invoice to:
JOHN SMITH
123 green lake st.
City - State
Country

#	PRODUCT DESCRIPTION	PRICE	QTY	TOTAL
1	ITEM 1	\$30.50	3	\$91.50
2	ITEM 2	\$50.00	1	\$50.00
3	ITEM 3	\$70.00	5	\$350.00
4	ITEM 4	\$20.00	2	\$40.00

Subtotal \$531.50
Taxes \$63.78
Shipping \$12.00
Discount -\$15.00
TOTAL \$592.28

TERMS & CONDITIONS	ADDITIONAL NOTES	PAYMENT METHOD
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Earlier

CASE 1: FIRST CREDIT, THEN PAYMENT

◆ AT THE TIME OF BOOKING EXPENSE

EXPENSE A/C	DR
TO PARTY A/C	CR
TO TDS A/C	CR

◆ AT THE TIME OF TDS PAYMENT

TDS A/C	DR
TO BANK A/C	CR

◆ AT THE TIME OF PAYMENT

PARTY A/C	DR
TO BANK A/C	CR

Example: Rent paid to VN & Co. ₹ 25000 p.m. TDS @ 10% to be deducted

◆ AT THE TIME OF BOOKING RENT

RENT A/C DR 25000
 TO VN & Co. A/C CR 22500
 TO TDS A/C CR 2500

◆ AT THE TIME OF TDS PAYMENT

TDS A/C DR 2500
 TO BANK A/C 2500

◆ AT THE TIME OF PAYMENT

VN & Co. A/C DR 22500
 TO BANK A/C CR 22500

CASE 2: FIRST PAYMENT, THEN CREDIT

◆ AT THE TIME OF PAYMENT

PARTY A/C DR
TO BANK A/C CR
TO TDS A/C CR

◆ AT THE TIME OF TDS PAYMENT

TDS A/C DR
TO BANK A/C CR

◆ AT THE TIME OF BOOKING THE EXPENSE

EXPENSE A/C DR
TO PARTY A/C CR

Example: Rent paid to VN & Co. ₹ 25000 p.m. in advance TDS @ 10% to be deducted

◆ AT THE TIME OF PAYMENT

VN & Co. A/C DR 25000
TO BANK A/C CR 22500
TO TDS A/C CR 2500

◆ AT THE TIME OF TDS PAYMENT

TDS A/C DR 2500
TO BANK A/C CR 2500

◆ AT THE TIME OF BOOKING RENT

RENT A/C DR 25000
TO VN & Co. A/C CR 25000

CASE 3: FIRST ADVANCE PAYMENT, THEN EXPENSE & FINAL BALANCE PAY

◆ AT THE TIME OF ADVANCE PAYMENT

PARTY A/C DR
 TO BANK A/C CR
 TO TDS A/C CR

◆ AT THE TIME OF TDS PAYMENT

TDS A/C DR
 TO BANK A/C CR

◆ AT THE TIME OF BOOKING THE EXPENSE

EXPENSE A/C DR
 TO PARTY A/C CR
 TO TDS A/C CR

◆ **AT THE TIME OF TDS PAYMENT**

TDS A/C DR
TO BANK A/C CR

◆ **AT THE TIME OF BALANCE PAYMENT**

PARTY A/C DR
TO BANK A/C

Example: Rent paid to VN & Co. ₹ 25000 and 20% amount paid in advance. TDS @ 10% to be deducted

◆ **AT THE TIME OF ADVANCE PAYMENT**

VN & CO. A/C	DR	5000	
TO BANK A/C	CR	4500	
TO TDS A/C	CR	500	

◆ **AT THE TIME OF TDS PAYMENT**

TDS A/C	DR	500	
TO BANK A/C	CR	500	

◆ **AT THE TIME OF BOOKING THE EXPENSE**

RENT A/C	DR	25000	
TO VN & CO. A/C	CR	23000	
TO TDS A/C	CR	2000	

◆ **AT THE TIME OF TDS PAYMENT**

TDS A/C DR 2000
TO BANK A/C CR 2000

◆ **AT THE TIME OF BALANCE PAYMENT**

VN & CO A/C DR 23000
TO BANK A/C CR 23000

TDS ON GST COMPONENT

Expense Bill	10000	TDS to be deducted on 10000
CGST	900	
SGST	900	
Total	<u>11800</u>	
Less:TDS	<u>1000</u>	10000*10%
Balance	<u>10800</u>	

CASE 1: FIRST CREDIT, THEN PAYMENT

◆ AT THE TIME OF BOOKING EXPENSE

EXPENSE A/C	DR
GST A/C	DR
TO PARTY A/C	CR
TO TDS A/C	CR

◆ AT THE TIME OF TDS PAYMENT

TDS A/C	DR
TO BANK A/C	CR

◆ AT THE TIME OF PAYMENT

PARTY A/C	DR
TO BANK A/C	CR



Example: Rent paid to VN & Co. ₹ 25000 p.m.(GST Extra @ 18%) TDS @ 10% to be deducted

◆ AT THE TIME OF BOOKING RENT

RENT A/C	DR	25000	
GST A/C	DR	4500	
TO VN & Co. A/C	CR	27000	
TO TDS A/C		CR	2500

◆ AT THE TIME OF TDS PAYMENT

TDS A/C	DR	2500	
TO BANK A/C		CR	2500

◆ AT THE TIME OF PAYMENT

VN & Co. A/C	DR	27000	
TO BANK A/C	CR	27000	

CASE 2: FIRST PAYMENT, THEN CREDIT

◆ AT THE TIME OF PAYMENT

PARTY A/C DR
TO BANK A/C CR
TO TDS A/C CR

◆ AT THE TIME OF TDS PAYMENT

TDS A/C DR
TO BANK A/C CR

◆ AT THE TIME OF BOOKING THE EXPENSE

EXPENSE A/C DR
GGST A/C DR
TO PARTY A/C CR

**Example: Rent paid to VN & Co. ₹ 25000 p.m.(GST @ 18% Extra)
in advance.**

TDS @ 10% to be deducted

◆ **AT THE TIME OF PAYMENT**

VN & CO. A/C	DR	29500
TO BANK A/C	CR	27000
TO TDS A/C	CR	2500

◆ **AT THE TIME OF TDS PAYMENT**

TDS A/C	DR	2500
TO BANK A/C		2500

◆ **AT THE TIME OF BOOKING RENT**

RENT A/C	DR	25000
GGST A/C	DR	4500
TO PARTY A/C	CR	29500

CASE 3: FIRST ADVANCE PAYMENT, THEN EXPENSE & FINAL BALANCE PAY

◆ AT THE TIME OF ADVANCE PAYMENT

PARTY A/C DR
 TO BANK A/C CR
 TO TDS A/C CR

◆ AT THE TIME OF TDS PAYMENT

TDS A/C DR
 TO BANK A/C

◆ AT THE TIME OF BOOKING THE EXPENSE

EXPENSE A/C DR
GST A/C DR
 TO PARTY A/C CR
 TO TDS A/C CR

◆ **AT THE TIME OF TDS PAYMENT**

TDS A/C DR
TO BANK A/C

◆ **AT THE TIME OF BALANCE PAYMENT**

PARTY A/C DR
TO BANK A/C

Example: Rent paid to VN & Co. ₹ 25000 (GST @ 18% Extra) and 20% paid in advance. TDS @ 10% to be deducted

◆ **AT THE TIME OF ADVANCE PAYMENT**

VN & CO. A/C	DR	5900	
TO BANK A/C	CR	5400	
TO TDS A/C	CR	500	

◆ **AT THE TIME OF TDS PAYMENT**

TDS A/C	DR	500	
TO BANK A/C		500	

◆ **AT THE TIME OF BOOKING THE EXPENSE**

RENT A/C	DR	25000	
GST A/C	DR	4500	
TO VN & CO. A/C	CR	27500	
TO TDS A/C	CR	2000	

◆ **AT THE TIME OF TDS PAYMENT**

TDS A/C DR 2000
TO BANK A/C 2000

◆ **AT THE TIME OF BALANCE PAYMENT**

VN & CO A/C DR 21600
TO BANK A/C CR 21600