

# Contractor TDS Rate 2024-2025

(a) Deduction of tax at source from the supply of cigarettes, biri, tobacco leaf, fuel, and other tobacco products – 10%

(b) Supply of services against contracts for manufacturing, process, conversion, civil works, construction, engineering, or any other similar work – 7%

(c) Payment to importer for imported goods (Rule-3 (2)) – The formula is:

**TDS = B - A**, where:

A = Tax paid at the import stage as per section 120

B = Tax as per section 89 (assuming no tax has been paid on import)

(d) Payment to the distributor (Rule-3 (3)):

**TDS = B - A**, where:

A = Tax paid under section 94

B = Tax as per section 89, assuming no tax has been paid as per section 94

Additionally, in the case of goods supplied by any distributor or any other person under a contract as referred to in section 94, the term "B" is calculated as follows:

$B = (\text{the selling price of the company to the distributor or the other person as referred in section 94}) \times 5\% \times 10\%$

**The rate of deduction from the following classes of persons shall be at the following rate:**

Sl No	Particulars	Tax Rate
1	In case of an industrial undertaking engaged in the production of MS Billets and locally procured MS Scrap	0.5%
2	In case of oil supplied by oil marketing companies engaged in marketing of petroleum oil and lubricant	0.60%
3	In case of oil supplied by dealer or agent (excluding petrol pump station) of oil marketing companies, on any amount	1%
4	In case of supply of paddy, rice, wheat, potato, fish, meat, onion, garlic, peas, chickpeas, lentils, ginger, turmeric, dried chillies, pulses, maize, coarse flour, flour, salt, edible oil, sugar, black pepper, cinnamon, cardamom, clove, date, cassia leaf, jute, cotton, yarn	1%

5	In case of supply of all types of fruits	2%
6	In case of an industrial undertaking engaged in producing cement, iron or iron products, ferro alloy products except MS Billets	2%
7	In case of supply of oil by any company engaged in oil refinery, on any amount	2%
8	In case of company engaged in distribution gas, on any amount	2%
9	In case of company engaged in gas transmission, on any amount	3%
10	In case of supply of Extra High Voltage Power Cable 33KV to 500KV by local manufacturers having own Vertical Continuous Vulcanization line	3%
11	In case of supply of books to a person other than the Government, or any authority, corporation, or body of the Government, including all of its attached and subordinate offices	3%
12	In case of supply of recycled lead	3%
13	In case of supply of industrial raw materials to a manufacturer	3%
14	Goods supplied in any other cases not mentioned above from serial 1 to 12 and in all other cases per section 89	5%

*\*If any information provided on this sheet conflicts with any law, rule, notification, or order issued by the government, the said law, rule, notification, or order shall prevail*

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