

The Jammu And Kashmir State Forest Corporation

All DDO's
J&K State Forest Corporation,
Jammu / Kashmir

No. 1775-1820/FA/CAO/SFC/

Dated: 21/02/2019.

Subject: - Implementation of Section 51 of GST Act: Tax Deducted at Source (TDS) on GST.

Reference: - Letter No. 682-733/FA/CAO/SFC dated 08/11/2018, No. 1291-1325/Cvi/SFC dated 26/12/2018 and No. 1481-1555/FA/CAO/SFC dated 23/01/2019.

Please refer to the Order No. 01/GST-ARA of 2019 dated 04.02.2019 of the Authority for Advance Ruling, Jammu and Kashmir. In this context, the following instructions are hereby issued for strict compliance:

1. Payments will be released only to contractors having GST registration.
2. GSTIN of the Contractor as well as of J&K SFC (**01AAALJ1355M1ZB**) is to be recorded on the Bill Form while making payments. Similarly, in the case of purchases, the GSTIN number of J&K SFC must be recorded on the bill by the supplier in addition to his own GSTIN.
3. GST is applicable at **18%** (9% CGST + 9% SGST) on supply of labour by contractors to SFC and falls under **heading 998519 and classified as "Support Services" Sub head "Other employment & labour supply services."**
4. It is mandatory for the DDOs to deduct GST TDS @ 2% (1% CGST and 1% SGST) from the payments made or credited to the labour mates / contractors / amani mates (Deductee) of taxable services, where the total value of such supply / services under such a contract, exceeds Rs 2.50 lakh.
5. The GST TDS deducted has to be deposited online or in the bank on or before 10th of subsequent month failing which penalty and interest @ 18% is liable to be imposed.
6. For deduction and deposit of GST TDS, first of all, the Tax Deduction at Source (TDS) authorities (Deductor) are required to get registered themselves U/s 24(vi) of GST Act.
7. A return in FORM GSTR-7 giving the details of deductions and deductees has to be filed alongwith deposit of GST TDS.
8. Filing of return has been made mandatory and a provision of late fee has been levied to the extent of Rs 200/- (i.e. Rs 100/- CGST and Rs 100/- SGST) per day to the maximum extent of Rs 5000/.



9. TDS certificate has to be made available to the supplier / labour mates / contractors / amani mates electronically in GST portal within five days.
10. In addition to the above, the DDOs shall also ensure that such labour mates / contractors / amani mates to whom the payments are made remit the GST into Government account and produce the deposit receipt.
11. A copy of the Bill Form making payments must be provided to such labour mates / contractors / amani mates to whom the payments are made, so that they could be in a position to file their GSTR-1 returns.
12. In addition to the items already mentioned in the existing Bill Form, the following information must be recorded as exemplified below:

Bill Form					
Name of the Contractor:			J&K State Forest Corporation		
GSTIN of Contractor:			GSTIN : 01AAALJ1355M1ZB		
Bill No :			Dated :DD/MM/YYYY		
#	SAC Code	Particulars	Sanctioned Rate (₹)	Quantity (cft)	Amount (₹)
1.	998519	Felling+, Hand sawing / conversion, ORT and Road Transportation upto sale depots.	100.00	1.00	100.00
2.		Add GST			
		CGST @ 9% on S. No 1			9.00
		SGST @ 9% on S. No 1			9.00
3.		Total			118.00
4.		Less GST TDS			
		CGST@ 1% on S. No 1			1.00
		SGST@ 1% on S. No 1			1.00
5.		Total			116.00
6.		Less Labour Welfare Fund @ 2% on S. No 1			2.00
7.		Less Income Tax @ 1% on S No 1			1.00
8.		Net Amount to be payable			113.00

13. It is mandatory for the DDO concerned to reflect the above expenditure in their monthly GSTR-2 for purchases on the enclosed format, alongwith other inward supplies (purchases / services in the shape of Lawyers fee etc) mentioning bill wise, the payment made so that the said expenditure could be incorporated in monthly GSTR-3B return filed by the Head Office.
14. The GSTR-1 and GSTR-2 of the respective DDOs should reach the SFC head office by 5th of every proceeding month. Non-filing of GST returns on time results

- in financial loss to the Corporation and the DDOs concerned shall be held accountable for any delay in furnishing of GSTR-1 and GSTR-2.
15. Further, where outward supplies i.e. sale (sale of timber, firewood, standing marked trees) are made, whether at exempted, zero percent or higher GST rates, the same has to be reflected in the monthly GSTR-1 for sales on the enclosed format.
 16. The DDOs shall regulate all the payments to contractors through a register (format enclosed) so that the same could be matched and reconciled with the tax returns accordingly. Similar register shall be maintained for purchases (inward supplies) on the enclosed format.
 17. All returns shall be in the prescribed format on excel sheet which may be mailed to Mr. Rajesh Goswami (JAO) on goswamirajesh278@gmail.com . Hard copies of returns should be deposited with FA/CAO by 5th of every month. Returns through social media platforms shall not be considered for further processing.
 18. Payment to unregistered persons is covered under Reverse charge mechanism. Therefore, liability to pay GST on such payments is of J&K SFC. Monthly returns in respect of such payments shall be made on the format enclosed.
 19. All receipts/payments (Outward/ Inward supplies) are covered under GST. Therefore, all DDOs are advised to go through contents related to GST on relevant websites of the State Government and the Central Government, viz.:

<https://jkgst.in>

<https://support.jkgst.in/>

<http://jakfinance.nic.in/gstsro.html>

<https://www.gst.gov.in/>

<http://www.cbic.gov.in/>

**Sd/-
Managing Director**

Copy for information to the:-

1. All Chief General Manager, J&K State Forest Corporation.
2. All General Manager, J&K State Forest Corporation.
3. Personnel Officer, J&K State Forest Corporation.
4. Dy Financial Advisors, J&K State Forest Corporation.
5. Divisional Manager Audit-1st and 2nd J&K State Forest Corporation.


**Financial Advisor & CAO
J&K State Forest Corporation**