



UNIVERSITY OF KASHMIR

NAAC ACCREDITED GRADE "A"

Subject: - Deduction of Tax at Source on GST bills in respect of works contract & nt supplies under the new GST regime with effect from 01/10/2018.


CIRCULAR

As per notification number 50 and 51 dated 13.09.2018, of Central Tax, the Government of India has made it mandatory for Deduction of Tax at Source(TDS) and Collection of Tax at Source(TCS) as per Section 51(1) and Section 52 of the CGST Act, 2017, w.e.f. 1st October 2018. As per Section 51(1) of the CGST Act 2017, tax has to be deducted on the supply of both Goods and Services as TDS on GST.

The TDS @2% (1% each for CGST and SGST or 2% for IGST only) has to be deducted on payment for the supply of goods and services. Furthermore, as per section 51(1) of the CGST Act 2017, TDS is to be deducted on payment for the supply of goods and services, if it exceeds the threshold limit of Rs.2,50,000 excluding GST amount. This means if the contract value excluding GST does not exceed the threshold limit of Rs.2.50 Lakhs, no TDS is to be deducted. Thus individual supplies/Bills may be less than 250000/-, but if total contract value is more than 250000/- TDS will have to be deducted.

Balance Sheet/Tax Cell ²⁰¹⁸
No:- F (BS-TDS)Rec/KU/2018

Dated: - 29-09-2018


Assistant Registrar(Tax Cell)


29/09

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