

Ref-March/GST/05

Date: 27/03/2019

To,
GST Cell
Office of PFA, HQ
G.M. Building
West Central Railway
Jabalpur (MP)

Subject: GST TDS on supplies made by Composition Tax Payer

Sir,

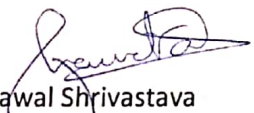
- As per Section 10 of CGST Act, 2017, a supplier registered under a composition scheme shall not be eligible for making any inter-State outward supplies of goods.
- Further as per Section 51 of CGST Act, 2017, GST TDS shall be deducted at the rate of 2% of the of the payment made or credited to the supplier towards supply of taxable goods or services or both, where the total value of such supply, under a contract, exceeds Rs.2,50,000/-.
- As per Section 31 of CGST Act, 2017, a registered person paying tax under the provisions of section 10, i.e composition scheme shall issue a bill of supply for the supplies made by such person.

It may be noted that a composition tax payer is not eligible to make inter-state supplies of goods , therefore while receiving supplies from a composite tax payer it shall be confirmed that it is not an inter-state supply.

Further GST TDS need to be deducted from the payments made to composition tax payer against the supply of taxable goods or services as per the provisions of section 51 of CGST Act, 2017.

For , Rahul & Co.

Chartered Accountants


Dhawal Shrivastava
(Authorized Signatory)