



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿತ

KARNATAKA STATE FINANCIAL CORPORATION

Established under the State Financial Corporations' Act, 1951

भारतीय मानक ब्यूरो IS / ISO 9001 : 2008



ಸಂಖ್ಯೆ : ಕ.ರಾ.ಹ.ಸಂ./ಪ್ರ.ಕ./

Ref. No. KSFC/H.O./ DGM[C]/

/2017-18/1-4756

ದಿನಾಂಕ :

Date : 20-11-2017

INTER OFFICE NOTE

Sub : Modification in Goods and Service Tax (GST) Act.

**Ref : Inter Office Note no ED-11/DGM(C)/C-2655/2017-18
dated 25-07-2017.**

In accordance with the above referred Inter Office Note, purchasing/obtaining of any service from unregistered person/concern without having GSTIN numbers for services like payment of rent, printing & stationery, repairs & maintenance of building/vehicle/equipment/others, misc. coffee expenses for visitors & misc. lunch expenses, attracts 100% reverse charge. The GST Committee has amended this clause and the applicability of reverse charge in case of payment to unregistered suppliers has been deferred till 31st March 2018. Therefore for reverse charge is not applicable in case of any payment to unregistered suppliers till 31st March 2018.

However, reverse charge is applicable (registered or unregistered) in case of any payment in following cases.

Sl. No.	Particulars	Percentage of Reverse charge	Rate of GST
01.	Recovery Agent Service	100	18%
02	Legal Service (Advocate)	100	18%
03	Insurance Agents service	100	18%
04	Directors Service	100	18%
05	Guarantee Commission	100	18%
06	Sponsorship Fee	100	18%

Further, following observations are made during remittance of GST amount:

1. It is advised to transfer the GST balances to respective GL codes maintained at Head Office on 1st working day of following month in order to maintain uniformity & reconciliation of GST amount. However, some branches are

ಪ್ರಧಾನ ಕಛೇರಿ : ಕೆ.ಎಸ್.ಎಫ್.ಸಿ. ಭವನ, ನಂ. 1/1, ತಿಮ್ಮಯ್ಯ ರಸ್ತೆ, ಕಂಟೋನ್ಮೆಂಟ್ ರೈಲ್ವೆ ನಿಲ್ದಾಣದ ಹತ್ತಿರ, ಬೆಂಗಳೂರು-560 052

ದೂರವಾಣಿ ಸಂಖ್ಯೆ ಸಾಮಾನ್ಯ : 22263322 ಫ್ಯಾಕ್ಸ್ : 080-22250126 ಇ-ಮೇಲ್ : info@ksfc.in ವೆಬ್ : www.ksfc.in
HEAD OFFICE : KSFC Bhavan, No. 1/1, Thimmaiah Road, Near Cantonment Railway Station, Bengaluru-560 052.
Telephone : Gen : 22263322, Fax : 080-22250126, e-mail : info@ksfc.in Website : www.ksfc.in

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transferring the balance on last working day of the month or after first working day of following month. Hence, it is advised to transfer the amount to Head Office without fail only on 1st working day of following month.

2. In some of the cases the GSTIN number, correct invoice number, date of invoice, Tax amount & other information's of the service receiver/service provider are not entered in the system. These details are very important for claiming input credit. Therefore, for branches are advised to enter correct data.
3. The Corporation receives service charges inclusive of GST on recovery of soft seed capital. In such cases GST amount is to be determined as under:-

Suppose Corporation receives Rs.1000/- towards service charges on recovery of soft seed capital and amount includes 18% GST(CGST 9% & SGST 9%). The calculation of service charge and GST are as mentioned below:

$$\begin{aligned} \text{GST Amount} &= \frac{1000}{118} \times 18 \\ &= \text{Rs. } 153 \end{aligned}$$

$$\begin{aligned} \text{Service Charge} &= \text{Rs. } 847 \\ &(\text{Rs. } 1000 \text{ less Rs. } 153) \end{aligned}$$

The contents of this ION shall be brought to the notice of all the concerned in your Branch.


DY. GEN. MANAGER (C)

All the DGMs /AGMs/BMs of Branch Offices
All the DGMs / AGMs of Audit Cells
Library

The General Managers } for Kind infn.
The Executive Directors } for Kind infn.