

Composition, TDS and TCS Returns in GST

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Agenda Points



**Return for Composition Dealer –
GSTR 4**

Return for TCS – GSTR 8

Return for TDS – GSTR 7 and 7A

Queries and discussion

GSTR 4

Return for Composition Dealer



What is Form GSTR-4 (Annual Return)?

Form GSTR-4 (Annual Return) is a yearly return to be filed once, for each financial year, by taxpayers who have opted for composition scheme during the financial year, for were in Composition scheme for any period during the said financial year, from 1st April, 2019 onwards. Such taxpayers are required to furnish details regarding summary of outward supplies, Inward supplies, import of services and supplies attracting reverse charge in this form.

Who needs to file Form GSTR-4 (Annual Return)?

All registered taxpayers who have opted for composition scheme under GST, for any period during the financial year, need to file Form GSTR-4 (Annual Return). This will include a taxpayer -
who have opted for composition scheme since registration and have never opted out subsequently;
and
who have opted in for composition scheme before starting of the financial year; and
who have opted in for composition but subsequently opted out any time during the year.

Is it mandatory to file Form GSTR-4 (Annual Return)?

Yes, it's mandatory for all composition taxpayers to file Form GSTR-4 (Annual Return).

By when do I need to file Form GSTR-4 (Annual Return)?

Form GSTR-4 (Annual Return) is to be filed on yearly basis. The due date for filing Form GSTR-4 is 30th of the month succeeding the financial year or as extended by Government from time to time.

I got my registration cancelled during the financial year. Am I required to file Form GSTR-4?

Yes, Form GSTR-4 (Annual Return) is required to be filed if you were a composition taxpayer during any part of the financial year even if you have got your registration cancelled during the said financial year.

I opted out of composition scheme in the financial year. Do I need to file Form GSTR-4?

Yes, you need to file Form GSTR-4 (Annual Return) even if you may have opted out from the composition scheme. Your Form GSTR-4 return should include the details for the period during which you remained under the composition scheme.

Form GSTR-4 (Annual Return) comprises of which tables?

Form GSTR-4 (Annual Return) comprises of following tables:

- 4A. Inward supplies from registered supplier (other than reverse charge)
- 4B. Inward supplies from registered supplier (reverse charge)
- 4C. Inward supplies from unregistered supplier
- 4D. Import of Service
- 5. Summary of CMP-08: To view auto-drafted details provided in filed Form CMP-08 for the financial year. These details are non-editable.
- 6. Tax rate wise inward and outward supplies (Row 12 to 16)
- 7. TDS/TCS credit received: To view details related to TDS/TCS credit received. These details are non-editable.

Note: The entries in table 4 (4A, 4B, 4C & 4D) will be net of credit/debit notes and advances.

GSTR 4 – Know the Return

GSTR 4 – Return by Composition Dealer

What details are entered in Table 3(a)?

The taxpayer need to enter previous year's Aggregate turnover.

Note:

You will not be able to proceed further without entering aggregate turnover of previous financial year. In case, you were registered during the current FY or had nil aggregate turnover, please enter '0' (Zero) here.

On saving aggregate turnover details, other buttons on this screen will get enabled.

Is there any late fee in case of delayed filing of Form GSTR-4 (Annual Return)?

Yes, there is a late fee for filing of Form GSTR-4 (Annual Return) beyond the due date.

Can I file Form GSTR-4 (Annual Return) return without paying late fee (if applicable)?

No. You can't file Form GSTR-4 (Annual Return) without payment of late fee for Form GSTR-4 (Annual Return), if same is filed after the specified date.

Note: You can't file Nil Form GSTR-4 (Annual Return) without payment of late fee, if same is filed after the specified date.

When will "FILE GSTR-4" button gets enabled?

File button gets enabled only if you have-

No 'Additional cash which is required' to be paid for liabilities, if any.

Clicked on declaration box and have selected authorized signatory details from the drop-down list.

GSTR 8

Return for Tax Collected at Source (TCS)



Introduction

Selling through e-commerce can include:

- Retailing – e.g. Bata, Zara, Patanjali
- Marketplace – e.g. Amazon, Flipkart, Snapdeal
- Aggregators – e.g. uber, Ola, Goibibo, Oyo
- Group buying – e.g. Little, Nearbuy
- Digital downloads – e.g. iTunes
- Training – e.g. Coursera, SimpliLearn, EdX
- Auction commerce – e.g. eBay



Definitions – Section 2 of CGST Act, 2017

Electronic
Commerce
- 2 (44)

Electronic commerce means supply of goods and/or services including digital products over digital or electronic network

Electronic
commerce
operator - 2 (44)

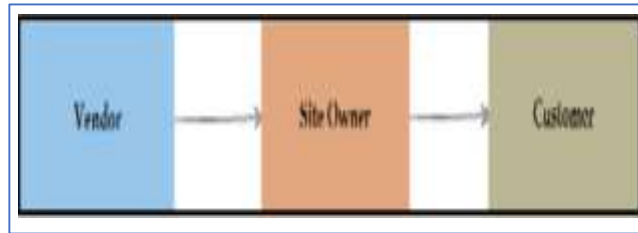
Electronic commerce operator means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce

Aggregator

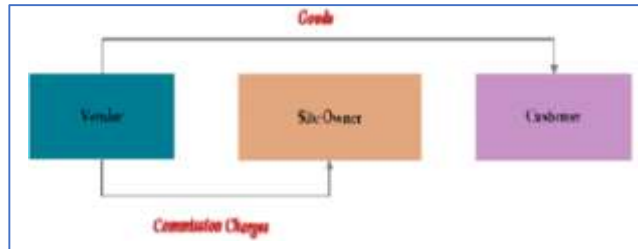
means a person, who owns and manages an electronic platform, and by means of the application and a communication device, enables a potential customer to connect with the persons providing service of a particular kind under the brand name or trade name of the said aggregator.

Various Models of E-Commerce

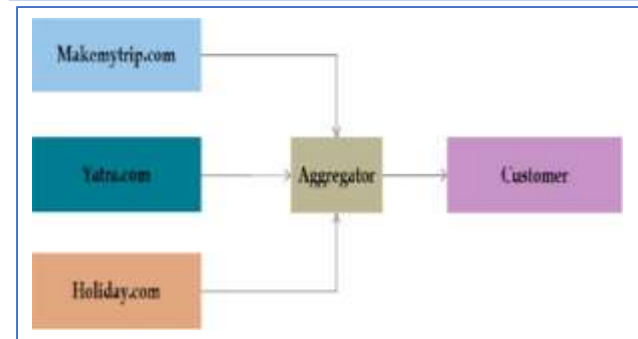
Principal 2 Principal (P2P)



Principal 2 Agents (P2A)



Aggregator



What is Form GSTR-8?

Form GSTR-8 is a Statement of TCS (Tax Collected at Source) to be filed by E Commerce Operators. Form GSTR-8 contains the details of taxable supplies and the amount of consideration collected by such operator pertaining to the supplies made by other suppliers through such e commerce operator and amount of TCS collected on such supplies.

Who needs to file Form GSTR-8?

Form GSTR-8 is to be filed by every E-commerce Operator who are registered under GST laws and required to collect TCS on outward supplies of goods and/ or services effected through the e-commerce Portal / platform (maintained by the e-commerce operator) made by taxable persons registered with it.

Is it mandatory to file Form GSTR-8?

Filing of Form GSTR-8 for every tax period is ***not mandatory***.

E-commerce operator is required to file Form GSTR-8 for a particular tax period, when goods are supplied through such operator and they have collected any TCS amount during the said tax period or they have to amend any details declared in earlier return on their own or on account of any details rejected by supplier which is auto-populated in Table 4 of the said return in that tax period.

By when do I need to file the Form GSTR-8 and is there any late fee for late filing?

The due date for filing Form GSTR-8 for a particular tax period is ***10th day of the succeeding month***. Currently there is no late fee for filing of Form GSTR-8 beyond the due date.

However, interest will be charged in case of delay in discharging of TCS liability beyond the due date.

Do I need to file Form GSTR-8 even if no TCS liability is there in the tax period?

If E-commerce operator do not have any TCS liability in any particular tax period and also there is no transaction that has been auto-populated in table 4 of GSTR-8 of that particular tax period due to rejection of TCS details by the supplier in TDS/TCS credit received table, filing of Form GSTR-8 will not be mandatory for the said tax period.

Otherwise, it is mandatory to file Form GSTR-8 for a particular tax period in which TCS has been collected or details are auto populated in table 4.

Explain the contents of Form GSTR-8

Form GSTR-8 comprises of following tables:

1. Table 3: Details of Supplies attracting TCS
2. Table 4: Amendment to details of supplies attracting TCS in respect of earlier statement
3. Table 5: Details of Interest on late payment of TCS amount (Auto calculated on GST Portal)
4. Table 6&7: Payment of Tax

I am not able to amend TCS details in Table 4 of Form GSTR-8. Why?

Amendment of TCS details in Table 4 of Form GSTR-8 cannot be made when the TCS details have already been accepted by counter party, or the TCS details has already been amended once.

When can I amend TCS details in Table 4 of Form GSTR-8?

Amendment of TCS details in Table 4 is allowed **only once** in case original TCS details has not been accepted by the supplier in TDS/TCS credit table or the same has been rejected by the supplier.

After amendment, it will go back to the supplier.

Once the TCS details have been accepted by the supplier, then no amendment of the same is allowed at E-commerce Operator's end.

Do I need to file Form GSTR-8 for tax period, in which there are only rejected documents in table 4?

No, it is not necessary to file Form GSTR-8 for the tax period in which there are only rejected documents in table 4 and there is no TCS liability.

The E-commerce operator can file the statement for the tax period in which there is TCS liability and can amend the rejected documents of earlier statements in the said tax period itself.

For Example: Let us assume that E-commerce operator doesn't have any TCS liability for the month of Apr 20, but there is a record rejected by the supplier. In such scenario, it is not necessary for that E-commerce operator to file Form GSTR-8 for April 2020.

In case E-commerce operator has TCS liability for the month of May 20, then in that tax period he can take action on such rejected documents, in the month of May, 20 and file Form GSTR-8 for May 20.

Is there any limit on the number of times, details can be amended in Form GSTR-8?

In the table 4 (i.e. amendment table) of Form GSTR-8, there is no restriction in the limit on the number of times, details can be amended.

TCS liability will be calculated in following manner on amendment of records:

- In case details in Form GSTR-8 are amended for first time: $\text{TCS liability} = \text{Last amended value} - \text{Original value}$.
- In case details in Form GSTR-8 are amended for second time: $\text{TCS liability} = \text{Last amended value} - \text{Previous amended value}$.

Can I enter the GSTIN of composition taxpayers in Table 4 of Form GSTR-8?

Yes, you can enter the GSTIN of Composition taxpayers in Table 4 of Form GSTR-8, if the same was reported in table 3 in any earlier tax period.

How can I discharge my TCS liability?

TCS liability can be discharged through Electronic Cash Ledger only.

How can I offset my liabilities?

You can offset the liabilities by clicking **Payment of Tax** tile.

If available cash balance in Electronic Cash Ledger is less than the amount required to offset the liabilities, then additional amount of cash payment will be required.

You may create challan for that additional amount of cash required directly by clicking on the **CREATE CHALLAN** button at the bottom of page.

If available cash balance in Electronic Cash Ledger is more than/equal to the amount required to offset the liabilities, no additional cash payment is required for offsetting liability.

Can I preview Form GSTR-8 before filing?

Yes, you can view/download the preview of Form GSTR-8 by clicking on '**PREVIEW DRAFT GSTR 8**' before filing on the GST Portal.

GSTR 7 & 7A

Return for Tax Deducted at Source (TDS)



What is Form GSTR-7?

Form GSTR-7 is a return which is to be filed by the persons who deduct tax at the time of making/crediting payment to suppliers towards inward supplies received. Tax deductor has legal obligation:

- To declare his TDS liability for a given period (monthly) in Form GSTR-7;
- Furnish details of the TDS deducted under three major heads viz., Central tax, State/UT tax and Integrated tax in accordance with that return;
- File correct and complete return within stipulated time frame, given the fact that the TDS credit will be available to the counter party taxpayer (supplier) upon filing of TDS return in Form GSTR-7 by the Deductor (i.e., person liable to deduct TDS); and Issue TDS certificate to the deductee.

Who needs to file Form GSTR-7?

As per section 51, following persons/entities/establishments are required to deduct TDS.

1. a department or establishment of the Central Government or State Government;
2. local authority;
3. Governmental agencies; and
4. such persons or category of persons as may be notified by the Government on the recommendations of the Council.

By when do I need to file the Form GSTR-7?

The due date for filing Form GSTR-7 is 10th day of the succeeding month.

From where can I as Deductor file Form GSTR-7?

Form GSTR-7 can be accessed on the GST Portal, post login in the Returns Dashboard by the taxpayer. The path is **Services > Returns > Returns Dashboard**.

What are the pre-conditions for filing Form GSTR-7?

Pre-conditions for filing of Form GSTR-7 are:

- Tax Deductor should be registered as Tax Deductor and should have a valid/active GSTIN.
- Tax Deductor should have valid User ID and password.
- Tax Deductor should have active & non-expired/ revoked digital signature (DSC) in case return is filed through DSC.
- Tax Deductor has made payment or credited the amount to the supplier's account.

Do I need to file Form GSTR-7 even if no TDS is deducted in the tax period?

It is not mandatory to file nil return, in such case.

How can I discharge my TDS liability?

TDS liability can be discharged through Electronic Cash Ledger only at the time of filing return.

Can the deductee take action on the TDS credit declared by me?

The deductee can accept/ reject the TDS details auto-populated to TDS and TCS Credit received table of his/her return. Taking action by deductee is mandatory for crediting the amount of TDS to cash ledger.

When TDS amount will be credited to deductee's Electronic Cash Ledger?

TDS amount will be credited to deductee's Electronic Cash Ledger only after his/ her accepting of TDS and TCS credit received (which is auto populated on filing of returns by the deductor) and filing of this relevant form.

What will happen if the TDS credit entry is rejected by the deductee?

TDS credit entries rejected by the deductee will be auto-populated into Table 4 of Form GSTR-7 and the relevant details will be required to be amended by the deductor in Form GSTR-7 of next tax period. Post correction of such details in Form GSTR-7, the data will automatically flow to concerned GSTIN (supplier) for accepting or rejecting it.

This process will be repeated until TDS details are accepted by counter-party.

Note: *If details are auto populated in table 4 under 'rejected by deductee' tab interest will be levied on differential amount, if TDS amount is increased*

I made no deductions during the tax period, however there is a rejected record in that tax period, do I need to file the return?

No, it is not necessary to file return for a tax period in which you have not made any deductions, even if there are rejected records in that month. The record will be auto-drafted in the subsequent tax period for which you intend to file the return, wherein you would be able to amend the rejected records in Table-4 of Form GSTR-7.

For example: Let us assume that the deductor doesn't have any TDS deductions for the month of April, 2020, but there is a rejected record in that tax period. In such case, it is not necessary to file Form GSTR-7 for April, 2020 by the deductor.

In case the deductor has tax liability for the month of May, 2020, then in that tax period, the deductor can take action on such rejected records and file Form GSTR-7 for May 2020.

Is there any late fee or interest levied on filing of GSTR-7 return beyond the due date?

Yes, late fee and interest are charged on filing of Form GSTR-7 beyond the due date. However, Form GSTR-7 need not be filed, if you have not deducted tax at source in a particular tax period.

For example: Let us assume that the deductor doesn't have any TDS deductions for the month of April, 2020, in such case it is not necessary to file Form GSTR-7 for April 2020.

How can I offset my liabilities?

You can offset the liabilities by clicking the table **5&6. Payment of Tax** tiles.

If available cash balance in Electronic Cash Ledger is less than the amount required to offset the liabilities, then additional amount of cash payment will be required. You may create challan for that additional amount of cash required directly by clicking on the **CREATE CHALLAN** button at the bottom of page.

If available cash balance in Electronic Cash Ledger is more than/equal to the amount required to offset the liabilities, no additional cash is required for offsetting liability.

Can I preview the Form GSTR-7 before filing?

Yes, you can see the preview of Form GSTR-7 by clicking on 'Preview Draft GSTR 7' before filing on the GST Portal.

What is Form GSTR-7A?

Form GSTR-7A is a system generated TDS Certificate which is generated once deductor furnishes a return in Form GSTR-7 on the GST Portal and the deductee accepts the details uploaded by deductor and files his return. This TDS Certificate will be available for both Deductor and Deductee.

How can I download the TDS certificate?

To download the TDS certificate, access the www.gst.gov.in URL. Login to the GST Portal with valid credentials. Navigate to **Services > User Services > View/Download Certificates** option.

I have more than one certificate available for download under GSTR-7A certificates. Do I need to download them individually?

Yes, you need to download them individually for each GSTIN.

What is TDS Certificate?

A TDS certificate is a certificate generated in Form GSTR-7A on the basis of information furnished in return by Deductor in his Form GSTR-7.

How many TDS Certificates are issued per GSTIN?

A single TDS certificate is issued per GSTIN for all the supplies, on which tax has been deducted for every GSTR-7 return filed.

Is the signature of Tax Deductor required in TDS Certificate?

Form GSTR-7A is system generated TDS certificate and signature of Tax Deductor is not required.

What are the pre-conditions for generation of TDS certificate in Form GSTR-7A?

Precondition for generation of TDS certificate is that deductor furnishes a return in Form GSTR-7 on the GST Portal and the deductee accepts the details uploaded by deductor and files his return.

Do I as a taxpayer have to file Form GSTR-7A?

No, you don't have to file Form GSTR-7A.

Can I as a taxpayer (Deductor or Deductee) download and keep a copy of my TDS Certificate for future reference?

Yes, you can view and/or download TDS Certificate in post-login mode on the GST portal.