

TDS and TCS (Theory & Returns in GST)

Youtube Channel - GST with TaxMarvel

**CCGST Course
Online Session**

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Agenda Points



Return for TCS – GSTR 8

Return for TDS – GSTR 7 and 7A

Queries and discussion

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)

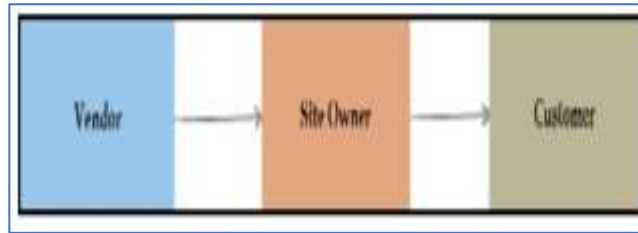
Electronic commerce operator means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce

Aggregator

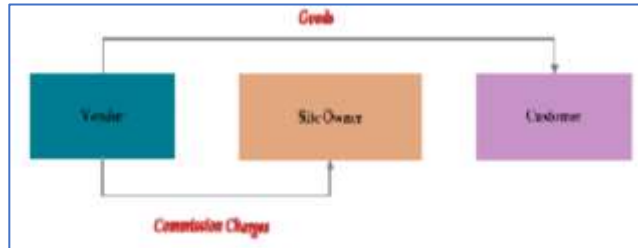
means a person, who owns and manages an electronic platform, and by means of the application and a communication device, enables a potential customer to connect with the persons providing service of a particular kind under the brand name or trade name of the said aggregator.

Various Models of E-Commerce

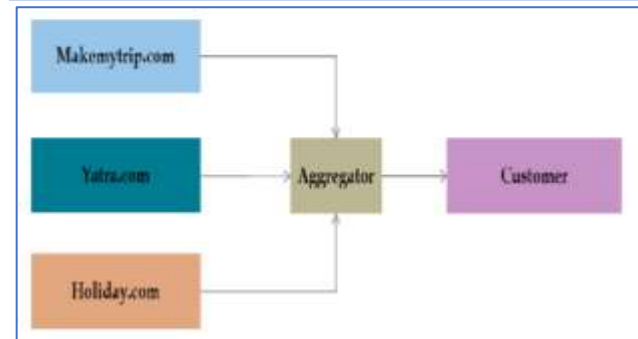
**Principal 2
Principal
(P2P)**



**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.

Questions Please

Our Services



Whole array of GST Services



Compliance Services

Unique offering of outsourced GST return filing solution



Health Check

Offering comprehensive check of compliance level of the entity vis-à-vis GST laws amended time to time



Refund Assistance

We file and assist in claiming refunds under GST (Exports/SEZ/ Inverted Duty/Wrong payment)



GST Annual Return

We compile, prepare and file Annual Return under GST Laws



Advisory, Training and Consulting

We offer Advisory, compliance and also offer wide range of training options



Input Tax Management

We assist in Input Credit Management so that you don't miss on eligible credits



Litigation Support

We support in drafting replies to notices, appear before forums and obtain Advance Rulings



GST Audit Report

We compile, prepare and assist in filing Audit Report under GST Laws



We have the experience and expertise!

Since we have handled GST from its close quarters and catered to all industry segments, we understand GST better. We have right blend of experience in Industry, consulting and technology with professional expertise to cater to your diverse needs.

We have also handled compliance and advisory for largest industry player and hence we feel we have wherewithal to handle complex tax positions

We have represented in various forums and Advance Ruling Authority

We have conducted health checks for various industries major being Paper Industry, FMCG, Pharma, Auto Component, Auto Ancillary, IT & ITES, Banks, NBFC, Transportation, etc. sectors.

We understand technology and have techno functional expertise to develop processes and build SOPs around your existing accounting and tax functions

We are easily accessible and can deploy resources very fast.



Why TaxMarvel

We are the best in Industry!

About us



Our Presence



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Nagpur**



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- ❖ Our Mission is to make available GST solution with utmost care and client satisfaction

- ❖ We adopt client first approach

- ❖ TaxMarvel is a Consulting firm focussed on providing GST services to small and medium enterprises. We make GST easy for businesses by bringing in technology and subject matter expertise.

- ❖ TaxMarvel is founded by Chartered Accountants, Company Secretaries and Management Graduates who have extensive industry expertise.

- ❖ The founders have experience in Big4 consulting firm at a managerial level and has also headed a leading GST Suvidha Provider (GSP).

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Thank you

Thanks for your Patience and Time

