ICSI - GST

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IN PURSUIT OF PROFESSIONAL EXCELLENCE

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INSIDE THE ISSUE

Disclaimer: Although due care and diligence have been taken in preparation of this Newsletter, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this Newsletter. Any one wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

MESSAGE FROM PRESIDENT

'GST is economic integration of India just like what Sardar Vallabhbhai Patel had done decades back to integrate the country':

Shri Narendra Modi

Dear Professional Colleagues,

India is marching towards the progress with the lightning speed. This progression concerning the holistic welfare of the country is backed by various reforms including GST as one of the biggest tax reforms in India since the independence. GST as a single indirect tax is aimed at making the country a unified common market. The unified tax which supports the growth of Indian economy is also set to pave the way for a common national market, thereby making Indian commodities and services increasingly competitive in both local as well as global markets.

India indicated the implementation of GST post a number of countries around the globe have already implemented GST. For instance, Australia saw the introduction of the tax in 2000, replacing the Federal Wholesale Tax. Canada witnessed the replacement of the Manufacturer's Sales Tax with GST in 1991. New Zealand saw the implementation of the reform in 1986, while Singapore did so in 1994. GST in Malaysia was introduced in 2015, and India has opted on the bandwagon to provide benefits to the consumers, the industry, and the government.

This confirms that GST is promoting the new governance culture not only in India, but throughout the globe.

In last one year, where the working of GST Council has ushered in a New Phase of Cooperative Federalism, making the Central and the State Governments work together to take collective decisions on all issues relating to Indirect Tax regime of the country, the Institute of Company Secretaries of India stands tall in subsuming its support in reflecting the collective wisdom of the GST Council and assisting in the effective implementation of 294 Notifications issued by the Central Government under various stages of successful GST implementation in the country.

Taking forward our upkeep towards GST, recently the celebration of 50th Foundation Day of the Institute on October 4, 2018 has also venerated the release of 'Handbook on GST Compliances' and 'GST Educational Series' focused on assisting the readers to comply various provisions of GST laws and in staying tuned with the latest developments and changes taking place in GST regime.

In furtherance to our efforts towards building the capacities in the broad contours as well as the nitty gritty of the new GST regime in a harmonious and collaborative spirit, we are pleased to release the November issue of the ICSI-GST Newsletter, a monthly newsletter dedicated to the Goods & Services Tax (GST), this month with a special focus on TDS & TCS provisions.

Further, I would like to take this opportunity to wish our readers a happy, prosperous, joyful, & safe Diwali.

Looking forward for your treasured feedback!

CS Makarand Lele,
President ICSI

GST Publications

On the occasion of 50th Foundation Day on 4th October, 2018, ICSI released "Handbook on GST Compliances" and a compilation of "GST Educational Series (Issue 201 – 300)" at Mumbai.

FAQs on TDS

TDS in GST	
1	**As a DDO I am deducting TDS from salary and also while making payment of other bills under Income Tax Act. Then why should I need to deduct TDS again?**
	TDS under Income Tax is different from TDS under GST. There was a provision of TDS under VAT Act also. TDS under the GST Law is different from the above. Deductions of tax under the GST Laws is required to be made wherever applicable while making payments to the suppliers/ vendors of goods or services or both under GST for taxable supply of goods or services or both.
Persons liable to deduct TDS under GST Laws	
2	**Who are liable to deduct TDS?**
	All the DDOs of the (a) a department or establishment of the Central Government or State Government; (b) local authority; (c) Governmental agencies; (d) an authority or a board or any other body, -(i) set up by an Act of Parliament or a State Legislature; or (ii) established by any Government, with fifty-one percent or more participation by way of equity or control, to carry out any function; (e) a society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860); (f) public sector undertakings.
3	**Describe the responsibilities of DDO in TDS under GST to get his/her office registered under GST?**
	A. To know the GSTIN of his office B. To be aware of the contract value C. To know when to deduct TDS under GST D. To know the nature of TDS (IGST or CGST & SGST/UTGST) to be deducted & the rate of tax E. To know the GSTIN of his/her vendors/suppliers F. To deduct TDS while making/crediting payment G. To generate CPIN while depositing the deducted tax H. To pay the deducted amount of TDS to the appropriate Govt. A/c I. To submit GSTR-7(Return) J. To generate GSTR-7A (TDS certificate for suppliers)
Registration requirement for TDS deductors & Procedure of Registration	
4	**Does every Government office require to be registered under GST laws?**

Source: www.cbic.gov.in

	Yes, every Government office shall get itself mandatorily registered under GST. Here the role of DDO is very important as he is responsible for deducting tax while making/crediting payment under GST in applicable cases and, unless & until the process of registration is completed, the DDO will not be able to deduct any tax.
5	**I am a DDO of a small Government Office. My office has not entered into any contract with any vendor whose taxable value of supply is more than Rs 2.5 Lakh in the recent past. Do I have to take GST registration for my office?**
	No. You are liable to register only when you make a payment on which tax is required to be deducted.
6	**Do I have to pay any Fees for obtaining a GST registration?**
	No fee is required to be paid for obtaining a GST Registration on the common portal.
7	**Is there any printed form for registration which I require to fill up?**
	No. The process of getting registration under GST is a fully online process. Registration should be done in the common portal **www.gst.gov.in.** There is no need to submit any hardcopy of any form or any document for Registration.
8	**Is there any need to upload any document to complete the registration process?**
	Yes, (i) a proof of address of the concerned office & (ii) a scanned photo of concerned DDO is required to be uploaded. A valid TAN is also needed.
9	**What types of documents are needed to be uploaded for address proof?**
	Scanned copy of either of the following will have to be uploaded: valid electricity bill or Municipality khata copy or property tax receipt or any legal ownership documents etc.
10	**To submit my registration application do I always need a DSC?**
	One can use Electronic Verification Code for submission of the registration form in the common portal apart from DSC.
11	**How do I know that I have submitted the application form correctly? What is an ARN?**
	A pop-up message will appear that the form has been successfully submitted & an Acknowledgement Reference Number (ARN) will be sent to the registered mobile no & registered email address of the applicant after successful submission of Registration Application (FORM GST REG-07) online.
12	**Is this ARN called the GST registration No?**
	No. This ARN is generated only for a temporary period. Once FORM GST REG-07 is processed by the proper officer, the 15-digit GSTIN of the Tax Deductor will be generated. This GSTIN is the GST Registration No. of the applicant office.
13	**How do I know that GSTIN has been generated for my office or not?**
	Information will be given to the DDO in his registered email id as well as registered mobile no.
14	**After getting GSTIN what should I do?**
	DDO should update his DDO master details with the GSTIN in their respective DDO login in E-bill module of PFMS.

15	**As a DDO, I have to enter some personal information to get TDS registration. What will happen if I get transferred? Will I still be responsible for any lapse committed by the DDO who succeeds me?**
	It is true that the DDO is personally liable for any lapses regarding TDS deduction. But at the same time, the personal details of the DDO as entered in the Registration Form can always be amended; it is suggested that, the new DDO upon assuming of office should immediately amend such details. However the GSTIN of the deductor will remain unaltered.
16	**If the new DDO does not amend the details of his predecessor in office whether the ex-DDO would be liable for any lapse done by this new DDO?**
	No, the ex-DDO will not be liable for any lapse by his successor in office. A DDO is required to perform any responsibility in respect of TDS in GST either through a valid DSC (which is person specific) or through an EVC which would be sent to the registered mobile no as well as registered email id of the DDO only.
Situations when tax is required to be deducted in GST	
17	**Is there any threshold exceeding which tax is required to be deducted?**
	Yes. Tax is required to be deducted from the payment made/credited to a supplier, if the **value of supply under a contract** in respect of supply of **taxable goods or services or both, exceeds Rs. 2,50,000/-** (Rupees two lakh and fifty thousand). This value shall exclude the taxes leviable under GST (i.e. 'Central tax', 'State tax', 'UT tax', 'Integrated tax' & 'Cess').
18	**Mr B, a DDO of ABC Office of the Government West Bengal needs to buy stationeries for his office from supplier Mr C. Should Mr B deduct tax under GST while making payment to Mr C?**
	Yes, Mr B is required to deduct tax while making / crediting payment to Mr C if **value of taxable supply under a contract** exceeds Rs 2.5 lakh.
Situations when Tax is not required to be deducted in GST	
19	**Is there any threshold up to which GST needs not to be deducted?**
	Yes, GST need not to be deducted where the value of taxable supply under a contract does not exceed Rs 2.5 lakh
20	**As a deductor am I supposed to deduct GST where the taxable value of the contract entered with supplier Mr A is Rs 2.5 Lakh?**
	No. As the total value of taxable supply under the contract does not exceed Rs 2.5 Lakh the deductor is not liable to deduct tax under GST.
21	**I have entered into a contract worth Rs. 10 lakh with a supplier XYZ prior to 01.10.2018. Now, I am making a payment of Rs.1.5 Lakh in respect of an invoice dated 25.10.2018 submitted by the supplier. Should I deduct tax while making payment of Rs.1.5 Lakh?**

	Yes. Tax is required to be deducted since the payment is being made after the effective date.
22	**I have entered into a contract worth Rs. 10 Lakh with a supplier XYZ prior to 01.10.2018. I have made a payment of Rs. 3 Lakhs to him prior to 01.10.2018. Now, I am making payment of the balance amount of Rs.7 Lakh after 01.10.2018. Should I deduct tax on Rs.10 Lakh?**
	No. Tax cannot be deducted for any payment made prior to 01.10.2018. So deduction will be made only in respect of Rs.7 Lakh.
23	**I enter into a contract with a supplier ABC where the value of taxable supply is Rs.2 Lakh and payment of Rs.1 Lakh has been made on 15.10.2018. Now, on 20.10.2018 the contract value is revised from Rs.2 Lakh to Rs.6 Lakh. Am I liable to deduct any tax and if so, on which amount?**
	Yes, TDS shall have to be deducted on entire amount i.e. Rs. 6 lakhs while making remaining payment of Rs.5 Lakh. In other words, 12,000/- would be deducted when remaining payment of Rs.5 Lakh is made.
24	**Mr A. Roy, a DDO has purchased goods during May, 2018. He could not make payment for such purchase due to shortage of allotment. He is expected to receive allotment only in October, 2018. Is he liable to deduct TDS while making payment in the month of October considering that the purchase was made before October?**
	The tax payer is required to adjust the TDS amount to his liability relating to such invoices in the month in which goods are supplied. Therefore, TDS cannot be made for the amount paid in October but goods or services supplied before 30.09.2018.
25	**When should I not deduct tax under GST?**
	No deduction is required in respect of payment against– • **all services which are exempted** as per principal notification No.12/2017 – Central Tax (Rate) as amended from time to time; • **all goods which are exempted** as per principal notification No.2/2017 – Central Tax (Rate) as amended from time to time; • When the goods and services are supplied prior to 30.09.2018 and payments are being made after 01.10.2018.
	Valuation for deduction of tax with illustrations
26	**Mr Z, a supplier in West Bengal has issued a Tax Invoice of Rs. 11,800/- for supply of goods/services or both worth Rs. 10,000/- and GST of Rs. 1,800/- to Mr A of ABC office in West Bengal. What is the value of payment on which Mr A should deduct TDS during making payment to Mr Z? Calculate the amount payable to Mr Z.**

	For purpose of deducting of TDS, the value of supply is to be taken as the amount excluding the tax indicated on the invoice. This means TDS shall not be deducted on the CGST, SGST or IGST component of invoice. In this case, TDS is to be deducted on Rs. 10,000/- and not on the full amount of Rs. 11,800/-. (Mr Z has issued a Tax Invoice of Rs. 11,800/- which comprises a GST component of Rs. 1,800/-. TDS in this case is to be deducted @ 2% (1% of CGST & 1% of SGST) on Rs. 10,000/-. Mr A will deduct Rs. 200/- which he will deposit in the proper Govt. A/c head. Mr A will pay Rs. 11600/- (11800/ - 200/-) = (i.e. Full Invoice Value – TDS amount) to Mr Z.)
	Nature of TDS & its Rate
27	**What is the different nature of supply & what is the rate of deduction?**

Nature of Supply	Name of TDS	Rate of Tax
Location of the Supplier & Place of supply is in the same State /UT without any legislature	CGST	**1%**
	SGST / UTGST	**1%**
Location of the Supplier & Place of supply are in the different States	IGST	**2%**

28	**If Supplier A of Maharashtra supplies goods to ABC office in West Bengal, then tax is required to be deducted under which Act?**
	The concerned DDO needs to deduct IGST @2%.
29	**Health Department of WB receives a taxable service from MNO company of WB. What would be the nature of TDS to be deducted here & what would be the rate of deduction?**
	The DDO of the Health Department is liable to deduct TDS (1% CGST+1% SGST) while making payment to MNO Company as in this case the supplier or the vendor & the DDOs office (the place of supply) both are in West Bengal.
	TDS Payment
30	**How can I discharge my TDS liability?**
	TDS liability can be discharged by debiting of Electronic Cash Ledger only at the time of filing return in FORM GSTR 7.
31	**Payment is made in respect of a single contract whose value of taxable supply is Rs.3.5 Lakh. Two bills amounting to Rs 1.5 lakh & Rs. 2 lakh respectively are passed for such payment. Since in respect of both the bills the amount paid does not exceed Rs. 2.5 lakh, I think that no tax is required to be deducted. Am I right?**

	No. Here the payments are being made against a single contract value of taxable supply exceeding Rs.2.5 Lakh. Here, the value of taxable supply in the contract is Rs. 3.5 lakh. So, the deductor should deduct TDS on each payment to the supplier in respect of the aforesaid contract.
32	**When will a DDO know that his liability for payment has been completed?**
	Electronic cash Ledger of the DDO will be credited when tax deducted at source is deposited in Government account. Payment of such liability (which is the tax deducted at source) shall have to be done by debiting of the electronic cash Ledger and such debit can be done while submitting FORM GSTR 7. So, unless the return in FORM GSTR 7 is submitted the payment liability of the DDO will not be completed.
33	**Can the deductee take action on the TDS credit declared by me?**
	After filing of return by deductors (DDOs) in FORM GSTR-7, the amount so deducted will be auto-populated in 'TDS/TCS credit receipt' table of respective suppliers. The supplier (deductee) has to accept or reject the amount so auto-populated in the table after logging on the portal. The accepted amount will be credited to Electronic cash ledger while rejected amount will be auto-populated in Amendment table of next month's FORM GSTR-7 of the deductor.
34	**What will happen if the TDS credit entry is rejected by the deductee?**
	The rejected transactions in 'TDS/TCS credit receipt' table will be communicated back to the deductor who will download the auto-populated transactions and make necessary amendments in GSTIN or amount etc. in table 4 of FORM GSTR-7. The amended details will again be auto-populated in 'TDS/TCS credit receipt" table. Supplier will take action comprising Accept/Reject the transactions. As usual, amount of accepted invoices will be credited to electronic cash ledger of the supplier.
35	**Is there any provision of refund to the deductor or the deductee arising on a/c of excess or erroneous deduction made under GST?**
	The refund to the deductor or the deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with the provisions of section 54. Further no refund to the deductor shall be granted, if the amount deducted has been credited to the electronic cash ledger of the deductee.
	TDS Return
36	**Who are liable to file return (GSTR-7)?**
	Post 01.10.2018, DDOs deducting tax will be liable to file return in FORM GSTR-7 for the month in which such deductions are made.
37	**What is the need for filing a return when deposit of TDS has already been made?**

	Electronic cash Ledger of the DDO will be credited when tax deducted at source is deposited in Government account. Payment of such liability (which is the tax deducted at source) shall have to be done by debiting of the electronic cash Ledger and that can be done only while submitting FORM GSTR 7. So, unless the return in FORM GSTR 7 is submitted the payment liability of the DDO will not be treated as discharged.
38	**Mr S has deducted GST amounting to Rs 50,000/- in the month of Nov'18. He filed return on 16.12.2018. Is he liable to pay a late fee?**
	Yes he is liable to pay a late of Rs. 600/- at the rate of Rs 100/- per day for delay of 6 days (11.12.2018 – 16.12.2018). Maximum amount of late fee payable is capped at Rs.5,000/- Similar late fees is applicable under SGST Act / UTGST Act.
39	**During October, 2018, I have not deducted any amount of GST. Do I need to file return for the month of October?**
	The Deductor i.e. DDO is required to furnish a return in FORM GSTR-7 electronically for the month in which such deductions have been made in accordance with the provision of section 39(3) of the CGST/SGST Acts, 2017. Hence, submission of FORM GSTR-7 is not required for a month in which no deduction is made.
40	**How can a deductor file FORM GSTR-7?**
	FORM GSTR-7 can be filed on the GST Portal, by logging in the Returns Dashboard by the deductor. The path is **Services > Returns > Returns Dashboard**.
41	**Is there any Offline Tool for filing Form GSTR-7?**
	Yes. FORM GSTR 7 return can be filed through offline mode also.
42	**Can the date of filing of FORM GSTR-7 be extended?**
	Yes, date of filing of FORM GSTR-7 can be extended by the Commissioner of State/Central tax through notification.
43	**What are the pre-conditions for filing FORM GSTR-7?**
	Pre-conditions for filing of FORM GSTR-7 are: • Tax Deductor should be registered and should have a valid/active GSTIN. • Tax Deductor should have a valid User ID and password. • Tax Deductor should have an active & non-expired/ non-revoked digital signature (DSC) in case return is to be filed through DSC. • Tax Deductor has made payment or credited the amount to the supplier's account.
44	**What are the modes of signing FORM GSTR-7?**
	FORM GSTR-7 can be filed using DSC or EVC.
45	**Can I preview the FORM GSTR-7 before filing?**
	Yes, the preview of FORM GSTR-7 can be seen by clicking on 'Preview Draft GSTR-7' before filing on the GST Portal.

46	**What happens after FORM GSTR-7 is filed?**
	After FORM GSTR-7 is filed: • ARN is generated on successful filing of the return in FORM GSTR-7. • An SMS and an email are sent to the applicant on his registered mobile and email id.
47	**Can I file the complete FORM GSTR-7 using Offline Utility?**
	No. Filing can take place only online on the GST Portal. The details of Table 3 and Table 4 can be prepared offline but remaining activities like payment and filing has to be completed on the portal only. Once the json file is uploaded on the GST Portal, one may continue to proceed to file. Liabilities will then be computed and after making payment, return can be filed.
48	**What are the features of FORM GSTR-7 Offline Utility?**
	The key features of FORM GSTR-7 Offline Utility are: • The FORM GSTR-7 details of Table 3 and 4 can be prepared offline, with no connection to Internet. • Most of the data entry and business validations are in built in the offline utility, reducing errors upon upload to GST Portal.
49	**From where can I download and use the FORM GSTR-7 Offline Utility in my system?**
	Following steps are required to be performed to download and open the FORM GSTR-7 Offline Utility in your system from the GST Portal: 1. Access the GST Portal:www.gst.gov.in. 2. Go to Downloads > Offline Tools > GSTR7 Offline Utility option and click on it. 3. Unzip the downloaded Zip file which contain GSTR7_Offline_Utility.xls excel sheet. 4. Open the GSTR7_Offline_Utility.xls excel sheet by double clicking on it. 5. Read the ‘Read Me’ instructions on excel sheet and then fill the worksheet accordingly.
50	**Do I need to login to GST Portal to download the FORM GSTR-7 Offline Utility?**
	No. One can download the FORM GSTR-7 Offline Utility under ‘Download’ section without logging in to the GST Portal.
51	**Do I need to login to GST Portal to upload the generated JSON file using FORM GSTR-7 Offline Utility?**
	Yes. You must login in to the GST Portal to upload the generated JSON file using FORM GSTR-7 Offline Utility.
52	**What are the basic system requirements/ configurations required to use FORM GSTR-7 Offline Tool?**
	The offline functions work best on Windows 7 and above and MS EXCEL 2007 and above.

53	**Is Offline utility mobile compatible?**
	As of now FORM GSTR-7 Offline utility cannot be used on mobile. It can only be used on desktop/laptops.
54	**How many TDS details of the suppliers can I enter in the offline utility?**
	One can enter maximum 10,000 rows of TDS details of the suppliers in the offline utility
55	**I am a tax deductor. I've made payment for four different products to one of my suppliers. Shall I report each payment in four different rows of the offline utility?**
	No. **Row with a duplicate GSTIN is not allowed in the utility.** One should report the whole amount in one row only. All the payments are required to be added and one single consolidated amount has to be entered in the "Amount paid to deductee on which tax is deducted " column.
56	**I have mistakenly entered rows with the same GSTIN. Should I use the "Delete" option from the dropdown of "Action" column to delete these rows?**
	No, the incorrect data has to be deleted in the utility manually using the "Delete" button of the keyboard. Add and Delete options of the "Action" column are meant for adding or deleting data in the GST portal. Delete option is required to be ignored while preparing FORM GSTR-7 for first- time upload, and for the subsequent uploads it can be used only to delete those particular rows from the already-uploaded data on the portal.
57	**Can I enter negative or decimal amounts in the offline utility?**
	No, any negative value cannot be entered in the utility. However, decimal values can be entered. All decimal values would be rounded off to two decimal places. But, total liability will be rounded off to whole number.
58	**I've uploaded GSTR-7 JSON File and it was processed without error. Do I need to download the generated file?**
	No, it is not necessary to download the GSTR-7 JSON File processed without error. One can download it only if he wants to update, add or delete the details added previously. One can download the uploaded file for record if so required.
Interest, Penalty & Late Fee	
59	**Mr A, a DDO has submitted return for the month of November upon payment of liability as shown in such return on 11.12.2018. Is he liable to pay interest?**
	Mr. A has to pay interest for one day as return is to be filed by 10th December, 2018.
60	**Mr X has deducted Rs 1 lakh of TDS in Nov'18. He deposits Rs 70,000/- on 10.12.2018 & the rest of Rs 30,000 on 30.01.2019. He submits the return in FORM GSTR 7 on 28.02.2019. Has he incurred any liability to pay late fee or interest? Is he liable to pay any penalty?**

	Electronic Cash Ledger of the DDO is credited on 10.12.2018 and 30.01.2019 with Rs. 70,000/- and Rs. 30, 000/- respectively on account of deposit of TDS of Rs 70,000/- on 10.12.2018 & Rs 30,000 on 30.01.2019. Since return in FORM GSTR 7 for the month of November, 2018 is filed on 28.02.2019 and he discharges his payment liability of tax so deducted by debiting his electronic cash ledger as well on this date only, therefore, late fee of 80 days (11.12.2018 to 28.02.2019) have to be paid under CGST and SGST. The amount of late fee will be restricted to Rs. 5000/- (upper limit provided in the Act). Interest has also to be paid for the delay. Penalty is also payable by a DDO if he fails to deduct the tax in accordance with the provisions of sub-section (1) of section 51, or deducts an amount which is less than the amount required to be deducted under the said sub-section, or where he fails to pay to the Government under sub-section (2) of section 51 [section 122(v) refers]. He is liable to penalty of Rs.1,00,000/-.
TDS Certificate &Benefit of TDS to the deductee	
61	**As a DDO I have deducted tax while making payment to various Vendors. I have deposited the amount in the appropriate Government A/c & also filed return within stipulated time. Have I discharged all my liabilities relating to TDS?**
	No. A system generated TDS certificate in FORM GSTR-7A mentioning therein the value on which tax is deducted, and amount of tax deducted and other related particulars shall be available for download from the portal by deductee.
62	**How can a supplier download the TDS certificate in FORM GSTR 7A?**
	TDS certificate can be downloaded by access the **www.gst.gov.in** URL and using the following path: Login to the GST Portal with valid credentials. Navigate to **Services > User Services > View/Download Certificates** option.
63	**How many TDS Certificates are issued per GSTIN?**
	A single TDS certificate is issued per GSTIN per FORM GSTR-7 return filed by deductor.
64	**Is the signature of Tax Deductor required in TDS Certificate?**
	FORM GSTR-7A is system generated TDS certificate; signature of Tax Deductor is not required.
65	**Do I as a taxpayer have to file FORM GSTR-7A?**
	No, a tax payer (deductee) is not required to file FORM GSTR-7A.
66	**Can I as a taxpayer (Deductor or Deductee) download and keep a copy of my TDS Certificate for future reference?**
	Yes, TDS Certificate can be viewed and/or downloaded in post-login mode on the GST portal.
67	**Being a deductor do I have to fill any form to generate FORM GSTR 7A? How can I view Form GSTR-7A?**
	No, a deductor is not required to fill up any separate form for generation of FORM GSTR7A. FORM GSTR 7A shall be generated if return in FORM GSTR 7 is filed. To view Form GSTR-7A, perform following steps: 1. Access the **www.gst.gov.inURL.** The GST Home page is displayed. 2. Login to the GST Portal with valid credentials. 3. Click the **Services > User Services > View/Download Certificates command.**

FREQUENTLY ASKED QUESTIONS ON TCS

Question 1: What is Electronic Commerce?

Answer : As per Section 2(44) of the CGST Act, 2017, electronic Commerce means the supply of goods or services or both, including digital products over digital or electronic network.

Question 2: What is an e-commerce operator?

Answer: As per Section 2(45) of the CGST Act, 2017, electronic Commerce operator means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

Question 3: What is Tax Collection at Source (TCS)?

Answer: As per Section 52 of the CGST Act, 2017 the ecommerce operator, not being an agent, is required to collect an amount calculated at the rate not exceeding one per cent., as notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it, where the consideration with respect to such supplies is to be collected by such operator. The amount so collected is called as Tax Collection at Source (TCS).

Question 4: What is the rate of TCS notified by Government?

Answer: Rate of TCS is 0.5% under each Act (i.e. the CGST Act, 2017 and the respective SGST Act / UTGST Act respectively) and the same is 1% under the IGST Act, 2017. Notifications No. 52/2018 – Central Tax and 02/2018-Integrated Tax both dated 20th September, 2018 have been issued in this regard. Similar notifications have been issued by the respective State Governments also.

Question 5: Is it mandatory for ecommerce operator to obtain registration?

Answer: Yes. As per section 24(x) of the CGST Act, 2017, every electronic commerce operator has to obtain compulsory registration irrespective of the value of supply made by him.

Question 6: Whether a supplier of goods or services supplying through ecommerce operator would be entitled to threshold exemption?

Answer: As per Section 24(ix) of the CGST Act, 2017, every person supplying goods through an ecommerce operator shall be mandatorily required to register irrespective of the value of supply made by him. However, a person supplying services, other than supplier of services under section 9 (5) of the CGST Act, 2017, through an e-commerce platform are exempted from obtaining compulsory registration provided their aggregate turnover does not exceed INR 20 lakhs (or INR 10 lakhs in case of specified special category States) in

Source: www.cbic.gov.in

a financial year. Government has issued the notification No. 65/2017 – Central Tax dated 15th November, 2017 in this regard.

Question 7: Whether e-Commerce operator is required to obtain registration in every State/UT in which suppliers listed on their e-commerce platform are located to undertake the necessary compliance as mandated under the law?

Answer: As per the extant law, registration for TCS would be required in each State / UT as the obligation for collecting TCS would be there for every intra-State or inter-State supply. In order to facilitate the obtaining of registration in each State / UT, the e-commerce operator may declare the Head Office as its place of business for obtaining registration in that State / UT where it does not have physical presence.

Question 8: Foreign e-commerce operator do not have place of business in India since they operate from outside. But their supplier and customers are located in India. So, in this scenario will the TCS provision be applicable to such ecommerce operator and if yes, how will foreign e-commerce operator obtain registration?

Answer: Where registered supplier is supplying goods or services through a foreign e-commerce operator to a customer in India, such foreign ecommerce operator would be liable to collect TCS on such supply and would be required to obtain registration in each State / UT. If the foreign e-commerce operator does not have physical presence in a particular State / UT, he may appoint an agent on his behalf.

Question 9: Is it necessary for e-Commerce operators who are already registered under GST and have GSTIN, to have separate registration for TCS as well?

Answer: E-Commerce operator has to obtain separate registration for TCS irrespective of the fact whether e-Commerce operator is already registered under GST as a supplier or otherwise and has GSTIN.

Question 10: What is meant by "net value of taxable supplies"?

Answer: The "net value of taxable supplies" means the aggregate value of taxable supplies of goods or services or both, other than the services on which entire tax is payable by the e-commerce operator, made during any month by a registered supplier through such operator reduced by the aggregate value of taxable supplies returned to such supplier during the said month.

Question 11: Whether value of net taxable supplies to be calculated at gross level or at GSTIN level?

Answer: The value of net taxable supplies is calculated at GSTIN level.

Question 12: Is every e-commerce operator required to collect tax on behalf of actual supplier?

Answer: Yes, every e-commerce operator is required to collect tax where the supplier is supplying goods or services through e-commerce operator and consideration with respect to the supply is to be collected by the said e-commerce operator.

Question 13: At what time should the e-commerce operator collect TCS?

Answer: TCS is to be collected once supply has been made through the e-commerce operator and where the business model is that the consideration is to be collected by the ecommerce operator irrespective of the actual collection of the consideration. For example, if the supply has taken place through the ecommerce operator on 30th October, 2018 but the consideration for the same has been collected in the month of November, 2018, then TCS for such supply has to be collected and reported in the statement for the month of October, 2018.

Question 14: Whether TCS to be collected on exempt supplies?

Answer: No, TCS is not required to be collected on exempt supplies.

Question 15: Whether TCS to be collected on supplies on which the recipient is required to pay tax on reverse charge basis?

Answer: No, TCS is not required to be collected on supplies on which the recipient is required to pay tax on reverse charge basis.

Question 16: Whether TCS is to be collected in respect of supplies made by the composition taxpayer?

Answer: As per section 10(2)(d) of the CGST Act, 2017, a composition taxpayer cannot make supplies through e-commerce operator. Thus, question of collecting TCS in respect of supplies made by the composition taxpayer does not arise.

Question 17: Whether TCS is to be collected on import of goods or services or both?

Answer: TCS is not liable to be collected on any supplies on which the recipient is required to pay tax on reverse charge basis. As far as import of goods is concerned since same would fall within the domain of Customs Act, 1962, it would be outside the purview of TCS. Thus, TCS is not liable to be collected on import of goods or services.

Question 18: Is there any exemption on Gold, owing to the fact that rate of GST is only 3% and TCS on it would erode the margin for the seller?

Answer: No such exemption from TCS has been granted.

Question 19: Whether payment of TCS through Input Tax Credit of operator for depositing TCS as per Section 52 (3) of the CGST Act, 2017 is allowed?

Answer: No, payment of TCS is not allowed through Input Tax Credit of e-Commerce operator.

Question 20: It is very common that customers of e-commerce companies return goods. How these sales returns are going to be adjusted?

Answer: An e-commerce company is required to collect tax only on the net value of taxable supplies made through it. In other words, value of the supplies which are returned (supply return) may be adjusted from the aggregate value of taxable supplies made by each supplier (i.e. on GSTIN basis). In other words, if two suppliers "A" and "B" are making supplies through an ecommerce operator, the "net value of taxable supplies" would be calculated separately in respect of "A" and "B". If the value of returned supplies is more than supplies made on behalf of any of such supplier during any tax period, the same would be ignored in his case.

Question 21: Under Section 52, e-commerce operator collects TCS at the net of returns. Sometimes sales return is more than sales and hence can negative amount be reported?

Answer: Negative amount cannot be declared. There will be no impact in next tax period also. In other words, if returns are more than the supplies made during any tax period, the same would be ignored in current as well as future tax period(s).

Question 22: What is the time within which such TCS is to be remitted by the e-commerce operator to the Government account?

Answer: The amount collected by the operator is to be paid to appropriate government within 10 days after the end of the month in which the said amount was so collected.

Question 23: How can actual suppliers claim credit of TCS?

Answer: The amount of TCS deposited by the operator with the appropriate Government will be reflected in the electronic cash ledger of the actual registered supplier (on whose account such collection has been made) on the basis of the statement filed by the operator in FORM GSTR-8 in terms of Rule 67 of the CGST Rules, 2017. The said credit can be used at the time of discharge of tax liability by the actual supplier.

Question 24: How is TCS to be credited in cash ledger? Whether the refund of such TCS credit lying in the ledger would be allowed at par with the refund provisions contained in section 54(1) of the CGST Act, 2017?

Answer: TCS collected is to be deposited by the ecommerce operator separately under the respective tax head (i.e. Central tax / State tax / Union territory tax / Integrated tax). Based on the statement (FORM GSTR-8) filed by the ecommerce operator, the same would be credited to the electronic cash ledger of the actual supplier in the respective tax head. If the supplier is not able to use the amount lying in the said cash ledger, the actual supplier may claim refund of the excess balance lying in his electronic cash ledger in accordance with the provisions contained in section 54(1) of the CGST Act, 2017.

Question 25: Is the e-commerce operator required to submit any statement? What are the details that are required to be submitted in the statement?

Answer: Yes, every operator is required to furnish a statement, electronically, containing the details of outward supplies of goods or services affected through it, including the supplies of goods or services returned through it, and the amount collected by it as TCS during a month within 10 days after the end of such month in FORM GSTR-8. The operator is also required to file an annual statement by 31st day of December following the end of the financial year in which the tax was collected in FORM GSTR-9B.

Question 26: Whether interest would be applicable on non-collection of TCS?

Answer: As per section 52(6) of the CGST Act, 2017, interest is applicable on omission as well in case of incorrect particulars noticed. In such a case, interest is applicable since it is a case of omission. Further penalty under section 122(vi) of the CGST Act, 2017 would also be leviable.

Question 27: What will be the place of supply for ecommerce operator for recharge of talk time of the Telecom Operator / recharge of DTH / in relation to convenience fee charged from the customers on booking of air tickets, rail supplied through its online platform?

Answer: As per section 12(11) of the IGST Act, 2017, the address on record of the customer with the supplier of services is the place of supply.

Question 28: Under multiple e-commerce models, Customer books a Hotel via ECO-1 who in turn is integrated with ECO-2 who has agreement with the hotelier. In this case, ECO-1 will not have any GST information of the hotelier. Under such circumstances, which e-commerce operator should be liable to collect TCS?

Answer: TCS is to be collected by that e-Commerce operator who is making payment to the supplier for the particular supply happening through it, which is in this case, will be ECO-2.

Question 29: Are there any additional powers available to tax officers under this Act?

Answer: As per section 52(12) of the CGST Act, 2017, any authority not below the rank of Deputy Commissioner may serve a notice requiring the operator to furnish the details of their supplies of goods or services or both as well as stock of goods held by the suppliers within 15 working days of the date of service of such notice.

GST IMPORTANT JUDGEMENTS UPDATES

I. Case Name: Union of India Vs. Mohit Minerals (Supreme Court)
(Constitutional validity of GST Compensation Cess upheld by SC)

Brief of the case:

- The SC held that when Constitution provision empowers the Parliament to provide for Compensation to the States for loss of revenue by law , the expression "law" used therein is of wide import which includes levy of any cess - The Compensation to States Act, 2017 is not beyond the legislative competence of the Parliament -The Compensation to States Act, 2017 does not violate Constitution (One Hundred and First Amendment) Act, 2016 nor is against the objective of Constitution (One Hundred and First Amendment) Act, 2016. It also held that the Compensation to States Act is not a colourable legislation

- Principle is well settled that two taxes/imposts which are separate and distinct imposts and on two different aspects of a transaction are permissible as "in law there is no overlapping. Levy of Compensation to States Cess is an increment to goods and services tax which is permissible in

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**Compiled on the basis of information available* law - Clean Energy Cess and States Compensation Cess are entirely different from each other, payment of Clean Energy Cess was for different purpose and has no bearing or connection with States Compensation Cess - giving credit or set off in the payment is legislative policy which had to be reflected in the legislative scheme - Compensation to States Act, 2017 or Rules framed thereunder does not indicate giving of any credit or set off of the Clean Energy Cess already paid till 30.06.2017 - The petitioner is, therefore, not entitled for any set off of payments made towards Clean Energy Cess in payment of Compensation to States Cess.

II. Case Name: Willowood Chemicals Pvt Ltd. Vs Union of India (Gujrat High Court) (Time Limit contained in Rule 117 of CGST Rules not Ultra Vires)

Brief of the case:

- Petitioners challenged second proviso to sub-section (1) of section 140 of the Gujarat Goods and Service Tax Act, 2017 under which certain restrictions have been imposed on a dealer for taking tax credit under then the VAT Act. Counsel for the petitioner submitted that the provision deprives a dealer to his vested right and thus, the statute acts retrospectively and also imposes an unreasonable restriction.

- The petitioners have also challenged the vires of Rule 117 of the Central Goods and Services Tax Rules, 2017.

Decision of High Court

- Merely because the rule in question prescribes a time frame for making a declaration, such provision cannot necessarily be held to be directory in nature - Time-limit provisions contained in sub-rule (1) of rule 117 of the CGST Rules is not ultra vires the Act or the powers of the rule making authority - time limit provisions cannot be seen as merely technical in nature - When the entire tax structure of the country is being shifted from earlier framework to a new one, there has to be a degree of finality on claims, credits, transfers of such credits and all issues related thereto - such prescription of time limit cannot be stated to be either unreasonable or arbitrary.

- The HC further held that interpreting such powers as merely directory would give rise to unending claims of transfer of credit of tax on inputs and such other claims from old to the new regime - Doing away with the time limit for making declarations would give rise to multiple large-scale claims trickling in for years together, after the new tax structure is put in place and would, besides making the task of matching of the credits impractical, if not impossible, also impact the revenue collection estimates - annihilating time limit contained in rule 117 would have serious repercussions - Removing such time limit would have a potential to lead to utter economic chaos.

III. Calcutta High Court has upheld the constitutional validity of bringing lotteries under purview of GST

- Entry 6 of the Schedule III takes out actionable claims other than lottery, betting and gambling from the scope of GST. Thus, lotteries are generally speaking goods and come within the definition of actionable claims. Since, lotteries are kept out of the purview of actionable claims which do not attract CGST Act, 2017, lottery can therefore be charged to GST.

IV. Gauhati High Court dismissed a number of appeals challenging the service tax demand after the GST rollout

- Section 6A of the General Clauses Act- Even if an enactment stands omitted by a subsequent amendment, a proceedings initiated under the omitted enactment on its own does not come to end upon omission and further continuance cannot be said to be impermissible under the law.

V. Case Name: M/s Jay Chemical Industries Ltd. Vs Union of India (Gujarat High Court) (Rectification of GST TRAN-1 already filed not allowed)

- By way of this petition, the petitioners herein in the present Writ petition under Article 226 of the Constitution of India, 1950 are challenging the constitutional validity and vires of the Rule 117 of the Central Goods and Services Tax Rules, 2017 and Form GST Tran-1 issued thereunder on the ground that the said provisions are ultra vires of the enabling provisions of Section 140(5) of the Central Goods and Services Tax Act, 2017 and are in excess of rule making powers vested in the Central Government under Section 164 of the said Act and also offends Article 14, Article 19(1)(g), Article 265 and Article 300A of the Constitution of India, 1950.

- The petitioners are also seeking direction on the respondents to allow them to rectify errors and omissions in filing of GST-TRAN-1, to enable credit of carry forward of Credit on eligible duties of goods and services in transit in electronic credit ledger in terms of Section 140(5) of the Central Goods and Services Tax Act, 2017, either by opening of GSTN Portal or to allow it to be rectified by manually filing modified GST-TRAN-1.

- **High Court held that** rectification of GST-TRAN-1 already filed not allowed.

- Limited extension has been granted to cover cases where genuine hardships were felt in uploading the said declarations due to technical glitches

- The time limit provisions contained in the transitional chapter cannot be lightly extended. The petition had time till 27.12.2017 to file and rectify a declaration.

WORKS CONTRACT IN GST

Works contract is essentially a contract of service which may also involve supply of goods in the execution of the contract. It is basically a composite supply of both services and goods, with the service element being dominant in the contract between parties.

Position of Works Contract in Pre-GST Regime

A works contract has elements of both provision of services and sale of goods, and was therefore taxable under both VAT & Service Tax. Further, if a new good(s) manufactured in course of completing a contract, it was subject to Central Excise.

Aspects in the Works Contract	**Tax applicable**
Sale of Goods	VAT
Provision of services	Service Tax
New good(s) manufactured in course of completing the contract, if any	Central Excise Duty

Position of works contract under GST

Section 2 (119) of the CGST Act, 2017: Definition of the "Works Contract" which has been restricted to any work undertaken for an **"Immovable Property".**

Para 6 (a) of Schedule II to the CGST Act, 2017: Works Contract shall be treated as **"Supply of Services".**

Section 17(5) (c) of the CGST Act, 2017: ITC shall not be available in respect of the works contract services when supplied for construction of an immovable property (**other than** plant and machinery) **except** where it is an input service for further supply of works contract service.

Section 2(119) of the CGST Act, 2017: "Works Contract" means a contract for

- building, construction,
- fabrication,
- completion, erection, installation,
- fitting out,
- improvement, modification,
- repair, maintenance, renovation,
- alteration or commissioning

of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract.

Thus, from the above it can be seen that the term works contract has been restricted to contract for building construction, fabrication etc. of any immovable property only. Any such composite supply undertaken on goods say for example a fabrication or paint job done in automotive body shop will not fall within the definition of term works contract per se under GST.

Such contracts would continue to remain composite supplies, but will not be treated as a Works Contract for the purposes of GST.

Conclusion: *(Under GST laws, the definition of "Works Contract" has been restricted to any work undertaken for an "Immovable Property" only unlike the existing VAT and Service Tax provisions where works contracts for movable properties were also considered)*.

Para 6 (a) of Schedule II to the CGST Act, 2017: Works Contract as defined in section 2(119) of the CGST Act, 2017 shall be treated as a supply of services.

Thus, there is a clear demarcation of a works contract as a supply of service under GST.

Section 17(5)(c) of the CGST Act, 2017: Input Tax Credit shall not be available in respect of the works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service.

Thus, ITC for works contract can be availed only by one who is in the same line of business and is using such services received for further supply of works contract service.

Example

A building developer may engage services of a sub-contractor for certain portion of the whole work.

The sub-contractor will charge GST in the tax invoice raised on the main contractor.

The main contractor will be entitled to take ITC on the tax invoice raised by his sub-contractor as his output is works contract service.

However if the main contractor provides works contract service **(other than for plant and machinery)** to a company say in the IT business, the ITC of GST paid on the invoice raised by the works contractor will not be available to the IT Company.

Plant and Machinery in certain cases when affixed permanently to the earth would constitute immovable property.

When a works contract is for the construction of plant and machinery, the ITC of the tax paid to the works contractor would be available to the recipient, whatever is the business of the recipient.

This is because works contract in respect of plant and machinery comes within the exclusion clause of the negative list and ITC would be available when used in the course or furtherance of business

GST IN NEWS

1. Centre, States apportion Rs. 290 billion IGST in September, Union Government to get Rs. 145 billion

- As much as Rs. 290 billion lying in the Integrated GST or IGST pool has been apportioned between the Centre and States in the month of September.
- The central government will get about Rs. 145 billion and the remaining would be distributed among the states in proportion to the revenue collection in September.
- The apportionment would help improve indirect tax position of both the Centre and states.
- This is the fourth time that IGST funds have been divided between the Centre and states.
- As much as Rs 120 billion was settled between them in August, Rs 500 billion in June and Rs 350 billion in February this year.
- A policy decision has been taken that when some substantial amount accrues to IGST pool it should be apportioned so that funds do not lie idle with the Centre.

2. GST council meet: Panel of 7 finance ministers to decide on calamity tax

- The Indian government has set up a seven-member committee to debate a national disaster cess.
- The panel will look into the "modalities for revenue mobilisation in case of natural calamities and disasters", the finance ministry said in a media statement. Bihar Deputy Chief Minister Sushil Kumar Modi will be heading the panel, it added.

The other members are:

- o Himanta Biswa Sarma, Finance Minister, Assam
- o T.M. Thomas Isaac, Finance Minister, Kerala
- o Sudhir Mungantiwar, Finance & Excise Minister, Maharashtra
- o Sashi Bhusan Behera, Finance & Excise Minister, Odisha
- o Manpreet Singh Badal, Finance Minister, Punjab
- o Prakash Pant, Finance Minister, Uttarakhand

- Group of ministers will submit their report by October 31.

Source:

1. www.business-standard.com
2. www.economictimes.indiatimes.com
3. www.bloombergquint.com
4. www.cbic.gov.in

- Finance Minister Arun Jaitley had said that the committee will have representation from the north-eastern states, coastal states and hilly states, which are relatively prone to disasters. “The view we take today will set a precedent for the country for a very long time,” he had said in a press conference after the 30th Goods and Services Tax Council meeting, adding that it was important to not implement a cess in haste.

- The committee will suggest guidelines for such a cess with two factors in mind, said Jaitley. They are:

✔ Whether the tax should be levied pan-India, and if so, should it be on luxury and sin goods.
✔ If there should be a distinction for natural calamities where the National Disaster Relief Fund is deemed sufficient.

- This comes after Kerala was affected by its worst flood in nearly a century. State Finance Minister Thomas Isaac had asked the central government to allow it to increase its share of the GST on some items or impose a national-level cess on select commodities to fund rehabilitation.

3. September GST collection stands at Rs 94,442 crore against Rs 93,690 crore in August

- The GST collection for the month of September stood at Rs 94,442 crore against Rs 93,690 crore in August. Collections in September marked a slight uptick from the preceding month. However, it is lesser than the gross GST revenue in April, where it had exceeded 1.03 lakh crore

- Sources in the government pointed to two reasons for the tepid growth in GST collections. First, the rate reduction in various items in successive council meetings has had a downward impact.

- Secondly, owing to explicit political concerns in an election year, the tendency to assess and penalize for non-compliance has reduced.

- According to Finance Ministry, of the Rs 94,442 crore collected last month, Central GST (CGST) mop-up is Rs 15,318 crore, State GST (SGST) is Rs 21,061 crore, Integrated GST is Rs 50,070 crore (including Rs 25,308 crore collected on imports) and cess is Rs 7,993 crore (including Rs 769 crore collected on imports).

4. Festive season likely to drive GST collections past Rs 1 trillion in November

- “With the current trend for GST mop-up, it is expected that the monthly collections could again touch Rs 1 trillion around November and December,” an official said.

- The collections during November and December 2018 would reflect the sales and purchases made during the months of October and November 2018.

- According to the official, people usually hold back their purchases till Ganesh Chaturthi, which marks the onset of festive season and fell in September this year. Besides, the revenue department’s initiative to plug loopholes in the system to curb evasion too would help in raising revenue.

5. Rate cut must be passed on for each packet size, says GST authority

- Companies or dealers may have to cut prices of each stock keeping unit (SKU) of their products to pass on the benefits of any lower goods and services tax (GST) rate.

- This comes from an order of the national anti-profiteering authority (NAA) in a case related to a Maggi noodles (Nestlé’s) dealer. A retailer of Maggi had alleged that despite reduction in the GST rate from 18% to 12% in November 2017, the base price of a 35g pack, also known as the Rs. 5 (MRP) pack, was increased to bring it at par with the pre-rate change price, including taxes.

- The (wholesale) dealer argued the benefit which had accrued in respect of the Rs 5 MRP pack had been passed on by reducing the price of the other pack of Maggi, the Rs 12 MRP one. Further, that price of the latter pack was reduced by Re 1, more than the total benefit arising on both types of packs, of 92 paisa.

- Such a reduction, added the dealer, was made in light of the shortage of small-value currency notes and non-availability of coins less than a Re 1 value.

- The complainant subsequently sought to withdraw the grouse in question but this request was rejected, stating investigation had already been undertaken by the authorities. The NAA has since held that the dealer had no liberty to arbitrarily decide in respect of which products he should pass on the benefit. A 35g Maggi pack was distinct from a 70g one; they could be bought by different customers. Hence, the benefit accruing to one customer cannot be given to another.

- The NAA has, therefore, told the dealer to deposit Rs 90,778, the amount considered 'profiteered' in sum, with annual interest of 18%, into the Consumer Welfare Fund, after refunding the retailer the 'profiteered' amount of Rs 2,253 (with interest). A similar ruling was given by it recently in a case involving Lifestyle International, on cosmetic products.

6. Tamil Nadu asks Government to settle Rs 56 billion IGST dues, give Rs 20 billion assistance.

- Tamil Nadu has asked the Ministry of Finance to settle Rs 54.26 billion Integrated Goods and Services Tax (IGST) for 2017-18 and the ad hoc settlement of IGST due for September 2018 immediately. Besides, the state also said that it should be compensated with a special assistance of Rs 20 billion for the unfair treatment that the state received under the 14th Finance Commission.

- Tamil Nadu Chief Minister Edapaddi K Palaniswamy on Monday met Prime Minister Narendra Modi in New Delhi and submitted a 20-point memorandum, seeking over Rs 400 billion for various schemes and projects. In the memorandum, it was stated that GST operates on the destination principle.

- The IGST collected is meant for distribution between the Centre and the states. Approximately, 50 per cent of the IGST will accrue to the Centre and 50 per cent to states. The states would receive IGST in proportion to the consumption of goods and services on the destination principle.

- However, a significant shortfall in the settlements of amounts due to Tamil Nadu was found and accordingly the state has asked the finance ministry for early settlement of the unsettled IGST to Tamil Nadu, which was to the tune of about Rs 56 billion.

7. Free IPL tickets to attract GST

- In response to an application filed by KPH Dream Cricket Pvt. Ltd., which owns and operates IPL cricket team Kings XI Punjab, the Punjab bench of the AAR has ruled that providing complementary tickets free of charge would be considered supply of service and therefore amount to levying of tax.

- The GST rate on sale of IPL tickets is 18 percent. The AAR also ruled that KPH Dream Cricket would be eligible to claim input tax credit on taxes paid for such complimentary tickets only to the extent of input and input service for such tickets.

- The AAR said when the applicant issues a complimentary ticket to any person, the applicant is "certainly displaying an act of forbearance by tolerating persons who are receiving the services provided by the applicant without paying any money, which other persons not receiving such complimentary tickets would have to pay for".

8. Kerala firms with canteens to now pay GST on employee food bills

- Employers in Kerala who provide canteen facilities to employees will now have to pay the goods and services tax (GST) on food and beverages the latter buy. Appellate Authority of Advanced Ruling (AAAR) in the state has upheld the Advance Authority for Ruling (AAR) order to impose the tax.

- Experts said this will force companies to re-evaluate what facilities they provide employees. The central government had earlier said any service made by an employer to an employee, as part of a contractual agreement, would not come under the GST ambit.

9. Companies struggling for IGST refunds in hill states, especially J&K

- Companies are struggling to get refunds under the goods and services tax (GST) system in hilly areas, more so in Jammu and Kashmir.

- While they are getting only 29 per cent of the integrated GST (IGST) on inter-state movements of goods as refund, unlike 100 per cent of the excise tax in the pre-GST regime in hilly areas, the issue has become more contentious in Jammu and Kashmir because the units there were exempt from the service tax on inputs too.

- Also, procedural issues are not letting them get even 29 per cent refunds in J&K and other hilly states, say those who have units there.

- This will take a toll on employment generation in these states, they say.

10. Now, vehicle owners required to pay 18% GST for pollution check certificate

- Vehicle owners will have to pay a GST of 18 per cent to get their vehicles checked for pollution, the Authority for Advance Ruling (AAR) has said.

- The Goa bench of the AAR passed the ruling on an application filed by Venkatesh Automobiles on whether the service provided for issuing 'Pollution Under Control' (PUC) certificate on behalf of the state government is exempted from the Goods and Services Tax (GST).

- "The activity of issuance of Pollution under Control certificate for vehicles issued by the applicant is not covered under SAC (Services Accounting Code) 9991 and is covered under residual entry and hence, should be taxed at 18 per cent GST," the AAR said.

- Every vehicle plying on roads need a PUC certificate, which indicates that the emissions are in alignment with pollution norms and are not harmful to the environment.

- The AAR said that the government has authorised the applicant to issue PUC certificate on payments. "It is the service provided by the applicant to the customers on payment of service charges. Since the services of testing of pollution are provided on payment of service charge, GST is payable at an applicable rate," the ruling said.

GST QUIZ

1.	Whether TCS to be collected on exempt supplies?	A. Yes B. No
2.	Whether TCS to be collected on supplies on which the recipient is required to pay tax on reverse charge basis?	A. Yes B. No
3.	Whether payment of TCS through Input Tax Credit of operator for depositing TCS as per Section 52 (3) of the CGST Act, 2017 is allowed?	A. Yes B. No
4.	Is it mandatory for ecommerce operator to obtain registration?	A. Yes B. No
5.	Is it necessary for e-Commerce operators who are already registered under GST and have GSTIN, to have separate registration for TCS as well?	A. Yes B. No

Answer: Q1- B, Q2- B, Q3- B, Q4- A, Q5- A

Source: *www.cbic.gov.in*

Note

Motto

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speak the truth. abide by the law.❞

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❝ To be a global leader in promoting good corporate governance❞

Mission

❝ To develop high calibre professionals facilitating good corporate governance❞

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Statutory body under an Act of Parliament

Headquarters

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003

tel 011-45341000, 4150 4444 **fax** +91-11-2462 6727

email info@icsi.edu **website** www.icsi.edu