

7. GST Payment of Tax

Q 1. What are the Payments to be made in GST regime?

Ans. In the GST regime, for any intra-state supply, taxes to be paid are the Central GST (CGST), going into the account of the Central Government) and the State/UT GST (SGST, going into the account of the concerned State Government). For any inter-state supply, tax to be paid is Integrated GST (IGST) which will have components of both CGST and SGST. In addition, certain categories of registered persons will be required to pay to the government account Tax Deducted at Source (TDS) and Tax Collected at Source (TCS). In addition, wherever applicable, Interest, Penalty, Fees and any other payment will also be required to be made.

Q 2. Who is liable to pay GST?

Ans. In general, the supplier of goods or services is liable to pay GST. However, in specified cases like imports and other notified supplies, the liability may be cast on the recipient under the reverse charge mechanism. Further, in some notified cases of intra-state supply of services, the liability to pay GST may be cast on e-commerce operators through which such services are supplied. Also Government Departments making payments to vendors above a specified limit [2.5 lakh under one contract as per S.51(1)(d)] are required to deduct tax (TDS) and E-commerce operators are required to collect tax (TCS) on the net value [i.e. aggregate value of taxable supplies of goods and/or services but excluding such value of services on which the operator is

made liable to pay GST under Section 9(5) of the CGST Act, 2017] of supplies made through them and deposit it with the Government.

Q 3. When does liability to pay GST arises?

Ans. Liability to pay arises at the time of supply of Goods as explained in Section 12 and at the time of supply of services as explained in Section 13.

The time is generally the earliest of one of the three events, namely receiving payment, issuance of invoice or completion of supply. Different situations envisaged and different tax points have been explained in the aforesaid sections.

Q 4. What are the main features of GST payment process?

Ans. The payment processes under GST Act(s) have the following features:

- Electronically generated challan from GSTN Common Portal in all modes of payment and no use of manually prepared challan;*
- Facilitation for the tax payer by providing hassle free, anytime, anywhere mode of payment of tax;*
- Convenience of making payment online;*
- Logical tax collection data in electronic format;*
- Faster remittance of tax revenue to the Government Account;*
- Paperless transactions;*

- *Speedy Accounting and reporting;*
- *Electronic reconciliation of all receipts;*
- *Simplified procedure for banks*
- *Warehousing of Digital Challan.*

Q 5. How can payment be done?

Ans. Payment can be done by the following methods:

(i) Through debit of Credit Ledger of the tax payer maintained on the Common Portal – ONLY Tax can be paid. Interest, Penalty and Fees cannot be paid by debit in the credit ledger. Tax payers shall be allowed to take credit of taxes paid on inputs (input tax credit) and utilize the same for payment of output tax. However, no input tax credit on account of CGST shall be utilized towards payment of SGST and vice versa. The credit of IGST would be permitted to be utilized for payment of IGST, CGST and SGST in that order.

(ii) In cash by debit in the Cash Ledger of the tax payer maintained on the Common Portal. Money can be deposited in the Cash Ledger by different modes, namely, E-Payment (Internet Banking, Credit Card, Debit Card); Real Time Gross Settlement (RTGS)/ National Electronic Fund Transfer (NEFT); Over the Counter Payment in branches of Banks Authorized to accept deposit of GST.

Q 6. When is payment of taxes to be made by the Supplier?

Ans. Payment of taxes by the normal tax payer is to be done on monthly basis by the 20th of the succeeding month. Cash

payments will be first deposited in the Cash Ledger and the tax payer shall debit the ledger while making payment in the monthly returns and shall reflect the relevant debit entry number in his return. As mentioned earlier, payment can also be debited from the Credit Ledger. Payment of taxes for the month of March shall be paid by the 20th of April. Composition tax payers will need to pay tax on quarterly basis.

Q 7. Whether time limit for payment of tax can be extended or paid in monthly installments?

Ans. No, this is not permitted in case of self-assessed liability. In other cases, competent authority has been empowered to extend the time period or allow payment in instalments. (Section 80 of the CGST/SGST Act).

Q 8. What happens if the taxable person files the return but does not make payment of tax?

Ans. In such cases, the return is not considered as a valid return. Section 2(117) defines a valid return to mean a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full. It is only the valid return that would be used for allowing input tax credit (ITC) to the recipient. In other words, unless the supplier has paid the entire self-assessed tax and filed his return and the recipient has filed his return, the ITC of the recipient would not be confirmed.

Q 9. Which date is considered as date of deposit of the tax dues – Date of presentation of cheque or Date of payment or Date of credit of amount in the

account of government?

Ans. It is the date of credit to the Government account.

Q 10. What are E-Ledgers?

Ans. Electronic Ledgers or E-Ledgers are statements of cash and input tax credit in respect of each registered taxpayer. In addition, each taxpayer shall also have an electronic tax liability register. Once a taxpayer is registered on Common Portal (GSTN), two e-ledgers (Cash & Input Tax Credit ledger) and an electronic tax liability register will be automatically opened and displayed on his dash board at all times.

Q 11. What is a tax liability register?

Ans. Tax Liability Register will reflect the total tax liability of a taxpayer (after netting) for the particular month.

Q 12. What is a Cash Ledger?

Ans. The cash ledger will reflect all deposits made in cash, and TDS/TCS made on account of the taxpayer. The information will be reflected on real time basis. This ledger can be used for making any payment on account of GST.

Q 13. What is an ITC Ledger?

Ans. Input Tax Credit as self-assessed in monthly returns will be reflected in the ITC Ledger. The credit in this ledger can be used to make payment of TAX ONLY and no other amounts such as interest, penalty, fees etc.

Q 14. What is the linkage between GSTN and the

authorized Banks?

Ans. There will be real time two-way linkage between the GSTN and the Core Banking Solution (CBS) of the Bank. CPIN is automatically routed to the Bank via electronic string for verification and receiving payment and a challan identification number (CIN) is automatically sent by the Bank to the Common Portal confirming payment receipt. No manual intervention will be involved in the process by any one including bank cashier or teller or the tax payer.

Q 15. Can a tax payer generate challan in multiple sittings?

Ans. Yes, a taxpayer can partially fill in the challan form and temporarily “save” the challan for completion at a later stage. A saved challan can be “edited” before finalization. After the tax payer has finalized the challan, he will generate the challan, for use of payment of taxes. The remitter will have option of printing the challan for his record.

Q 16. Can a challan generated online be modified?

Ans. No. After logging into GSTN portal for generation of challan, payment particulars have to be fed in by the tax payer or his authorized person. He can save the challan midway for future updation. However once the challan is finalized and CPIN generated, no further changes can be made to it by the taxpayer.

Q 17. Is there a validity period of challan?

Ans. Yes, a challan will be valid for fifteen days after its generation and thereafter it will be purged from the System. However, the tax payer can generate another challan at his convenience.

Q 18. What is a CPIN?

Ans. CPIN stands for Common Portal Identification Number (CPIN) given at the time of generation of challan. It is a 14-digit unique number to identify the challan. As stated above, the CPIN remains valid for a period of 15 days.

Q 19. What is a CIN and what is its relevance?

Ans. CIN stands for Challan Identification Number. It is a 17-digit number that is 14-digit CPIN plus 3-digit Bank Code. CIN is generated by the authorized banks/ Reserve Bank of India (RBI) when payment is actually received by such authorized banks or RBI and credited in the relevant government account held with them. It is an indication that the payment has been realized and credited to the appropriate government account. CIN is communicated by the authorized bank to taxpayer as well as to GSTN.

Q 20. What is the sequence of payment of tax where that taxpayer has liabilities for previous months also?

Ans. Section 49(8) prescribes an order of payment where the taxpayer has tax liability beyond the current return period. In such a situation, the order of payment to be followed is: First self-assessed tax and other dues for the previous period; thereafter self-assessed tax and other

dues for the current period; and thereafter any other amounts payable including any confirmed demands under section 73 or 74. This sequence has to be mandatorily followed.

Q 21. What does the expression “Other dues” referred to above mean?

Ans. The expression “other dues” means interest, penalty, fee or any other amount payable under the Act or the rules made thereunder.

Q 22. What is an E-FPB?

Ans. E-FPB stands for Electronic Focal Point Branch. These are branches of authorized banks which are authorized to collect payment of GST. Each authorized bank will nominate only one branch as its E-FPB for pan India Transactions. The E-FPB will have to open accounts under each major head for all governments. Total 38 accounts (one each for CGST, IGST and one each for SGST for each State/UT Govt.) will have to be opened. Any amount received by such E-FPB towards GST will be credited to the appropriate account held by such E-FPB.

For NEFT/RTGS Transactions, RBI will act as E-FPB.

Q 23. What is TDS?

Ans. TDS stands for Tax Deducted at Source (TDS). As per section 51, this provision is meant for Government and Government undertakings and other notified

entities making contractual payments where total value of such supply under a contract exceeds Rs. 2.5 Lakhs to suppliers. While making any payments under such contracts, the concerned Government/authority shall deduct 2% of the total payment made (1% under each Act and 2% in case of IGST) and remit it into the appropriate GST account.

Q 24. How will the Supplier account for this TDS? while filing his return?

Ans. Any amount shown as TDS will be reflected in the electronic cash ledger of the concerned supplier. He can utilize this amount towards discharging his liability towards tax, interest fees and any other amount.

Q 25. How will the TDS Deductor account for such TDS?

Ans. TDS Deductor will account for such TDS in the following ways:

- 1. Such deductors needs to get compulsorily registered under section 24 of the CGST/SGST Act.*
- 2. They need to remit such TDS collected by the 10th day of the month succeeding the month in which TDS was collected and reported in GSTR 7.*
- 3. The amount deposited as TDS will be reflected in the electronic cash ledger of the supplier.*
- 4. They need to issue certificate of such TDS to the deductee within 5 days of crediting the TDS to the govt a/c, failing which fees of Rs. 100 per day subject*

to maximum of Rs. 5000/- will be payable by such deductor.

Q 26. What is Tax Collected at Source (TCS)?

*Ans. This provision is applicable only for E-Commerce Operator under section 52 of CGST/SGST Act. Every E-Commerce Operator, not being an agent, needs to withhold an amount calculated at the rate of one percent of the “**net value of taxable supplies**” made through it where the consideration with respect to such supplies is to be collected by the operator. Such withheld amount is to be deposited by such E-Commerce Operator to the appropriate GST account by the 10th of the next month. The amount deposited as TCS will be reflected in the electronic cash ledger of the supplier.*

Q 27. What does the expression “Net value of taxable supplies” mean?

Ans. The expression “net value of taxable supplies” means the aggregate value of taxable supplies of goods or services, other than services notified under Section 9(5), made during any month by all registered taxable persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

Q 28. Is the pre-registration of credit card necessary in the GSTN portal for the GST payment?

Ans. Yes. The taxpayer would be required to pre-register his credit card, from which the tax payment is intended,

with the Common Portal maintained on GSTN. GSTN may also attempt to put in a system with banks in getting the credit card verified by taking a confirmation from the credit card service provider. The payments using credit cards can therefore be allowed without any monetary limit to facilitate ease of doing business.

Q 29. In what manner the liabilities of the registered person are recorded and maintained in the Electronic Liability Register?

Ans. The electronic liability register is maintained in FORM GST PMT-01 for each person liable to pay tax, interest, penalty, late fee or any other amount on the Common Portal and all amounts payable by him are debited to the said register.

Q 30. What are the debits made to the Electronic Liability Register?

Ans. The electronic liability register of the person is debited by:-

(a) the amount payable towards tax, interest, late fee or any other amount payable as per the return furnished by the said person;

(b) the amount of tax, interest, penalty or any other amount payable as determined by a proper officer in pursuance of any proceedings under the Act or as ascertained by the said person;

(c) the amount of tax and interest payable as a result of mismatch under section 42 or section 43 or

section 50; or

(d) any amount of interest that may accrue from time to time.

Q 31. What are the Credits made to the Electronic Liability Register?

Ans. *The Electronic Liability Register is credited with the following amounts:*

- (a) Payment of every liability made by the registered person by way of debit from electronic credit ledger or electronic cash ledger;*
- (b) the amount of TDS deducted by the Deductor in terms of Section 51 and paid by way of debit from electronic cash ledger;*
- (c) the amount of TCS collected by the E-Commerce operator in terms of Section 52 and paid by way of debit from electronic cash ledger;*
- (d) the amount of tax payable on reverse charge basis and paid by way of debit from electronic cash ledger;*
- (e) Any amount of demand debited in the electronic liability register shall stand reduced to the extent of relief given by the appellate authority or Appellate Tribunal or court and the electronic tax liability register shall be credited accordingly.*

Q 32. In what manner is the electronic cash ledger be maintained?

Ans. *The electronic cash ledger is maintained in FORM GST PMT-05 for each person, liable to pay tax, interest,*

penalty, late fee or any other amount, on the Common Portal for crediting the amount deposited and debiting the payment therefrom towards tax, interest, penalty, fee or any other amount.

Q 33. How Credits are made to the Electronic Cash Ledger?

Ans. *Any person, or a person on his behalf, shall generate a challan in FORM GST PMT-06 on the Common Portal and enter the details of the amount to be deposited by him towards tax, interest, penalty, fees or any other amount.*

The deposit shall be made through any of the following modes:

(i) Internet Banking through authorized banks;

(ii) Credit card or Debit card through the authorised bank;

(iii) National Electronic Fund Transfer (NeFT) or Real Time Gross Settlement(RTGS) from any bank;

(iv) Over the Counter payment (OTC) through authorized banks for deposits up to ten thousand rupees per challan per tax period, by cash, cheque or demand draft.

On successful credit of the amount to the concerned government account maintained in the authorised bank, a Challan Identification Number (CIN) will be generated by the collecting Bank and the same shall

be indicated in the challan.

On receipt of CIN from the collecting Bank, the said amount shall be credited to the electronic cash ledger of the person on whose behalf the deposit has been made and the Common Portal shall make available a receipt to this effect.

Further amount deducted or collected in accordance with section 51 or section 52 of the CGST Act, 2017 respectively would also be credited to electronic cash ledger on filing of Form GSTR-7 or Form GSTR-8 by the deductor or collector respectively.

Q 34. What would happen in case after making a deposit the bank account of the registered person is debited but Challan Identification Number (CIN) is not generated?

Ans. Where the bank account of the person concerned, or the person making the deposit on his behalf, is debited but no Challan Identification Number (CIN) is generated or generated but not communicated to the Common Portal, the said person may represent electronically in FORM GST PMT-07 through the Common Portal to the Bank or electronic gateway through which the deposit was initiated.

Q 35. Is there any relaxation to the Over the Counter (OTC) payment limit of Rs.10,000/- and if so to whom does the relaxation apply?

Ans. The restriction for deposit up to ten thousand rupees per challan in case of an Over the Counter (OTC)

payment does not apply to deposit to be made by –

(a) Government Departments or any other deposit to be made by persons as may be notified by the Commissioner in this behalf;

(b) Proper officer or any other officer authorised to recover outstanding dues from any person, whether registered or not, including recovery made through attachment or sale of movable or immovable properties;

(c) Proper officer or any other officer authorized for the amounts collected by way of cash, cheque or demand draft during any investigation or enforcement activity or any ad hoc deposit.

It may be noted that other registered persons may also deposit the amount of more than ten thousand rupees through challan via OTC mode but they would be liable for penalty for violation of Rule 87(3) of the CGST Rules, 2017.

Q 36. What is the validity period of the challan generated for the purpose of making deposit in the Electronic Credit Ledger at the GST common portal?

Ans. *The challan in FORM GST PMT-06 generated at the Common Portal shall be valid for a period of fifteen days.*

Q 37. How can an un-registered person required to make a payment under the provisions of the Act, make a payment?

Ans. Any payment required to be made by a person who is not registered under the Act, shall be made on the basis of a temporary identification number generated through the Common Portal.

Q 38. What should be done in case the registered person notices some discrepancies in his electronic cash ledger?

Ans. A registered person shall, upon noticing any discrepancy in his electronic cash ledger, communicate the same to the officer exercising jurisdiction in the matter, through the Common Portal in FORM GST PMT-04.

Q 39. In case a registered person claims refund of any amount in the electronic cash ledger, how will the process be recorded in the Electronic Cash Ledger?

Ans. Where a person has claimed refund of any amount from the electronic cash ledger, the said amount shall be debited to the electronic cash ledger. If the refund so claimed is rejected, either fully or partly, the amount debited, to the extent of rejection, shall be credited to the electronic cash ledger by the proper officer by an order made in FORM GST PMT-03.

Q 40. What is an Electronic Credit Ledger?

Ans. Electronic Credit ledger is for maintaining an account of input tax credit of the registered person. The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41, to be maintained in the prescribed manner.

Q 41. In what manner will the Electronic Credit Ledger be maintained?

Ans. The electronic credit ledger shall be maintained in FORM GST PMT-02 for each registered person eligible for input tax credit under the Act on the Common Portal and every claim of input tax credit under the Act shall be credited to the said Ledger.

Q 42. What will be the debits in the Electronic Credit Ledger?

Ans. The credit in the Electronic Credit Ledger can be used for discharging liability towards Output Tax only. Further, whenever any refund of ITC is claimed, the amount claimed as refund should be debited at the time of filing refund claim.

Q 43. Can the Credit Ledger be re-credited if the refund claim of ITC is rejected?

Ans. Yes. If the refund so filed is rejected, either fully or partly, the amount debited, to the extent of rejection, shall be re-credited to the electronic credit ledger by the proper officer by an order made in FORM GST PMT-03. For the time being it is being credited by the officer through Form RFD-01B.

Q 44. Are there any rules for utilization of ITC from the Electronic Credit Ledger?

Ans. Yes. The amount of input tax credit available in the electronic credit ledger of the registered person on account of--

(a) integrated tax shall first be utilised towards payment of integrated tax and the amount remaining, if any, may be utilised towards the payment of central tax and State tax, or as the case may be, Union territory tax, in that order;

(b) the central tax shall first be utilised towards payment of central tax and the amount remaining, if any, may be utilised towards the payment of integrated tax;

(c) the State tax shall first be utilised towards payment of State tax and the amount remaining, if any, may be utilised towards payment of integrated tax.

But, the input tax credit on account of State tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;

(d) the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated tax

But, the input tax credit on account of Union territory tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax.

(e) the central tax shall not be utilised towards payment of State tax or Union territory tax; and

(f) the State tax or Union territory tax shall not be utilised towards payment of central tax.

Notwithstanding anything contained above, the input tax credit on account of central tax, State tax or Union territory tax shall be utilised towards payment of integrated tax, central tax, State tax or Union territory tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilised fully towards such payment.

(NOTE - The highlighted part in the above answer would be brought into force when the CGST (Amendment) Act, 2018 is enforced.)

Q 45. Are there rules for discharge of tax liability in any particular order?

Ans. *Yes. Every taxable person shall discharge his tax and other dues under this Act or the rules made thereunder in the following order, namely:--*

(a) self-assessed tax, and other dues related to returns of previous tax periods;

(b) self-assessed tax, and other dues related to the return of the current tax period;

(c) any other amount payable under this Act or the rules made thereunder including the demand

determined under section 73 or section 74.

Q 46. Will all credits and debits made in the ledgers and register be identified and if so how?

Ans. *Yes. A unique identification number shall be generated at the Common Portal for each debit or credit to the electronic cash or credit ledger, as the case may be.*

The unique identification number relating to discharge of any liability shall be indicated in the corresponding entry in the electronic liability register.

A unique identification number shall be generated at the Common Portal for each credit in the electronic liability register for reasons other than those covered above.

7.1 TDS Scheme

(The Questions adopted from the Standard Operating Procedure on TDS under GST released by Law Committee, GST Council on 28th September, 2018)

Q 47. When tax deduction is required to be made in GST?

Ans. Tax is required to be deducted from the payment made / credited to a supplier, if the total 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).

Q 48. 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?

Ans. 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.

Q 49. Who are liable to deduct TDS?

Ans. 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.

Q 50. Describe the responsibilities of DDO in TDS under GST to get his/her office registered under GST?

- Ans. 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)*

Q 51. Does every Government office require to be registered under GST laws?

Ans. 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.

Q 52. 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?

Ans. No. You are liable to register only when you make a payment on which tax is required to be deducted.

Q 53. Do I have to pay any Fees for obtaining a GST

registration?

Ans. No fee is required to be paid for obtaining a GST Registration on the common portal.

Q 54. Is there any printed form for registration which I require to fill up?

Ans. 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.

Q 55. Is there any need to upload any document to complete the registration process?

Ans. 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.

Q 56. What types of documents are needed to be uploaded for address proof?

Ans. 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.

Q 57. To submit my registration application do I always need a DSC?

Ans. One can use Electronic Verification Code for submission of the registration form in the common portal apart from DSC.

Q 58. How do I know that I have submitted the application form correctly? What is an ARN?

Ans. 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..

Q 59. Is this ARN called the GST registration No?

Ans. 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.

Q 60. How do I know that GSTIN has been generated for my office or not?

Ans. Information will be given to the DDO in his registered email id as well as registered mobile no.

Q 61. After getting GSTIN what should I do?

Ans. DDO should update his DDO master details with the GSTIN in their respective DDO login in E-bill module of PFMS.

Q 62. 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?

Ans. 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 un-altered.

Q 63. 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?

Ans. 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.

Q 64. Is there any threshold exceeding which tax is required to be deducted?

Ans. 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').

Q 65. 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?

Ans. 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.

Q 66. Is there any threshold up to which GST needs not to be deducted?

Ans. Yes, GST need not to be deducted where the value of taxable supply under a contract does not exceed Rs 2.5 lakh.

Q 67. 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?

Ans. 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.

Q 68. 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?

Ans. Yes. Tax is required to be deducted since the payment is being made after the effective date.

Q 69. 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?

Ans. 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.

Q 70. 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?

Ans. 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.

Q 71. 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?

Ans. 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.

Q 72. When should I not deduct tax under GST?

Ans. 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;*

Q 73. 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?

Ans. 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.

Q 74. What is the different nature of supply & what is the rate of deduction?

Ans.

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

Q 75. If Supplier A of Maharashtra supplies goods to ABC office in West Bengal, then tax is required to be deducted under which Act?

Ans. The concerned DDO needs to deduct IGST @2%.

Q 76. 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?

Ans. 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.

Q 77. How can I discharge my TDS liability?

Ans. TDS liability can be discharged by debiting of Electronic Cash Ledger only at the time of filing return in FORM GSTR 7.

Q 78. 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?

Ans. 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.

Q 79. When will a DDO know that his liability for payment has been completed??

Ans. 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.

Q 80. Can the deductee take action on the TDS credit declared by me?

Ans. Yes. 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.

Q 81. What will happen if the TDS credit entry is rejected by the deductee?

Ans. 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.

Q 82. Is there any provision of refund to the deductor or the deductee arising on a/c of excess or

erroneous deduction made under GST?

Ans. 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.

Q 83. Who are liable to file return (GSTR-7)?

Ans. 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.

Q 84. What is the need for filing a return when deposit of TDS has already been made?

Ans. 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.

Q 85. 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?

Ans. 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.

Q 86. During October, 2018, I have not deducted any amount of GST. Do I need to file return for the month of October?

Ans. 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.

Q 87. How can a deductor file FORM GSTR-7?

Ans. 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.

Q 88. Is there any Offline Tool for filing Form GSTR-7?

Ans. Yes. FORM GSTR 7 return can be filed through offline mode also.

Q 89. Can the date of filing of FORM GSTR-7 be extended?

Ans. Yes, date of filing of FORM GSTR-7 can be extended by the Commissioner of State/Central tax through notification.

Q 90. What are the pre-conditions for filing FORM GSTR-7?

Ans. 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.*

Q 91. What are the modes of signing FORM GSTR-7?

Ans. FORM GSTR-7 can be filed using DSC or EVC

Q 92. Can I preview the FORM GSTR-7 before filing?

Ans. Yes, the preview of FORM GSTR-7 can be seen by clicking on 'Preview Draft GSTR-7' before filing on the GST Portal.

Q 93. What happens after FORM GSTR-7 is filed?

Ans. 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.

Q 94. Can I file the complete FORM GSTR-7 using Offline Utility?

Ans. 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.

Q 95. What are the features of FORM GSTR-7 Offline Utility?

Ans. 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.

Q 96. From where can I download and use the FORM GSTR-7 Offline Utility in my system?

Ans. 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.*

Q 97. Do I need to login to GST Portal to download the FORM GSTR-7 Offline Utility?

Ans. No. One can download the FORM GSTR-7 Offline Utility under 'Download' section without logging in to the GST Portal.

Q 98. Do I need to login to GST Portal to upload the generated JSON file using FORM GSTR-7 Offline Utility?

Ans. Yes. You must login in to the GST Portal to upload the generated JSON file using FORM GSTR- 7 Offline Utility.

Q 99. What are the basic system requirements/configurations required to use FORM GSTR-7 Offline Tool?

Ans. The offline functions work best on Windows 7 and above and MS EXCEL 2007 and above.

Q 100. Is Offline utility mobile compatible?

Ans. As of now FORM GSTR-7 Offline utility cannot be used on mobile. It can only be used on desktop/laptops.

Q 101. How many TDS details of the suppliers can I enter in the offline utility?

Ans. One can enter maximum 10,000 rows of TDS details of the suppliers in the offline utility.

Q 102. 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?

Ans. 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

Q 103. 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?

Ans. 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.

Q 104. Can I enter negative or decimal amounts in the offline utility?

Ans. 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.

Q 105. I’ve uploaded GSTR-7 JSON File and it was processed without error. Do I need to download the generated file?

Ans. 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.

Q 106. 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?

Ans. Mr. A has to pay interest for one day as return is to be filed by 10th December, 2018.

Q 107. 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?

Ans. 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.

Q 108. How can a supplier download the TDS certificate in FORM GSTR 7A?

Ans. 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.

Q 109. How many TDS Certificates are issued per GSTIN?

Ans. A single TDS certificate is issued per GSTIN per FORM GSTR-7 return filed by deductor.

Q 110. Is the signature of Tax Deductor required in TDS Certificate?

Ans. FORM GSTR-7A is system generated TDS certificate; signature of Tax Deductor is not required

Q 111. Do I as a taxpayer have to file FORM GSTR-7A?

Ans. No, a tax payer (deductee) is not required to file FORM GSTR-7A.

Q 112. Can I as a taxpayer (Deductor or Deductee) download and keep a copy of my TDS Certificate for future reference?

Ans. Yes, TDS Certificate can be viewed and/or downloaded in post-login mode on the GST portal.

Q 113. Being a deductor do I have to fill any form to generate FORM GSTR 7A? How can I view Form GSTR-7A?

Ans. No, a deductor is not required to fill up any separate form for generation of FORM GSTR-7A. 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.in URL. The GST Home page is displayed. 2. Login to the GST Portal with valid credentials. 3. Click the Services > User Services > View/Download Certificates

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