

Question	Response
Who is liable to discharge GST on the supply of goods / services to the buyer under various models?	<p>Marketplace model – Goods / services are supplied by the seller, the liability to discharge GST on the supply of goods / services to the buyer is on the seller.</p> <p>Inventory model – Goods / services are supplied by the seller i.e. the seller app (who is the e-commerce operator), the liability to discharge GST on the supply of goods / services to the buyer is on the seller i.e. the seller app.</p> <p>Aggregator model – Goods / services are supplied by the seller, however under the GST law, the liability to discharge GST on the supply of goods / services to the buyer is on the aggregator i.e. the seller app.</p>
Who qualifies as an E-Commerce operator under GST?	Any person owns, operates, or manages digital or electronic facility or platform for electronic commerce qualifies as an E-Commerce operator under GST. Accordingly, both buyer app and the seller app qualify as E-Commerce operator under GST.
Should ECOs collect GST from the sellers?	<p>CGST Act, only then GST shall have to be collected by ECO. In case where seller is not GST registered or is a composite dealer, no GST is to be collected.</p> <p>List of notified services under section 9(5) of the CGST Act as follows:</p> <ul style="list-style-type: none"> - Passenger transport services excluding omnibus services provided by Company - Accomodation services except where the seller supplying through ECO is liable for registration. - Housekeeping services except where the seller supplying through ECO is liable for registration. - Restaurant services other than restaurants located at specified premises <p>We have updated the list of services as on date and these notifications can be viewed from https://www.cbic.gov.in/entities/gst</p> <p>However, TCS obligations under GST and TDS obligations under Income Tax Act,1961 shall still have to be done in certain scenarios.</p>

Who is liable to collect GST TCS?	<p>E-commerce Operator is liable to collect GST TCS where the consideration with respect to such supplies is received by the E-commerce Operator. GST TCS Implication under various models:</p> <p>Marketplace model - Seller app is liable to deduct GST TCS, except when consideration is collected by the seller himself. FAQs issued by Law Committee of GST Council has clarified that under multiple e-commerce model, E-commerce Operator making payment to the seller is required to deduct GST TCS. If the buyer app and seller app are same, GST TCS will be deducted by seller app.</p> <p>Aggregator model - No GST TCS is deductible as liability of GST is required to be discharged by E-commerce Operator.</p> <p>Inventory model - Buyer app is liable to deduct GST TCS, if consideration is collected by buyer app / LOGISTICS SERVICE PROVIDER appointed by buyer app. No GST TCS is deductible, if consideration is collected by the seller i.e. seller app / LOGISTICS SERVICE PROVIDER appointed by seller. If buyer app and seller app are the same and the inventory is owned by it, no GST TCS is deductible.</p>
What is the rate at which GST TCS is to be collected?	GST TCS is to be collected by the E-commerce Operator's @ 1% (IGST) or @ 0.5% each of CGST and SGST.
Are there any scenarios where we don't need to collect TCS?	<p>Please note the following for supplies other than where the ECO is required to pay tax:</p> <p>Unregistered person – With effect from 1st October 2023, no TCS is required to be collected.</p> <p>Please note that GST TCS (wherever applicable) is to be collected at the rate of 1% (IGST) or 0.5% (CGST and SGST each)</p> <p>Please refer guidance note for details on TCS applicability</p>
Is the TCS 1% deducted on the GST amount or on the Total Billing Amount?	<p>TCS is to be collected on the net value of taxable supplies made by the seller. For more clarity refer guidance notes.</p> <p>For example: If a particular product is being sold at Rs. 100 with 18% GST applicable, then 1% TCS shall be calculated on Rs. 100 (i.e., on product cost) and not on Rs. 118 (i.e., product cost + GST). Hence, Rs. 1 TCS shall be collected i.e. 1% of Rs. 100</p>

Can the E-commerce Operator pay the GST TCS utilizing its ITC balance the in electronic credit ledger?	No, the E-commerce Operator cannot pay the GST TCS utilizing its ITC balance in the electronic credit ledger. GST TCS liability has to be mandatorily paid in cash.
What is the due date for depositing GST TCS collected and filing the return for GST TCS?	E-commerce Operator has to deposit the GST TCS collected in a month by the 10th of the following month. Also, return in Form GSTR-8 has to be filed by the E-commerce Operator by the 10th of the following month.
Is there any threshold for applicability of GST TCS?	No, there is no threshold limits for registration as tax collector. E-commerce Operator is required to collect GST TCS on the taxable supplies made through it by sellers. Every E-commerce Operator who is required to collect GST TCS must be compulsorily registered in the State of the seller.
Is it necessary for e-commerce operators who are already registered under GST and have GSTIN to have a separate GST TCS registration?	Yes, every E-commerce Operator is required be required to register in every State where the concerned suppliers are located to comply with the GST TCS provisions.
Is GST TCS required to be collected on exempt supplies?	No GST TCS is required to be deducted on exempt supplies.
How does an ECO decide which items to apply TCS on and which items to classify as Restaurant services ?	<p>Such classification will depend on the HSN for supply used by the restaurants.</p> <p>Where ice cream parlors sell already ready made ice- cream which they do not cook/prepare . Such transaction will be considered as supply of goods and not service. In such case ECO shall continue to collect TCS on such supplies. GST on such supply is required to be paid by the seller.</p> <p>However, in a case where food is ordered from restaurant, ECO is required to pay GST on such services. In such cases, HSN would be of restaurant services. TCS will not be applicable and seller is not required to pay GST provided restaurant is not located at specified premises.</p>

What are the changes which have come into effect from 1st October 2023	<p>W.e.f. 1 October 2023, following person are allowed to supply through ECO (subject to certain conditions as listed below)</p> <p>GST unregistered person can make intra-state supply of goods through ECO if they are within the defined turnover thresholds as defined for various states, as long as they are meeting certain conditions. Please refer to the guidance note in detail</p> <p>Composite taxable person can make intra-state supply of goods through ECO</p>
Can a seller sell online without GST registration?	<p>With effect from 1 October 2023, sellers without a GST registration can sell online as long as (GST unregistered seller)</p> <ol style="list-style-type: none"> 1. Seller does not engage in interstate supplies or supply from more than one state 2. Threshold - Aggregate turnover should be below threshold 3. PAN - Should have PAN under Income Tax Act, 1961 4. Declaration - Should declare PAN, address and state for where supply will be made 5. Enrolment Number - Should obtain enrolment number from GSTN portal and share it with ECO. Refer detailed guidance note for procedure to obtain enrolment number. 6. Reporting - ECO shall report such supplies in GSTR-8
As a Seller NP, how do we identify whether a merchant or service provider is i) a normal GST registrant, or ii) a Composition taxable person or iii) an Unregistered seller with a valid Enrolment No. ?	<p>In case of normal and composition taxpayer, the seller NP is granted a 15 digit GST Identification number. This number can be validated from the GSTN portal (https://services.gst.gov.in/services/searchtp)</p> <p>In case of unregistered person, the enrolment number can be validated on the GSTN portal one by one (https://services.gst.gov.in/services/searchsmregtp) or through GSPs in bulk.</p>
As a Seller NP, where in our system should we enter this enrolment number?	<p>For unregistered seller, ECO should collect enrolment number. Details of enrolment numbers could be maintained at a seller level in the ERP/system. ECO could also evaluate mentioning the Enrolment numbers instead of GST numbers in the seller / customer masters.</p> <p>Please note that enrolment number wise details are required to be reported in the GSTR-8 to be filed by the ECOs. Hence, system should be configured to provide reports to undertake compliances.</p> <p>‘For details, please refer to the guidance note for ECOs.’</p>

Will we need to collect any documents to verify the enrolment number?	Yes, it is advisable for the ECO to collect enrolment number and the certificate. Such enrolment number can be validated on the GSTN portal one by one (https://services.gst.gov.in/services/searchsmregtp) or through GSPs in bulk.
Does this enrolment number qualify to be a part of KYC?	Enrolment Number / ID is allotted after PAN verification. Thus, verified Enrolment number could be considered as a part of KYC document.
As a Seller NP, besides validating the eligibility of a seller to sell online on the ONDC Network, are we required to utilise the Enrolment No. or GST No. based details for business on the ONDC Network?	<p>Seller NPs are expected to ensure that area of sale i.e. serviceability provided to buyer apps on the ONDC network is in conformity with restrictions under GST Act for a seller who obtains only the enrolment no. or is a composition taxable person.</p> <p>Further, if seller NP has information of breach in turnover limits of such persons then it must ensure that further sale by the seller on the Network is with normal GST Registration No.</p> <p>In addition, Seller NP may be required to provide Enrolment No. or GST No. to buyer NPs, as and when required as per API Specs or transaction flows.</p>
What needs to be done (configuration) to restrict the shopkeeper to sell the products within the state of registration only?	<p>Enrolment numbers incorporate the state code used in which the seller is located. Depending on the '<i>place of supply</i>' of the transaction, it can be determined whether the supply could be intra state or interstate.</p> <p>Accordingly, validations could be put in the ERP / Systems.</p>
How can a Seller NP keep track of an unregistered person's threshold limit? Who will keep track of the revenue limit? Is it the obligation of the Seller NP or the seller?	<p>It is anticipated that the GSTN portal will notify the seller and the ECO if the turnover of unregistered persons exceeds the threshold limit.</p> <p>Primarily, it is the seller's responsibility to monitor their turnover limit and to obtain GST registration. Considering penal implications on ECO, it is important for ECO to ensure that only eligible supplies are made through ECO where such consideration is to be collected by ECO. As a practice, ECO may consider collecting declarations from sellers at the time of onboarding.</p>
If we collect TCS and pay to the exchequer, what reference of the seller do we give?	GSTIN of seller (for registered and composition taxpayer) will have to be reported in GSTR-8 to be filed by the ECOs.
When a seller moves from the enrolment number & take the GST registration number, how do we do the migration?	<p>It may be noted that from the date of grant of GST registration number, enrolment number will cease to exist.</p> <p>Hence, ECO will have to update the database to capture GST registration number. Also, once the supplier is registered, the TCS obligations on the ECO shall change.</p>

For example, if I am an ECO located in Maharashtra. Can I onboard unregistered and composition taxable person located in Karnataka?	<p>Yes. However, it should be ensured that such unregistered and composition taxable person only provides supply in the state of Karnataka. Also, the ECO shall have to take registration in Karnataka for TCS and reporting purposes (in case of unregistered person).</p> <p>TCS registration can be obtained from the GSTN portal (https://reg.gst.gov.in/registration/). ECO shall have to obtain TCS registration in every State where the sellers are located to comply with the TCS provisions.</p>
Does an Seller NP (ECO) onboarded on ONDC needs to have any extra registration other than normal taxpayer registration?	<p>No separate registration is required to be taken on account of ONDC.</p> <p>In addition to normal registration, ECOs who are liable to collect TCS, shall be required to register in every State where the sellers are located to comply with the TCS provisions. Such registration is in addition to the normal GST registration.</p> <p>For e.g. 1. ECO is located in Delhi having its normal registration in Delhi and the seller supplying goods are located in Maharashtra then the ECO is required to obtain TCS registration in the state of Maharashtra if payment for such supply is collected by the ECO</p> <p>2. ECO is located in Delhi having its normal registration, seller providing restaurant service is located in Maharashtra then ECO is required to obtain normal registration in the state of Maharashtra for discharge of GST liability.</p>
How does a seller app without a registered office in another state register for TCS? Are ECOs required to have a physical office in each state?	ECOs for TCS registration can register their head office as the place of business where they do not have a physical presence. Physical presence is not required to obtain TCS registration.

<p>What are the implications on the ECO if the seller's Enrolment number gets cancelled and not informed to ECO?</p>	<p>Enrolment number is generated in case of unregistered sellers, the validity of enrolment number ceases to exist when the turnover of the seller surpasses the threshold limit.</p> <p>It may be noted that from the date of grant of GST registration number, enrolment number will cease to exist.</p> <p>It is the responsibility of the ECO to track and monitor the enrolment status and in case of failure to do so ECO may be liable to penal implications.</p> <p>Under the CGST Act and state SGST Acts, ECOs are liable to penalty amounting to INR 10,000 or amount of tax involved, whichever is higher. Please refer the Guidance Note for details of scenarios under which ECOs can be penalised.</p>
<p>Is there any penalty on ECO if the seller does not fulfil their compliances?</p>	<p>Under the CGST Act and state SGST Acts, ECOs are liable to penalty amounting to INR 10,000 or amount of tax involved, whichever is higher. Penalty on ECO can be levied only on below scenarios:</p> <ul style="list-style-type: none"> - Allows supply of goods / services by unregistered persons other than persons exempted from registration by a notification - Allow inter-state supply of goods or services by a person who is not eligible to make such supplies -Fails to furnish correct details in the TCS return of any outward supplies effected through it by person exempted from obtaining registration <p>Please note that ECO is not responsible for compliances not</p>
<p>In case of any omission or discrepancy to deduct TCS for a particular month, what are the implications or remedy available to ECO to rectify it and will there be any penal implications?</p>	<p>In case ECO discovers any discrepancy or omission then it should be rectified in GSTR-8 to be filed for the month during which such discrepancy is noticed subject to payment of interest at 18%.</p> <p>GST Law also provides levy of general penalty amounting to INR 10,000 under CGST and SGST each or amount of tax not collected whichever is higher</p>
<p>For sales on ONDC Network, Is the invoice of sale to be raised by the seller NP or the seller or the Buyer NP?</p>	<p>Primarily, it is the responsibility of the seller to issue Tax invoice. ECOs can also commercially agree to raise invoice on behalf of the seller.</p> <p>However in case of services where ECO is required to pay tax, the invoices shall be issued by the ECO.</p>

Who will raise the invoice, the seller or the seller NP?	For supplies where ECO is required to pay tax (For e.g. Food Delivery Orders), ECO is required to raise invoice on the customer. For other supplies, the seller is required to raise the invoice. Practically, it may be agreed between the NP and the seller on who can generate the invoice on behalf of the invoice raising party.
What is the difference between a bill and an invoice? Should an Unregistered Person raise a bill/invoice?	<p>A registered person is required to comply with the provisions of the GST Law and is therefore required to issue a Tax Invoice containing all the fields and information as prescribed under the GST Law.</p> <p>On the other hand, an unregistered person is not bound by the provisions of the GST Law and can issue a bill / invoice as per the format suitable to its business.</p> <p>For a registered person, it is mandatory to issue a tax invoice as it is governed by the GST provisions. However, unregistered persons have no such mandate and hence can raise a bill or any document as per their requirement.</p>
How does an ECO decide which items to apply TCS on and which items to classify as Restaurant services ?	<p>Such classification will depend on the HSN for supply used by the restaurants.</p> <p>Where ice cream parlors sell already ready made ice- cream which they do not cook/prepare . Such transaction will be considered as supply of goods and not service. In such case ECO shall continue to collect TCS on such supplies. GST on such supply is required to be paid by the seller.</p> <p>However, in a case where food is ordered from restaurant, ECO is required to pay GST on such services. In such cases, HSN would be of restaurant services. TCS will not be applicable and seller is not required to pay GST provided restaurant is not located at specified premises.</p>
How do the sellers obtain the enrolment number?	<p>Please find below steps for obtaining enrolment number:</p> <ol style="list-style-type: none"> 1. Access GSTN portal (https://www.gst.gov.in/) 2. Select the "User Services" Tab and opt for "Generate User ID for Unregistered Applicant and proceed. 3. Fill the mandatory details like name of the seller, PAN details, e-mail id and mobile number, etc., <p>Post verification of all the details submitted enrolment number will be generated on the GSTN portal.</p> <p>Please refer the Guidance Note for Sellers for detailed procedure of applying for enrolment number.</p>

What is the validity of the enrolment number?	Enrolment no is valid till the time the person has obtained GST registration or is required to obtain GST registration
How much time will it take to obtain an enrolment number?	Enrolment number will be generated by the GSTN portal promptly after verification of the details filled on the GSTN portal.
I am a seller. When do I only need a GST Enrolment number? and if I have obtained GST enrolment number then when do I need to obtain a GST registration number?	Enrolment number is required in case of unregistered sellers. Seller is required to obtain GST registration number in case the turnover exceeds the threshold limit or compulsory registration is required in certain cases
I am a GST unregistered seller and I have obtained enrolment number. Am I needed to file GST returns?	No, unregistered person does not have to file returns under GST. ECO must report enrolment number of the unregistered seller in its GST returns
When a seller moves from the enrolment number & take the GST registration number, how do we do the migration?	<p>It may be noted that from the date of grant of GST registration number, enrolment number will cease to exist.</p> <p>Hence, ECO will have to update the database to capture GST registration number. Also, once the supplier is registered, the TCS obligations on the ECO shall change.</p>
Sellers who only sell exempted goods are required to take registration/ enrolment for doing business on ONDC?	<p>Prima facie, sellers engaged in exclusive supply of exempted goods are not required to obtain enrolment number.</p> <p>Exempted goods include vegetables, fruits, milk, food grains etc. Detailed list is available under exemption notification. We have provided the links in the guidance notes</p> <p>For GST registration, Section 23 of CGST Act exempts the sellers engaged in exclusive supply of exempted goods from taking GST registration. However, Section 24 of CGST Act mandates sellers supplying through ECOs (who are required to collect TCS) to take GST registration, and therefore technical evaluation will be required to determine registration requirement for sellers engaged in exclusive supply of exempted goods.</p>
Does the requirement of having an enrollment no. or GST No. apply to restaurants or kitchens as well who want to sell on ONDC Network ?	<p>For the purposes of restaurant services, the restaurant does not need an enrolment or GST registration number. However, the restaurant will need the enrolment number/GST registration number for the sale/purchase of other goods/services.</p> <p>ECOs shall be liable to pay GST on restaurant service supplied through them. Such liability is irrespective of whether the restaurant is registered or not.</p>

What is the threshold on annual turnover till which I can continue being a unregistered person?	Aggregate turnover should be below the threshold (10/20/40 lakhs) as defined for different states – For state wise turnover limits, please refer detailed guidance note
I am a seller and my turnover during the year exceeds the threshold limit. What should I do?	<p>Seller is required to obtain GST registration number and charge GST as a normal taxpayer in case the turnover exceeds the threshold limit.</p> <p>Post obtaining GST number, enrolment will cease to be valid. Such GST number should be communicated by the seller to the ECO.</p> <p>Seller has to discharge GST basis the rate applicable to the goods or services supplied by them. The GST rate ranges from 0% to 28%. The rates depend on the HSN or SAC code available to a particular goods or service. The seller should also check the exemption notification to check in case there any exemptions available for certain type of supplies to arrive at the final rate.</p> <p>Link to search HSN (https://services.gst.gov.in/services/searchhsnsac)</p>
Sellers who only sell exempted goods are required to take registration/enrolment for doing business on ONDC?	<p>Prima facie, sellers engaged in exclusive supply of exempted goods are not required to obtain enrolment number.</p> <p>Exempted goods include vegetables, fruits, milk, food grains etc. Detailed list is available under exemption notification. We have provided the links in the guidance notes</p> <p>For GST registration, Section 23 of CGST Act exempts the sellers engaged in exclusive supply of exempted goods from taking GST registration. However, Section 24 of CGST Act mandates sellers supplying through ECOs (who are required to collect TCS) to take GST registration, and therefore technical evaluation will be required to determine registration requirement for sellers engaged in exclusive supply of exempted goods.</p>
Does the requirement of having an enrollment no. or GST No. apply to restaurants or kitchens as well who want to sell on ONDC Network ?	<p>For the purposes of restaurant services, the restaurant does not need an enrolment or GST registration number. However, the restaurant will need the enrolment number/GST registration number for the sale/purchase of other goods/services.</p> <p>ECOs shall be liable to pay GST on restaurant service supplied through them. Such liability is irrespective of whether the restaurant is registered or not.</p>
I am a composition taxpayer. Can I sell goods through Seller Apps?	With effect from 1 October 2023, composition taxable person can make intra state supplies through ECO even where the payment (i.e., consideration) for the supply is to be collected by ECO.

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