

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE**

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**LOK SABHA**

**STARRED QUESTION NO.\*379**

**TO BE ANSWERED ON MONDAY THE 22<sup>ND</sup> MARCH, 2021**  
**CHAITRA 1, 1943 (SAKA)**

**RCM TAX**

**\*379. SHRI RAMDAS C. TADAS:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Reverse Charge Mechanism (RCM) Tax has to be paid in the same month when cotton is purchased from the farmers under Section 9 (4) of the Central Goods and Services Tax Act, 2017;

(b) if so, whether the traders find/face problems in purchase of cotton due to a large amount required to be deposited by them under RCM Tax;

(c) whether provision can be made for a card for payment of RCM at the time of filing GST in reference to the cotton like other items; and

(d) if so, the details thereof?

**ANSWER**

**MINISTER OF FINANCE**  
**SHRIMATI NIRMALA SITHARAMAN**

**(a), (b), (c), and (d): A statement is placed on the Table of the House.**

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**STATEMENT REFERRED TO IN REPLY TO THE LOKSABHA STARRED QUESTION  
NO.379 RAISED BY SHRI RAMDAS C TADAS FOR 22<sup>ND</sup> MARCH, 2021 FOR RCM  
TAX**

(a): Yes sir, the tax under reverse charge mechanism is required to be paid in the same return period in which purchase of item attracting Reverse Charge has been made.

(b): Certain representations have been received from trade, who are buying cotton from farmers, mostly ginning units, highlighting the problem of capital blockage faced by them in purchase of raw cotton from agriculturist, on which tax is to be paid on Reverse Charge basis.

(c) & (d): Section 49 of the CGST Act, 2017 provides for payment of GST using credit or debit cards.

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