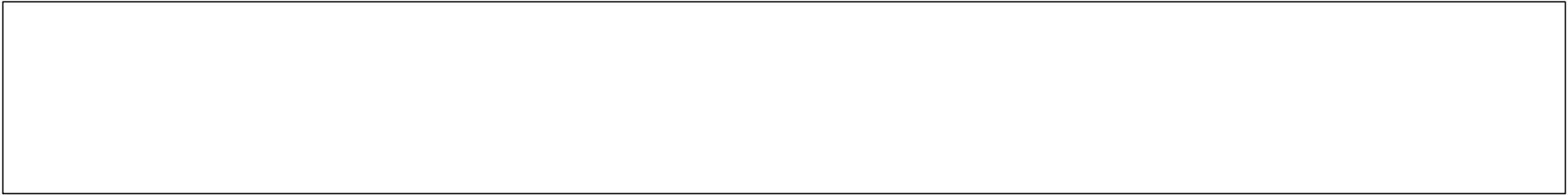




TAX COLLECTED AT SOURCE (TCS) IN GST LAW.

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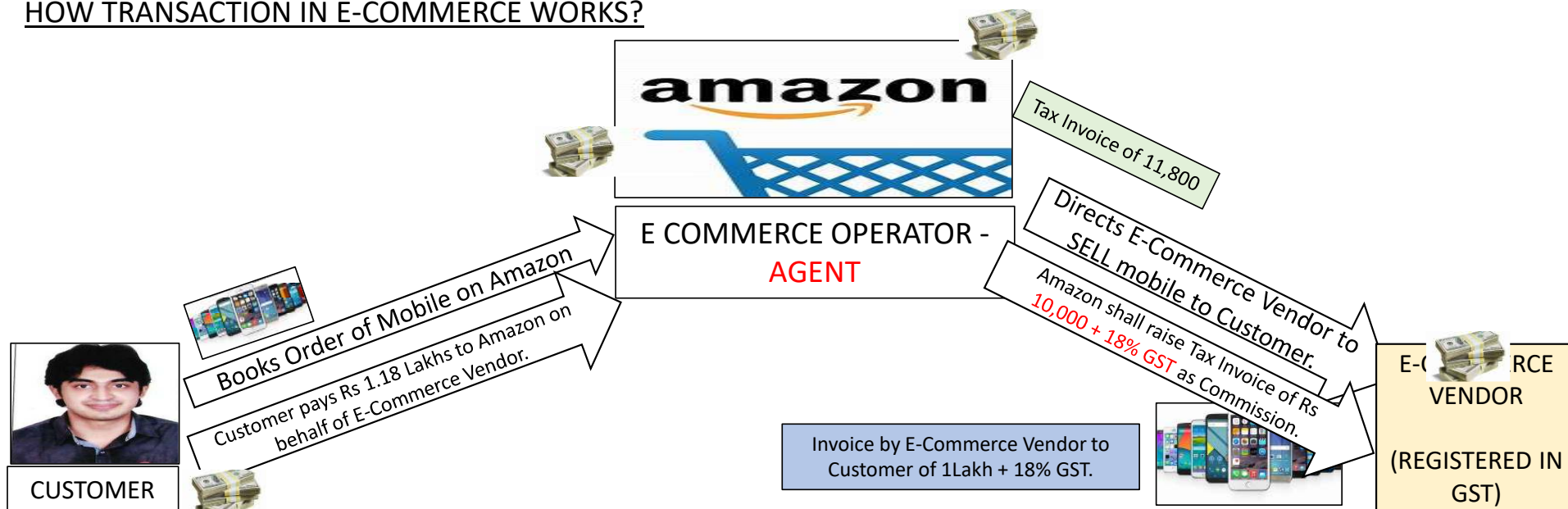


&



PRATIK SUDHIR SHAH  
CHARTERED ACCOUNTANTS  
9819122318  
[pratiksh2704@gmail.com](mailto:pratiksh2704@gmail.com)

## HOW TRANSACTION IN E-COMMERCE WORKS?



- E-Commerce Vendor sells goods to customer of Rs 1 Lakh + 18% GST.
- E-Commerce Vendor shall raise a **"TAX INVOICE"** of Rs 1.18 Lakhs on Customer.
- GST of Rs 18,000 Liability of E-Commerce Vendor.

- Amazon (E-Commerce Operator) shall raise **"Tax Invoice"** for **Commission Income of Rs 10,000 + 18% GST** on "E-Commerce Vendor".
- GST paid of Rs **1,800** shall be allowed as **Input Tax Credit** to "Ecommerce Vendor".

- Customer pays Rs 1,18,000 to Amazon (E-Commerce Operator) **on behalf of E-Commerce Vendor**.
- Out of Rs 1,18,000 so collected by Amazon (E-Commerce Operator), Amazon shall take Rs **11,800 as his Commission Income + GST**.
- It shall return balance amount of Rs **1,06,200 (1,18,000 – 11,800)** to E-Commerce Vendor.

- Amazon (E-Commerce Operator) had collected **GST of Rs 1,800 on "COMMISSION INCOME"** earned from E-Commerce Vendor.
- Hence Amazon (E-Commerce Vendor) shall pay **GST so collected of Rs 1,800 to Government**.
- E Commerce Vendor collected **GST of Rs 18,000 from Customer**.
- However it paid GST of Rs 1,800 to Amazon (E-Commerce Operator) on Commission paid which shall be allowed as **"INPUT TAX CREDIT"**.
- Hence E-Commerce Vendor **paid GST of Rs 16,200 to "Government"**.



GST of Rs 1,800.  
GST of Rs 16,200  
TOTAL GST earned – Rs 18,000.

SECTION 24 OF CGST ACT 2017 – COMPULSORY GST REGISTRATION.

SECTION 24 OF CGST ACT 2017

E-COMMERCE VENDOR **FOR GOODS** ARE **COMPULSORILY**  
REQUIRED TO GET REGISTERED IN GST.

E-COMMERCE VENDOR **FOR SERVICES** ARE REQUIRED TO GET  
REGISTERED IN GST IF THEIR **TURNOVER EXCEEDS Rs 20**  
**LAKHS.**

## E-COMMERCE VENDOR WERE NOT GETTING REGISTERED IN GST.

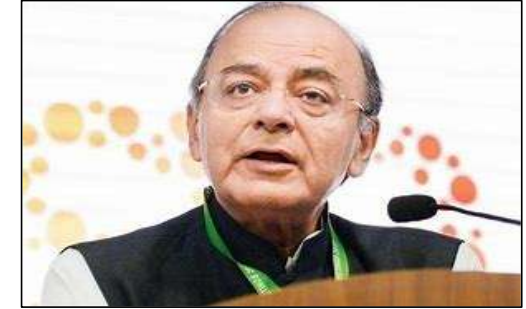


- E-Commerce Vendor sells goods to customer of Rs 1 Lakh.
- E-Commerce Vendor shall raise a "INVOICE" of Rs 1 Lakh (Without GST) on Customer.
- Since E-Commerce Vendor is Un-registered, he did not charge GST on sale of mobile.
- Amazon (E-Commerce Operator) shall raise "Tax Invoice" for Commission Income of Rs 10,000 + 18% GST on "E-Commerce Vendor".
- GST paid of Rs 1,800 shall be Cost to "Ecommerce Vendor" as it is Un-Registered in GST.
- Customer pays Rs 1,00,000 to Amazon (E-Commerce Operator) on behalf of E-Commerce Vendor.
- Out of Rs 1,00,000 so collected by Amazon (E-Commerce Operator), Amazon shall take Rs 11,800 as his Commission Income + GST.
- It shall return balance amount of Rs 88,200 (1,00,000 – 11,800) to E-Commerce Vendor.
- Amazon (E-Commerce Operator) had collected GST of Rs 1,800 on "COMMISSION INCOME" earned from E-Commerce Vendor.
- Hence Amazon (E-Commerce Vendor) shall pay GST so collected of Rs 1,800 to Government.
- E Commerce Vendor has not collected any GST as it is Un-Registered in GST.
- Hence E-Commerce Vendor shall not pay any GST to "Government".
- So Government earned only GST of Rs 1,800 in total. It did not earn any GST from E-Commerce Vendor.



GST of Rs 1,800.

TOTAL GST earned – Rs 1,800.



E-COMMERCE VENDORS



## E-COMMERCE VENDOR WERE NOT GETTING REGISTERED IN GST.



- Customer pays Rs 1,00,000 to Amazon (E-Commerce Operator) **on behalf of E-Commerce Vendor**.
- Out of Rs 1,00,000 so collected by Amazon (E-Commerce Operator), Amazon shall take Rs **11,800 as his Commission Income + GST**.
- **Amazon shall also deduct 1% TCS (1% on Rs 1,00,000) from amount so collected on behalf of E-Commerce Vendor.**
- It shall return balance amount of Rs **87,200 (1,00,000 – 11,800 – TCS of 1,000) to E-Commerce Vendor**.

- Amazon (E-Commerce Operator) had collected **GST of Rs 1,800 on "COMMISSION INCOME"** earned from E-Commerce Vendor.
- Hence Amazon (E-Commerce Vendor) shall pay **GST so collected of Rs 1,800 to Government**.
- Also Amazon (E-Commerce Vendor) shall also pay TCS **GST so deducted of Rs 1,000 to Government**.
- E Commerce Vendor has not collected any **GST as it is Un-Registered in GST**.
- **So Government earned GST of Rs 1,800 + TCS GST of Rs 1,000.**

TCS-GST of Rs 1,000 shall be **refunded** back to E-Commerce Vendor if (**E-COMMERCE VENDOR IS REGISTERED IN GST**).

Amazon (E-Commerce Operator) are required to deduct TCS **whether Recipient is registered or Un-Registered in GST**.



GST of Rs 1,800.

TCS GST earned – Rs 1,000

TOTAL GST earned – Rs 2,800.

## FAQ on Tax Collected at Source (TCS).



- Govt, **who is an e-commerce operator?**
- Plz explain me.



- 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 and
- ALLOWS OTHERS to supply products / services through use of e-commerce platform.**



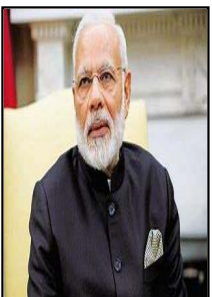
- Govt, kya E-Commerce Operators ko **compulsorily GST number lena hain?**



- Beta registration chapter padha hain na.
- As per section 24 of CGST Act, **E-Commerce Operators are compulsorily** required to get registered in GST Act.

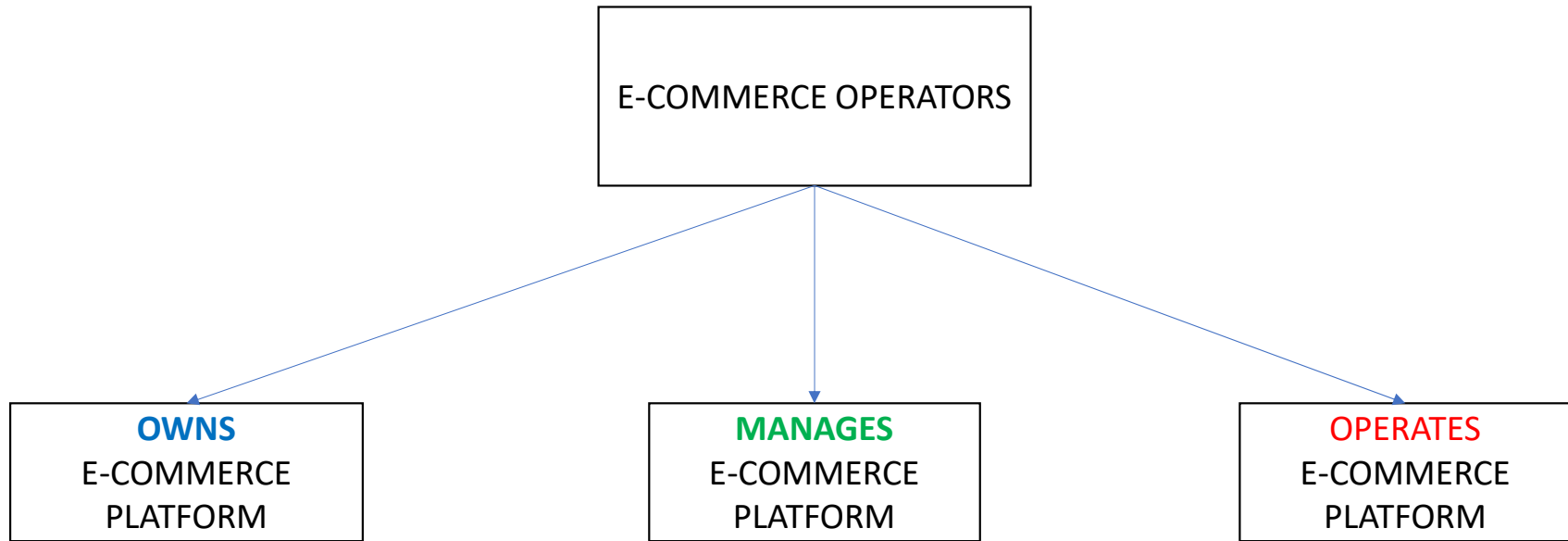


- Accha govt, Suppose we are **Foreign E-Commerce Operator (ALIBABA.COM)**.
- Hum bhi India mein supply to karte hain through APP.
- Kya humme bhi TCS collect karna padega?



- 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.
- If the foreign e-commerce operator does not have physical presence in a particular State / UT, he may appoint an agent on his behalf.
- If Indian E-Commerce Operator TCS GST Registration lenge, then obviously Foreign E-Commerce Operator shall also take TCS GST Registration.





ALLOWS OTHERS TO SUPPLY GOODS OR SERVICES THROUGH USE OF E-COMMERCE PLATFORM

COMPULSORILY REQUIRED TO GET REGISTERED IN GST.

## FAQ on Tax Collected at Source (TCS).



- Govt, aapka to **1% se fayda ho gaya na sir.**
- Suppose contract is of Rs 10 lakhs, then Rs 10,000 TCS aap kha jaoge.
- Bichare E-Commerce Vendors ka **1% se loss ho gaya sir.**



E-Commerce  
Vendor



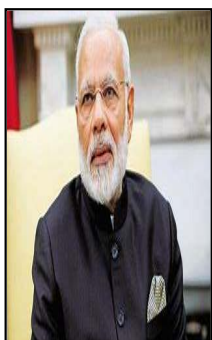
TCS – Rs 10,000



E COMMERCE OPERATOR - **AGENT**

ELECTRONIC  
CASH LEDGER

Goods Sold of  
10 Lakh  
(Excluding GST)  
in **May 2020**



- Koi loss nahi huan hain unka.
- I agree, that Amazon shall pay Rs 10,000 as GST\_TCS to me.
- Ye jo 1% TCS Amazon pay karoge na, wo wapas E-Commerce Vendor ko hi milega.
- This 1% TCS shall be credited (refunded) in his Electronic Cash Ledger of E-Commerce Vendor if he is registered in GST.**
- But yes if **he is un-registered** than **uska 1% gaya**. Fir hamara fayda ho gaya.
- To get this 1% TCS, **E-Commerce vendor shall take GST registration.**



## FAQ on Tax Collected at Source (TCS).



- Govt, you have mentioned **1% TCS right?**
- So is it 1% CGST and 1% SGST?



- As per section 52 of CGST Act 2017, TCS is to be collected by an electronic commerce operator on the **net value of taxable supplies** made through it by other suppliers where the consideration with respect to such supplies is to be collected by such operator.
- Rate is 0.5% CGST and 0.5 SGST or 1% IGST.**



- Is there any **threshold exemption for TCS?**
- Koi to limit hogi na sir?
- 1000, 2,000, 50,000 kuch to basic exemption hoga na sir for TCS?



- There is no exception to collection of TCS if all the stipulated conditions are fulfilled.
- Hence there is no threshold exemption.**
- Agar Re 1 ka bhi sale kiya E-Commerce Vendors ne than E-Commerce Operators are compulsorily required to deduct 1% TCS and pay to government.



- Accha govt, suppose Mr. A (E-Commerce Vendors) have sold goods of Rs 11,80,000 (10L + 18% GST) through E-Commerce Platform.
- Am I required to collect TCS GST on Rs 11,80,000 (INCLUDING GST FIGURE)?**
- GST pe bhi TCS GST collect karoge?**



- No**, you are required to collect TCS GST on **Value of Supply (Excluding GST Figure).**
- Hence you shall deduct and pay TCS @ 1% on only Rs 10Lakhs.



## FAQ on Tax Collected at Source (TCS).



- Govt, if suppose E-Commerce Vendor are supplying **exempted/nil rated/ non taxable / non gst supplies** than also am I required to collect 1% TCS?
- Bichare ka output/supply pe tax lagega hi nahi.
- And aap 1% TCS kama rahe ho on such exempt / nil rated / non taxable non gst supplies.
- Ye to galat hain.



EXEMPTED SUPPLIES

NIL RATED SUPPLIES

NON GST SUPPLIES



- As per section 52 of CGST Act 2017, TCS is to be collected by an electronic commerce operator on the net value of **TAXABLE SUPPLIES** made through it by other suppliers where the consideration with respect to such supplies is to be collected by such operator.
- So if supplies are exempt / nil rated / non taxable / non gst, then there is **no question of TCS.**



## FAQ on Tax Collected at Source (TCS).



- Sir as per **Section 24 of CGST Act**, supplier of goods **are compulsorily required** to get registered in GST if they are registered on E-Commerce Platform.
- But sir as per section 23 of CGST Act, **supplier of services** who are registered on e-commerce platform **are not required to get registered compulsorily in GST if their turnover is below Rs 20Lakhs.**
- **However as per Section 52 of CGST Act 2017, Amazon (E-Commerce Operators) are compulsorily required to deduct TCS of E-Commerce Vendors.**
- **Ek Section mein bolte ho ki upto Rs 20 lakhs tak GST mein registered mat hona.**
- **Fir TCS GST ke section 52 mein unka TCS cut kar rahe ho taki indirectly sab register ho jaay.**
- Bewakuf banana to koi aap se sikhe government.



Section 23 of CGST Act, 2017

Services Provider are **exempted for registration** if their turnover is below Rs 20 Lakhs.

Section 52 of CGST Act, 2017

E-Commerce Operators are **compulsorily required to deduct TCS** of each E-Commerce Vendor.



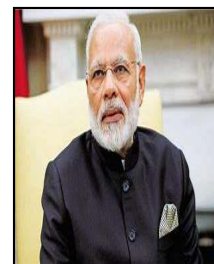
- Sir, for TAXABLE GOODS, you are compulsorily required to deduct TCS GST @ 1%.
- **But for services, if supplier is registered then only you are required to deduct and pay TCS to govt.**
- **If supplier is un-registered, then it shall be deemed that uska turnover is below Rs 20Lakhs.**
- **Hence you shall not be required to pay TCS for unregistered supplier of services.**



## FAQ on Tax Collected at Source (TCS).



- But govt, you have already kept **section 9(5)** for services provided through **few** E-Commerce Operator.
- For OLA, **Transportation services** is by driver, **Invoice is of Driver**. However GST is collected and paid by OLA to Govt.
- For Make My Trip, **Accommodation services** is by Guest House Owner, **Invoice is also of Guest House Owner**. However GST is collected and paid by Make My Trip / Goibibo etc to Govt.
- For Urban-Clap, Repairing services is by Electrician, **Invoice is of Electrician**. However GST is collected and paid by Urban Clap to Govt.
- **Ye sab services pe TCS ka kya benefit hain.**



Transportation  
Services  
**Invoice is of Driver.**



Accommodation  
Services  
**Invoice is of Guest  
House Owner.**



Plumbing, Repairing  
Services  
**Invoice is of  
Plumbers.**



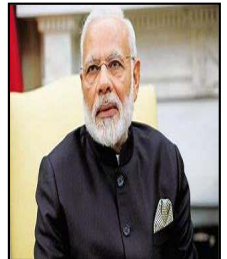
- TCS is applicable for services other than services covered under 9(5).
- **If services are covered under Section 9(5), then there is no question of TCS.**
- **Hence on services like OLA / UBER, GO-IBIBO, Make my trip, URBAN-Clap, there is NO TCS as e-commerce vendors are collecting & paying GST.**
- **However for other services like Design Services, Card Services or any other services through E-Commerce platform, TCS shall be applicable if supplier of such services are registered in GST.**



## FAQ on Tax Collected at Source (TCS).



- Govt, how am I supposed to pay you TCS?
- Vendor gets **multiple orders** from E-Commerce Platform.
- Kya har transaction ke baad mujhe turant aapko TCS pay karna hain?**
- Say agar E-Commerce vendor ne **15<sup>th</sup> May** ko sale kiya then am I required to pay you **TCS immediately**?



E COMMERCE OPERATOR - **AGENT**

Transaction on **15<sup>th</sup> May** by Mr. A of 1L (Excl GST)

Transaction on **22<sup>nd</sup> May** by Mr. A of 3L (Excl GST)

Transaction on **29<sup>th</sup> May** by Mr. A of 8L (Excl GST)

Do I need to pay TCS on each date ie

15<sup>th</sup> May

22<sup>nd</sup> May

29<sup>th</sup> May

Mr. A  
E-Commerce  
Vendor.



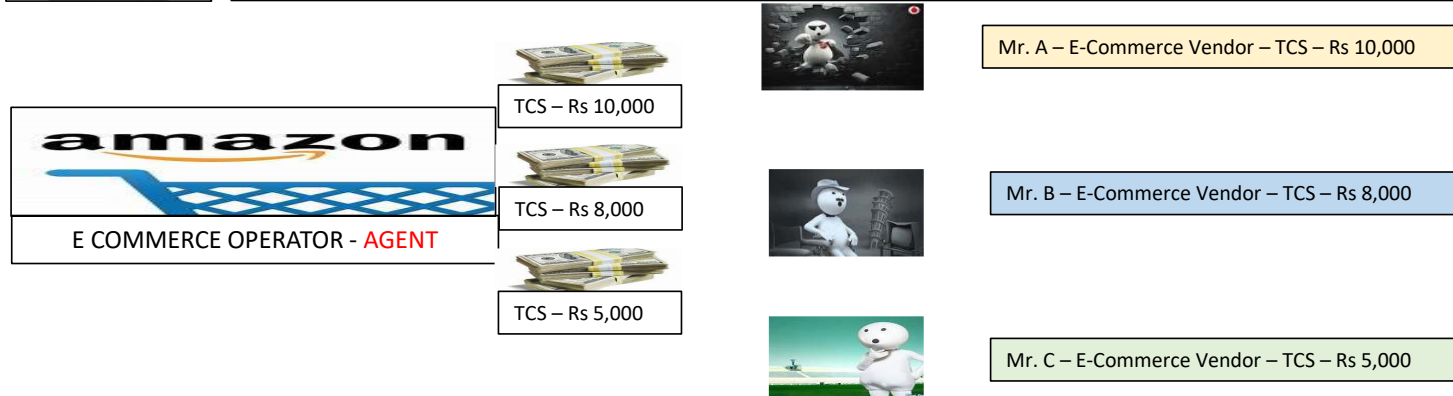
- TCS @ 1% is required to be deducted on **aggregate of all supplies** made by E-Commerce Vendor through E-Commerce Platform.
- You have to pay me **aggregate** of TCS GST on **10<sup>th</sup> of subsequent month**.
- Pure month mein jitna TCS deduct kiya hain from E-Commerce Vendor, wo pura aapko 10<sup>th</sup> of subsequent month take pay karna hain.**
- So if **May 2020 mein**, Mr. A (E-Commerce Vendor) ne say **10 Lakhs** (Excluding GST) ka supply kiya hain through E-Commerce Platform, **then you are required to pay TCS GST of Rs 10,000 (10L \* 1%) by 10<sup>th</sup> June 2020.**



## FAQ on Tax Collected at Source (TCS).



- Govt, how am I supposed to pay you TCS?
- There are 1,000 vendors on my e-commerce platform.
- Aapko kaise pata chalege ki meine kis vendor pay kiya hain?
- Mein to ek single challan pay kar dunga.



- As per Sec. 52(4) read with Rule 67(1), every electronic commerce operator shall be required to file **GSTR - 8 by 10<sup>th</sup> of subsequent month**.
- In GSTR - 8, you need to give **details E-Commerce Vendor wise**.
- Kis vendor ka kitna TCS hain, uska GST number kya hain, saari information deni hogi.
- Such TCS shall be later credited (refunded) in **electronic cash ledger** of each vendor who has made supplies through e-commerce platform.



## FAQ on Tax Collected at Source (TCS).



- Govt, **do I need to give certificate like Form 16** , Form 16A, **GSTR 7A** to E-Commerce vendors?
- Sabko dena padega kya ki aapka itna TCS deduct kiya hain and all?



E—COMMERCE VENDOR

TCS Deducted of Mr. A – Rs 15,000.

FORM 16

FORM 16A

GSTR – 7A



- No, there is no concept of TCS Certificate in GST Law.
- E-Commerce operator is not required to issue any certificate to E-Commerce Vendors for TCS deducted.



FAQ on Tax Collected at Source (TCS).

GST RETURN TO BE FILED  
BY E-COMMERCE  
OPERATOR

GSTR - 8

Monthly by 10<sup>th</sup> of  
subsequent month

Annual Statement

GSTR 9B

9 months from end of  
financial year

31<sup>st</sup> December from  
end of financial year.

## FAQ on Tax Collected at Source (TCS).



- TCS shall be directly transferred to E-Commerce Vendors's "Electronic Cash ledger"?
- **E-Commerce Vendor shall not have to do anything?**



- No, E-Commerce Vendor shall be required to "ACCEPT" such credit.
- **Unless and until he accepts, it shall not be refunded in Electronic Cash Ledger of "E-Commerce Vendor".**



Skip to Main Content A+ A-

**Goods and Services Tax** DURGESH SINGH CHAUH ▾

Dashboard Services ▾ GST Law Search Taxpayer ▾ Help ▾ e-Way Bill System

Dashboard > Returns English

### File Returns

Indicates Mandatory Fields

Financial Year \*  ▾

Return Filing Period \*  ▾

## FAQ on Tax Collected at Source (TCS).



- Accha govt, **mistakes are in Human nature.**
- Suppose I have deducted **TCS of Mr. A in May 20.**
- However, while filing GSTR-8 of May 2020, **I wrote GST of Mr. B.**
- **Can I revise GSTR – 8?**



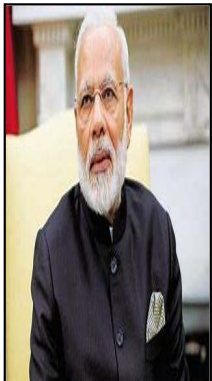
TCS – Rs 10,000



Mr. A – E-Commerce Vendor – TCS – Rs 10,000

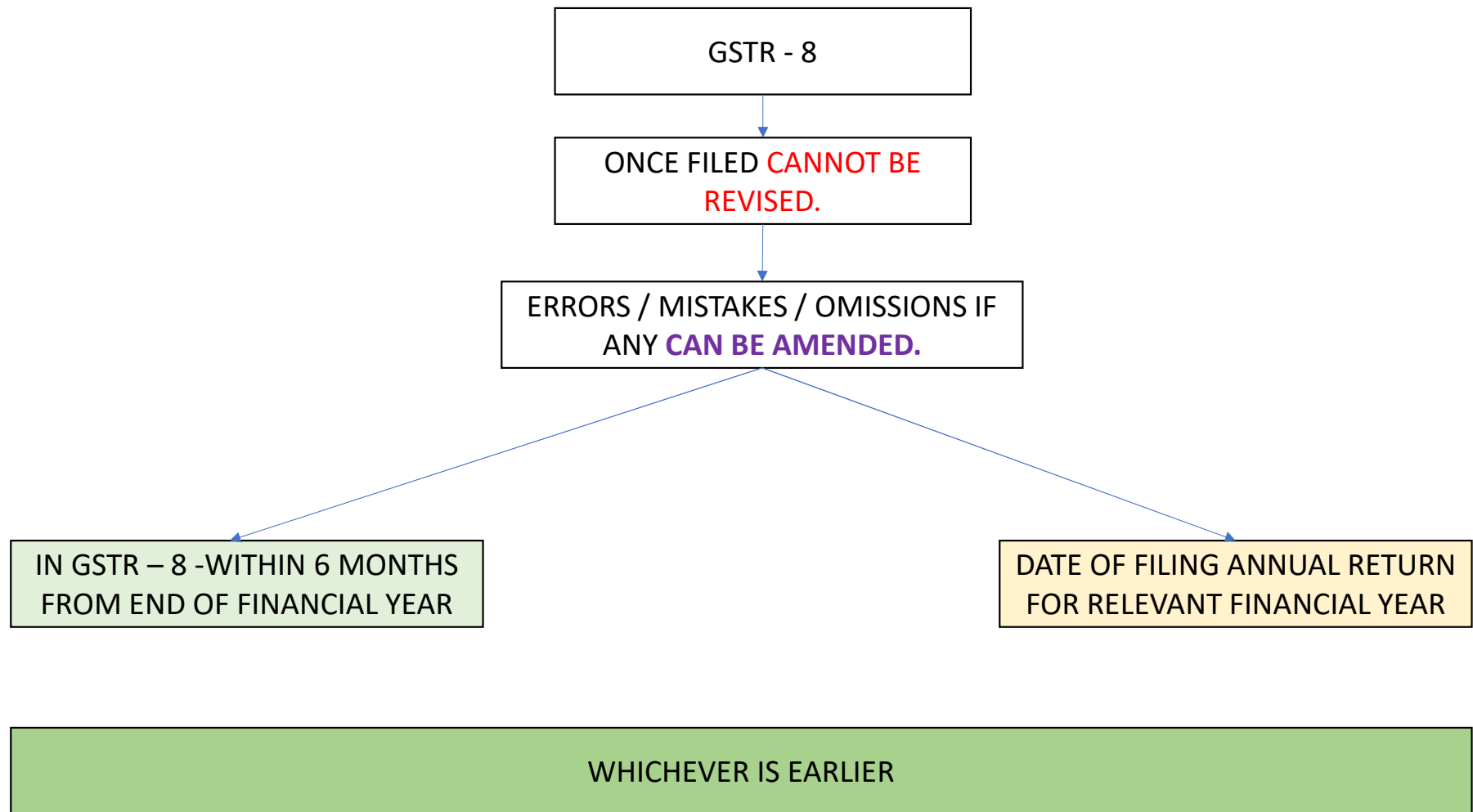


GST Number of Mr. B



- **GSTR – 8 once filed can never be revised.**
- However you can make **amendment** in subsequent months GSTR – 8.
- However no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement **for the month of September following the end of the financial year** or the actual **date of furnishing of the relevant annual statement**, whichever is earlier.
- **You made error in GSTR – 8 of May 2020.**
- **Hence Financial year is 2020-21.**
- You can make amendment in GSTR – 8 **till 6 months from end of financial year ie GSTR -8 of Sept 21 or date of filing Annual Return of FY 2020-21.**





## FAQ on Tax Collected at Source (TCS).



- Govt, aapka to **1% se fayda ho gaya na sir.**
- Suppose contract is of Rs 10 lakhs, then Rs 10,000 TCS aap kha jaoge.
- Bichare E-Commerce Vendors ka **1% se loss ho gaya sir.**



E-Commerce  
Vendor



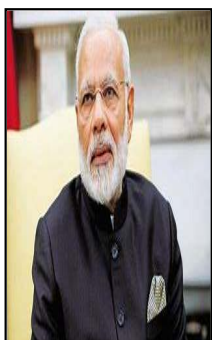
TCS – Rs 10,000



E COMMERCE OPERATOR - AGENT

ELECTRONIC  
CASH LEDGER

Goods Sold of  
10 Lakh  
(Excluding GST)  
in **May 2020**



- Koi loss nahi huan hain unka.
- I agree, that Amazon shall pay Rs 10,000 as GST\_TCS to me.
- Ye jo 1% TCS Amazon pay karoge na, wo wapas E-Commerce Vendor ko hi milega.
- This 1% TCS shall be credited (refunded) in his Electronic Cash Ledger of E-Commerce Vendor if he is registered in GST.**
- But yes if **he is un-registered** than **uska 1% gaya**. Fir hamara fayda ho gaya.
- To get this 1% TCS, **E-Commerce vendor shall take GST registration.**



## FAQ on Tax Collected at Source (TCS).



- Govt, **Goods Return policy** is biggest advantage in E-Commerce transactions.
- Suppose if E-Commerce Vendor **sold goods of Rs 10 L** (Excluding GST) in **May 2020**.
- Hence Amazon must have paid **Rs 10,000 (10L \* 1%) as TCS** to you.
- However **Customers returned goods of Rs 4 Lakhs** (Excluding GST) in **May 2020**.
- Hence that money is refunded to customers.
- However Govt, **aap to TCS-GST Rs 10,000 kama gaye na. CHOR HO.**



E-Commerce  
Vendor



Goods Sold of  
10 Lakh  
(Excluding GST)  
in **May 2020**



TCS – 10,000

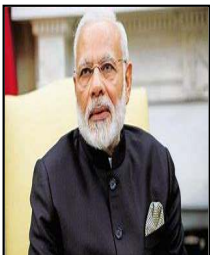


4L + GST



Goods returned  
of Rs 4 Lakhs  
(Excluding GST)  
in **May 2020**

- Govt you received **TCS of Rs 10,000 (10L \* 1%)**.
- Gross Supplies in May – 10 Lakhs
- Goods returned in May – 4 Lakhs
- Hence NET Supplies – 6 Lakhs.
- However TCS recd by Govt – Rs 10,000.



- Sir, TCS is required to be deducted on “**NET VALUE OF TAXABLE SUPPLIES**” during the month.
- Gross supplies for May 2020 is Rs 10 lakhs (Excluding GST).
- Goods returned by customers is Rs 4 Lakhs (Excluding GST).
- Hence “**NET VALUE OF TAXABLE SUPPLIES (EXCLUDING GST)**” is Rs 6 Lakhs.
- Hence you are **not required** to pay TCS of Rs 10,000 on Gross Supplies.
- You re required to pay only Rs 6,000 to me by 10<sup>th</sup> of June 2020.



## FAQ on Tax Collected at Source (TCS).



- Government aapko kya lagta hain **goods return same month mein hota hain?**
- E-Commerce Operator gives time of 15 days to return goods.
- Mr. A (E-Commerce Vendor) have supplied goods of aggregate value of Rs **10 Lakhs** (Excluding GST) in **May 2020**.
- Hence we have **deducted Rs 10,000** as TCS GST and paid to government.
- However in **June 2020, goods worth Rs 3 Lakhs** (Excluding GST) are returned by customers.
- So govt, you have earned TCS of Rs 10,000. However aapko sirf 7,000 TCS milna chahiye tha.



E-Commerce  
Vendor

Goods Sold of **10 Lakh**  
(Excluding GST) in **May 2020**

TCS – 10,000

amazon  
E COMMERCE OPERATOR - AGENT



Goods returned of Rs **4 Lakhs**  
(Excluding GST) in **June 2020**



- Amazon, I agree than for **May 2020**, you shall be required to **pay TCS of Rs 10,000 (10L \* 1%)** by 10<sup>th</sup> June 2020 in GSTR – 8.
- Goods are not returned by customers in May 2020. **Hence you shall pay Rs 10,000.**
- But, Mr. A (E-Commerce Vendors) ne **June 2020 mein kitne value ka supply** kiya hain through E-Commerce Platform?

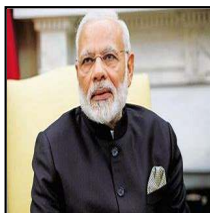


E-Commerce  
Vendor

- In June 2020, Mr. A (E-Commerce Vendor) have **supplied goods of value of Rs 15 L** (Excl GST) through E-Commerce Platform.
- Chinta mat karo pay kar dunga Rs **15,000 (TCS @ 1% on 15 Lakhs)** by 10<sup>th</sup> July 2020.



Goods Sold of **15 Lakh**  
(Excluding GST) in **June 2020**



- Boss, you are required to pay GST on **NET VALUE OF TAXABLE SUPPLIES** each month.
- So your **Gross supplies in June 2020 is Rs 15 Lakhs** (Excluding GST).
- Goods sold of Rs **3 Lakhs in May (Previous Month)** are returned in June 2020.
- **Hence Net Value of Taxable Supplies is Rs 12 Lakhs.**
- You are required to deduct and pay **TCS @ 1% on Rs 12 Lakhs ie Rs 12,000 only.**
- So jis month mein sales return hoga, us month mein uska benefit de denge.

Gross Sales in June 2020 – Rs 15 Lakhs

Goods Returned of May 2020 – 3 Lakhs

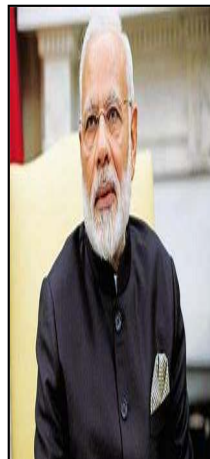
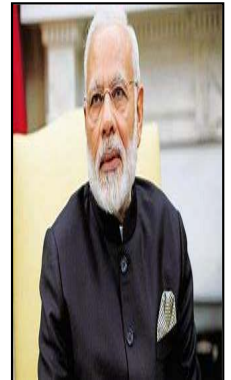
Net Sales of May 2020 – 12 Lakhs



## FAQ on Tax Collected at Source (TCS).



- Govt, there is possibility that Mr. A (E-Commerce Vendor) have supplied goods of aggregate value of Rs 10 Lakhs (Excluding GST) in May 2020.
- Hence we have deducted Rs 10,000 as TCS GST and paid to government.
- However in June 2020, goods worth Rs 3 Lakhs (Excluding GST) are returned by customers.
- And in June 2020, Mr. A (E-Commerce Vendor) have made supplies of only Rs 1 Lakh (Excluding GST) through E-Commerce Platform.
- Govt is baar sales Rs 1 Lakh ka and sales return of previous month Rs 3 Lakhs ka?
- Ab kya karoge?
- Aap GSTR – 8 mein negative figures allow nahi karte.



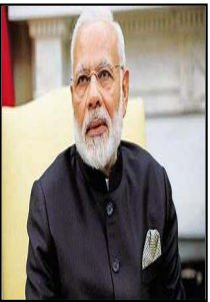
- Boss, Mr. A (E-Commerce Vendor) kabhi future mein to sale karega na.
- July mein, August mein, November mein kabhi to karega na.
- So suppose June month mein sales hain Rs 1 Lakh and sales return Rs 3 lakhs ka than aapka negative sales hain (- 2 Lakhs).
- Since supply is negative than there is no question of TCS GST in June 2020.
- Suppose Mr. A (E-commerce vendors) supplies goods of Rs 3 Lakhs (Excluding GST) in July 2020 than such negative (-2 Lakhs) can be adjusted against July 2020 supplies.
- So Gross Supply (Excluding GST) in July 2020 is Rs 3 Lakhs.
- Goods Return of May 2020 is Rs 2 lakhs.
- Hence NET SUPPLIES is only Rs 1 Lakh.
- E-Commerce Operator, aap TCS GST collect karoge on only Rs 1 Lakh.



## FAQ on Tax Collected at Source (TCS).



- Govt, bohat kaam badha diya TCS la kar.
- **Suppose mein TCS collect na karu to kya karega?**
- **Suppose mein TCS deduct karu but pay na karu to kya karega?**
- **Suppose mein GSTR – 8 na bharu to kya karega?**



- As per Sec. 122(1)(vi) of the CGST Act, 2017 failure to collect the tax as per Sec. 52(1) can invite **penalty of INR 10,000/- or the amount not collected or short collected, whichever is higher.**
- Sec. 76 of the CGST Act, 2017 can be invoked by the officer to recover such TCS along with interest. **Penalty u/s 122(1)(vi)** may also be imposed subject to principles of natural justice.
- Provisions of Sec. 47 of the CGST Act, 2017 imposing late fees shall not apply to the TCS return since the same is to be filed u/s 52(4) of the said Act (which is not covered u/s 47).
- However general penalty up to INR 25,000/- **per act** can be imposed u/s 125.



## FAQ on Tax Collected at Source (TCS).



Composition Scheme Dealer



- Mr. P (Composition Scheme Dealer), sold goods of Rs 2 Lakhs through Amazon (E-Commerce Operator).
- Mr. P paid 1% out of its own pocket ie Rs 20,000 to government.
- Mr. P seeks your opinion whether Amazon shall deduct 1% TCS?
- Composition Taxpayer **cannot get registered** on E-Commerce Platform.
- Hence there is no question of deduction of TCS.

## FAQ on Tax Collected at Source (TCS).



- Government we have taken GST Registration as our turnover through Commission Income is more than Rs 20 Lakhs.
- For TCS deduction of E-Commerce Vendors, we can do through same GST number na?



- No
- You are required to take **separate GST Registration for TCS-GST.**
- It cannot be deducted on basis of same GST number.



Regular GST Number

Monthly Returns – GSTR 1 and GSTR 3B

TCS- Separate GST Number

Monthly Returns – GSTR 8

ISD – Separate GST Number

Monthly Returns – GSTR 6

## SUMMARY

MEANING OF E-COMMERCE OPERATOR

OWNS, MANAGES, AND ALLOWS OTHERS TO SUPPLY GOODS OR SERVICES THROUGH E-COMMERCE PLATFORM.

ARE E-COMMERCE OPERATORS COMPULSORILY REQUIRED TO GET REGISTERED IN GST?

AS PER SECTION 24, E-COMMERCE OPERATORS ARE COMPULSORILY REQUIRED TO GET REGISTERED.

WHAT IS RATE OF TCS?

TCS RATE IS 0.5% CGST AND 0.5% SGST

TCS ON EXEMPT SUPPLY

TCS IS NOT TO BE DEDUCTED ON EXEMPT SUPPLY, NIL RATED SUPPLY, NON-GST SUPPLY.

TCS TO BE DEDUCTED ON GST COMPONENT?

TCS IS TO BE DEDUCTED ON "TAXABLE VALUE OF SUPPLIES".

TCS IS TO BE DEDUCTED ON GROSS OR AFTER GOODS RETURN FIGURE?

TCS IS TO BE DEDUCTED ON " NET TAXABLE VALUE OF SUPPLIES" ie AFTER REDUCING FIGURE OF GOODS RETURN.

WHICH RETURN IS TO BE FILED?

E-COMMERCE OPERATOR SHALL BE REQUIRED TO FILE GSTR-8 MONTHLY BY 10<sup>th</sup> OF SUBSEQUENT MONTH.  
ALSO THEY HAVE TO FILE ANNUAL STATEMENT ie GSTR – 9B.

TCS AMOUNT SHALL BE REFUNDED?

YES, E-COMMERCE VENDOR SHALL BE REQUIRED TO "ACCEPT" SUCH TCS.  
SUCH AMOUNT OF TCS SHALL BE CREDITED IN "ELECTRONIC CASH LEDGER".