

# **Handbook on E-Commerce Operators under GST**

**(December, 2025)**



**The Institute of Chartered Accountants of India**  
*(Set up by an Act of Parliament)*  
**New Delhi**

# **Handbook on E-Commerce Operators under GST**



**The Institute of Chartered Accountants of India**

(Set up by an Act of Parliament)

New Delhi

© The Institute of Chartered Accountants of India

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form, or by any means, electronic, mechanical, photocopying, recording, or otherwise without prior permission, in writing, from the publisher.

**DISCLAIMER:**

The views expressed in this book are of the author(s). The Institute of Chartered Accountants of India may not necessary subscribe to the views expressed by the author(s).

The information contained in this book has been drawn primarily from the [www.cbic.gov.in](http://www.cbic.gov.in) and other sources. While every effort has been made to keep the information in this book error free, the Institute or any office of the same does not take the responsibility for any typographical or clerical error which may have crept in while compiling the information.

First Edition	:	December, 2025
Committee/Department	:	GST & Indirect Taxes Committee
E-mail	:	<a href="mailto:gst@icai.in">gst@icai.in</a>
Website	:	<a href="https://www.icai.org">https://www.icai.org</a> ; <a href="https://idtc.icai.org">https://idtc.icai.org</a>
Price	:	₹ 140/-
Published by	:	The Publication & CDS Directorate on behalf of The Institute of Chartered Accountants of India ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi - 110 002 (India)
Printed by	:	Sahitya Bhawan Publications C-27, Site - C, UPSIDC, Sikandra, Agra - 282 007 December   2025   P4050 (New)

# Foreword

---

The advent of the Goods and Services Tax (GST) stands as a defining reform in India's journey towards a modern, unified and technology-enabled indirect tax system. Among the sectors most significantly impacted by this reform is e-commerce, which has emerged as a vital engine of growth for the Indian economy. The dynamic nature of online marketplaces, coupled with the complexities of multi-State transactions necessitates a clear understanding of GST provisions applicable to this domain. Spanning multiple jurisdictions, digital platforms and innovative supply chains the e-commerce sector demands enhanced clarity and compliance support under the GST framework.

The Institute of Chartered Accountants of India (ICAI), as a partner in nation-building, has consistently endeavoured to empower professionals and stakeholders through timely and relevant knowledge resources. The GST & Indirect Taxes Committee of ICAI has always been committed to supporting the profession and other stakeholders by disseminating knowledge and undertaking capacity-building initiatives in GST. This "Handbook on E-Commerce Operators under GST" is another step towards fulfilling that commitment and strengthening the understanding of GST compliance in the digital economy.

This Handbook provides comprehensive guidance on critical aspects such as registration requirements for e-commerce operators and suppliers, compliance obligations and recent amendments impacting digital trade. In the present context, where digital commerce continues to expand rapidly and the Government emphasizes transparency and ease of doing business, this publication will serve as a practical tool for Chartered Accountants, businesses and policymakers alike. It reflects ICAI's ongoing commitment to fostering clarity and compliance in an evolving tax environment.

I congratulate CA. Rajendra Kumar P, Chairman and CA. Umesh Sharma, Vice-Chairman of the GST & Indirect Taxes Committee for bringing out this valuable Handbook and trust that it will serve as an indispensable resource for all stakeholders navigating the GST framework in the e-commerce sector.

**CA. Charanjot Singh Nanda**  
President, ICAI

Date: 26.12.2025  
Place: New Delhi



# Preface

---

Over the years, GST has played a pivotal role in enhancing transparency, improving tax compliance and fostering ease of doing business across sectors of the economy. The recent initiatives reflect a continued commitment to building a more transparent, technology driven and resilient GST ecosystem. One of the sectors that has witnessed significant transformation under GST is the E-Commerce sector. With the rapid expansion of digital platforms, online marketplaces and app-based service models, e-commerce has become a vital driver of economic growth, innovation and consumer access. However, the distinctive features of this sector—such as multi-State operations, large volumes of transactions, diverse supplier bases and complex supply chains—have given rise to unique interpretational and compliance challenges under the GST law.

Recognising the need for sector-specific clarity, the GST framework incorporates special provisions for e-commerce operators and suppliers, including mandatory registration, tax collection at source, special provisions under section 9(5), reporting requirements and other compliance obligations. These provisions have continued to evolve through amendments, notifications, circulars and judicial pronouncements. In such a dynamic environment, a consolidated and updated reference is essential for professionals and stakeholders to ensure correct compliance and informed decision-making.

This 'Handbook on E-Commerce Operators under GST' seeks to provide a comprehensive and structured understanding of the legal framework governing e-commerce transactions under GST. The publication endeavours to analyse the relevant statutory provisions, rules and procedures in a practical manner, while also highlighting recent amendments and key issues faced by the industry. It is intended to serve as a ready reckoner for Chartered Accountants, tax professionals, businesses, start-ups, regulators and other stakeholders engaged in or advising the e-commerce sector. This Handbook is updated upto 15<sup>th</sup> December, 2025.

We express our sincere gratitude to CA. Charanjot Singh Nanda, President, ICAI and CA. Prasanna Kumar D, Vice-President, ICAI, for their continued encouragement, guidance and support in all initiatives undertaken by the Committee. We also place on record our appreciation for the valuable efforts

and contributions of CA. Arup Dasgupta, CA. Manuj Garg and CA. Arjun Sobti. We are also thankful to CA. Chhavi Jain for finalising this Handbook as well as the Secretariat, whose administrative support has been instrumental in bringing out this publication.

While every effort has been made to ensure the accuracy and completeness of the information contained in this Handbook, the law is subject to interpretation and change. Readers are encouraged to share their suggestions and feedback, and to bring to our notice any inadvertent errors or omissions, at [gst@icai.in](mailto:gst@icai.in). We also invite readers to visit the Committee's website at <https://idtc.icai.org> for regular updates and resources on indirect taxation.

We sincerely hope that this Handbook will prove to be a useful and reliable guide for all stakeholders navigating the GST framework applicable to e-commerce operators and suppliers.

**CA. Rajendra Kumar P**

Chairman

GST & Indirect Taxes Committee

**CA. Umesh Sharma**

Vice-Chairman

GST & Indirect Taxes Committee

Date: 26.12.2025

Place: New Delhi

# Contents

---

<b>1.</b>	<b>Introduction to E-Commerce and E-Commerce Operators .....</b>	<b>1</b>
1.1.	Definition of E-Commerce .....	1
1.2	Definition of E-Commerce Operator .....	2
1.3	Business Models in the E-Commerce Industry .....	3
<b>2.</b>	<b>Statutory Framework for E-Commerce Operators under Section 9(5) .....</b>	<b>8</b>
2.1.	Relevant Statutory Provisions:.....	8
2.2	Services Notified under Section 9(5) and Related Notifications:.....	10
2.3	Tax Compliance Matrix for Notified Services .....	14
2.4	FAQs in relation to Services under Section 9(5) .....	15
<b>3.</b>	<b>Tax Collection at Source (TCS) under GST .....</b>	<b>18</b>
3.1	Introduction to TCS .....	18
3.2	Provisions of TCS under GST Act(s).....	18
3.3	Effective date of TCS implementation .....	23
3.4	Analysis of TCS provisions .....	23
3.5	Who is liable to collect TCS? .....	29
3.6	When tax shall be collected? .....	29
3.7	Valuation of supply.....	29
3.8	Procedure for filing TCS return (GSTR-8) by Electronic Commerce Operator (collector) .....	30
3.9	Form and manner of ascertaining details of inward supplies – Rule 60.....	31
3.10	Matching of details furnished by the E-Commerce Operator with the details furnished by the supplier – Rule 78.....	31
3.11	How the Collectee will take benefit of TCS? .....	32
3.12	TCS Registration.....	32



3.13	Requirement of mandatory registration waived for persons supplying goods through an ECO, subject to certain conditions [Notification No. 34/2023-CT dated 31.07.2023].....	33
3.14	Procedure of Registration.....	34
3.15	Interest, Late Fee and Penalty.....	43
3.16	Frequently Asked Questions (FAQs).....	45
3.17	Multiple Choice Questions.....	55
3.18	General Compliances.....	56
3.19	Relevant Notifications/Circulars.....	57
<b>4.</b>	<b>Disclosure Requirements in GST Returns.....</b>	<b>62</b>
4.1	Reporting in GSTR-1 by Suppliers Making Supplies through ECO (either under Section 9(5) or where TCS is applicable).....	62
4.2	Reporting in GSTR-3B .....	65
4.3	Reporting in GSTR-9 – Reporting Supplies Made through ECO under Section 9(5) in Table 5C .....	66
4.4	Reporting in GSTR-9 – Supplies on which e-commerce operator is required to pay tax as per section 9(5) .....	66
4.5	Reporting in GSTR-9C – Supplies on which tax is to be paid by ecommerce operators as per sub-section (5) of section 9 [Supplier to report] .....	67
4.6	Reporting in GSTR-9C – Supplies on which e- commerce operator is required to pay tax as per subsection (5) of section 9 [E-commerce operator to report] .....	67

Readers may make note of the following while reading the publication:

Unless otherwise specified, the section numbers and rules referred to in this publication pertain to Central Goods and Services Tax Act, 2017 and Central Goods and Services Tax Rules, 2017 respectively.

# Introduction to E-Commerce and E-Commerce Operators

---

## 1.1. Definition of E-Commerce

According to Section 2(44), "electronic commerce" means the supply of goods or services or both, including digital products over digital or electronic network.

Therefore, in order to be an electronic commerce, it has to fulfill the following conditions:

- a) There must be a supply through any of the modes - sale, transfer, exchange, lease, or provision of goods/services.
- b) The supply must be of goods or services or both – could be of furniture, cleaning services or interior decoration services, etc
- c) The supply may be of digital products – OTT Subscriptions, e-books, software utilities, etc
- d) The same is supplied over digital or electronic network – in order to make the supply either internet-based models like mobile apps, cloud-based systems, etc. are used or other communication systems like websites, servers or emails are used.

S No.	Electronic Facility or Platform	Category
i.	Mobile apps	Food delivery apps, House Cleaning apps, Grocery Delivery apps, etc
ii.	Websites	Goods like mobile phones, books, etc are listed on a website, purchased and tracked online.
iii.	API based search engines	Apps where vendors and customers are connected based on search criteria.

iv.	Cloud based Software	Subscriptions to Video Calling apps, Photo Editing apps, etc.
v.	Email based ordering	Membership based models where suppliers promote their goods or services through emailers, and the customers respond for the goods or services through emails

### 1.2 Definition of E-Commerce Operator

According to Section 2(45), "electronic commerce operator" means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

Thus, an E-Commerce Operator is -

- any person – it can be any person who is defined in the GST Law.
- who owns, operates or manages –
- digital or electronic facility or platform – any of the electronic facilities or platforms as discussed above
- for electronic commerce – the supply should be facilitated over digital or electronic platforms as discussed above.

#### Is ownership the only criteria for becoming an e-commerce operator?

The platform could be owned singularly by any single person or it could be jointly owned by different persons. Even when ownership is not resting with such person, it will be an electronic commerce operator if it has operational control or administrative supervision over the particular platform. Some of such situations could be -

- Franchisee Model** – The person who manages the website/app on behalf of the owner of the brand. For a leading hotel chain, they have franchisees for different regions where the franchisees are only allowed to facilitate the supply for all the particular hotels of the chain through their platforms. Here, though the website and the app are owned by the hotel chain, the franchisee will be the electronic commerce operator as they are managing the platform.
- Indian arms of Foreign Companies** – The Indian arms of the foreign entities who are managing the brand in India on behalf of the foreign

counterparts. For a cab hailing app which is registered outside India and sets up an Indian arm to deliver the same services in India

Therefore, an electronic commerce operator would ideally be an interface between multiple suppliers and multiple recipients whereby they enlist the suppliers on their platforms and then facilitate the recipients to trace or discover the supplier which best suits them and then procure the goods or services or both either in online mode or through offline mode.

In contemporary e-commerce, a single transaction for the supply of goods or services can involve multiple electronic commerce operators. For instance, one electronic commerce operator may provide the marketplace platform, another may handle payment processing, and a third might manage logistics. This raises a critical question regarding which operator is responsible for the compliances such as the collection of tax at source (TCS) under section 52 of CGST ACT, 2017.

To remove this ambiguity, *Notification No. 37/2023-CT dated August 4, 2023*, provides a clear directive. *In any transaction involving more than one ECO, the term “the electronic commerce operator” for the purpose of compliance shall be the ECO who ultimately releases the payment to the supplier for that specific supply of goods or services.* This clarification is pivotal as it pins the responsibility on the entity that controls the final disbursement of funds to the seller, ensuring a clear and undisputed line of compliance.

### 1.3 Business Models in the E-commerce industry

#### (i) The Marketplace Model-

- In the marketplace model, different sellers register themselves on platforms like Amazon, Flipkart, OLX, Just Dial etc. to list their products or services.
- In this particular model, the main intent of the ECO is to facilitate the transaction between the supplier of goods or services and the potential customers, without having any inventory of the same.
- The pricing for such goods or services or both is determined by the supplier and ECO does not have any control whatsoever of the same. However, additional/ special discounts may be given by the seller in consultation with the ECO so as to boost the sales in a particular period.

- The main purpose of such a model is to add value in terms of catalogue (offering different options of the same product), convenience (delivering the goods or services as per the suitability and requirement of the customer) and cost (giving large number of options for different price points).
- The main revenue of the ECO is from the listing fees, advertisement, logistic fees, warehousing charges and also the commission earned by them.
- The invoice is raised by the respective suppliers to the customers and the returns are also managed by the suppliers.
- There are scenarios where the goods owned by sellers are kept at the warehouse/godown located across the country. Such warehouses are owned by ECO, wherein when the goods are dispatched the invoice is issued in the name of seller mentioning their particular GSTIN which is practically issued by ECO himself from those warehouses/godowns.
- The payments for the goods or services are also routed through the ECO.

### **Compliance Requirement: Additional Place of Business (APOB)**

*The practice of sellers storing their goods in warehouses owned or managed by the Electronic Commerce Operator (a model often referred to as 'Fulfilled by ECO') has significant GST compliance implications for the seller. It is a mandatory requirement for the supplier (seller) to declare such a warehouse as an 'Additional Place of Business' (APOB) in their GST registration certificate.*

*Failure to comply with this requirement can lead to several adverse consequences:*

- **Invalid Movement of Goods:** *The movement of goods from the seller's primary location to the ECO's warehouse and from the warehouse to the final customer must be covered by valid documentation, such as an e-way bill, which originates from a registered place of business. Without APOB registration, such movements can be questioned by tax authorities.*
- **Incorrect Place of Supply:** *The location of the supplier is a key determinant for the place of supply. Storing goods and making supplies*

*from an undeclared location can lead to incorrect determination of tax (IGST vs. CGST/SGST) and potential disputes.*

- **Invoice and ITC Validity:** *Invoices must bear the address of the place of business from where the supply is made. Issuing invoices from an unregistered warehouse location can render them invalid, jeopardizing the recipient's ability to claim Input Tax Credit (ITC).*

### **(ii) The Inventory Model-**

Brands like Pantaloons, Tata Cliq follow the inventory model of business where they purchase goods from different brands like Allen Solly, Van Heusen and sell such goods in their outlets and also through their website.

- The inventory is duly maintained by the ECO depending on the demand and supply trends analyzed by it.
- The pricing, offers, discounts and promotions are purely decided by the ECO and the supplier of such goods or services have no say in such financial decisions.
- The returns if any of the defective goods are also directly handled by the ECO.
- The main revenue in this model is from the margin they make while selling the goods or services. Apart from the sale, revenue is also earned from advertisements and special promotions carried out on behalf of the brands.
- The invoice is made by the ECO and the payment is also directly collected by the ECO.

*A fundamental distinction of the inventory model from a tax perspective is the flow of Input Tax Credit (ITC), which is crucial for professionals to understand. Since the ECO purchases goods to hold as its own stock, it actively participates in the credit chain. The process, is as follows:*

1. **Inward Supply to ECO:** The original manufacturer or distributor sells goods to the ECO. This is a Business-to-Business (B2B) transaction, for which the supplier issues a tax invoice in the name of the ECO. The ECO, as the recipient of goods, is eligible to claim ITC on the GST paid on this inward supply, provided it fulfills the conditions stipulated under Section 16 of the CGST Act, 2017.

2. **Outward Supply by ECO:** The ECO then sells these goods from its inventory to the final customer (either B2B or B2C). For this transaction, the ECO issues its own tax invoice and charges the applicable GST. The ECO utilizes the ITC accumulated from its inward supplies to discharge its output tax liability on these sales. This seamless flow of credit is a hallmark of the inventory model and distinguishes it from the marketplace model, where the ECO does not purchase the goods and hence cannot claim ITC on them.

### (iii) The Aggregator Model-

- Businesses like Uber, OYO, Urban Company, Swiggy and Eventz gather individuals/ businesses who are willing to provide the services through the platform.
- Although the aggregator does not provide the services directly, it is responsible for facilitating the transactions made through ECO's platform.
- The aggregator earns its revenue by charging platform fees or commissions from the vendors and convenience or booking fees from customers utilizing the services from the platform.
- The aggregator is responsible for ensuring that customer experience remains uniform across all services provided under its brand by onboarding the right service providers based on parameters and the terms and standards of delivery of the services which in turn maintains consistency and aids in expansion of the business with predictable service levels.
- The aggregator does not own any of the services provided through its platform as the execution of the same is done by the vendors, which signifies that it does not bear any risk towards any damage or deficiency. However, the reputation risk of the ECO is at stake in such cases.

*The aggregator model is subject to a unique and significant provision under GST law that fundamentally alters the tax liability structure. For certain categories of services notified by the Government, section 9(5) of the CGST Act, 2017, shifts the responsibility of paying GST from the actual service provider to the Electronic Commerce Operator (the aggregator).*

### ***A. The Deemed Supplier Provision***

For notified services such as passenger transportation (e.g., Uber), accommodation in hotels and inns (e.g., OYO) and restaurant services (e.g., Swiggy), the ECO is treated as the deemed supplier for GST purposes. This means the aggregator, not the driver, hotel, or restaurant, is liable to collect GST from the customer and remit it to the Government on the full value of the service.

### ***B. Special Treatment of Input Tax Credit (ITC)***

The treatment of ITC for ECOs liable under section 9(5) is highly specific. Circular No. 167/23/2021-GST, clarifies the following:

- **No Reversal of Common ITC:** The ECO is not required to reverse the ITC on its common inputs and input services (e.g., marketing expenses, platform maintenance costs) that are used to facilitate the supplies notified under Section 9(5). This is a specific exception to the general rules of ITC apportionment.

### ***C. Mechanism for Payment of Tax Liability***

The manner of discharging the tax liability for these notified services is also prescribed:

- **Payment in Cash:** The entire GST liability arising from the supplies made under Section 9(5) must be discharged by the ECO through its **Electronic Cash Ledger only**. The ITC available in the ECO's Electronic Credit Ledger cannot be utilized to pay this specific tax liability. This has a direct impact on the working capital and cash flow management of the aggregator.

### ***D. Utilization of Available ITC***

While the ITC cannot be used for the 9(5) liability, it is not forfeited. The ITC availed by the ECO on its various inputs and input services can be utilized to discharge the GST liability on its **own taxable supplies**. These primarily include the commission, platform fees or convenience fees that the ECO charges to the underlying service providers (vendors) or customers. This dual compliance structure—paying one liability in cash and another through ITC—is a critical aspect of the aggregator model under GST.



# Statutory Framework for E-Commerce Operators under Section 9(5)

---

## 2.1. Relevant Statutory Provisions:

In the GST law, a special provision has been envisaged for the levy and collection of tax when the supply of specified services are carried out through the ECO. Considering the nature of industry or the kind of structure in which it works, the duty of levy and collection of tax along with the fulfilment of all compliances has been shifted to the ECO.

We would now like to introduce the relevant statutory provisions.

### ❖ **Section 9 of CGST Act, 2017- Levy and collection**

**Clause (5)** - The Government may, on the recommendations of the Council,

- by notification,
- specify categories of services
- the tax on intra-State supplies of which
- shall be paid by the electronic commerce operator
- if such services are supplied through it, and
- all the provisions of this Act shall apply to such electronic commerce operator
- as if he is the supplier liable for paying the tax in relation to the supply of such services:

Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax”

Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a

## **Statutory Framework for E-Commerce Operators under Section 9(5)**

---

representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

### **❖ Section 5 of IGST Act, 2017 - Levy and collection**

**Clause (5)** specified that,

The Government may, on the recommendations of the Council, by notification,

- specify categories of services,
- the tax on inter-State supplies of which
- shall be paid by the electronic commerce operator
- if such services are supplied through it, and
- all the provisions of this Act shall apply to such electronic commerce operator
- as if he is the supplier liable for paying the tax in relation to the supply of such services:

Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

### **Some of the key aspects of Section 9(5) as it emanates from above:**

- According to the section 9(5), the ECO has to be deemed as the supplier for payment of taxes for certain notified category of services where the ECO is responsible for paying taxes, and also registration, return filing, and other payment obligations.
- Issuance of tax invoices must be done by ECO under its own name as they are treated as 'deemed suppliers' for such notified categories of

services like ride-hailing services, restaurant services, etc. and is therefore, responsible for filing the returns as a regular taxpayer.

- The aspect of deemed supplier will arise only if the transactions take place through the ECO. Therefore, if a website only lists the name of the vendors or generates the lead or shares the number of the service providers say a plumber, then it would not fall within the ambit of Section 9(5) as they are just facilitating the supply but are not engaged in allocation of the service provider or collection of payments.
- The ECO will be the person responsible for payment of taxes for such services. Therefore, if there is any litigation in respect of such services say with classification or valuation, then it's the ECO who will have to face the same even though it is not the actual supplier of services.
- Tax on the notified services mentioned above must only be paid in cash as no ITC allowed for setting off the liability in this case.
- This mechanism is different from Reverse Charge Mechanism (RCM) as laid down in the Sections 9(3) & 9(4) of the CGST Act and Section 5(3) & 5(4) of the IGST Act. In RCM, the liability to pay taxes is shifted to the recipient whereas in the case of ECO, the liability is shifted to it but not as a recipient rather deeming it as a supplier. As a result, there is no ITC available to the ECO for the liability paid by it on behalf of the actual suppliers.

### 2.2 Services Notified under Section 9(5) and Related Notifications:

Notified Service	Category of	Effective date	Notification No.
Services by way of transportation of passengers by a radio-taxi, motorcab, maxicab or motor cycle		1 <sup>st</sup> day of July, 2017 to 31 <sup>st</sup> December 2021	Notification No. 17/2017-Central Tax (Rate) Dated 28 <sup>th</sup> June, 2017
Services by way of transportation of passengers by a radio-taxi, motorcab, maxicab, motor		From 1 <sup>st</sup> day of January, 2022 to 20 <sup>th</sup> Day of October 2023.	Notification No. 17/2021-Central Tax (Rate) Dated 18 <sup>th</sup> November, 2021. –

**Statutory Framework for E-Commerce Operators under Section 9(5)**

cycle, <b>omnibus or any other motor vehicle</b> ;		For the words “and motor cycle;”, the words “, motor cycle, omnibus or any other motor vehicle;” were substituted;
Services by way of transportation of passengers by a radio-taxi, motorcab, maxicab, motor cycle, <b>“or any other motor vehicle except omnibus”</b>	From 20 <sup>th</sup> Day of October 2023	Notification No. 16/2023-Central Tax (Rate) Dated 19 <sup>th</sup> October, 2023
Services by way of transportation of passengers by an omnibus <b>except where the person supplying such service through electronic commerce operator is a company</b>	From 20 <sup>th</sup> Day of October 2023	Notification No. 16/2023-Central Tax (Rate) Dated 19 <sup>th</sup> October, 2023
Services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through electronic commerce operator is liable for registration under sub-section (1) of section 22 of the said Central Goods and Services Tax Act.	1 <sup>st</sup> day of July, 2017	Notification No. 17/2017-Central Tax (Rate) Dated 28 <sup>th</sup> June, 2017

## Handbook on E-Commerce Operators under GST

Services by way of house-keeping, such as plumbing, carpentering etc, except where the person supplying such service through electronic commerce operator is liable for registration under sub-section (1) of section 22 of the said Central Goods and Services Tax Act.	22 <sup>nd</sup> August 2017	Notification No. 23/2017-Central Tax (Rate) Dated 22 <sup>nd</sup> August, 2017
Supply of restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises.	1 <sup>st</sup> day of January, 2022	Vide Notification No. 17/2021-Central Tax (Rate) Dated 18 <sup>th</sup> November, 2021
Services by way of local delivery except where the person supplying such services through electronic commerce operator is liable for registration under sub section (1) of section 22 of the Central Goods and Services Tax Act, 2017.	22 <sup>nd</sup> day of September, 2025	Vide Notification No. 17/2025-Central Tax (Rate) Dated 17 <sup>th</sup> September, 2025

### ❖ **Explanations to Notification No. 17/2017-Central Tax (Rate) Dated 28<sup>th</sup> June, 2017**

- (a) “radio taxi” means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using Global Positioning System (GPS) or General Packet Radio Service (GPRS);

- (b) “maxicab”, “motorcab” and “motor cycle” shall have the same meanings as assigned to them respectively in clauses (22), (25) and (26) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988).

❖ **Amended by Notification No. 17/2021-Central Tax (Rate) Dated 18th November, 2021 effective from 1<sup>st</sup> January 2022**

- (b) “maxicab”, “motorcab”, motor cycle, motor vehicle and omnibus shall have the same meanings as assigned to them respectively in clauses (22), (25), (27), (28) and (29) of section 2 of the Motor Vehicle Act, 1988 (59 of 1988).

❖ **Inserted vide Notification No. 17/2021-Central Tax (Rate) Dated 18th November, 2021 effective from 1<sup>st</sup> January 2022**

- “(c) specified premises means premises providing hotel accommodation service having declared tariff of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent.”

❖ **Amended vide Notification 8/2025 - Central Tax (Rate) Dated 16<sup>th</sup> January, 2025 effective from 1<sup>st</sup> day of April, 2025**

- “(c) specified premises” has the same meaning as assigned to it in clause (xxxvi) of paragraph 4 of notification number 11/2017-Central Tax (Rate) dated 28.06.2017.”

❖ **Vide Notification No. 05/2025- Central Tax (Rate) Dated 16<sup>th</sup> January, 2025, the following explanation was inserted effective from 1<sup>st</sup> day of April, 2025**

(xxxvi) “Specified premises”, for a financial year, means,-

- (a) a premises from where the supplier has provided in the preceding financial year, ‘hotel accommodation’ service having the value of supply of **any unit** of accommodation above seven thousand five hundred rupees per unit per day or equivalent; or
- (b) a premises for which a registered person supplying ‘hotel accommodation’ service has filed a declaration, on or after the 1st of January and not later than 31st of March of the preceding financial year, declaring the said premises to be a specified premises; or
- (c) a premises for which a person applying for registration has filed a declaration, within fifteen days of obtaining acknowledgement for the

registration application, declaring the said premises to be a specified premises;”;

- ❖ **Vide Notification No. 17/2021-Central Tax (Rate) Dated 18<sup>th</sup> November, 2021 as amended by the Notification No. 16/2023-Central Tax (Rate) dated 19<sup>th</sup> October 2023 the following explanation was added**

(d) “Company” has the same meaning as assigned to it in clause (20) of section 2 of the Companies Act, 2013(18 of 2013).

### 2.3 Tax Compliance Matrix for Notified Services

Based on the conditions of section 9(5), we would now like to determine the obligations of the ECO or the Supplier:

<b>Notified Category of Service</b>	<b>Issuance of Invoice</b>	<b>Payment of Tax</b>	<b>Filing of Returns</b>
Services by way of transportation of passengers by a radio-taxi, motorcab, maxicab, motor cycle or any other motor vehicle;	ECO	ECO	ECO
Services by way of transportation of passengers by Omnibus where the supplier is not a Company	ECO	ECO	ECO
Services by way of transportation of passengers by Omnibus where the supplier is a Company	Supplier	Supplier	Supplier
Accommodation Services Provided by	ECO	ECO	ECO

## Statutory Framework for E-Commerce Operators under Section 9(5)

hotels, inns, etc. which are unregistered			
Accommodation Services Provided by hotels, inns, etc. which are registered	Supplier	Supplier	Supplier
Restaurant Services including Cloud Kitchen other than in specified premises	ECO	ECO	ECO
Restaurant Services including Cloud Kitchen in Specified Premises	Supplier	Supplier	Supplier
Housekeeping Services like Plumbing, Carpentry, etc where the supplier is unregistered	ECO	ECO	ECO
Housekeeping Services like Plumbing, Carpentry, etc where the supplier is registered	Supplier	Supplier	Supplier

## 2.4 FAQs in relation to Services under Section 9(5)

### (i) Whether the payment of tax by the ECO can be made through the Input Tax Credit?

**Reply:** Though there is nothing in the Act which restricts the utilisation of ITC, it has been clarified through Circular 240 of 2024 dated 30<sup>th</sup> December 2024 – CGST that the ECO will have to discharge its entire tax liability payable as per Section 9(5) of the CGST Act, 2017 through the Electronic Cash ledger only.



- (ii) Whether the Deemed supplies made by the ECO on behalf of the suppliers as per Section 9(5) of CGST Act, 2017 will be considered as Exempt Supplies for the purpose of reversal of proportionate ITC?**

**Reply:** This has also been clarified through the above-mentioned Circular where it is stated that the ITC is received by the ECO for inward supplies availed by it for providing taxable outward supplies on its own account like Platform fees or Commission etc. Hence the same has no bearing on the supplies made by the service providers for which tax obligations are met by the ECO. Therefore, no reversal of ITC under Rules 42 or 43 read with Section 17(1) or 17(2) would be required for the deemed supplies made by the ECO.

- (iii) Will TCS be required to be collected for supplies made under Section 9(5) of CGST Act, 2017?**

**Reply :** As per Explanation to Section 52 of the CGST Act, 2017 "For the purposes of this sub-section, the expression "net value of taxable supplies" shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month".

Therefore, no TCS is to be collected for service notified under section 9(5) of the CGST Act, 2017. This was further clarified through *Circular No. 167 / 23 /2021 - GST dated December 17, 2021* in the context of restaurant services that "ECOs will no longer be required to collect TCS and file GSTR 8 in respect of restaurant services on which it pays tax in terms of section 9(5)."

- (iv) Will the turnover effected through the ECO be considered in the computation of Aggregate Turnover by the suppliers making supplies notified u/s 9(5) of the CGST Act, 2017?**

**Reply:** As per section 2(6), "aggregate turnover" means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed

on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;

Hence, the value of supplies made by the person through the ECO would be included in the value of the Aggregate Turnover as only the liability for payment of tax and compliance with other provisions lies with the ECO. Therefore, for determining whether registration has to be obtained or not it has to be into account.

- (v) Can the supplies of restaurant and other services made through ECOs be recorded as inward supply of ECOs (liable to reverse charge) in GSTR 3B?**

**Reply:** No. ECOs are not the recipient of these services supplied through them. Since these are not input services to ECO, these are not to be reported as inward supply (liable to reverse charge).

As a result, the payment of taxes on behalf of the restaurants and other service providers do not entitle the ECOs to claim ITC for the same.

- (vi) Would 'restaurant service' and goods or services other than restaurant service sold by a restaurant to a customer under the same order be billed differently? Who shall be liable for raising invoices in such cases?**

**Reply:** Considering that liability to pay GST on supplies other than 'restaurant service' through the ECO, and other compliances under the Act, including issuance of invoice to customer, continues to lie with the respective suppliers (and ECOs being liable only to collect tax at source (TCS) on such supplies), it is advisable that ECO raises separate bill on restaurant service in such cases where ECO provides other supplies to a customer under the same order.

## Chapter 3

# Tax Collection at Source (TCS) under GST

---

### 3.1 Introduction to TCS

Collection of tax at source (TCS) refers to tax which is collected by the electronic commerce operator when a supplier supplies some goods or services through its portal/platform and the payment for that supply is collected by the electronic commerce operator. It is a statutory compliance which needs to be fulfilled by the categories of registered persons, as prescribed in the Act from time to time. It is a time bound process under which a person, called collector, collects GST at a fixed rate and deposits it with the ex-chequer, by filing prescribed GST return. The collectee can take the credit of such tax in his electronic cash ledger and the same can be used for payment of tax at the time of filing GST return as per the prescribed procedure.

TCS under the GST Law shall be collected as per the provisions of Section 52 of the CGST Act, 2017, Section 21 of the UTGST Act, 2017 and Section 20 of the IGST Act, 2017.

### 3.2 Provisions of TCS under GST Act(s)

#### I. Section 52 of the CGST Act, 2017

*“(1) Notwithstanding anything to the contrary contained in this Act, every electronic commerce operator (hereafter in this section referred to as the “operator”), not being an agent, shall collect an amount calculated at such rate not exceeding one per cent, as may be notified by the Government on the recommendations of the Council, of 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 the operator.*

*Explanation.—For the purposes of this sub-section, the expression “net value of taxable supplies” shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the*

operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

(2) The power to collect the amount specified in sub-section (1) shall be without prejudice to any other mode of recovery from the operator.

(3) The amount collected under sub-section (1) shall be paid to the Government by the operator within ten days after the end of the month in which such collection is made, in such manner as may be prescribed.

(4) Every operator who collects the amount specified in sub-section (1) shall furnish a statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under sub-section (1) during a month, in such form and manner as may be prescribed within ten days after the end of such month:

<sup>1</sup>[Explanation: For the purposes of this sub-section, it is hereby declared that the due date for furnishing the said statement for the months of October, November and December, 2018 shall be the <sup>2</sup>[07<sup>th</sup> February, 2019]]

<sup>3</sup>[Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the statement for such class of registered persons as may be specified therein:

Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner].

(5) Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and manner as may be prescribed, before the thirty first day of December following the end of such financial year:

---

<sup>1</sup> Inserted vide CGST (Fourth Removal of Difficulties) Order, 2018, issued under C.B.I. & C. Order No. 4/2018 - CT dated 31.12.2018

<sup>2</sup> Substituted vide CGST (Second Removal of Difficulties) Order, 2019, prior to its, substitution it was read as: "31<sup>st</sup> January, 2019", issued under C.B.I. & C. Order No. 2/2019 - CT dated 01.02.2019.

<sup>3</sup> Inserted by the Finance (No. 2) Act, 2019, w.e.f. 1-1-2020, notified through Notification No. 1/2020-CT dated 01.01.2020.

*<sup>4</sup>Provided that the Commissioner may, on the recommendations of the Council and for reasons to be recorded in writing, by notification, extend the time limit for furnishing the annual statement for such class of registered persons as may be specified therein:*

*Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]*

*(6) If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of section 50:*

*Provided that no such rectification of any omission or incorrect particulars shall be allowed after the <sup>5</sup>[thirtieth day of November] following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.*

*(7) The supplier who has supplied the goods or services or both through the operator shall claim credit, in his electronic cash ledger, of the amount collected and reflected in the statement of the operator furnished under sub-section (4), in such manner as may be prescribed.*

*(8) The details of supplies furnished by every operator under sub-section (4) shall be matched with the corresponding details of outward supplies furnished by the concerned supplier registered under this Act in such manner and within such time as may be prescribed.*

*(9) Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under <sup>6</sup>[section 37 or section 39] the discrepancy shall be*

---

<sup>4</sup> Inserted vide sec 101 of The Finance (No. 2) Act, 2019 (No. 23 of 2019). Notified through Notification No. 1/2020 - CT dated 01.01.2020.

<sup>5</sup> Substituted vide The Finance Act, 2022, notified through Notification No.18/2022-CT dated 28.09.2022 – Brought into force w.e.f. 01.01.2022. Prior to its substitution, it read as: “due date for furnishing of statement for the month of September”.

<sup>6</sup> Substituted for "section 37" by the Central Goods and Services Tax (Amendment) Act, 2018, w.e.f. 1-2-2019.

*communicated to both persons in such manner and within such time as may be prescribed.*

*(10) The amount in respect of which any discrepancy is communicated under sub-section (9) and which is not rectified by the supplier in his valid return or the operator in his statement for the month in which discrepancy is communicated, shall be added to the output tax liability of the said supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier, in his return for the month succeeding the month in which the discrepancy is communicated in such manner as may be prescribed.*

*(11) The concerned supplier, in whose output tax liability any amount has been added under sub-section (10), shall pay the tax payable in respect of such supply along with interest, at the rate specified under sub-section (1) of section 50 on the amount so added from the date such tax was due till the date of its payment.*

*(12) Any authority not below the rank of Deputy Commissioner may serve a notice, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to—*

- (a) supplies of goods or services or both effected through such operator during any period; or*
- (b) stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers, as may be specified in the notice.*

*(13) Every operator on whom a notice has been served under sub-section (12) shall furnish the required information within fifteen working days of the date of service of such notice.*

*(14) Any person who fails to furnish the information required by the notice served under sub-section (12) shall, without prejudice to any action that may be taken under section 122, be liable to a penalty which may extend to twenty-five thousand rupees.*

*Explanation.- For the purposes of this section, the expression "concerned supplier" shall mean the supplier of goods or services or both making supplies through the operator".*

<sup>7</sup>[(15) The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of a period of three years from the due date of furnishing the said statement:

*Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow an operator or a class of operators to furnish a statement under sub-section (4), even after the expiry of the said period of three years from the due date of furnishing the said statement.]*

*Explanation - For the purpose of this section, the expression “concerned supplier” shall mean the supplier of goods or services or both making supplies through the operator.*

### **II. Section 20 of the IGST Act, 2017**

*“20 Subject to the provisions of this Act and the rules made thereunder, the provisions of Central Goods and Services Tax Act relating to,-*

*.....*

*(xi) collection of tax at source*

*.....*

*shall, mutatis mutandis, apply, so far as may be, in relation to integrated tax as they apply in relation to central tax as if they are enacted under this Act:*

**Provided** *further that in the case of tax collected at source, the operator shall collect tax at such rate not exceeding two per cent, as may be notified on there commendations of the Council, of the net value of taxable supplies:*

### **III. Section 21 of the UTGST Act, 2017**

*“21(xii) All provisions of the CGST Act, 2017 related to tax collection at source shall, mutatis mutandis, apply as if they were enacted under this Tax Act.”*

---

<sup>7</sup> Inserted vide The Finance Act, 2023 dated 31.03.2023, notified through Notification No. 28/2023 – CT dated 31.07.2023, w.e.f. 01.10.2023.

### 3.3 Effective date of TCS implementation

TCS provisions came into force with effect from 1-10-2018 vide *Notification No. 51/ 2018 – Central Tax dated 13.09.2018*.

### 3.4 Analysis of TCS provisions

1	Who is liable to collect tax at source (person covered)?	Every electronic commerce operator (hereafter referred to as the "operator"), not being an agent.
2	When shall tax be collected at source?	When consideration is collected by the electronic commerce operator.
3	When shall tax NOT be collected at source?	<ol style="list-style-type: none"> <li>1. When the consideration is not routed through the electronic commerce operator.</li> <li>2. In respect of exempted supplies made through it, or</li> <li>3. For categories of services as notified under section 9(5).</li> <li>4. In respect of activities or transactions listed in Schedule III or</li> <li>5. In respect of non-GST supply.</li> </ol>
4	What is the rate of tax?	<p>For Intra-State supply, 0.5% under each of CGST and SGST/ UTGST. In respect of Inter-State supply 1%. (till 9<sup>th</sup> July 2024)</p> <p><i>Vide Notifications No. 52 / 2018 – Central Tax and 02/2018 - Integrated Tax both dated 20<sup>th</sup> September, 2018 corresponding notifications issued by the States and UTs also.</i></p> <p><i>W.e.f 10<sup>th</sup> July, 2024, the TCS rate for Intra-State supply, has been reduced to 0.25% under each of CGST and SGST/ UTGST vide Notification 15/2024-Central Tax</i></p>



## Handbook on E-Commerce Operators under GST

		<p><i>dated 10.07.2024</i></p> <p>Vide Notification 1/2024 - Integrated Tax dated 10.07.2024 in respect of Inter State Supply, rate of tax has been reduced to 0.5%.</p>
5	On which value tax shall be collected?	On the <b>net value</b> of taxable supplies effected by the e-commerce operator.
6	What is meant by <b>net value</b> of taxable supplies?	Aggregate value of taxable supplies of goods or services or both, other than services notified u/s 9(5), made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month".
7	Whether tax is to be collected on exempted goods / services?	No. Tax shall not be collected on exempted and Nil rated supplies of goods/ services.
8	Whether GST registration is mandatory for the tax collector (e-commerce operator)?	Yes. GST registration is mandatory and there is no threshold limit under section 24(x) of CGST Act.
9	Is there any exemption from registration for electronic commerce operator?	<p>As per section 24(x) of the CGST Act, mandatory registration is only for e-commerce operator who is required to collect tax as per section 52.</p> <p>Thus, if an e-commerce operator is not required to collect tax at source as per section 52, he is not required to get registration even though he is an e-commerce operator.</p>
10	Whether separate registration is required as tax collector in respect of a person who is already registered as a	Yes. The regular registration of the e-commerce operator is for complying with obligations as a regular taxpayer for discharging his

### Tax Collection at Source (TCS) under GST

	supplier (electronic commerce operator)?	own obligations as a supplier of goods or services. Whereas in order to fulfil the obligation of tax collection, separate mechanism is required so it needs to get a separate registration as TCS collector.
11	When tax collected should be deposited?	Tax collected shall be deposited within <b>10 days</b> after the end of the month in which such collection was made.
12	Is there any threshold limit for collecting TCS?	No, TCS has to be collected from ₹ 1. There is no threshold limit.
13	Whether any return is to be submitted by the electronic commerce operator about TCS?	Every operator who collects tax at source shall furnish a statement GSTR 8, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the tax collected during a month, within ten days after the end of such month.
14	How will the supplier get TCS benefit of tax remitted by the electronic commerce operator?	The amount of TCS deposited by the operator with the appropriate Government will be reflected in the electronic cash ledger of the registered supplier (on whose account such collection has been made) on the basis of the statement filed by the operator in FORM GSTR-8. They would need to accept TCS by logging into the common portal after the 10 <sup>th</sup> of the month. Once the same is accepted, the amount will be credited to the Electronic cash ledger of the supplier.

## Handbook on E-Commerce Operators under GST

15	Is there any need to issue any TCS certificate by the collector?	No need to issue any certificate by the tax collector. Once the return is filed it will reflect in the electronic cash ledger of the supplier.
16	For what purposes can the TCS be used by the supplier?	No such restriction. It is the same as the cash deposited by the supplier into the electronic cash ledger.
17	How refund of TCS remitted can be claimed?	If the supplier from whom the TCS was collected is not able to use the amount lying in the electronic cash ledger, he may claim refund of the excess balance lying in his electronic cash ledger in accordance with the provisions contained in section 54(1) under the head <b>"Excess Balance in Electronic Cash Ledger"</b> .
18	Whether Interest is chargeable for any reason?	As per Section 52(6) of the CGST Act, interest shall be payable in accordance with the provisions of Section 50(1) on account of omission or incorrect particulars furnished by the e-commerce operator. As per Section 52(6), if the electronic commerce operator fails to deposit the TCS within 10 <sup>th</sup> of the next month, interest is chargeable as per section 50(1) of the Act.
19	What are the consequences for failure to collect and remit TCS to the Government?	Penalty under section 122(vi) of the CGST Act, 2017 would be leviable when a) When TCS is not collected b) When amount collected is less than the amount required to be collected

## Tax Collection at Source (TCS) under GST

		<p>c) When TCS is collected but not deposited within the due date</p> <p>The penalty would be higher of the following -</p> <p>i) ₹10000</p> <p>ii) Amount of tax not collected, short collected or not paid to the Government.</p>
20	Is there any other penal provision?	<p>Section 122(1B) - Any electronic commerce operator, who is liable to collect tax at source under section 52 -</p> <p>(i) allows a supply of goods or services or both through it by an <b>unregistered person</b> other than a person exempted from registration by a notification issued under this Act to make such supply;</p> <p>(ii) allows an inter-State supply of goods or services or both through it by a person who is <b>not eligible to make such inter-State supply</b>; or</p> <p>(iii) <b>fails to furnish the correct details</b> in the statement to be furnished under sub-section (4) of section 52 <b>of any outward supply of goods effected through it by a person exempted</b> from obtaining registration under this Act,</p> <p>shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher.</p>

21	Any other statement or return is to be submitted by the TCS collector at the end of the year?	Yes, the e-commerce operator liable to collect TCS is required to furnish an annual statement as per Rule 80(2) of CGST Rules in Form GSTR-9B, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and TCS collected, before the thirty first day of December following the end of such financial year.
----	---	---

**Special procedure to be followed by an electronic commerce operators required to collect tax at source under section 52 in respect of supplies of goods made through it by specific unregistered persons [Notification No.- 37/2023-CT dt. 04.08.2023]**

With effect from 01.10.2023, following procedure shall be followed by an electronic commerce operator who is required to collect tax at source under section 52 in respect of supply of goods made through it by a person who is exempted from taking registration under section 23(2) vide *Notification No. 34/2023- Central Tax, dated the 31<sup>st</sup> July, 2023* i.e., **persons making supplies of goods through an electronic commerce operator** who is required to collect tax at source under section 52 **and having an aggregate turnover in the preceding financial year and in the current financial year below the threshold limit prescribed** under section 22(1) of the CGST Act subject to certain other conditions:

- (i) It shall allow the supply of goods through it by the said person only if **enrolment number has been allotted** on the common portal to the said person in accordance with the *Notification No.- 34/2023- CT dt. 31.07.2023*;
- (ii) It **shall not allow any inter-State supply** of goods made through it by the said person;
- (iii) It **shall not collect tax at source** under section 52(1) in respect of supply of goods made through it by the said person; and

- (iv) It shall **furnish the details of supplies** of goods made through it by the said person in the statement in FORM GSTR-8 electronically on the common portal.

Where multiple electronic commerce operators are involved in a single supply of goods through electronic commerce operator platform, “the electronic commerce operator” shall mean the electronic commerce operator **who finally releases the payment to the said person** for the said supply made by the said person through him.

### 3.5 Who is liable to collect TCS?

Every electronic commerce operator, not being an agent, is required to collect tax on the net value of taxable supplies made through it by other suppliers where the consideration is collected by the operator. The rate of TCS is notified by the Government. Initially, the rate was 1% (0.5% CGST + 0.5% SGST/UTGST; or 1% IGST). However, with effect from 10<sup>th</sup> July 2024, this rate has been reduced. The currently notified rates are 0.5% (0.25% CGST + 0.25% SGST/UTGST) for intra-State supplies and 0.5% for inter-State supplies.

Therefore, through a conjoint reading of the above provisions it is clear that TCS provisions are applicable only when a person allows other suppliers to supply goods or services or both through a digital or electronic platform which is owned, operated or managed by it and also collects the consideration for the supply of goods or services or both on behalf of the other supplier and then remits the consideration to him.

### 3.6 When shall tax be collected?

Tax is to be collected at source once supply has been made through the e-commerce operator irrespective of the actual collection of consideration from the customer/ receiver or others.

However, in case the order is cancelled prior to the supply or where advance is received prior to supply no TCS would be applicable as supply is not effected. Further, in case of returns the same is already outside the ambit of TCS as it has to be collected only on net basis.

### 3.7 Valuation of supply

For the purpose of collection of tax, the value of supply shall exclude the taxes leviable under the GST namely CGST, SGST, UTGST, IGST and Cess.

Hence, **tax will be collectible only on the taxable value of the taxable supplies net of any returns.**

No tax shall be collected on the above-mentioned taxes shown in any tax invoice.

In addition, no tax shall be collected on the value of exempted goods or services or both even if the exempt and taxable supplies are shown together in a tax invoice unless they are mixed or composite supplies.

Example: M/s. Balaji and Co. has supplied taxable goods valued at Rs 1,25,000 along with tax exempted goods valued at Rs 1,40,000 through an e-commerce operator and a tax invoice has been raised for Rs 2,65,000 plus applicable GST.

In this case, tax shall be collectible on the taxable value of goods viz., Rs.1,25,000/-. Tax shall not be collectible on the goods which are exempted from GST vide *Notification No. 2/2017 – Central Tax (Rate) dated 28.06.2017*.

### **3.8 Procedure for filing TCS return (GSTR-8) by electronic commerce operator (collector)**

#### **Rule 67 of the CGST Rules, 2017**

##### **Form and manner of submission of statement of supplies through an e-commerce operator**

(1) *Every electronic commerce operator required to collect tax at source under section 52 shall furnish a statement in FORM GSTR-8 electronically on the common portal, either directly or from a Facilitation Centre notified by the Commissioner, containing details of supplies effected through such operator and the amount of tax collected as required under sub-section (1) of section 52.*

(2) <sup>8</sup>*[The details of tax collected at source under sub-section (1) of section 52 furnished by the operator under sub-rule (1) shall be made available electronically to each of the registered suppliers]* <sup>9</sup>*[\*\*\*] on the common portal*

---

<sup>8</sup> Substituted vide Notification No. 38/2023-CT 04.08.2023 dated w.e.f. 01.10.2023, prior to its substitution, it was read as: "The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers".

<sup>9</sup> Omitted vide Notification No. 31/2019 - CT dated 28.06.2019, prior to its omission, it was read as: "in Part C of FORM GSTR-2A".

after <sup>10</sup>[\*\*\*] filing of FORM GSTR-8 <sup>11</sup>[for claiming the amount of tax collected in his electronic cash ledger after validation].

TCS statement shall be filed in Form GSTR-8 electronically on GST portal before 10<sup>th</sup> of the month succeeding the month in which collections have been made to avoid payment of any late fee and/or interest. [Section 52(4) of the CGST Act, 2017 read with Rule 67 of the CGST Rules, 2017].

To create and file details in Form GSTR-8, the overall steps involved in brief is listed below:

- A. Login and navigate to Form GSTR-8 page at GST Portal
- B. Enter details in various tiles
- C. Preview Form GSTR-8
- D. Payment of Tax
- E. File Form GSTR-8 with DSC/ EVC
- F. View debit entries in electronic cash ledger for tax payment
- G. Download filed return

### **3.9 Form and manner of ascertaining details of inward supplies – Rule 60**

As per Rule 60(5), the details of tax collected furnished by an e-commerce operator under section 52 in Form GSTR – 8 shall be made available to the concerned person in Part C of Form GSTR – 2A electronically through the common portal.

### **3.10 Matching of details furnished by the e-Commerce operator with the details furnished by the supplier – Rule 78**

As per rule 78, the details of supplies made through an e-commerce operator, as reported by the operator in GSTR-8, will be matched with the same details reported by the supplier in GSTR-1 (including any changes made through GSTR-1A). The matching will check two things: the State of place of supply and the net taxable value. If the due date for filing GSTR-1 is

---

<sup>10</sup> Omitted vide Notification No. 31/2019-CT dated 28.06.2019, prior to its omission, it was read as “the due date of”.

<sup>11</sup> Inserted vide Notification No. 31/2019-CT dated 28.06.2019.



extended, the date for this matching will also be extended. Further, the Commissioner can also extend the matching date, based on the GST Council's recommendation.

### 3.11 How the collectee will take benefit of TCS?

The amount of TCS deposited by the e-commerce operator with the appropriate Government will be reflected in the TCS statement of the supplier from whom the TCS was collected. The supplier will have to review the details of the TCS reported in the statement and if the same is found in order, the same should be accepted by the supplier. Once the same is accepted by the supplier, it will appear in the electronic cash ledger of the registered supplier (on whose account such collection has been made) on the basis of the statement filed by the e-commerce operator in FORM GSTR-8 in terms of rule 67 of the CGST Rules, 2017. The said amount being reflected in electronic cash ledger can be used at the time of discharge of tax liability by the actual supplier.

However, it is crucial that prior to acceptance of the TCS statement by the supplier the turnover on which the TCS is collected should be reconciled so that in case any wrong or short TCS is deposited the same can be highlighted to the electronic commerce operator.

### 3.12 TCS Registration

Compulsory registration of tax collecting e-commerce operator is mentioned in section 24(x). Every electronic commerce operator, [who is required to collect tax at source under section 52 inserted by the Central Goods and Services Tax (Amendment) Act, 2018, w.e.f. 1-2-2019] - shall be required to be registered under this Act by filing an application for registration in FORM GST REG-07 [Section 24 of CGST Act and Rule 12(1) of the Rules].

**Can a person apply for TCS registration in a State or Union territory even if he does not have a Place of business in that State or Union territory?**

Yes, a person applying for TCS registration in accordance with the provisions of section 52 in a State or Union territory **where he does not have a physical presence**, shall mention the name of the State or Union territory in PART A of the application in FORM GST REG-07 and mention the name of the State or Union territory in PART B thereof in which the principal place of

business is located which may be different from the State or Union territory mentioned in PART A.

Certificate of registration in FORM GST REG-06 is issued by the proper officer within a period of three working days from the date of submission of the application.

### **3.13 Requirement of mandatory registration waived for persons supplying goods through an ECO, subject to certain conditions [*Notification No. 34/2023-CT dated 31.07.2023*]**

As per Section 24(ix) of the CGST Act, 2017, persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52 are compulsorily required to get them registered

Therefore, a person who is supplying goods or services or both through electronic commerce operator which is required to collect TCS under section 52 would have to get himself compulsorily registered even if the threshold of the aggregate turnover as per Section 22(1) is not exceeded unless he is supplying supplies specified under Section 9(5) of the CGST Act, 2017.

However, as this was becoming an entry barrier for many small businesses who could make supplies through electronic commerce operators but did not want to get into the compliance burden, a relief was provided vide the powers given under Section 23(2) of the CGST Act, 2017.

Exercising the power under section 23(2) of the CGST Act, 2017, the Central Government has specified the persons making supply of goods through an electronic commerce operator (ECO) who is required to collect tax at source under section 52 of the CGST Act, 2017 and having an aggregate turnover in the preceding and current financial year **not exceeding the amount of aggregate turnover above which a supplier is liable to be registered in the State/Union territory**, as the category of persons exempted from obtaining registration, subject to the following conditions:

- a) such persons shall **not make any inter-State supply of goods**;
- b) such person **shall not make supply of goods through ECO in more than one State or Union Territory**;

- c) such persons shall be required to **have PAN** under Income Tax Act, 1961 and will have to **declare the same on the portal along with the address of the place of business** and the State or Union territory in which he seeks to make such supply, which shall be subject to validation on the common portal;
- d) on successful validation of the details furnished, such person **will be granted an enrolment number on the portal**. Such persons shall not be granted more than one enrolment number in a State or Union Territory;
- e) no supplies shall be made by the persons through ECO unless he has obtained the enrolment number.
- f) Where such persons are subsequently granted registration under section 25 of the CGST Act, the enrolment number shall cease to be valid from the effective date of registration.

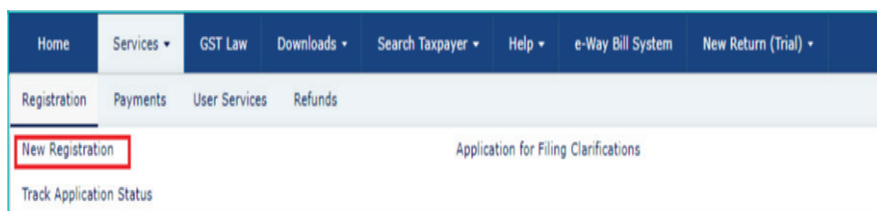
This notification has become applicable with effect from 1<sup>st</sup> October, 2023.

### 3.14 Procedure of Registration

#### How can I apply for Registration as a Tax Collector at Source?

For registering yourself as a Tax Collector on the GST Portal, perform the following steps:

Access <https://www.gst.gov.in/> URL. The GST Home page is displayed. Click the Services > Registration > New Registration option



1. The Application form is divided into two parts as Part A and Part B.
2. Part A:
3. The New Registration page is displayed. Select the New Registration option.
4. In the “I am a” drop down list, select the Tax Collector as the type of taxpayer to be registered.

5. In the “State/UT” drop down list, select the State/UT for which registration is required.
6. In the Legal Name of the tax collector (As mentioned in PAN) field, enter the legal name of your tax collector as mentioned in the PAN database.
7. In the Permanent Account Number (PAN) field, enter PAN number.

Note:

- In case you don't have PAN, you can apply for PAN.
  - Legal name of the tax collector and PAN will be validated against the CBDT database.
8. In the Email Address field, enter the email address of the Primary Authorized Signatory.
  9. In the Mobile Number field, enter the valid Indian mobile number of the Primary Authorized Signatory.
  10. Note: Different One Time Password (OTP) will be sent on your email address and mobile number you just mentioned for authentication.
  11. In the “Type the characters you see in the image below field”, enter the captcha text.
  12. Click the PROCEED button.

1  
User Credentials

2  
OTP Verification

### New Registration

• indicates mandatory fields

☒ New Registration

☐ Temporary Reference Number (TRN)

I am a •

Tax Collector (e-Commerce) ▼

State / UT •

Select ▼

**i** State selected in Part A, will be the state where you wish to register. Please make your selection carefully.

Legal Name of the Tax Collector (As mentioned in PAN) •

Enter Legal Name of Business

Permanent Account Number (PAN) •

Enter Permanent Account Number (PAN)

**i** If you don't have PAN, Click [here](#) to apply

Eg: A B C D E 1 2 3 4 X

Email Address •

Enter Email Address

**i** OTP will be sent to this Email Address

Mobile Number •

+91 Enter Mobile Number

**i** Separate OTP will be sent to this mobile number

Type the characters you see in the image below •

PROCEED

13. On clicking “Proceed”, GST Portal displays all the GSTINs / Provisional ID’s / UINs / GSTP IDs mapped to the same PAN across India. Click the PROCEED button.
14. After successful validation, you will be directed to the OTP Verification page. In the “Mobile OTP” field, enter the OTP you received on your mobile number entered in PART-A of the form. OTP is valid only for 10 minutes.
15. In the “Email OTP” field, enter the OTP you received on your email address entered in PART-A of the form. OTP is valid only for 10 minutes.

Note: OTP sent to the mobile number and the email address is separate. In case OTP is invalid, try again by clicking the “Click here” to resend the

OTP link. You will receive the OTP on your registered mobile number or email ID again. Enter both the newly received OTPs again.

16. Click the PROCEED button.

Home > Registration > Verify English

User Credentials OTP Verification

Verify OTP

indicates mandatory fields

Mobile OTP \*

Enter OTP sent to your mobile number

Email OTP \*

Enter OTP sent to your Email Address

Please check the junk/spam folder in case you do not get email.

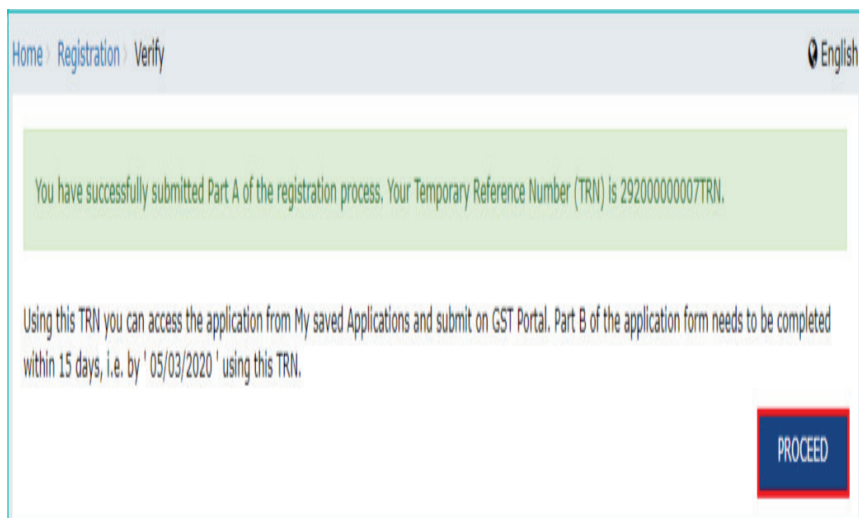
[Need OTP to be resent? Click here](#)

BACK PROCEED

17. The system generated 15-digit Temporary Reference Number (TRN) is displayed. Click the PROCEED button.

**Note:** You will receive the TRN acknowledgment information on your e-mail address as well as your mobile number. Note that under the TRN, the expiry date of the TRN will also be mentioned.

Alternatively, you can also click SERVICES > REGISTRATION > NEW REGISTRATION option and select the Temporary Reference Number (TRN) radio button to login using the TRN.



### PART B:

18. In the Temporary “Reference Number (TRN)” field, enter the TRN generated.
19. In the “Type the characters you see in the image below” field, enter the captcha text.
20. Click the PROCEED button. “Verify OTP” page is displayed. You will receive same Mobile OTP and email OTP. These OTPs are different from the OTPs you received in previous step.

Home > Registration

English

1 User Credentials 2 OTP Verification

New Registration

• Indicates mandatory fields

☐ New Registration ☒ Temporary Reference Number (TRN)

Temporary Reference Number (TRN) \*

Enter Temporary Reference Number (TRN)

Type the characters you see in the image below \*

Enter characters as displayed in the CAPTCHA image

PROCEED

21. In “Mobile / Email OTP” field, enter the OTP you received on your mobile number and email address. OTP is valid only for 10 minutes.

**Note:** OTP sent to mobile number and email address are the same. In case OTP is invalid, try again by clicking the “Click Here to Resend the OTP” link. You will receive the OTP on your registered mobile number or email ID again. Enter the newly received OTP again

Home > Registration > Verify

English

User Credentials OTP Verification

Verify OTP

• indicates mandatory fields

Mobile / Email OTP •

Fill OTP sent to Mobile and Email

Please check the junk/spam folder in case you do not get email.

Need OTP to be resent? [Click here](#)

BACK PROCEED

22. “My Saved Application” page is displayed. Under the “Action column”, click the Edit icon (icon in blue square with white pen).

- Notice the expiry date shown below in the screenshot. If the applicant doesn't submit the application within 15 days, TRN and the entire information filled against that TRN will be purged after 15 days.
- The status of the registration application is 'Draft' unless the application is submitted. Once the application is submitted, the status is changed to 'Pending for Validation'.

Dashboard

English

My Saved Applications

Creation Date	Form No.	Form Description	Expiry Date	Status	Action
19/02/2020	GST REG-07	Application for Registration as Tax Collector at source	05/03/2020	Draft	

Track Application Status

You do not have any submitted applications

The registration application form with various tabs is displayed; that must be filled sequentially. On the top of the page, there are five tabs namely



Business Details

Tax Collecting Officer

Authorized Signatory

Office Address of Tax Collector

Verification

Click each tab to enter the details.

### ***Business Details tab***

The “Business Details” tab is selected by default. This tab displays the information to be filed for the business details required for registration.

- (a) In the “Trade Name” field, enter the trade name of your business.

**Note:** Trade name of the business is different from the legal name of the business.

- (b) In the “Constitution of Business” drop-down list, select the type of constitution of your business. This will be validated with the CBDT Database for a match with the PAN entered in Part A of the form.
- (c) In the “Sector/ Circle / Ward/ Charge/ Unit” drop-down list, select the appropriate choice.
- (d) In the “Commissionerate Code, Division Code and Range Code” drop-down list, select the appropriate choice.
- (e) Click the SAVE & CONTINUE button.

## Tax Collection at Source (TCS) under GST

Dashboard > TCS Registration English

Application Type	Last Modified	Due Date to Complete	Profile
TCS Application	19/02/2020	05/03/2020	96%

Business Details

Tax Collecting Officer

Authorized Signatory

Office Address of Tax Collector

Verification

Office Address of Tax Collector • indicates mandatory fields

**Address**

Building No. / Flat No.\*  Floor No.  Name of the Premises / Building

Road / Street\*  City / Town / Locality / Village\*

State\*  District\*  PIN Code\*

Latitude  Longitude

**Contact Information**

Office Email Address\*  Office Telephone Number (with STD Code)   Mobile Number\*

Office FAX Number (with STD Code)

Have you obtained any other registrations under GST in the same State? ☒ No IEC (Importer Exporter Code), if applicable

**Nature of possession of premises\***

Please Select

**Document Upload**

Proof of Address of Tax Collector\*

File with PDF or JPEG format is only allowed.  
 Maximum file size for upload is 1 MB

No file chosen

### Verification Tab:

This tab page displays the details of the verification for authentication of the details submitted in the FORM.

- Select the Verification checkbox.
- In the “Name of Authorized Signatory” drop-down list, select the name of authorized signatory.
- In “Place” field, enter the place where the form is filed.

- (d) After filling the registration application, you need to digitally sign the application using Digital Signature Certificate (DSC) or E-Signature. Submission of application with required details is NOT complete unless DSC or E-Signature is affixed.

**Note:**

- For E-Signature and EVC, you must update your Aadhaar number in the “Applicant Details” section.
- After submission, you cannot make any changes to your application

The screenshot shows the 'TCS Registration' dashboard. At the top, there's a table with application details: Application Type (TCS Application), Last Modified (19/02/2020), Due Date to Complete (05/03/2020), and Profile (100%). Below this is a progress bar with five steps: Business Details, Tax Collecting Officer, Authorized Signatory, Office Address of Tax Collector, and Verification. The Verification step is currently active. The verification section includes a checkbox for affirming the information, which is checked. Below this are input fields for 'Name of Authorized Signatory\*' (filled with 'gyan [AJIPA1572E]') and 'Place\*' (filled with 'Delhi'). There are also fields for 'Designation / Status' (444) and 'Date' (19/02/2020). At the bottom, there are four buttons: 'BACK', 'SUBMIT WITH DSC' (highlighted with a red box), 'SUBMIT WITH E-SIGNATURE', and 'SUBMIT WITH EVC' (also highlighted with a red box).

Application Type	Last Modified	Due Date to Complete	Profile
TCS Application	19/02/2020	05/03/2020	100%

Business Details ✓ Tax Collecting Officer ✓ Authorized Signatory ✓ Office Address of Tax Collector ✓ Verification

☒ I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Name of Authorized Signatory\*  Place\*

Designation / Status  Date

**In Case of DSC:**

- (a) Click the SUBMIT WITH DSC button.
- (b) Click the PROCEED button.
- (c) Select the certificate and click the SIGN button.

Note: To view the details of your DSC, click the “View Certificate” button.

- (d) Select the certificate and click the SIGN button.

***In Case of E-Signature:***

- (a) Click the SUBMIT WITH E-SIGNATURE button.
- (b) In “Please select Service Provider” option, select the appropriate Service Provider.

**Note:** C-DAC and NSDL are e sign service providers (Both are free of cost).

- (c) Select the checkbox for declaration.

**Note:** OTP will be sent to your e-mail address and mobile phone number registered with Aadhaar.

- (d) Click the CONTINUE button.

“Verify Aadhaar OTP” screen is displayed. Enter the OTP received on your e-mail address and mobile phone number registered with Aadhaar. Click the SUBMIT button.

***In Case of EVC:***

- (a) Click the SUBMIT WITH EVC button.
- (b) Enter the OTP sent to email and mobile number of the Authorized Signatory registered at the GST Portal and click the VALIDATE OTP button.
- (c) SUCCESS message is displayed. You will receive the acknowledgement in the next 15 minutes on your registered e-mail address and mobile phone number. *Application Reference Number (ARN)* receipt is sent on your e-mail address and mobile phone number.



Thank you for submission.

System will verify / validate the information submitted after which acknowledgement will be sent in next 15 minutes

### **3.15 Interest, Late Fee and Penalty**

- (a) Where a tax collector fails to deposit TCS vide Return in FORM GSTR - 8 within 10 days of the month succeeding the month in which tax was collected, he shall be liable to pay Interest @ 18% for the delay period, in terms of the provisions of section 50(1).

- (b) As per section 47 of the CGST Act 2017, where the tax collector fails to furnish the return within the due date, he shall be liable to pay a late fee of one hundred rupees for every day during which such failure continues, subject to a maximum of five thousand rupees. An equivalent late fee is also payable under the SGST Act, thereby making the total late fee two hundred rupees per day, subject to a maximum of ten thousand rupees. By virtue of Section 20 of the IGST Act 2017, the said provision applies mutatis mutandis to returns required to be filed under the IGST Act.
- (c) As per section 122(1)(vi) of CGST Act, 2017, where a taxable person who fails to collect tax in accordance with the provisions of sub-section (1) of section 52, or collects an amount which is less than the amount required to be collected under the said sub-section or where he fails to pay to the Government the amount collected as tax under sub-section (3) of section 52 he shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded or the tax not deducted under section 51 or short deducted or deducted but not paid to the Government or tax not collected under section 52 or short collected or collected but not paid to the Government or input tax credit availed of or passed on or distributed irregularly, or the refund claimed fraudulently, whichever is higher
- (d) Further, as per section 122(1B), any electronic commerce operator, who is liable to collect tax at source under section 52,—
  - (i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;
  - (ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or
  - (iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act,

shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher.

As per *Notification No. 28/2023-CT dated 31<sup>st</sup> July 2023*, the above clause was inserted. However, as the above penalties were mainly to have control on e-commerce operators who are liable to collect tax, the same was amended through the Finance Act of 2024.

The default amount shall be determined in the manner specified in section 73 or 74 or 74A of the CGST Act.

### 3.16 Frequently Asked Questions (FAQs)

#### 1. What is meant by tax collection at source (TCS)?

**Ans.** Section 52 of the CGST Act, 2017 is relevant in this regard according to which an e-commerce operator, not being an agent, is required to collect an amount calculated at the rate not exceeding one per cent, as notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it, where the consideration with respect to such supplies is to be collected by such operator. The amount so collected is called tax collection at source (TCS).

#### 2. What is the rate of TCS?

**Ans.** Rate of TCS was 0.5% under each of CGST and SGST/UT Acts respectively. It was 1% under the IGST Act, 2017 vide *Notifications No. 52/2018 – (Central Tax) and 02/2018-(Integrated Tax) both dated 20<sup>th</sup> September, 2018*.

W.e.f 10<sup>th</sup> July, the TCS rate for Intra-State supply, has been reduced from .5% to 0.25% under each of CGST and SGST/ UTGST vide *Notification No. 15/2024 - Central Tax*. Vide *Notification 1/2024 - Integrated Tax* in respect of inter-State Supply rate of tax has been reduced.

Corresponding notifications have been issued by the respective State Governments/ UTs also

#### 3. Where multiple electronic commerce operators are involved in a single supply of goods or services, who will collect the tax?

**Ans.** Where multiple electronic commerce operators are involved in a single supply of goods or services or both through electronic commerce operator platform, “the electronic commerce operator” shall mean the electronic commerce operator **who finally releases the payment to**

the said person for the said supply made by the said person through him.

4. **Whether an e-Commerce operator is required to obtain registration in every State/UT in which suppliers listed on their e-commerce platform are located?**

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

For instance, an electronic commerce operator is registered in the State of West Bengal and he want to register as tax collector in Assam where he does not have any place of business, he can mention the Principal Place of Business of West Bengal as its place of business for the limited purpose of registration as Tax collector in the State of Assam.

5. **Foreign e-commerce operator does not have place of business in India but their supplier and customers are located in India. In this scenario, will the TCS provisions be applicable and if yes, how will foreign e-commerce operator obtain registration?**

**Ans.** Where the registered supplier is supplying goods or services through a foreign e-commerce operator to a customer in India, such foreign e-commerce operator would be liable to collect TCS on such supply and would be required to obtain registration in each State/ UT. If the foreign e-commerce operator does not have physical presence in a particular State/ UT, he may appoint an agent, who is based out of India, on his behalf to comply with all the obligations as a Tax collector

6. **Whether a supplier of goods or services supplying through e-commerce operator would be entitled to threshold exemption?**

**Ans.** According to Section 24(ix) of the CGST Act, 2017, every person supplying goods through an e-commerce operator shall be mandatorily required to register irrespective of the value of supply made by him. However, **a person supplying only services**, other than services under section 9 (5) of the CGST Act, 2017, through an e-commerce

platform is exempted from obtaining compulsory registration provided its aggregate turnover does not exceed INR 20 lakhs (or INR 10 lakhs in case of specified special category States) in a financial year. [vide *Notification No. 65/2017 – Central Tax dated 15<sup>th</sup> November, 2017*].

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

**Ans.** E-Commerce operator who is required to collect tax at source as per Section 52 of CGST Act, 2017 has to obtain separate registration for TCS irrespective of the fact whether such operator is already registered under GST as a supplier or otherwise and has GSTIN.

- .8. Whether the value of net taxable supplies should be calculated at gross level or at GSTIN level?**

**Ans.** The value of net taxable supplies is to be calculated at GSTIN level of the supplier who has supplied goods or services or both through the electronic commerce operator

- 9. What is the correct valuation methodology for ascertainment of GST on tax collected at source (TCS) under the provisions of the CGST Act 2017 where TCS is also collected under the Income Tax Act, 1961?**

**Ans.** Section 15(2) of CGST Act specifies that the value of supply shall include “any taxes, duties cesses, fees and charges levied under any law for the time being in force other than this Act, the SGST Act, the UTGST Act and the GST (Compensation to States) Act, if charged separately by the supplier.”

For the purpose of determination of value of supply under GST, TCS amount under Income tax Act would not be includible as it is an interim levy and not having the character of tax. [Ref: *Circular No. 76/50/2018-GST dated 31<sup>st</sup> December 2018* and corrigendum F.No 20/16/04/2018-GST dated 7<sup>th</sup> March 2019]. Therefore, GST TCS is not required to be collected on the Income Tax TCS amount.



**10. Is every e-commerce operator required to collect tax on behalf of the actual supplier?**

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

**11. At what point of time should the e-commerce operator collect TCS?**

**Ans.** TCS is to be collected once supply has been made through the e-commerce operator and where the business model is such that the consideration is to be collected by the e-commerce operator irrespective of the actual collection of the consideration.

For example, if the supply has taken place through the e-commerce operator on 30<sup>th</sup> January, 2024 but the consideration for the same has been collected in the month of March, 2024, then TCS for such supply has to be collected and reported in the statement for the month of January, 2024.

**12. Whether TCS to be collected on exempt supplies?**

**Ans.** No, TCS is not required to be collected on exempt supplies.

**13. Whether TCS to be collected on supplies on which the recipient is required to pay tax on reverse charge basis?**

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

**14. Whether TCS is to be collected in respect of supplies made by the composition taxpayer?**

**Ans.** As per section 10(2)(d) of the CGST Act, 2017, amended vide *Notification 28/2023 Central Tax dated 31<sup>st</sup> July 23*, a composition taxpayer cannot make supplies of services through e-commerce operator.

However, w.e.f. 1<sup>st</sup> October 2023, composition taxpayer supplying only goods can make supplies through e-commerce operators. Therefore, a special procedure has been laid down in *Notification No 36/2023 -*

*Central Tax dated 4<sup>th</sup> August 23* wherein the following conditions need to be followed:

- (i) the electronic commerce operator shall not allow any inter-State supply of goods through it by the said person;
- (ii) the electronic commerce operator shall collect tax at source under sub-section (1) of section 52 of the said Act in respect of supply of goods made through it by the said person and pay to the Government as per provisions of sub-section (3) of section 52 of the said Act; and
- (iii) the electronic commerce operator shall furnish the details of supplies of goods made through it by the said person in the statement in FORM GSTR-8 electronically on the common portal.

**15. Whether tax is to be collected at source on import of goods or services or both?**

**Ans.** Tax is not liable to be collected at source on any supplies on which the recipient is required to pay tax on reverse charge basis. Hence, tax is not liable to be collected on import of goods or services.

**16. Whether payment of TCS through input tax credit of electronic commerce operator for depositing TCS collected by them as per Section 52 (3) of the CGST Act, 2017 is allowed?**

**Ans.** No, payment of TCS is not allowed through input tax credit of e-commerce operator. It has to be paid only from the electronic cash ledger.

**17. It is very common that customers of e-commerce companies return goods. How these sales returns are to be adjusted?**

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

any of such supplier during any tax period, the same would be ignored in his case for that particular tax period.

- 18. Under section 52 of the CGST Act, e-commerce operator collects tax at source at the net of returns. Sometimes sales return is more than sales and hence can negative amount be reported?**

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

- 19. How can actual suppliers claim credit of TCS?**

**Ans.** The amount of TCS deposited by the operator will have to be accepted from the TCS returns tab of the supplier and once the same is accepted it will be reflected in the electronic cash ledger of the actual registered supplier (on whose account such collection has been made) on the basis of the statement filed by the operator in FORM GSTR-8. The said credit in electronic cash ledger can be used at the time of discharge of tax liability by the actual supplier.

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

**Ans.** Based on the return (FORM GSTR-8) filed by the e-commerce operator after the deposit of the tax, the TCS would be credited to the electronic cash ledger of the actual supplier in the respective tax head viz., CGST, SGST, UTGST and IGST. If the supplier is not able to use the amount lying in the said cash ledger(s), the supplier may claim refund of the excess balance lying in his electronic cash ledger in accordance with the provisions of section 54(1) of the CGST Act, 2017 under the head "Excess Payment of Tax". He has to furnish documents in support of the same as to why tax in the electronic cash ledger is not being adjusted with his net output tax payable after adjustment of Input tax credit, if any.

- 21. Is the e-commerce operator required to submit any statement?**

**Ans.** Yes, every operator is required to furnish a monthly statement electronically in FORM GSTR-8. The operator is also required to file

an annual statement in FORM GSTR-9B by 31<sup>st</sup> day of December following the end of the financial year in which the tax was collected.

**22. What are the details that are required to be submitted in the statement?**

**Ans.** The statements to be filed by the e-commerce operator should contain the details of outward supplies of goods or services effected through it, including the supplies of goods or services returned through it and the amount collected by it as TCS during a month within 10 days after the end of such month in FORM GSTR-8.

**23. Whether interest would be chargeable for non-collection of TCS?**

**Ans.** Yes, interest is payable for non-collection, short collection as well as where the tax is collected but deposited after the due date.

**24. Is there any requirement to furnish additional details by e-commerce operator to the tax officers under this Act?**

**Ans.** As per section 52(12) of the CGST Act, 2017, any authority not below the rank of Deputy Commissioner may serve a notice, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to-

- (a) supplies of goods or services or both effected through such operator during any period; or
- (b) stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers, as may be specified in the notice.

As per section 52(13) of CGST Act, 2017, the e-commerce operator has to furnish the above details within 15 working days from the date of service of such notice.

**25. Where the e-commerce operator does not provide invoice and invoice is generated by the seller and received by the buyer without the e-commerce operator getting to know about it, but the payment flows through the e-commerce operator. In such cases, on what value should the tax be collected? Can TCS be collected on the entire value of the transaction?**

**Ans.** Section 52(1) of the CGST Act, 2017, mandates that tax is to be collected on the net taxable value of such supplies in respect of which the e-commerce operator collects consideration. Hence, the amount collected should be duly reported in the GSTR-8 and TCS should be remitted to the Government on the basis of the consideration collected by the electronic commerce operator after deducting the CGST, SGST or UTGST or IGST thereon.

**26. Sellers supplying goods through e-commerce operators (ECO) may have common places of business, especially if their goods are stored in a shared facility operated by the ECO. This will result in the same additional place of business being registered by multiple suppliers. Is this allowed?**

**Ans.** Yes, this is allowed. Any registered person can declare a premise as an additional place of business if he has requisite documents for use of the premises as his place of business (like ownership document, agreement with the owner etc.) and there is no restriction about use of a premises by multiple persons. The registered person shall have to comply with the requirements of maintaining records as per section 35 of the CGST Act, 2017 and rules 56 to 58 of the CGST Rules, 2017.

In fact, section 52(12)(b) also gives power to the authority not below the rank of Deputy Commissioner to seek information of stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as *additional places of business* by such suppliers. Therefore, existence of shared facilities operated by the ECO is also envisaged in the law.

**27. If the e-commerce operator fails to collect and remit tax at source under Section 52 of the CGST Act, 2017, will such non-collection or non-remittance have any impact on the liability of the suppliers, making taxable supplies through the said e-commerce operator, to discharge their GST liability on such supplies?**

**Ans.** The related output tax payable by the suppliers will not be affected irrespective of the fact whether tax is collected or not at source by the e-commerce operator, since charging section 9 of CGST Act, 2017 is independent of section 52 of the CGST Act, 2017 which mandates the collection of Tax at source. Not collecting the tax at source will have

bearing on interest and penalty payable by the e-commerce operator but will have no obligation for the suppliers supplying through them.

**28. Is tax to be collected on charges?**

**Ans.** Convenience/other charges charged by the suppliers may fall within the TCS ambit in as much payment is passed through ECO to the supplier.

**29. Should the ECO get registered State-wise?**

**Ans.** Registration is required in each State/UT where the suppliers, from whom tax is to be collected, are located. In cases where the e-commerce operator does not have a physical presence in such State/UT, registration may be obtained by declaring the head office address as the place of business in that State/UT.

**30. Is there any scope for a lower rate of TCS?**

**Ans.** TCS shall be at a rate not exceeding 1% as may be notified. As of now the rate notified is 0.25% (each for CGST & SGST) and 0.5% for IGST without any exception. There seems to be no provision in the Act or Rules which empowers a lower rate of TCS.

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

**Ans.** Tax is to be collected at source by that e-commerce operator who is making payment to the supplier for the particular supply happening through it, which in this case will be ECOM Operator-2.

*Illustration:*

Mr. V books Hotel Sunshine through e-commerce operator Cool Travel. Cool Travel in turn books the hotel through e-commerce operator Indian Holidays. Here, when Mr. V pays booking charges to Cool Travel, he will just deduct his commission if any and pay the rest to Indian Holidays. When Indian Holidays makes payment to Hotel Sunshine, they will collect the TCS.

**32. What happens if during matching of data it is found that supplier has reported a different value of outward supply than what is reported by the e-commerce operator?**

**Ans.** As per Section 52(8) of the CGST Act, 2017, the details of supplies furnished by every operator under sub-section (4) shall be matched with the corresponding details of outward supplies furnished by the concerned supplier registered under this Act in such manner and within such time as may be prescribed.

Section 52(9) states that where the details of outward supplies furnished by the operator under sub-section (4) *do not match* with the corresponding details furnished by the supplier under section 37 or section 39, the discrepancy shall be communicated to both persons in such manner and within such time as may be prescribed.

Section 52(10) further states that the amount in respect of which any discrepancy is communicated under sub-section (9) and *which is not rectified by the supplier in his valid return or the operator in his statement* for the month in which discrepancy is communicated, shall be added to the output tax liability of the said supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier, in his return for the month succeeding the month in which the discrepancy is communicated, in such manner as may be prescribed.

Section 52(11) further states that the concerned supplier, in whose output tax liability any amount has been added under sub-section (10), shall pay the tax payable in respect of such supply along with interest, at the rate specified under sub-section (1) of section 50 on the amount so added from the date such tax was due till the date of its payment.

**33. Is there any matching required to be done by the suppliers who are supplying through the e-commerce operator?**

**Ans.** The suppliers need to carry out a reconciliation of the net supplies made through the e-commerce operator vs the net supplies on which TCS was collected by the e-commerce operator during the month. In case there is any excess collection reported the same should also be reported so that the e-commerce operator can amend the same in the next GSTR-8. In case excess TCS is accepted by mistake by the suppliers they can refund the same to the e-commerce operator and

claim refund of the same under the head "excess payment of tax". If the same is not done it may be alleged that excess supplies being made by the supplier beyond the supplies made by the supplier as per the books of accounts.

### **3.17 Multiple Choice Questions**

**Q1. In respect of intra-State supply, TCS by electronic commerce operator is at the rate of:**

- (a) 1% CGST
- (b) ½% CGST
- (c) 0.25% CGST +0.25% SGST/UTGST
- (d) None of the above.

**Ans. (c) 0.25% CGST +0.25% SGST/UTGST**

**Q2. The amount of tax collected by the e-commerce operator has to be paid to the Government within ..... days after the end of the month in which such collection is made:**

- (a) 20 days
- (b) 10 days
- (c) 15 days
- (d) 5 days

**Ans. (b) 10 days**

**Q3. The time limit for furnishing the annual statement by ECO is:**

- (a) 30<sup>th</sup> September of the year succeeding the year of collection
- (b) 31<sup>st</sup> December of the year succeeding the year of collection
- (c) No need to file annual statement
- (d) None of the above.

**Ans. (b) 31<sup>st</sup> December of the year succeeding the year of collection**

**Q4. The collectee can claim credit of the remittance made by the tax collector in his,**

- (a) Electronic Credit Ledger



- (b) Tax liability Ledger
- (c) Electronic Cash Ledger
- (d) None of the above.

**Ans.** (c) Electronic Cash Ledger

**Q5. If excess or erroneous collection of TCS has been made by the Collector and this amount is credited to Electronic Cash Ledger of the collectee, refund can be claimed by,**

- (a) Collector
- (b) Collectee
- (c) Either the collector or the collectee
- (d) None of the above

**Ans.** (b) Collectee

### **3.18 General Compliances**

#### **(i) By Collector**

<b>Sr. No</b>	<b>Particulars</b>	<b>Relevant Section</b>
1	Taking Registration	Section 24
2	Furnishing Monthly Statement in GSTR 8 in time	Section 52(4)
3	Furnishing Annual Statement in GSTR 9B in time	Section 52(5)
4	Keeping proper record of all transactions as required under section 35 of the CGST Act	Section 35
5	Keeping record of all tax collections	Section 35
6	Keep in record all GSTR 8, GSTR 9B etc.	Section 35

**(ii) By Collectee**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Relevant Section</b>
1	Taking Registration	Section 22 or 24
2	Acceptance of TCS Statement showing at his GST portal	Section 39
3	Furnishing Monthly/ Quarterly Return for taking credit of TCS	Section 39(1)/ (3)
4	Keeping proper record of all transactions/ supplies	Section 35
5	Keeping record of all TCS certificates	Section 35
6	Keep in record all contracts	Section 35

### **3.19 Relevant Notifications/Circulars**

#### **3.19.1 CBIC Press Release dated 29<sup>th</sup> June, 2018**

Extension of suspension of provisions relating to tax deduction at source (TDS) and collection of tax at source (TCS) till 30.09.2018. The competent authority has decided that the provisions of sections 51 and 52 of the Central Goods and Services Tax Act, 2017 relating to tax deduction at source (TDS) and collection of tax at source (TCS) respectively, shall remain suspended till 30.09.2018.

#### **3.19.2 Section 1 read with section 52 of the Central GST Act, 2017**

##### **TCS Provisions Applicable from October 1, 2018**

##### ***Notification No.51/2018- Central tax, dated 13-9-2018***

In exercise of the powers conferred by sub-section (3) of section 1 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government hereby appoints the 1<sup>st</sup> day of October, 2018, as the date on which the provisions of section 52 of the said Act shall come into force.

### **3.19.3 Section 52 of the Central GST Act, 2017 - Collection of tax at Source**

***Notification No.52/2018-Central Tax, dated 20-9-2018 amended by the Notification No. 15/2024 dated 10-07-2024.***

In exercise of the powers conferred by sub-section (1) of section 52 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby notifies that every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of 0.25 per cent of the net value of intra-State taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator.

### **3.19.4 Circular No. 136/06/2020-GST dated the 3<sup>rd</sup> April, 2020**

**What are the measures that have been specifically taken for taxpayers who are required to collect tax at source under section 52 in view of COVID 19?**

Under the provisions of section 168A of the CGST Act, in terms of *notification No. 35/2020- Central Tax, dated 03.04.2020*, the said class of taxpayers have been allowed to furnish the statement specified in section 52, for the months of March, 2020 to May, 2020 on or before the 30<sup>th</sup> day of June, 2020.

The time had been further extended upto 31<sup>st</sup> August, 2020 vide Notification No. 55/2020 central tax dated 27<sup>th</sup> June, 2020.

### **3.19.5 Extracts from Circular No.74/48/2018-GST dated 5-11-2018**

**Section 52 of the Central Goods and Services Tax Act, 2017 - Collection of tax at Source - Collection of tax at Source by Tea Board of India**

Tea Board of India being the operator of the electronic auction system for trading of tea including for collection and settlement of payments, falls under the category of electronic commerce operator liable to TCS

The participants in the said auction are the sellers i.e. the tea producers and auctioneers who carry out the auction on behalf of such sellers and buyers.

The buyers in the said auction make payment of a consolidated amount to an escrow account maintained by the Tea Board. The said consolidated amount is towards the value of the tea, the selling and buying brokerages charged by the auctioneers and also the amount charged by the Tea Board from sellers,

auctioneers and buyers. Thereafter, Tea Board pays to the sellers (i.e. tea producers), from the said escrow account, for the supply of goods made by them (i.e. tea) and to the auctioneers for the supply of services made by them (i.e. brokerage). Under no circumstances, the payment is made by the Tea Board to the auctioneers on account of supply of goods i.e., tea sold at auction.

For the query whether Tea Board should collect TCS under section 52 of the CGST Act from the sellers of tea (i.e. the tea producers), or from the auctioneers of tea or from both, it has been clarified, that TCS at the notified rate shall be collected by Tea Board respectively from the —

- (i) sellers (i.e. tea producers) on the net value of supply of goods i.e. tea; and
- (ii) auctioneers on the net value of supply of services (i.e. brokerage).

### 3.19.6 Extracts from *Circular No.194/06/2023-GST dated 17-07-2023*

Clarification has been issued regarding the TCS liability under section 52 of the CGST Act, 2017 in transactions involving multiple E-commerce Operators (ECOs), such as in ONDC platforms. Under the traditional model, a single ECO collects the payment, deducts TCS, and credits it to the supplier's ledger. However, in new models where multiple ECOs are involved one serving the buyer and another serving the supplier there has been confusion over which ECO should collect the TCS.

The Board has clarified as follows -

**Issue 1:** In a situation where multiple ECOs are involved in a single transaction of supply of goods or services or both through ECO platform and where the supplier-side ECO himself is not the supplier in the said supply, who is liable for compliances under section 52 including collection of TCS?



**Clarification:** In such a situation where multiple ECOs are involved in a single transaction of supply of goods or services or both through ECO platform and where the supplier-side ECO himself is not the supplier of the said goods or services, the compliances under section 52 of CGST Act, including collection of TCS, is to be done by the supplier-side ECO who

finally releases the payment to the supplier for a particular supply made by the said supplier through him. e.g.: Buyer-side ECO collects payment from the buyer, deducts its fees/commissions and remits the balance to Seller-side ECO. Here, the Seller-side ECO will release the payment to the supplier after deduction of his fees/commissions and therefore will also be required to collect TCS, as applicable and pay the same to the Government in accordance with section 52 of CGST Act and also make other compliances under section 52 of CGST Act. In this case, the Buyer-side ECO will neither be required to collect TCS nor will be required to make other compliances in accordance with section 52 of CGST Act with respect to this particular supply.

**Issue 2:** In a situation where multiple ECOs are involved in a single transaction of supply of goods or services or both through ECO platform and the Supplier-side ECO is himself the supplier of the said supply, who is liable for compliances under section 52 including collection of TCS?



**Clarification:** In such a situation, TCS is to be collected by the Buyer-side ECO while making payment to the supplier for the particular supply being made through it. e.g. Buyer-side ECO collects payment from the buyer, deducts its fees and remits the balance to the supplier (who is itself an ECO as per the definition in Sec 2(45) of the CGST Act). In this scenario, the Buyer-side ECO will also be required to collect TCS, as applicable, pay the same to the Government in accordance with section 52 of CGST Act and also make other compliances under section 52 of CGST Act.

To Summarize the above -

The Board has clarified that the responsibility to/ comply with TCS provisions rests with the ECO that releases the payment to the supplier. If the supplier-side ECO is not the actual supplier, it must collect TCS when making the final payment to the supplier. In such cases, the buyer-side ECO is not required to collect or remit TCS.

Conversely, if the supplier-side ECO is also the supplier, the buyer-side ECO is responsible for collecting and remitting the TCS.

This clarification ensures uniform implementation and provides clear guidance for platforms like ONDC. Field units are advised to issue trade notices to create awareness among stakeholders. Any difficulties encountered during implementation should be reported to the Board for further action.

## Chapter 4

# Disclosure Requirements in GST Returns

### 4.1 Reporting in GSTR-1 by Suppliers Making Supplies through ECO (either under Section 9(5) or where TCS is applicable)

Notification No. 26/2022 dated December 26, 2022 introduced two new tables, 14 and 15 to capture the details of the supplies made through e-commerce operators (ECO) on which e-commerce operators are liable to collect tax under section 52 of the Act or liable to pay tax u/s 9(5). Table 14 and 15 were made available from January 2024 tax periods onwards.

#### ➤ Table 14 of GSTR-1 – Supplies on which TCS is collected

The screenshot shows the '14 - Supplies made through E-Commerce Operators - u/s 52 (TCS) - Add Details' form. It includes a header bar with the title and a red asterisk indicating mandatory fields. The form contains several input fields: 'GSTIN of e-commerce operator' (with a placeholder 'Enter GSTIN'), 'Trade/Legal Name', 'Net value of supplies (₹)', 'Integrated tax (₹)', 'Central tax (₹)', 'State/UT tax (₹)', and 'Cess (₹)'. There are 'BACK' and 'SAVE' buttons at the bottom right.

- The supplier must report a summary of supplies made through the ECO on which the ECO has collected tax at source (TCS).
- This applies if the liability has already been reported in the relevant tables (4 to 10) of GSTR-1.
- This summary should be reported under a specific section (likely in GSTR-1). The taxable value or tax liabilities reported in this section will not be auto-populated into GSTR-3B.
- The supplier must manually account for any liabilities in their GSTR-3B. Any amendments to the supplies or tax liabilities previously return reported should be made in 14A(a) of the relevant GST return.

- **Reporting Requirement:** The supplier must report an **ECO-GSTIN-wise** summary of supplies made through the ECO on which the ECO has collected tax at source (TCS) [4][5].
- **Inclusion of Reported Liabilities:** This applies if the liability has already been reported in the relevant tables (4 to 10) of GSTR-1 [4][5].
- **Impact on GSTR-3B:** The taxable value or tax liabilities reported in this section will not be auto-populated into GSTR-3B [4][5]. The supplier must manually account for these liabilities in their GSTR-3B.
- **Amendments:** Any amendments to the supplies or tax liabilities previously reported should be made in **Table 14A(a)** of the relevant GST return [4][5].

**Table 14(b): Supplies made through ECO on which ECO is liable to pay tax under Section 9(5)**

- **Reporting Requirement:** This section is for suppliers to report summary details of supplies made through an ECO, where the ECO is liable to pay tax under section 9(5) [4][5].
- **Tax Liability:** The tax on such supplies is to be paid by the ECO, not the supplier. This should be reported net of any credit or debit notes [4][5].
- **Auto-population to GSTR-3B:** The values from this section will be auto-populated to **Table 3.1.1(ii)** of the supplier's GSTR-3B [4][5].
- **Amendments:** Any amendments should be reported in **Table 14A(b)** [4][5].



### ➤ Table 15 of GSTR-1 – Supplies made through ECO under section 9(5) – To be reported by ECO

15 - Supplies U/s 9(5) - B2B - Add Details

Indicates Mandatory Fields

☐ Deemed Exports ☐ SEZ Supplies with payment ☐ SEZ Supplies without payment

Supplier GSTIN/UIN\*

Supplier Name\*

Recipient GSTIN/UIN\*

Recipient name\*

Document number\*

Document date\*

Total value of supplies made (₹)\*

POS\*

Supply type

- Details of the supplies made through e-commerce operators on which e-commerce operator is liable to pay tax u/s 9(5) [e-commerce operator to report].
- E-commerce operators (ECOs) must report the details of supplies on which they are liable to pay tax under Section 9(5) in Table 15 of the GSTR-1.
- These supplies must not be reported elsewhere in the GSTR-1 or IFF. This ensures that the tax liability under RCM is appropriately captured without duplication.
- The ECO is responsible for paying the GST on these supplies, and the amount is auto-populated in Table 3.1.1(i) of the corresponding GSTR-3B, where the ECO will settle the tax liability in cash.
- Amendments: Any changes to the previously reported values for the supplies under Section 9(5) should be reported in Table 15A(I) and 15A(II) of the GSTR-1. This includes amendments due to debit/credit notes or other adjustments.

#### Registered Supplier and Registered Recipient (B2B)

- When both the supplier and recipient are registered persons (B2B transactions), the e-commerce operator is required to report the supply at the invoice level.

## Disclosure Requirements in GST Returns

- This information will also be available for reporting in the Invoice Furnishing Facility (IFF) for better transparency.
- Debit/Credit Notes: Any debit notes/credit notes related to these supplies should be reported in Table 9B of the GSTR-1.

### Registered Supplier and Unregistered Recipient (B2C)

- For supplies made from a registered supplier to an unregistered recipient (B2C), the e-commerce operator must report the supplier-level details.
- This should include the Place of Supply (POS) and rate-wise details of the supplies. This reporting will not be available in the Invoice Furnishing Facility (IFF).
- The supply should be reported net of any debit/credit notes (if applicable).

## 4.2 Reporting in GSTR-3B

**“3.1.1 Details of supplies notified under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 and corresponding provisions in Integrated Goods and Services Tax/Union Territory Goods and Services Tax/State Goods and Services Tax Acts.**

Nature of Supplies	Total Taxable value	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5	6
(i) Taxable supplies on which electronic commerce operator pays tax under sub-section (5) of section 9 [to be furnished by the electronic commerce operator]					
(ii) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax under sub-section (5) of section 9 [to be furnished by the registered person making supplies through electronic commerce operator].”;					

**Notification No. 14/2022-CT dated July 5, 2022** introduced Table 3.1.1 where both ECOs and registered person can report outward supply of services u/s 9(5). The table is divided into two parts- one for ECOs and the other for registered persons.

### Reporting by the ECO

An ECO is required to report supplies made u/s 9(5) in Table 3.1.1(i) of GSTR-3B and shall not include such supplies in Table 3.1(a) of GSTR-3B.

The applicable tax on such supplies shall be paid by ECO in Table 3.1.1(i) of GSTR-3B in cash only and not by ITC.

### Reporting by the Supplier

A registered person who is making supplies of such services as specified u/s 9(5) through an ECO, shall report such supplies in Table 3.1.1(ii) and shall not include such supplies in Table 3.1(a) of GSTR-3B. The registered person is not required to pay tax on such supplies as the ECO is liable to pay tax on such supplies and hence the supplier will report only the taxable value.

### 4.3 Reporting in GSTR-9 – Reporting Supplies Made through ECO under Section 9(5) in Table 5C

5. Details of Outward supplies made during the financial year on which tax is not payable					
Note : The fields, where the system computed values would be modified by more/less than 20%, shall be highlighted in 'Red' for reference and attention.					
Nature of Supplies	Taxable value (₹)	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)
(A) Zero rated supply (Export) without payment of tax	₹1,30,655.00				
(B) Supply to SEZ without payment of tax	₹0.00				
(C) Supplies on which tax is to be paid by the recipient on reverse charge basis	₹0.00				
(C1) Supplies on which tax is to be paid by e-commerce operators as per section 9(5) [Supplier to report]	₹0.00				

In this field, the supplier reports the total value of supplies (after amendments) made through an e-commerce operator where the tax liability rests with the operator under section 9(5). These amounts are disclosed so they are correctly excluded from the supplier's own tax-payable turnover. For accuracy, the supplier should cross-check the figures with Table 14(b) and 14A(b) of GSTR-1, which capture such 9(5) supplies.

### 4.4 Reporting in GSTR-9 – Supplies on which e-commerce operator is required to pay tax as per section 9(5)

This field requires the e-commerce operator to report the total value of supplies (after considering amendments) on which it is liable to pay tax under section 9(5). The purpose is to separately capture turnover where liability shifts from the supplier to the operator. The operator should match these figures with Tables 15 and 15A of GSTR-1, which specifically record such 9(5) supplies.

## 4.5 Reporting in GSTR-9C – Supplies on which tax is to be paid by ecommerce operators as per sub-section (5) of section 9 [Supplier to report]

7	Reconciliation of Taxable Turnover*	
S.No	Description	Amount (₹)
A	Annual Turnover after adjustments [from 5(P) above]*	0.00
B	Value of Exempted, Nil Rated, Non-GST Turnover, No supply turnover	
C	Zero rated supplies without payment of tax	
D	Supplies on which tax is to be paid by the recipient on reverse charge basis	
D1	Supplies on which tax is to be paid by ecommerce operators as per section 9(5) [Supplier to report]	
E	Taxable turnover as per adjustments above (A-B-C-D-D1)*	0.00
F	Taxable turnover as per liability declared in Annual Return (GSTR9)*	
G	Unreconciled Taxable Turnover (F-E)*	0.00

In GSTR-9C, this line captures any supplies where the liability shifts to the e-commerce operator under section 9(5). The supplier discloses these values to reconcile turnover reported in the books with turnover on which the supplier is *not* liable to pay tax. It helps ensure that such 9(5) supplies are excluded from the supplier's taxable turnover reconciliation.

## 4.6 Reporting in GSTR-9C – Supplies on which e-commerce operator is required to pay tax as per subsection (5) of section 9 [E-commerce operator to report]

9	Reconciliation of rate wise liability and amount payable thereon					
S.No	Description	Taxable Value (₹)	Tax payable (₹)			
			Central Tax	State Tax/UT Tax	Integrated Tax	Cess, if applicable
K-2	Supplies on which e-commerce operator is required to pay tax as per section 9(5) (including amendments, if any) [E-commerce operator to report]					

This line captures the value of supplies on which the e-commerce operator, and not the supplier, is liable to pay tax under section 9(5). In the reconciliation, these values help segregate turnover where the operator bears the tax liability so that the supplier's rate-wise tax computation excludes them. The operator must disclose the aggregate supply values (after amendments) to align with the corresponding liability reported in GSTR-1.





**GST & Indirect Taxes Committee**  
**The Institute of Chartered Accountants of India**  
**ICAI Bhawan, A - 29, Sector - 62, Noida - 201 309**  
**Phone : 0120 - 3045954**  
**E-mail : [gst@icai.in](mailto:gst@icai.in)**  
**Website : <https://icai.org/>, <https://idtc.icai.org/>**

