



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)
CENTRAL WAREHOUSING CORPORATION
(A Govt. of India Undertaking)
जन-जनकेलिएभण्डारण/ Warehousing for Everyone



No. CWC/FD-Taxation/GST/2021-22

Date: 29th September, 2021

GST CIRCULAR NO. 37

Sub: Tax Collection at Source (TCS) under CGST Act, 2017 by the Electronic Commerce operator from CWC

**Ref.: (i) Section 52(1) and 52(7) of CGST Act, 2017 (Collection of Tax at Source)
(ii) Notification No.: 52/2018 – Central Tax dt. 20.09.2018
(iii) Notification No.: 02/2018 – Integrated Tax dt. 20.09.2018**

1. Section 52(1) of CGST Act provides that every E-commerce operator shall collect tax @ 1% on the net value of taxable supplies made through it by other suppliers, where the consideration with respect to such supplies is to be collected by the operator. For the purpose of this section, the expression net value of taxable supplies shall mean the aggregate value of taxable supplies of goods or services or both reduced by the aggregate value of taxable supplies returned to the suppliers.
2. CWC has engaged M/s. MSTC Ltd. as selling agents for disposal by way of e-auction of all movable/immovable items and surplus, condemned/scrap/obsolete materials and secondary arising (ferrous and non-ferrous) as well as equipments, plant, machineries, properties, confiscated goods, misc. articles and leasing/renting of properties/warehousing space etc. through its online platform -**www.mstcecommerce.com** and it collects sale price/bid money from buyers for onward submission to CWC and remits the same to CWC after deducting its service charges, and TCS under GST.
3. Queries have been received from some Regional Offices regarding the applicability of TCS as above and accounting of same. The same is clarified as under :
 - (i) By virtue of above referred sections/ notifications and para 1 above, the e-commerce operators engaged by the CWC (e. g. M/s. MSTC Ltd.) shall be collecting tax at source from CWC **@ 0.5% CGST + 0.5% SGST for intra – state supplies OR 1% IGST for inter- state supplies**) on net value of taxable supplies made through it. This rate is in line with the notification no 52/2018 and 02/2018 referred above (Copies enclosed)

- (ii) The TCS deducted by MSTC shall be accounted for under Ledger code 29570, 29580 and 29590. The ledgers are already existing in Tally ERP and are being remained as under to accommodate TCS under GST collected from CWC-

Sr. No.	Existing ledger name	Renamed Ledger
1.	29570-TDS availment CGST	29570-TDS/TCS availment CGST
2.	29580-TDS availment SGST	29580-TDS/TCS availment SGST
3.	29590-TDS availment IGST	29590-TDS/TCS availment IGST

- (iii) The amount of TCS collected by the E Commerce operator(MSTC) and paid to the Government shall be reflected in the GSTR-2 of actual registered supplier(i.e. CWC) and same is to be utilized by CWC at the time of discharge of tax liability in respect of supplies made by CWC (**refer sec 52(7)** of the CGST Act, 2017).
- (iv) For availing the benefit of TCS so deducted, ROs are advised to file return “TDS/TCS credit received” (available in GST portal under “Returns” option) after ensuring that the TCS collected by MSTC is reflected on the portal. After filing of the return, the TCS so deducted shall get transferred to Electronic Cash ledger and can be used for payment of GST liability and thereafter the following accounting entry may be passed:

Dr. 12101/12102/12103-GST output tax payable
Cr. 29570/29580/29590-TDS/ TCS availment GST

The above is explained by way of example as under:

- (i) E.g. Goods worth Rs. 10,000/- are auctioned by CWC through the E-commerce platform of MSTC. The supplier will charge 18% GST – Rs. 1,800/-. Hence total value of invoice will be Rs. 11,800/- by CWC.
- (ii) Assume goods worth Rs. 1,000/- are returned during the month back to CWC.
- (iii) The E-commerce operator charges Rs 500/- as their commission to the supplier of goods.
- (iv) The net value to be considered for the purpose of calculation of TCS will be –
Net Value of Goods = Rs. 9,000/-(Taxes not be considered).
TCS to be deducted by MSTC=0.5% CGST- Rs. 45/- + 0.5% SGST Rs. 45/- in case of intra-state sale and Rs.90/- in case of inter-state sale.

(Amit Puri)
GM (Tax & A/Cs)

Distribution to:

1. All Regional Managers of CWC
2. All DGMs/AGMs/Managers/ (Sr.) Asstt. Managers /Accountants in Finance, Accounts & Internal Audit Wings of all ROs.

Copy for information to:

1. Sr. PA to MD/Director Finance, CWC, CO, New Delhi, PS to Dir. (Pers.), CWC, CO, New Delhi
2. PPS to GGM(F&A), CWC, Corporate Office, New Delhi
3. All HoDs of CWC, CO, New Delhi.
4. All DGMs/AGMs/Managers/ (Sr.) Asstt. Managers /Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi
5. PPS to GGM (Systems), CWC, CO, New Delhi with the request to place this Circular on CWC's website under GST circulars.
6. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this circular.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i)]

**Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Indirect Taxes and Customs**

Notification No. 52/2018 – Central Tax

New Delhi, the 20th September, 2018

G.S.R.(E).— 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 half 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.

[F. No. 349/58/2017-GST(Pt.)]

(Gunjan Kumar Verma)
Under Secretary to the Government of India

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i)]

**Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Indirect Taxes and Customs**

Notification No. 02/2018 – Integrated Tax

New Delhi, the 20th September, 2018

G.S.R.(E).— In exercise of the powers conferred by the second proviso to section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), read with 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 one per cent. of the net value of inter-State taxable supplies made through it by other suppliers where consideration with respect to such supplies is to be collected by the said operator.

[F. No. 349/58/2017-GST(Pt.)]

(Gunjan Kumar Verma)
Under Secretary to the Government of India