



CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)



No. CWC/FD- Taxation/GST/2019-20

Dated: 03rd June 2019

GST CIRCULAR-15

1. All the Regional Managers of CWC
2. All the AGMs / Managers / (Sr.) Asstt. Manager(Accts.) In-charge of Finance & Accounts Wings of all Regional Offices

Sub: Applicability of GST on penalty imposed on employees/retired employees

Recently queries have been received from Regional Offices regarding applicability of GST on penalty imposed on employees/retired employees.

The matter was discussed with GST consultant and following has been advised which may please be followed.:

Case-1 Where a fixed amount is imposed as penalty on employee/ retired employees:- GST shall be applicable.

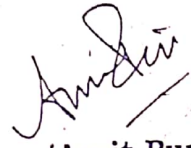
Case-2 Where annual increment in salary is not given:- In such cases, there is permanent loss to employee of salary reduction through out of his /her life of service. GST shall not be applicable as this is not in the nature of recovery and is only a revision in salary.

It is further clarified by Personnel Division that the applicable GST has to be collected additionally as Disciplinary Authority does not impose the penalty after considering the taxes.

HSN is 9997 and rate of applicable GST is 18%.

All concerned are advised to deposit GST on fixed penalty imposed on employees/ retired employees treating such penalty amount as exclusive of GST.

This is issued with the approval of GGM(F&A).


(Amit Puri)
GM(TAX)

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