

Press Release

16th March 2021

An inspection was conducted on a taxpayer registered in Jagadhri, Yamunanagar dealing in supply of Mobile Phones and other electronic items mainly through E-Commerce platforms such as Amazon, Flipkart etc. It was found that the taxpayer was not discharging his complete tax liability on the supplies made through E-Commerce Companies.

This was one of the first investigations that was conducted on the basis of TCS data. Through analysis of TCS data, it was found that a gap of more than Rs. 10 Crores existed between the taxable value declared by the taxpayer in his GSTR-3B and the net value on which TCS was collected by E-Commerce companies for two different entities of the same taxpayer. On inspection, the taxpayer voluntarily deposited Rs. 60 lacs (Rs. 50 lacs in input tax credit and Rs. 10 lacs in cash). Detailed investigation is under process.

It is advised that suppliers who are selling goods through E-Commerce companies such as Amazon, Flipkart etc. or services through E-Commerce platforms deducting TCS such as Swiggy, Zomato etc. shall pay their tax dues as their actual turnover to avoid interest, penalty and other penal action under the HGST Act, 2017.
