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Ecomm Cos Facing Glitches in Filing TCS Details

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New Delhi: E-commerce companies are facing technical issues in filing the details of tax collected at source (TCS) from their sellers on the GSTN website, vendors who sell through their platform said.

"Flipkart had deducted TCS and deposited against your respective GSTIN(s) for the month of October, 2018. However, due to a technical issue at GSTN (Goods & Services Tax Network) on government GSTN portal, there could be a delay in the reflection of such TCS credit into your electronic cash ledger," Flipkart said in a communication to its sellers earlier this week.

"As per our discussion with GSTN, the issue is likely to be resolved at the earliest," the etailer added.

"Yes, we worked with the GST authorities and GSTN. The issues have been addressed and we were able to deposit the tax collected from our sellers. We believe some of the sellers have approached the GSTN to ensure that credit is duly reflected in their accounts," an Amazon spokesperson told ET. The delay is putting pressure on working capital for smaller sellers associated with these platforms.

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"(The delay) has caused working capital burden on sellers-...the government should monitor this," said a spokesperson for All India Online Sellers' Association, adding that the problem is more widespread with Amazon and Flipkart.

Starting October 1, norms mandate ecommerce companies to collect tax at the rate of 0.5% each for state and central GST (1% total) on payments to sellers who sell on their platforms.

It is an anti-tax avoidance measure that seeks to create a transaction trail. Sellers will be able to adjust this deduction against their final GST liability.

The industry has earlier pitched for an extension of the deadline. Under the rules, companies are required to file returns by the tenth of the following month. If unable to deposit the tax collected last month by November 10, companies will be liable for penal provisions. Earlier this year, a survey by industry body FICCI highlighted glitches in the GSTN portal as a major areas of concern that need to be addressed to make the Goods and Services Tax (GST) a success.