

**GOVERNMENT OF WEST BENGAL  
DIRECTORATE OF COMMERCIAL TAXES  
14, BELIAGHATA ROAD, KOLKATA-700015**

**TRADE CIRCULAR No. 01/2025**  
(Corresponding Central Circular No. 240/34/2024-GST)

**DATED:08.01.2025**

**Sub: Clarification in respect of input tax credit availed by electronic commerce operators where services specified under Section 9(5) of the West Bengal Goods and Services Tax Act, 2017 are supplied through their platforms.**

Reference is invited to Trade Circular No. 01/2022 dated 31.01.2022 which clarified that electronic commerce operators (hereinafter referred to as “ECOs”) required to pay tax under section 9(5) of the West Bengal Goods and Services Tax Act, 2017 (hereinafter referred to as the “WBGST Act”) are not required to reverse input tax credit (ITC) in respect of supply of restaurant services through their platform (notified services under section 9(5)). In this regard, representations have been received seeking clarification regarding requirement of reversal of ITC, if any, in respect of supply of services, other than restaurant services, under section 9(5) of the WBGST Act.

2. The issue has been examined and to ensure uniformity in the implementation of the law across the field formations, the Commissioner, in exercise of his powers conferred under section 168 of the WBGST Act, hereby clarifies the issue as below:

<b>S. No</b>	<b>Issue</b>	<b>Clarification</b>
1.	Whether electronic commerce operator, required to pay tax under section 9(5) of the WBGST Act, is liable to reverse proportionate input tax credit on his inputs and input services to the extent of supplies made under section 9(5) of the WBGST Act.	1. ECO, required to pay tax under section 9(5) of the WBGST Act, is making supplies under two counts: i. Supplies notified under section 9(5) of the WBGST Act for which he is liable to pay tax as if he is the supplier of the said services. ii. Supply of his own services by providing his electronic

		<p>platform for which he charges platform fee /commission etc. from the platform users.</p> <ol style="list-style-type: none"> <li>2. For providing the services mentioned at 1(ii) above, the ECO procures inputs as well as input services for which he avails Input Tax Credit.</li> <li>3. It has been clarified vide question no. 6 of Trade Circular No. 01/2022 dated 31.01.2022 that the ECO shall not be required to reverse input tax credit on account of restaurant services on which he pays tax under section 9(5) of the WBGST Act. It has also been clarified that the input tax credit will not be allowed to be utilized for payment of tax liability under section 9(5) and whole of the tax liability under section 9(5) will be required to be paid in cash.</li> <li>4. The principle, which has been outlined in question no. 6 of Trade Circular No. 01/2022 dated 31.01.2022, also applies to the supplies made in respect of other services specified under section 9(5) of WBGST Act.</li> <li>5. In view of this, it is clarified that Electronic Commerce Operator, who is liable to pay tax under section 9(5) of the WBGST Act in respect of specified services, is not required to</li> </ol>
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		<p>reverse the input tax credit on his inputs and input services proportionately under section 17(1) or section 17(2) of the WBGST Act to the extent of supplies made under section 9(5) of the WBGST Act.</p> <p>6. It is further clarified that ECO will be required to pay the full tax liability on account of supplies under section 9(5) of the WBGST Act only through electronic cash ledger. The credit availed by him in relation to the inputs and input services used to facilitate such supplies cannot be used for discharge of such tax liability under section 9(5) of the WBGST Act. However, such credit can be utilized by him for discharge of tax liability in respect of supply of services on his own account.</p>
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3. Difficulty, if any, in implementation of this Trade Circular may be brought to the notice of the Commissioner.

Sd/-  
(DEVI PRASAD KARANAM, IAS)  
Commissioner, State Tax  
West Bengal

Memo. No.- 05/CT/PRO  
3C/PRO/2025

Date:08.01.2025

Copy forwarded to the Special Commissioner, State tax /ISD for information and for uploading it on the official website of the Directorate for information of all concerned.

Sd/-  
(Joyjit Banik)  
Additional Commissioner, State Tax  
&  
PRO