Circular No. 240/34-HGST/2024/GST-II
(CBIC Circular No. 240/34/2024-GST, dated 31.12.2024)

Haryana Government
Excise and Taxation Department
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Dated the 23rd January, 2025

Sub: Clarification in respect of input tax credit availed by electronic commerce operators where services specified under Section 9(5) of Haryana Goods and Services Tax Act, 2017 are supplied through their platform -reg.

Reference is invited to Circular No.167/23/HGST/2021/GST-II, dated 04.01.2022 which clarified that electronic commerce operators (hereinafter referred to as "ECOs") required to pay tax under section 9(5) of the Haryana Goods and Services Tax Act, 2017 (hereinafter referred to as "HGST 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 HGST Act.

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

S. No	Issue	Clarification
1.	Whether electronic commerce operator, required to pay tax under section 9(5) of HGST 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 HGST Act.	1. ECO, required to pay tax under section 9(5) of HGST Act, is making supplies under two counts: i. Supplies notified under section 9(5) of HGST 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 platform for which he charges platform fee /commission etc. from the platform users. 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. 3. It has been clarified vide question no. 6 of Circular No. 167/23/HGST/2021/GST-II, dated 04.01.2022 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 HGST 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. 4. The principle, which has been outlined in question no.6 of Circular No. 167/23/HGST/2021/GST-II, dated 04.01.2022, also applies to the supplies made in respect of other services specified under section 9(5) of HGST Act. 5. In view of this, it is clarified that Electronic Commerce Operator, who is liable to pay tax under section 9(5) of the HGST Act in respect of specified services, is not required to reverse the input tax credit on his inputs and input services proportionately under section 17(1) or section 17(2) of HGST Act to the extent of supplies made under section 9(5) of the HGST Act. 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 HGST 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 HGST Act. However, such credit can be utilized by him for discharge of tax liability in respect of supply of services on his own account.

3. Difficulty, if any, in implementation of this Circular may be brought to the notice of the Department.

Dated: 20/01/2025
Place:- Panchkula

Ashok Kumar Meena
Excise and Taxation Commissioner-cum-
Commissioner of State Tax, Haryana

No. 98 /GST-II,
Panchkula, Dated the 23/01/2025

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Deepa
23/01/25
Dy. Excise and Taxation Commissioner (GST),
Haryana, Panchkula.