

**NO.F.1-11(8)-TAX/GST/2018/10381-86**  
GOVERNMENT OF TRIPURA  
OFFICE OF THE CHIEF COMMISSIONER OF STATE TAX  
PANDIT NEHRU COMPLEX, GURKHABASTI  
AGARTALA, TRIPURA WEST, PIN-799006.

Dated, Agartala, the 12<sup>th</sup> November, 2018.

**Circular No. 20/2018 – GST (State)**

To  
The Additional Commissioner of State Tax /  
Superintendent of State Tax (All) /  
Inspector of State Tax (All)

**Subject: Collection of tax at source by Tea Board of India – Reg.**

The Department of Revenue, GST Policy Wing vide Circular No. 74/48/2018–GST dated 5<sup>th</sup> November, 2018 has issued clarifications on the collection of tax at source by Tea Board of India, in order to ensure uniformity in the implementation of the provisions of law across the field formations, which is annexed herewith.

In exercise of powers conferred by section 168 of the Tripura State Goods and Services Tax Act, 2017 (Tripura Act No. 9 of 2017) for the purpose of uniformity in the implementation of the Act it is instructed to follow the clarification issued vide Circular No. 74/48/2018–GST dated 5<sup>th</sup> November, 2018 by the Department of Revenue, GST Policy Wing.

**Enlco:** Circular No. 74/48/2018–GST.

**(Nagesh Kumar B, IAS)**  
Chief Commissioner of State Tax  
Government of Tripura

**Copy to:**

1. The P.S. to the Chief Secretary, Finance, Government of Tripura for favour of kind information.
2. The Assistant Statistical Officer, Statistical Section, O/o the Commissioner of Taxes & Excise, Agartala with request to upload the Circular in the Official website [www.tripurataxes.nic.in](http://www.tripurataxes.nic.in).
3. Guard File.

**(Nagesh Kumar B, IAS)**  
Chief Commissioner of State Tax  
Government of Tripura

**F. No. 20/16/04/2018- GST**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**

New Delhi, Dated the 5<sup>th</sup> November, 2018

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioners of Central Tax (All)  
The Principal Directors General/ Directors General (All)

Madam/Sir,

**Subject: Collection of tax at source by Tea Board of India – Reg.**

Tea Board of India (hereinafter referred to as the, “Tea Board”), being the operator of the electronic auction system for trading of tea across the country including for collection and settlement of payments, admittedly falls under the category of electronic commerce operator liable to collect Tax at Source (hereinafter referred to as, “TCS”) in accordance with the provisions of section 52 of the Central Goods and Service Tax Act, 2017 (hereinafter referred to as, “the CGST Act”).

2. The participants in the said auction are the sellers i.e. the tea producers and auctioneers who carry out the auction on behalf of such sellers and buyers.
3. It has been represented that the buyers in the said auction make payment of a consolidated amount to an escrow Account maintained by the Tea Board. The said consolidated amount is towards the value of the tea, the selling and buying brokerages charged by the auctioneers and also the amount charged by the Tea Board from sellers, auctioneers and buyers. Thereafter, Tea Board pays to the sellers (i.e. tea producers), from the said escrow account, for the supply of goods made by them (i.e. tea) and to the auctioneers for the supply of services made by them (i.e. brokerage). Under no circumstances, the payment is made by the Tea Board to the auctioneers on account of supply of goods i.e., tea sold at auction.

4. A representation has been received from Tea Board, seeking clarification whether they should collect TCS under section 52 of the CGST Act from the sellers of tea (i.e. the tea producers), or from the auctioneers of tea or from both.
5. The matter has been examined. In exercise of the powers conferred under sub-section (1) of section 168 of the CGST Act, for the purpose of uniformity in the implementation of the Act, it is hereby clarified, that TCS at the notified rate, in terms of section 52 of the CGST Act, shall be collected by Tea Board respectively from the -
  - (i) sellers (i.e. tea producers) on the net value of supply of goods i.e. tea; and
  - (ii) auctioneers on the net value of supply of services (i.e. brokerage).
6. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.
7. Difficulties faced, if any, in implementation of the above instructions may please be brought to the notice of the Board.
8. Hindi version would follow.

(Upendar Gupta)  
Commissioner (GST)