

# Ch 14 MANNER OF PAYMENT

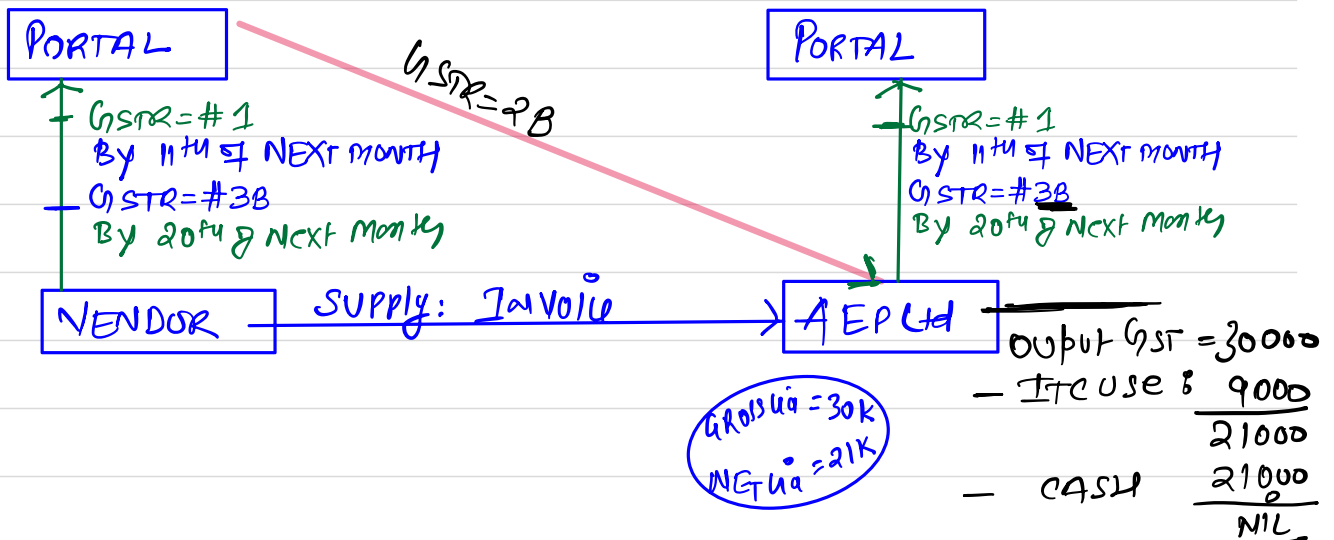
Sec: 49+49A+49B = Payment  
 sec: 50 = Interest  
 Sec: 51 TDS  
 sec: 52 TCS  
 Sec: 53 TIF @ Credit  
 sec: 53A TIF @ Cash

**Background**

On GST portal, we have 3 Ledgers

E- CASH LEDGER LEDGER (LIKE PAYTM WALLET)	E- CREDIT LEDGER	E- LIABILITY REGISTER									
We must have sufficient balance in e cash ledger on due date. If it is not, then add sufficient amount in it.	Amount will be updated through GSTR 3B	E- liability register has 2 parts-- Part i: self assessed liability as per return Part ii: re-assessed liability by department									
How to add... 1. Create a challan on gst portal which will remain valid for 15 days. Portal will generate C-PIN (common portal identification number: 14 digit) 2. Make payment of amount as given in challan @ online /offline. Note: online = net banking, RTGS, NEFT, debit/credit card etc. Note: offline can be deposited in specified situations as amount is upto `10,000, by govt. Department eg post office, in case of search and seizure. 3. As the payment credited to bank a challan identification number (CIN) will be generated, which will be a combination of cpin + 3/4 digit of bank branch code. 4. CIN will be communicated to gst portal by bank and the amount will be reflected in e cash ledger.		First of all, we will discharge part I liability and out of this A. Previous period liability first then, B. Current period liability After that discharge part II liability.									
		Now file gstr 3b and use itc and e cash ledger to discharge liability Manner of using itc— <table border="1" data-bbox="1096 1891 1518 2050"> <tr> <td>c</td> <td></td> <td>c</td> </tr> <tr> <td>i</td> <td></td> <td>i</td> </tr> <tr> <td>s</td> <td></td> <td>s</td> </tr> </table>	c		c	i		i	s		s
c		c									
i		i									
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Background:



# GSTR-1 DATA ie B/P liability of (3) : WHERE TO LAND :

E-liability Register

PART: I : SELF Assessed liability ie DATA of GSTR-1

- ① → Old liability : first PAY
- ② → Current liability : PAY

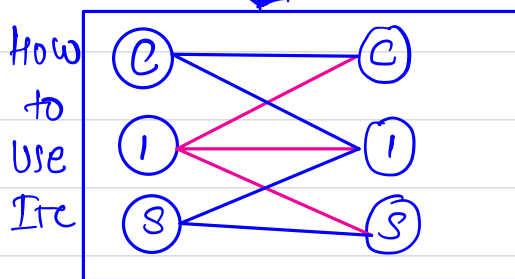
PART: II : Liability

③ as RE-ASSESSED BY OFFICER: XXX

# FORM GSTR-2B ie DATA @ ITC to (R),

where to land :

E - CREDIT Ledger XXV



# CASH deposit By way of creating challan @ DATA - where to LAND : @ E-CASH ledger

#

<u>BALANCE SHEET</u>	
E-Liability Retn XXX	E-CREDIT Ledger XXX
	E-CASH Ledger XXX

ie E-Li Reg. PAY offr. By using E-credit & E-CASH Ledger

# E-Credit Ledger & WHERE TO USE

# E-CASH Ledger USES

- Input GST ✓
- INPUT GST (RCM) ✓
- INT. & Penalty ✓
- Any other Lia Under the ACT ✓

of POST : NESBABY  
Input GST (RCM) = (NO)  
Any other ie Penalty, Int + etc = No

Calculation of Interest

# Interest = Value \* ROI \* Related Period

**In General**  
↓  
Int. on GROSS Value

**Special Case**  
↓  
Int. on NET Value

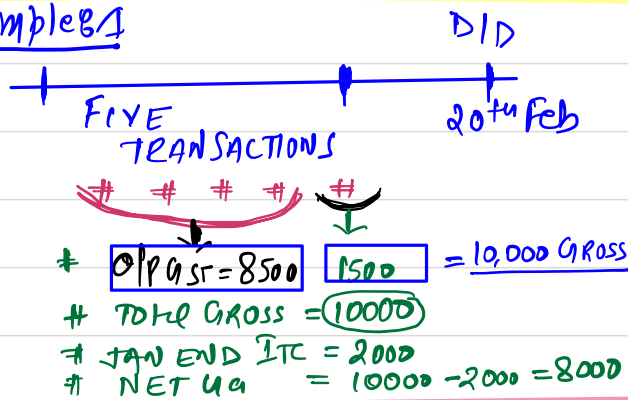
# i.e. CASE where  
# Whole Return is delayed and NO notice till filing of Return  
# THEN INT on NET

**In General**  
# Rate of Interest @ 18% PA

**Special Case**  
i.e. where ITC wrongly availed AND utilized.  
@ ROI = 24% PA (MAX)  
BUT AS OF NOW Non-filed rate = 18% PA

# After due date till the date of Payment  
# For Example 6  
\* MONTH of JAN  
\* Due date is 20<sup>th</sup> Feb.  
\* Actual Payment = 10<sup>th</sup> March  
Related Period  
Feb = 28 - 20 = 8 DAY  
MARCH = 10 DAYS  
18 DAYS  
i.e.  $\frac{18}{365}$

Example 1



# Whole Return delayed and filed Jan month Return 10<sup>th</sup> March

#  $8000 * \frac{18}{100} * \frac{18}{365} = 71/=$

Note: By 10<sup>th</sup> March NO SHOW cause Notice Recd.

Example 2

WHAT IF in ABOVE CASE JAN MONTH Return filed on due date i.e. BY 20<sup>th</sup> Feb. BUT ONLY WITH first 4 TRANSACTION i.e. 3131 - 3131 Return. and 5<sup>th</sup> transaction filed with Feb month's Return on 20<sup>th</sup> March

# Jan Month Return: ON TIME & NO INT  
i.e. 8500 - ITC: 2000 = 6500 ✓

# 1500<sup>th</sup> file with 20<sup>th</sup> March:

$1500 \text{ GROSS} * \frac{18}{100} * \frac{28}{365} = 21/=$   
Ro-PATHA mumm.

Example 3

Whole Return delayed & before filing late Return a SHOW. Case NOTICE AA JA JATA hai i.e. "dehath NE KA DIYA" आइत-यित DAPPTA

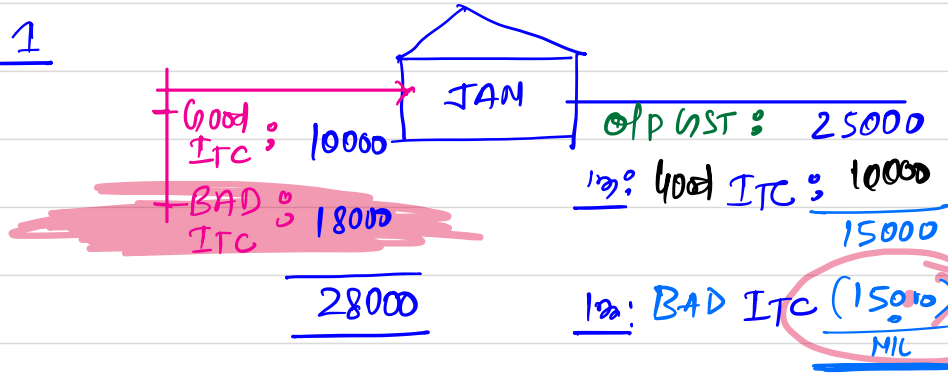
Interest on GROSS:

Rule: 88B Calculation of Interest in case of BAD ITC:

Good ITC  
BAD ITC

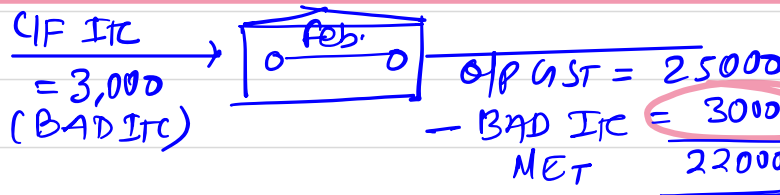
STAGE 1

BAD = FAR 21



Due Date  
20th February

STAGE 2



Due Date  
20th March

STAGE 3: Notice issued by debit like you have "Wrongly Availed and Utilised ITC" so need to pay: 18000 with interest and the buy amt paid on 20th Aug.

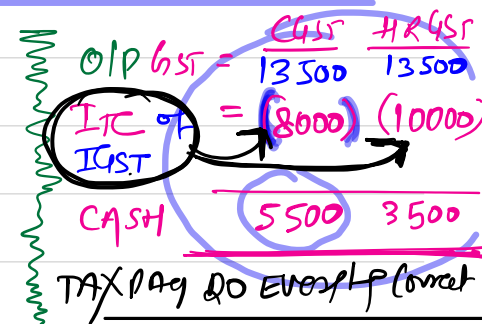
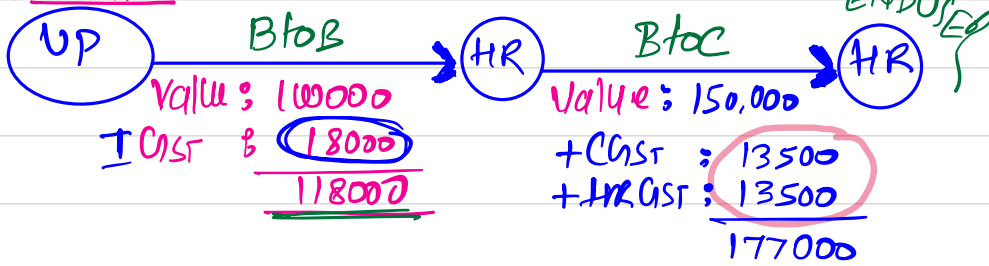
What will be the interest:

$$= \# 15000 * \frac{18}{100} * \frac{21 \text{ Feb to } 20 \text{ Aug (181 DAYS)}}{365} = 1338.9$$

$$\# 3000 * \frac{18}{100} * \frac{21 \text{ March to } 20 \text{ Aug (153 DAYS)}}{365} = 226/-$$

: SECTION : 53 : TRANSFER OF FUND BY GOVT :

Example:



ABHI KITNA CASH  
KIS Fund ME GAYA

KIS Fund ME KITNA  
CASH JANA CHAHIYE

NOW WHAT TO DO ?

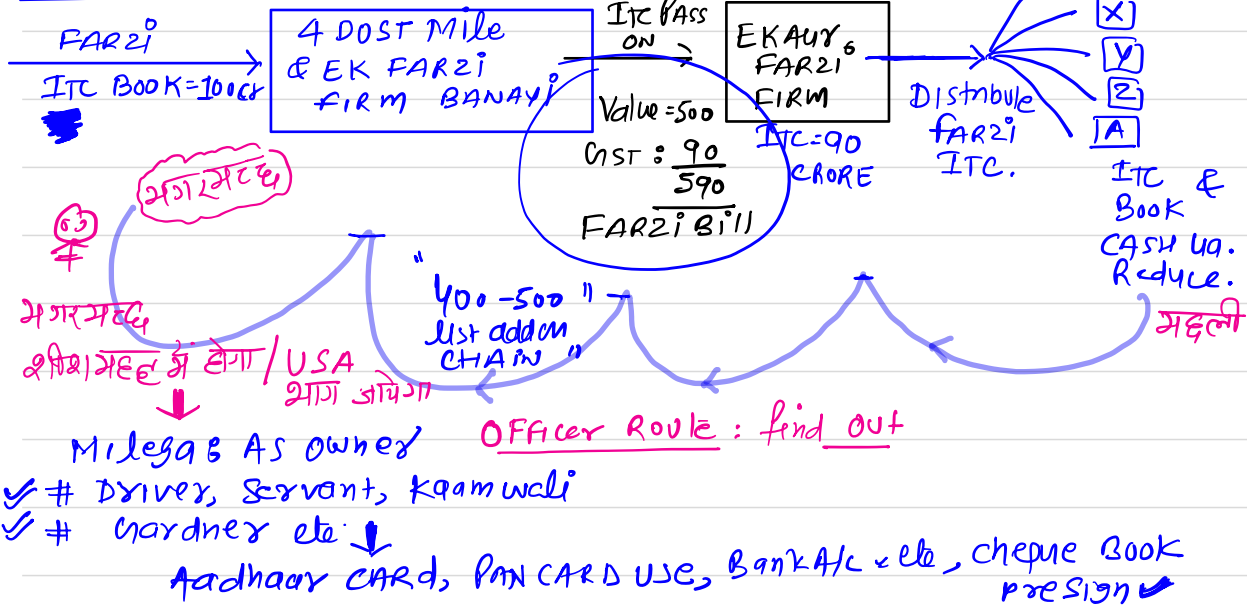
IGST fund: 18000 CASH  
CUST fund: 5500 CASH  
HR-CUST fund: 3500 CASH

IGST fund: NIL  
CUST fund: 13500  
HR CUST fund: 13500

By GOVT  
# 8000 IGST fund se CUST fund ME TF KAR DO BY DO  
# 10000 IGST fund se SHST fund ME TF KARO

Rule 86 B : ITC KA FARZI WADA // CONCEPT of 1% Tracker / GPRS Device

WHY this concept of 1% ?



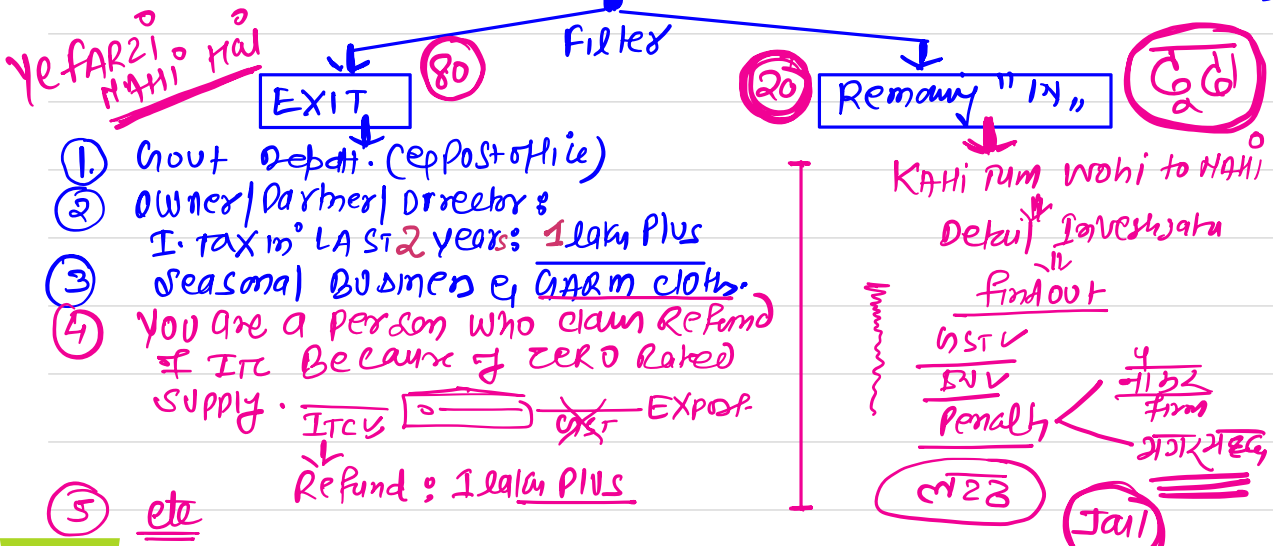
So to find out such cases GOVT introduce concept of 1% ie chiz hai

Concept KYA hai : # Those TAX payers whose monthly taxable TPO more than 50 Lakh (A+B)  
# They have sufficient ITC to discharge O/P GST ie they have NO O/P CASH liability

SUCH kind of person will pay GST @ 1% if goods liability in CASH: ie In above case: O/P liability = 90 CR

IF NOT to follow 1% concept		
RC : CANCEL	- ITC	89.1 CR
		9 Lakh
	rem : E-CASH @ 1%	9 Lakh
		NIL

NOW office will check how many TAX payers covered under 1% concept. ○○○○○○○○ (suppose 100 TAXPAYERS)

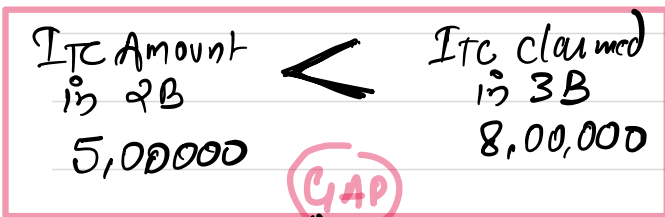


• Concept of Rule = 88C & 88D: "A COMPARISON"

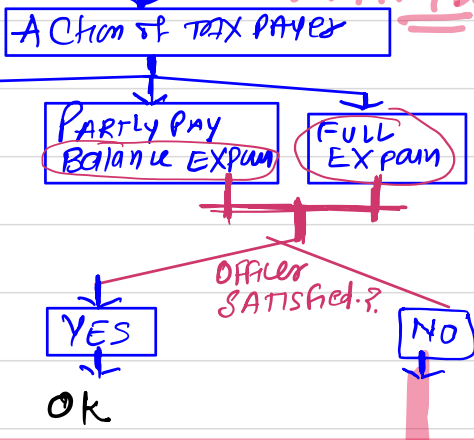


Rule = 88D

"ITC KA Comparison"



# Intimation to be issued by Deptt like either to pay Rs 3,00,000 OR EXPLAIN IT WITHIN 7 DAYS

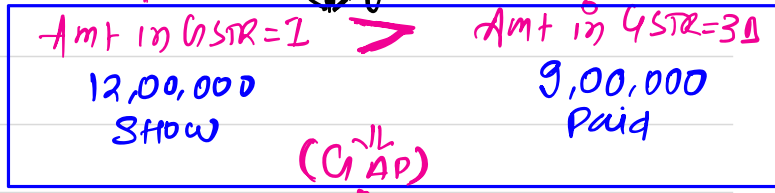


- ✓ # 1. Show Cause Notice
- ✓ # 2. Demand order
- ✓ # 3. Recovery. 3,00,000

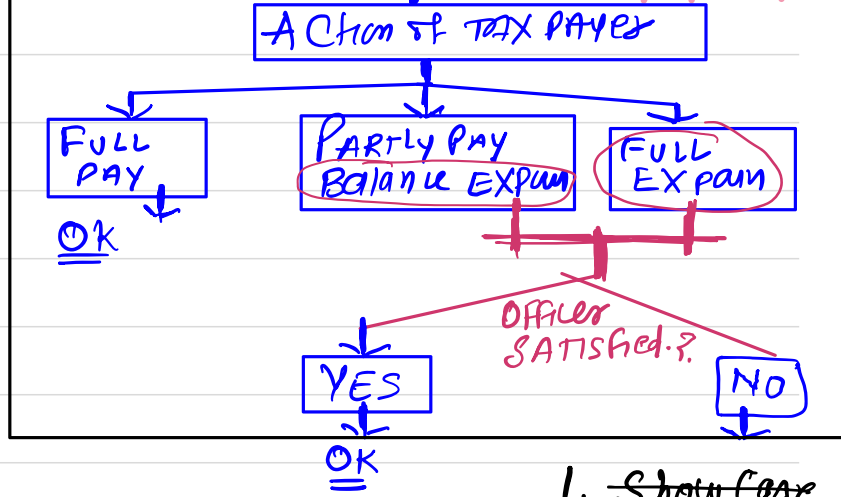
2 PARTY

Rule = 88C

"Output Liability KA Comparison"



# Intimation to be issued by Deptt like either to pay Rs 3,00,000 OR EXPLAIN IT WITHIN 7 DAYS



- 1. Show Cause Notice
- 2. Demand order

3. "Recovery Action" U/s: 79 3,00,000

Open & Shut

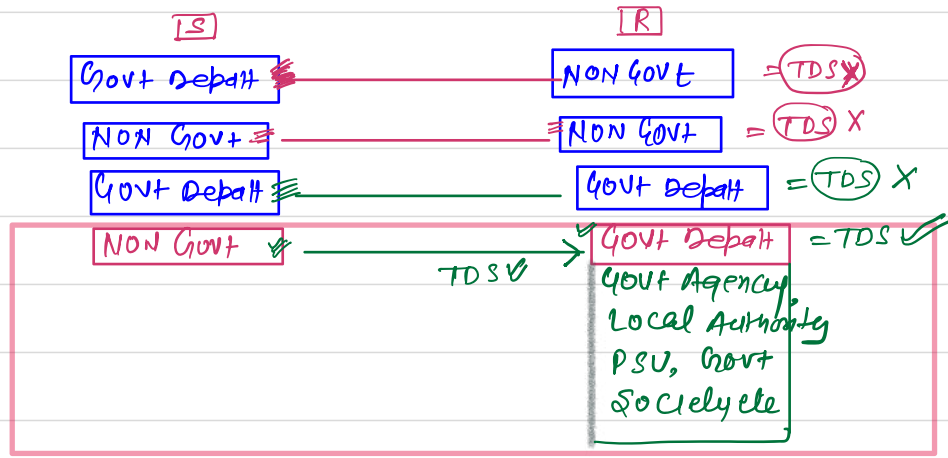
One Party

# Ch.14 Manner of Payment

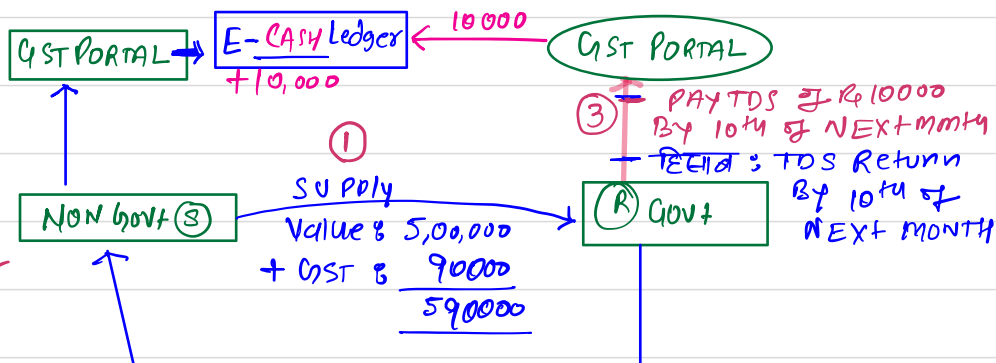
## ANALYSIS OF SECTION 51: TDS OF GST OF INCOME TAX

WHY TDS OF GST: JAAGA JASOOS = (R), Supplier ki JASUSI KARTA Hai

LOYALTY TEST of (S)



### HOW IT WORKS



### Total Payment Recd

580,000 From (R)  
10000 to wallet/E-CASH  
590000

(2) PAYMENT  
Total Bill Amount: 590,000  
Less: TDS of GST: (10,000)  
1+1=2% of 5,00,000  
580,000

(S) (R) Govt: ANY  
Financial Loss/GAIN: NO

# BYA AB (S) Transactions ko CHHIDA SAKTA Hai; NO; This is objective  
" NOW RUN TDS OVER BABA KI Booty "

# Goods/Service: Either Goods/Service: Both CASE TDS may Attract.

# Supply: IF NO Supply - NO GST - NO Question of TDS

# INTRA/Inter: Either INTRA/Inter: Both CASE TDS may Attract

# Taxable person: WHO will Deduct & pay TDS; Deductor (Govt Deptt) & Such Govt Deptt need A Special REGISTRATION AS TDS Deductor U/S: 24 (MANDATORY)

# Exemption: IF there is a GST EXEMPTION = i.e. NO GST → NO TDS

# Computation:

Value \* Rate of TDS  
PER CONTRACT (1%+1%)  
Value EXC. of GST & CESS: SHOULD BE  
more than: 250,000/-

# TDS: NA Because TDS is for GST & it is NOT A TAX BUT JUST JASOA JASUS.

# NCM/Rev: NA, BUT Deductor will pay to GOVT

# Compliance : Invoice will contain TDS Reference : NO  
Payment : By Deductor By 10th of Next month  
Return : YES, By Deductor in Form 15G/7  
 By 10th of Next month.  
Refund : YES, Allowed, if Excess Payment made.  
Registration : YES, Deductor KA "As" TDS Deductor  
Record : YES, need to maintain By Deductor  
ITC : TDS KA ITC @ E Credit Ledger ME  
 MILEGA : NAAA - BUT Deductee  
 KE - E-CASH Ledger Me Add Hoga.

Imp: Note

INTRA

ORIGIN (UP)  
 DESTINATION (UP)  
 (POS)

Value : 10000  
 + CUST : 9000  
 + SOST : 9000  
 118000

Govt  
 Location of (R) (UP)

TDS of CUST, UP, SOST BY (R) = YES, TDS ✓

INTRA

ORIGIN (UP)  
 DESTINATION (UP)  
 (POS)

Value = 10000  
 + CUST : 9000  
 + UP-CUST : 9000  
 118000

Location of (R) (DL)

# TDS of CUST, UP-CUST Q: TDS ? N.A.

Inter

ORIGIN (UP)  
 DESTINATION (DL)  
 (POS)

TDS X

Location of (R) (MP)

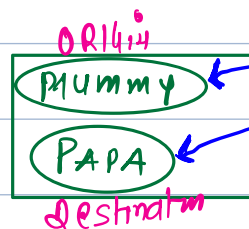
Inter

ORIGIN (UP)  
 DESTINATION (DL)  
 (POS)

TDS ✓

Location of (R) (DL)

SUTRA :



Location of (R)  
 BABY

BABY KA FACE  
 MATCH KAREGA.

- # MUMMY se ✓ (TDS ✓)
- # PAPA se ✓ (TDS ✓)
- # Both se ✓ (TDS ✓)

If Kisi se MATCH NAHI HUA to ye INKA BABY NAHI HAI

# Ch.14 Manner of Payment (VENDOR KI TASUDI ECO SE KARENZO) - So that vendor GST CHORINA KARE

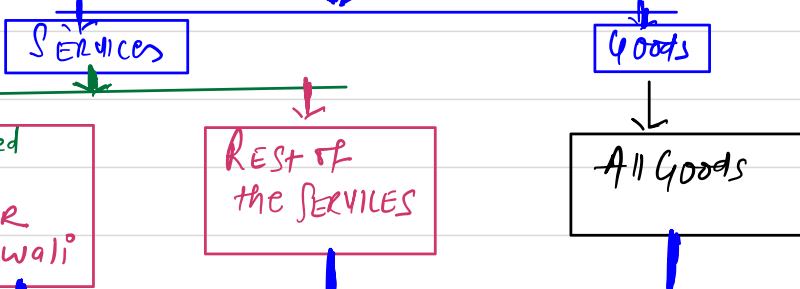
ECO KA CHAKKAR

CONCEPT OF TCS @ 0.25% + 0.25% = 0.50%

Applicability :

ECO

Object  
Govt want to CONTROL TRANSACTION WHICH ARE MADE THROUGH ECO.



Controlling Tool :

TAX paid By # **ECO**  
# VENDOR, IF PAY TO CROSS

TAX paid By vendor

TAX paid By Vendor

TCS Concept :

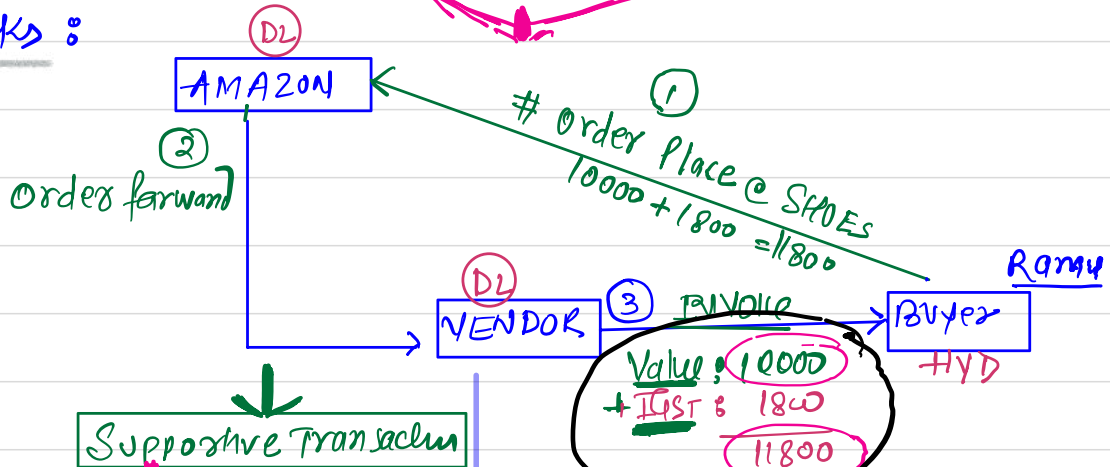
TCS: NA

TCS: Apply

TCS: Apply ✓

How It Works :

AMAZON Comm = 20%



3 AMAZON, R Vendor

# Service (Order @ Leta & Deta Hai) @ Comm @ 20%

# Supply: YES ← (B) (C)

# INTRA State (DL to DL)

# Taxable person for payment of GST on Commission (10000 x 20%) = 2000 = **ECO**

# Ye Service Exempt hai: NO

# GST = 2000 \* 9% = 180 CGST  
2000 \* 9% = 180 SGST

# NCN/REN = NCN

# TDS = (I) (E)

# INVOICE ISSUED BY AMAZON TO VENDOR

Value :	2000
+ CGST @	180
+ SGST @	180
	2360
	50
	2410

INTRA

+ TCS For ISTR on Rs 10000 @ 0.5%  
DATA = Main Transaction

# (S) = VENDOR → (R) = Buyer (Ramu)

# SHOES = Goods

# Supply ✓

# Inter State (DL - HYD)

# Taxable person for 1800 = Vendor

# NO Exemption

# 10000 x 18% = 1800 ISTR

# TDS = Invoice date

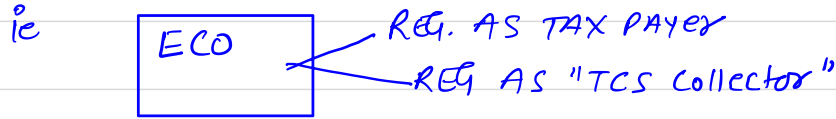
# NCN

# Comply: By Vendor

It is Normal Transaction

NOW Decide future of Rs 50

① ECO PAY TCS of Rs 50 AT GST PORTAL By lotus of Next month and file TCS Return form - GSTR-8, and ECO shall take an additional Registration v/s: 24 mandatorily as "TCS Collector"

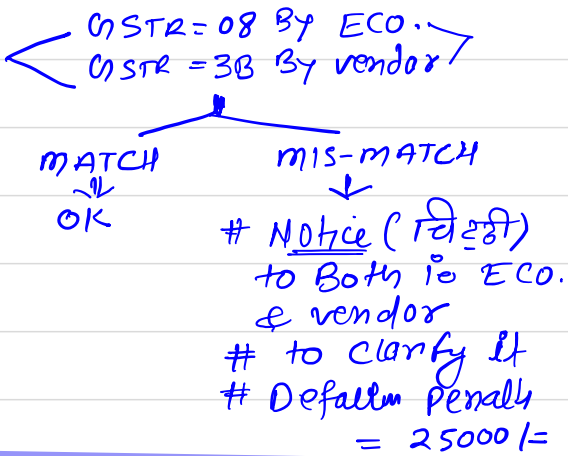


② NOW Such Rs 50 Add on in the E-CASH ledger of VENDOR

Whether Any financial Gain/Loss to Any one : ECO, Vendor, Govt = NO

Note: क्या AB vendor transaction को CHHIPA SAKTA HAI KYA HND

How the GST Portal will cross check



TCS Applicability :

- (i) Transaction fall under 9(5) = NO
- (ii) Supply made But Return = NO
- (iii) Transaction where ECO JUST procure the order & NOT to collect payment ie payment By Buyer Directly made to vendor = NO
- (iv) REST of the CASES = YES

# Multiple ECO in Picture? THEN who will collect TCS?

