

Chapter 12 - SEC 49 : Payment of Tax



CA Vishal Bhattad

Debit	E-Cash Ledger	Credit
49(3) Utilization of E-Cash Ledger:-	Deposit of Amount in E-Cash Ledger Sec 49(1)	
It may be utilised for making payment of [Liability Register]	<ul style="list-style-type: none"> Internet banking /UPI/IMPS By using credit or debit cards NEFT or RTGS Payment (PMT-06) by above mode only through authorised bank.	
<ul style="list-style-type: none"> Tax (output/RCM) Interest Penalty Fees (late fee) Any other dues 		
Balance if any in E- cash ledger will be carry forward or refunded	<ul style="list-style-type: none"> Amount of TDS u/s 51 Amount of TCS u/s 52 	
1) Over the Counter(OTC) cash Payment - ₹ 10,000 per challan per tax period Exception : Cash payment (OTC) without limit:- <ul style="list-style-type: none"> a) Payment by Govt. Department or person notified by Comm. b) P.O. authorised to recovery dues from person including recovery through sale of property/during investigation etc. 2) Special Payment mode for OIDAR or Online money gaming:- International money transfer system of SWIFT network.		

Rule 87 :- Tax Payment Challan

E-Challan	PMT- 06	Other Aspects relating to challan
Validity	for 15 days from generation on CP	CPIN :- 1. Common portal Identification Number. 2.It is created for every Challan successfully generated by the taxpayer. 3.It is a 14-digit unique number to identify the challan. 4.CPIN remains valid for a period of 15 days. CIN:- 1. Challan Identification number (CIN) 2.It is when payment is actually received by authorised banks or RBI & credited in the Govt. A/c 3. It is indication of successful payment of account. 4.CIN is communicated by authorised bank to taxpayer as well as to CP. 5. It is 18 digit number that is 14 digit CPIN plus 4 digit Bank code.
Date of payment	When amount is successfully credited in government A/C. & CIN generated by Bank.	
Credit to E-cash Led.	On receipt of CIN the same amt. is credited into the e-cash ledger	
RBI's e-Scroll	If CIN is not generated after payment, the ledger can be updated based on RBI's e-Scroll,	
Non-Generation of CIN	If CIN isn't generated or reflected on the portal, use FORM GST PMT-07 to make a representation.	
Reporting Discrepancies	Report any discrepancies on the CP in prescribed form.	
Payment by URP	URP must pay through the E-cash ledger using a temporary ID generated on CP.	

Debit	E-Credit Ledger	Credit																									
49(4) Utilization of E-Credit	49(2) Amount assessed in E-credit Ledger																										
It may be used for making payment of output tax only	The IC as self assessed in the return of a R.P. shall be credited to his E-Credit ledger																										
Analysis:-																											
Tax dues	Utilisation of cash ledger	Utilisation of Credit ledger																									
GST	✓	✓																									
Interest	✓	✗																									
Penalty	✓	✗																									
Fees	✓	✗																									
Other Amt.	✓	✗																									
Manner of utilization of ITC [Sec 49(5) + Sec 49(A) + Sec 49(B)]																											
<table border="1"> <thead> <tr> <th></th> <th>INWARD SUPPLY</th> <th colspan="3">OUTWARD SUPPLY</th> </tr> <tr> <td></td> <td></td> <th>First</th> <th>Any</th> <th>Any</th> </tr> </thead> <tbody> <tr> <td>1. IGST</td> <td>IGST</td> <td>CGST</td> <td>SGST</td> <td></td> </tr> <tr> <td>2. CGST</td> <td>CGST</td> <td>IGST</td> <td></td> <td></td> </tr> <tr> <td>3. SGST</td> <td>SGST</td> <td>IGST</td> <td></td> <td></td> </tr> </tbody> </table> Cross credit of CGST & SGST/UTGST not allowed				INWARD SUPPLY	OUTWARD SUPPLY					First	Any	Any	1. IGST	IGST	CGST	SGST		2. CGST	CGST	IGST			3. SGST	SGST	IGST		
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Imp Points - E-Credit Ledger (Cir.No. 172/04/2022)

- Used for Payment of Output Tax
 - Cannot be used for RCM
 - Cannot be used for payment of other liabilities
- Note:-** Cannot be used to repay erroneous refunds sanctioned in cash

Sec 49(6) Refund :- E-cash & E-Credit Ledger

Refund of excess balance:-

- E-cash ledger:-** Immediately allowed on filing application of refund in FORM RFD - 01
- E-Credit Ledger :-** Refund of excess balance of ITC is not allowed except in following cases
 - i) ITC of ZRS
 - ii) Inverted duty rate (Output tax is less than Input tax)

Detailed discussion in chapter refund

Note:- Any refund claimed from E-cash /E-Ledit ledger debited to E-Cash/E-credit Ledger & if rejected , amount debited earlier shall be credited again to E-Cash /E-credit ledger

E- Liability Register	
Discharge of Tax Liability Sec 49(7) & (8)	1. All liabilities(tax, interest, penalty etc.) shall be recorded and maintained in an Electronic Liability Register 2. Order of Discharge of liability - <ul style="list-style-type: none"> (a) Self-assessed tax, and other dues related to Returns of Previous Tax Period (b) Self-assessed tax, and other dues related to the Return of the Current Tax Period (c) Any other amt payable under this Act including the demand for recovery of tax u/s 73/74/74A *Other dues : Interest, Penalty, Late fee

Utilization of E-Liability Register	E- Liability Register	
	Debit Amount (DR)	Credit Amount (CR)
	Amount payable towards tax, interest, fees penalty or any other dues.	Electronic cash ledger
	Amount payable on demand order u/s 73/74/74A	Electronic Credit ledger

Certain liability only to be discharge through cash ledger

- TDS u/s 51 or TCS u/s 52
- Amount payable under RCM
- Amount payable u/s 10 (C.L.)
- Any amount payable towards interest, penalty, fees.

Reduction in penalty

If penalty get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability register shall be credited accordingly.

Special Discussion

Minor Head	Major Head			
	IGST (₹)	CGST (₹)	SGST (₹)	GST Cess (₹)
Tax	50,000	10,000	10,000	
Interest	1,000	500	500	
Fee	-	-	-	
Penalty		2,000	2,000	
Other	-	-	-	

	20th of next month		
	IGST	CGST	SGST
Output Tax	60,000	30,000	30,000
Less: ITC	(30,000)	(5,000)	(5,000)
Net liability	30,000	25,000	25,000
Existing Bal.	(50,000)	(10,000)	(10,000)
Shifting	IGST	10,000	10,000
	Interest	1,000	1,000
	Penalty	2,000	2,000

Transfer between own E-cash ledger

R.P. can transfer (through PMT-09) amount between different major & minor heads within their E-cash Ledger for payment

IGST/CGST/SGST/UTGST/Cess

Note :- Any transfer between any head- allowed

Transfer betⁿ E-Cash Ledger of DDP (PMT - 09)

R.P. can also transfer any amount available in major & minor heads of IGST/CGST in E-cash ledger to the E-Cash Ledger for IGST/CGST of DDP (u/s 25(4)/25(5))

Provided there is no unpaid liability in his (first DDP who is transferring amount) E-Liability register.

Note:- Transfer major & minor head of SGST/UTGST between DDP is not allowed.

Sec 50 - Interest

Sec 50(1): Delay payment of Tax in Full/part

- Interest @ 18% p.a. (calculation on day wise basis)
- From next day after due date till day of payment

If tax is paid & return is filed after due date but before proceeding u/s 73/74/74A started

Interest is on tax payable through E-cash Ledger (net GST liability + RCM)

Proviso:- If any amt is credited (deposited) to E-cash ledger by or before due of return but debited for tax payment after due date of return (because of late filing of return)

interest won't payable to that intent if the amount remains in the ledger from the due date until debited.

If return is filed on due date & tax is shortly paid or non-paid during that tax period

Interest is payable on gross liability of short paid or non-paid

Sec 50(3): Utilisation of wrongly availed ITC

Interest @ 18% p.a. to the extent of ITC wrongly utilise (calculation on day wise basis)

From : day next to the date of utilization of wrongly availed ITC
To : Date of reversal or date of payment

Date of utilisation (ITC balance E-credit ledger fall below the ITC wrongly availed)

If amount in E-credit falls below wrongly availed ITC on A/c of payment of tax through return

Due date of return or actual date of filing return whichever is earlier

If amount in credit ledger falls below wrongly availed ITC otherwise

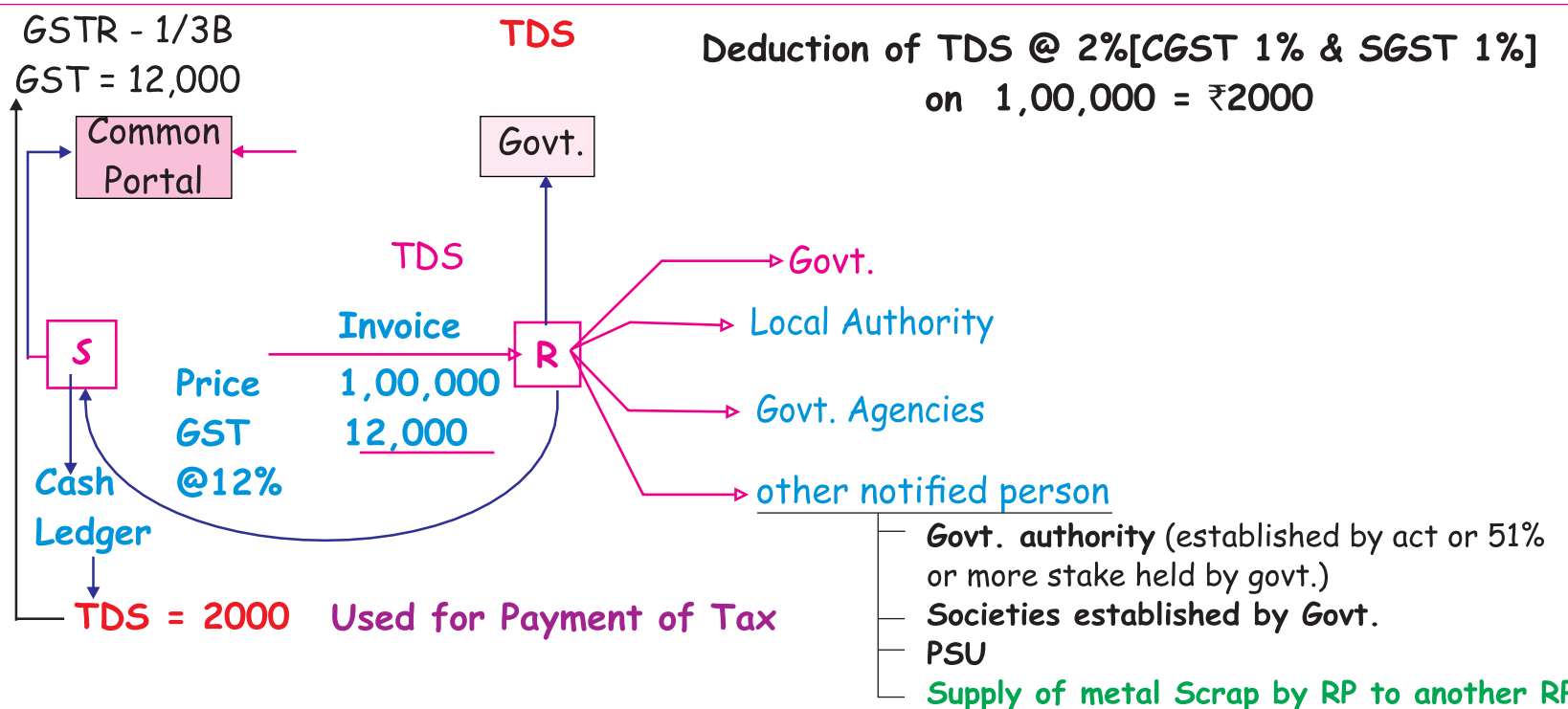
Date of debit to E-credit ledger

Chapter 12 - TDS - TCS

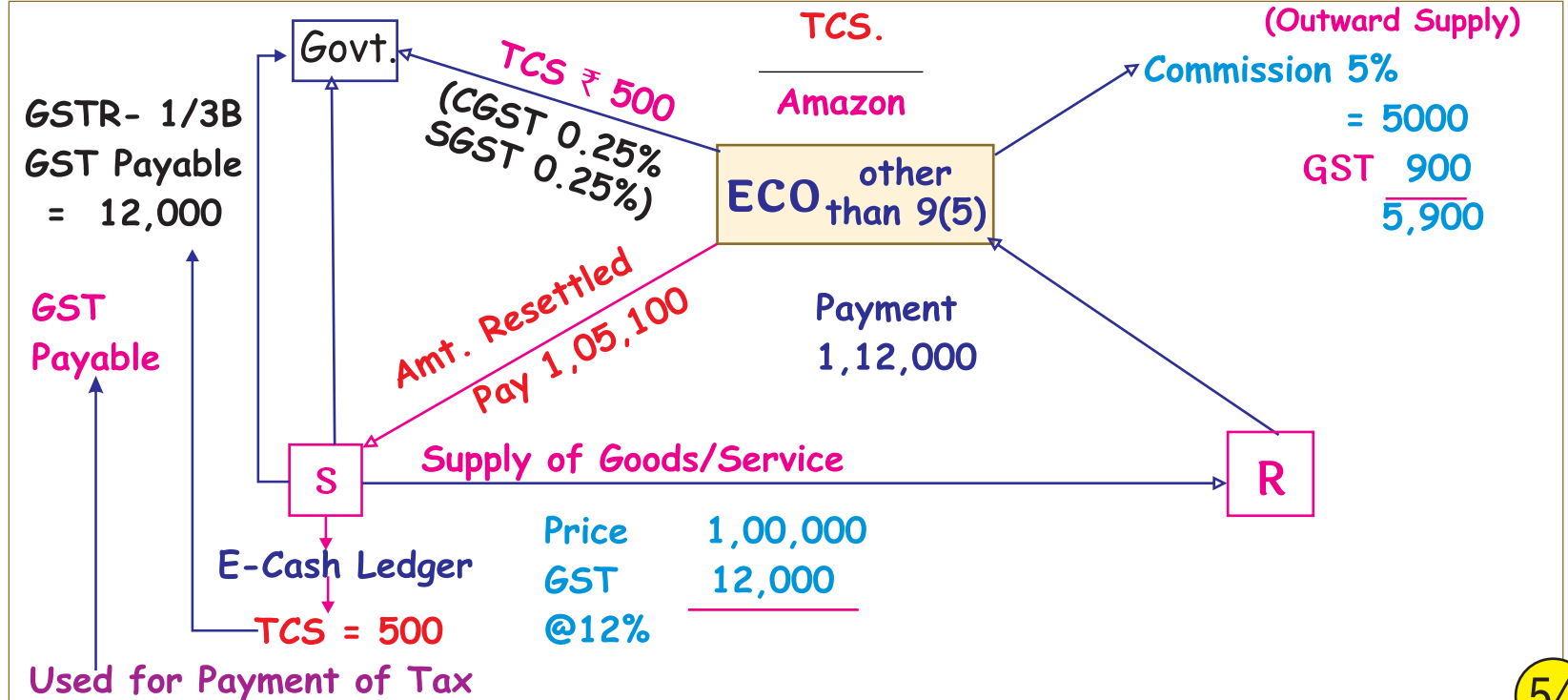


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Sec 51 TDS



Sec 52 TCS



Who is liable (i.e who will deduct TDS)	<ul style="list-style-type: none"> ⇒ Specified persons like Central Govt, State Govt, Local Authority, Govt Agencies. ⇒ Public Sector Undertakings (PSU). ⇒ Society established by CG/SG under Society Act. ⇒ An authority/Board or Other body established by Any act or Govt. with 51% or more equity concern with Govt.
TDS rate	1% CGST, 1% SGST or 2% IGST
Threshold limit	TDS is applicable only when the total payment exceeds ₹2.5 lakh (excluding GST).
Payment	TDS is deducted at the time of credit or payment, whichever is earlier.
Due date	Deductor shall deposited TDS deducted by 10th of succeeding month.
TDS Certificate	Form GSTR-7A to be provided to deductee.
TDS Return	GSTR -7
Non-Compliance	Failure to deposit TDS: Interest @ 18% u/s 50 & Penalty u/s Sec 73 or 74 or 74A
E-cash ledger	TDS deducted shall reflect in Cash ledger of Deductee.
Refund	Refund as per Sec 54, but no refund, if TDS is credited to E-cash ledger of deductee.
Non-Applicability	<ul style="list-style-type: none"> ⇒ Value of taxable supply in a Contract value <= ₹ 2,50,000 ⇒ Exempt supplies ⇒ Supplies under RCM. ⇒ Payment made to Unregistered supplier. ⇒ Goods/ Services supplied between notified persons to deduct TDS. ⇒ LOS & POS are in same state, but LOR is in different state.

CBIC Clarification:

1)	<p>1) TCS by Tea Board of India (Cir. no 74/48/2018)</p> <div style="text-align: center;"> <pre> graph TD A[1) TCS by Tea Board of India (Cir. no 74/48/2018)] --> B[Sellers (i.e. tea producers)] A --> C[auctioneer] B --> D[on the net value of supply of tea] C --> E[on net value of supply of services (i.e. Brokerage)] </pre> </div>
2)	<p>Multiple ECOs (Cir. No 194/06/2023): Liability for Compliance of TCS u/s 52</p> <ul style="list-style-type: none"> ⇒ Supplier side ECO himself is not the supplier: Supplier side ECO who finally releases the payment to supplier. ⇒ Supplier side ECO himself is the supplier: Buyer side ECO while making payment to supplier.

Who is liable	Every ECO not being an agent is required to collect tax on Net value of Taxable supplies.						
TCS Rate	0.25 % CGST, 0.25% SGST & 0.50% IGST						
Net Value of Taxable supplies:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Aggregate value of taxable supplies other than notified services u/s 9(5)</td> <td style="text-align: right;">XX</td> </tr> <tr> <td>Less: Aggregate value of taxable supplies returned to supplier</td> <td style="text-align: right;">(XX)</td> </tr> <tr> <td>Net value of taxable supplies</td> <td style="text-align: right;">XX</td> </tr> </table> <p>Note: Above value is calculated for each supplier on monthly basis. No TCS if net value is Nil or Negative.</p>	Aggregate value of taxable supplies other than notified services u/s 9(5)	XX	Less: Aggregate value of taxable supplies returned to supplier	(XX)	Net value of taxable supplies	XX
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Less: Aggregate value of taxable supplies returned to supplier	(XX)						
Net value of taxable supplies	XX						
Exceptions	<p>Notified services u/s 9(5) where TCS provisions are applicable:</p> <ol style="list-style-type: none"> Renting of accommodation by hotel who is liable to register u/s 22(1). Housekeeping services by supplier who is liable to register u/s 22(1). Restaurant services at specified premises where tariff >= ₹7,500 p.u per day. 						
Monthly Statement	<p>GSTR-8 by 10th of next month but maximum within 3 years from its due date.</p> <p>Note: After filing of GSTR-8 by ECO, supplier can claim TCS in their E-cash ledger.</p>						
Annual Statement	GSTR-9B before 31st Dec following the end of FY.						
Rectification of errors:	<p>Any omission or incorrect particulars (other than in scrutiny, audit, inspection), ECO can rectify in the statement along with interest.</p> <p>Time limit: Earlier of 30th Nov of next FY or date of filing Annual statement.</p>						
Late Fee	<p>Lower of:</p> <ul style="list-style-type: none"> ⇒ ₹ 200 [₹100 each for CGST & SGST/UTGST] for every day during which such failure continues or ⇒ ₹ 10,000 [₹5,000 each for CGST & SGST/UTGST] 						
Penalty	U/s 122 & Penalty upto ₹ 25,000						
Registration:	<ul style="list-style-type: none"> ⇒ ECO required to collect TCS u/s 52 & Supplier supplying goods through ECO liable to TCS are compulsorily register under GST. ⇒ Supplier supplying services through ECO liable to TCS <ul style="list-style-type: none"> · Services u/s 9(5): TCS is not applicable if ECO is liable to pay tax. · Services other than Sec 9(5): Threshold is available u/s 22. ⇒ ECO has to obtain separate registration for TCS though already register for GST. ⇒ ECO is required to register for TCS in each state/UT in which suppliers listed on their platform are located, 						
Foreign ECO:	Foreign ECO not having place of business in India would be liable to TCS where supplier & customers are in India & shall register in each state/UT.						
Non-Applicability	<ul style="list-style-type: none"> ⇒ If supplier is not liable for registration, ECO is not required to collect TCS. ⇒ Exempt supplies. ⇒ Composition taxpayers cannot make SOS through ECO. ⇒ Import of goods or services as it is covered under RCM. ⇒ Supplies own product through his own website. ⇒ Goods purchased from different Vendors & then sold under own billing. 						