GST NOTES

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Chapter-13 Payment of GST / TDS / TCS

→ SEC-49 : payment of GST liability, interest & penalty

→ SEC-50 : Interest on delayed payment

→ SEC-51 : TDS collection

→ SEC-51 : TCS collection

⊕ Linked with rule 85, 86, 87 & 88

1. Due date of payment is 20th, 22nd, 24th / 23rd of next month
   Tab: POT nikalna uske next month ki 20th ko.

2. Return cannot be filed without payment of GST.

3. No further return without previous.

4. Generate payment challan GST PMT-06 → valid for 15 days
   [for payment of GST]

5. Payment mode → E-credit ledger
   E-cash ledger
   payment deposit in E-cash ledger
   it following mode :-
   - Net Banking
   - Debit card
   - Credit card
   - RTGS
   - NEFT
   - IMPS, etc.

6. Payment over the counter, maximum of ₹10,000

7. All the taxpayers will get 3 electronic ledger namely
   - E-liability Register (Rule-85)
   - E-credit ledger (Rule-86)
   - E-cash ledger (Rule-87)

* Difference between E-Liability / E-Credit / E-Cash ledger

E - Liability Register	E - Credit ledger	E - Cash Ledger
1. Booking of liability of R.P ↳ Debit in E.L.R. Discharge of Liability ↳ Credit in E.L.R.	ITC Availed ↳ Credit in E.C.L. ITC Utilized ↳ Debit in E.C.L.	Deposit by R.P. ↳ Credit in E.C.L. Payment by R.P. ↳ Debit in E.C.L.
2. All the Liabilities of Taxable Person under this Act, shall be recorded and maintained in E.L.L. - Self-Assessed liabilities. - Determined by Proper officer in any Proceedings. - Created by Portal itself. - (Interest may Arise time to time, Liability arise due to mismatch.)	ITC Self assessed in the Return of a R.P. Shall be Credited to this E-Credit Ledger. Purpose - Amount available in E-Credit ledger maybe used for : • "Output Tax Liability" (FCM only) • Discharge of Tax dues. (only FCM Liability) • ~~Discharge of other dues (including RCM)~~	• Deposit through challan GST PMT 06 • Specified mode of Payment - Internet Banking - Debit / Credit Card. - NEFT / RTGS - OTC Payment (by cash, cheque - max. 10K Per challan) • Additional deposit on E-Cash ledger. - TDS as deposited by Recipient. - TCS as to be deposited by ECO.
3. Order of discharge of the Liability - 1st - Self-Assessed liability (Tax and other dues of Previous Tax Periods) 2nd - Self-Assessed liability (Tax and other dues of Current Tax Period). Lastly - Other liability (Tax/other dues) (Liability determined u/s 73 or 74)	• Manner (49(5), 49A, 49B, 88A) Order / Manner IGST: 1st - IGST then CGST (or) SGST (any manner) CGST: 1st - CGST, 2nd - IGST SGST/UTGST: 1st - SGST/UTGST, 2nd - IGST Rule 86A: Blocking of ITC ↳ P.O. Can Restrict a R.P. from Using E.C.L. Unblocking of ITC (2 Situations) - Unblocking by Commission - Post 1 year, Blocking will cease automatically.	• Utilisation of E-Cash Ledger → Discharge of Tax dues. → Discharge of other dues. NOTE - R.P. is allowed to T/F deposit from any major/minor head to another major / minor head. ↓ Manner of Transfer ↓ GST PMT 09 to be Submitted.

CRUX –

Payment (GST + other dues)

- By utilisation of ITC
- By Cash

- Tax Dues (only RCM) ✓ ✓
- other dues –
  - → Interest ✗
  - → Penalty ✓
  - → RCM liability
  - → other dues...

- Format of E-Cash ledger [Cross-utilisation is now possible by PMT-09]
  - → major/minor Heads
  - → Distinct Person (SAME PAN).

Major Head	Minor Head				
IGST	Tax	Interest	Penalty	Cess	others
CGST	Tax	Interest	Penalty	Cess	others
SGST/ UTGST	Tax	Interest	Penalty	Cess	others
Cess	Tax	Interest	Penalty	Cess	others

	E-liability Register (sec 49 (7) + R-85)	E-credit ledger. [sec 49(2) + R-86]	E-cash Ledger (sec 49(1) + R.87)
Form	GST PMT 01 PART A + Return Related liab. PART B + other liab	GST PMT 02	GST PMT 05
Debits	• Tax + Int + Late fees + other dues (payable as per return) • Tax + Int + Late fees + other (determined by P.O) • Tax + Int (arise due to mismatch) • Int (accruing time to time)	- Discharge of Liabilities - Any Refund of ITC claimed u/s 54.	- Discharge of Liabilities - any Refund claimed from E-cash ledger.
Credits	Discharge of Payment	ITC earned in the tax period.	Deposits made through TDS, TCS.
Any Discrepancy coming to notice.	communication with dept. (FORM GST PMT 04)	GST PMT 04	GST PMT 04

Input Tax Credit (continue)

* Rule 86 A : Restrictions on utilasation of ITC

commissioner / officer who is empowered to impose restrictions on utilisation of ITC available in electronic credit ledger, if he has Reasons to Believe that such ITC has been fraudulently availed or is ineligible :-

The Restriction can be imposed in following circumstances :-

(i) ITC has been availed by the Registered person on the basis of tax invoice / Debit Note / prescribed docs.

- issued by non-existent Reg. person (supplier) (or) supplier not conducting any buss from the place declared (or)
- without actual Receipt of Goods (or) services (or) Both (OR)
- In Respect of any supply, the tax in Respect of which has not been paid to the Govt.

(ii) Reg. Person availing ITC has been found non-existent (or) not to be conducting any Buss from Registered place of Buss.

(iii) Reg Person availing ITC is not in the possession of tax invoice / Debit Note / prescribed Documents.

- Such restriction can be imposed for a period upto 1 year from the Date of imposing such Restrictions.

However, Commissioner / officer can withdraw such restriction if He is satisfied that conditions for imposing restrictions no longer exist.

Rule 86 B : Restriction on use of Amount Available in E.Cr. ledger

Applicability :- Registered Person having value of taxable supply (other than exempt supply and zero-Rated supply) in a month exceeding ₹50 lakhs.

where, value of taxable supply in a month is upto 50 lakh. The Restriction would not be applicable.

Nature of Restriction imposed :-

R.P. to whom the said rule is applicable, amount available in electronic-credit ledger shall be utilised only to the extent of 99% of output tax liability while discharging such tax liability.
Balance 1% of output tax liab. needs to be discharged from electronic-Cash ledger.

* Exceptions to Rule 86-B

1) Payment of a sum more than ₹1 lakh as Income Tax in each of the last 2 FYs.

2) Receipt of Refund amount of more than 1 lakh on account of unutilised ITC during P.F.Y.

3) Payment of output tax liability through electronic cash ledger in excess of 1% of total output tax liability. in current F.Y.

4) Specified Registered Persons.

- Govt Department
- Local authority
- Public Sector undertaking
- Statutory Body.

L-24

15/02/266

Date: / /

Section - 50 : Interest on delayed payment

- payment within due date
  - No default
  - no interest
- payment after due date
  - Return furnished before the proceedings u/s 73/74
    - Interest = Net GST liability @ 18% p.a
  - Return furnished after the proceedings u/s 73/74
    - Int. = Gross GST liability @ 18% p.a

→

Gross GST liability -	***
(-) ITC	(***)
Net GST liability -	***

★ Interest Period : From the day suceeding the day on which such tax dues to be paid to the date of payment.

[Due date ke agle din se lekar payment ki date tak payment ki date bhi count hogi]

→ Amendment is Sec - 50

In this context, newly inserted provision provides that when any amount has been credited to Electronic Cash Ledger (ECL) as per provision of sec-49(1) on or before the due & date of filing the said return, but is debited from the said ledger for payment of tax while filing the said return after the due date, the said amount shall not be taken into consideration while calculating such interest i.e the said amount is lying in the said ledger from the due date till the date of its debit at the time of filing return.

★ Interest payable due to wrongful availment & utilisation

Case: 1. ITC availment but not use = No interest liability

2. ITC availment as well as utilised = Int 18% p.a. from the date of utilisation # till reversal date.

Limit of GST payable over the counter is upto ₹10,000 except following cases:

1) Government Department.
2) Recovery by proper officer
3) Investigation / Enforcement cases.

Q. what is CPIN, CIN, BRN and E-FPB?

Ans

CPIN - Common Portal Identification number.

↳ It will be issue at the time of generation of payment challan.

→ 14 digit number (Challan ko verify krta h)

→ valid for 15 Days.

→ A.K.a. Temporary ID number.

CIN - Challan Identification Number.

↳ Issue at the time when Bank will receive actual payment of GST.

→ 17 Days Number.

→ CIN = 14 digit (CPIN) + 3 Digit Bank code.

BRN - Bank Reference Number

↳ Provided by Bank to Assessee for payment Reference.

→ (i.e. just like a Receipt number of Bank).

E-FPB - Electronic focal Point Branch.

↳ Authorised Bank ki special branch hoti hai.

→ Special branch for GST Collection.

→ Nominated by bank (bank nominate only 1 branch).

In GST only 1 single Challan for payment of GST, Interest, Penalty, late fees and any other Amount.

Section 51 : Tax Deduction at Source (TDS)

Exception :

1) Authority under ministry of Defence.
2) PSU ⟶ PSU
3) Tax Deductor ⟶ Tax Deductor.



Supply of taxable goods (or) services
(or) Both
Taxable value > 2,50,000



Supplier
(Deductee)

Receiver
* (Deductor)

Specified Category

1) CG/SG → Dept /Establishment
2) Local authority
3) Govt. agencies.

MCD, Zilla Parishad, Panchayt, DDA, GDA e.t.c.

NHAI, DMRC, FCI, AAI

Notified Category.

1) Authority / Board / Any other Body
   - Setup by Parliament/ State assembly or estab by govt with 51% Equity control.
2) Societies
3) PSU – ONGC

* **Note :**

Location of Supplier + Place of Supply ⟷ Different Hai ⟷ Location of Recipient

↓

TDS Provision Shall NOT Apply

* **Deductor**

Stage of Deduction	Rate of TDS	Value
→ Payment Mode (or) → Payment Credited	Total 2% 1% CGST 1% SGST	Amt. in invoice XXX (-) GST (or) Cess (XXX) Value for TDS Deduction XXX

Others

1). TDS Payment = 10th of next month (Payment through challan)

2). Compulsory Registration for TDS deductor U/S 24.

3). File TDS Return → GSTR 7 → 10th of next month.

4). TDS Certificate → GSTR 7A → within 5 Days.

5). In case of failure to Deduct TDS → Pay Interest @ 18% P.a. and Penalty U/S 122 → 10,000 (or) Default Amt. (Higher)

6). Late Payment → ₹100 Per Day max ₹5,000

7). The Refund to the deductor (or) the deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with provision of Sec 54 provided, that no Refund to the deductor shall be granted, if the amount deducted has been credited to e-cash ledger of the deductee.

Important Points

NO TDS on Nil Rated / exempted supply. It means TDS applies on taxable supplies or services (or) Both and not on "All taxable supplies"

Please note that. Taxable supplies is defined in Sec 2(108) which cover all supplies that are leviable to tax (even if exempt u/s 11) but taxable goods (or) services require to enquire whether goods (or) services are taxable or exempt

- If they are exempt, TDS will not apply

Example 1 :



Supplier

Supply of Goods →

Sale Price = 350,000

GST @5% = 17,500

3,67,500

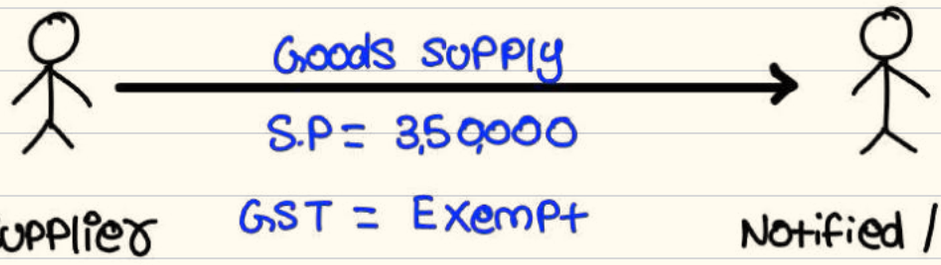
→ Notified / Specified Receipient

Solution :- 367500 − 17500 = 3,50,000

× 2%

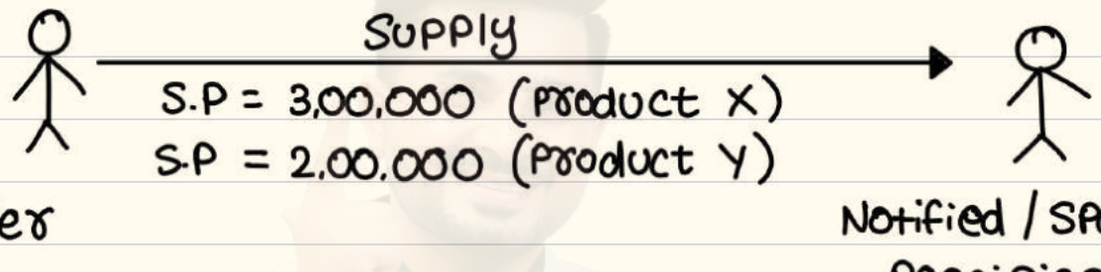
7,000 → TDS

Example 2 :



Solution : NO TDS, as Supply is Exempt.

Example 3 :



GST @ 5% (A)	15,000
GST @ nil Rate (B)	–
	5,15,000

Solution :- Product Y = NO TDS

Product X = 3,15,000 – 15,000 = 3,00,000 × 2%
= 6000 → TDS

Example 4 : If the Location of Supplier and Place of Supply is Delhi ; Location of Receipient = Punjab.

Solution : NO TDS provisions shall apply.

Examples

(1) Liability

GST = 1,80,000

Interest = 40,000

2,20,000

E-Credit ledger ↓

Credit = 1,90,000

Determine the Amount to be deposited in E-Cash Ledger ?

Solution :-

→ Interest Liability of ₹ 40,000 Shall be deposited through E-Cash ledger, Hence ₹ 40,000 to be deposited in E-Cash ledger.

(2) E-Liability Register

CGST = 1 Lakh (incl. 10k RCM)

SGST = 50,000 (incl. 10k RCM)

Interest = 30,000

E-Credit ledger

IGST = 1,70,000

E-Cash ledger

—

Determine the Amount to be deposited in E-Cash Ledger ?

Solution :-

→ Intrest of ₹ 30,000, CGST (RCM) ₹ 10,000, SGST (RCM) ₹ 10,000 Shall be discharge from E-Cash ledger. Hence, ₹ 50,000 to be deposit in E-Cash ledger.

3 Gross GST Liability = ₹ 1,50,000

ITC = ₹ 60,000

Due date of Payment = 20/1/24

Govt. initiate Proceedings u/s 73/74 = 25/2/24

Case I : Return filed and Tax paid on 11/2/24

Case II : Return filed and Tax paid on 5/3/24

Compute Interest u/s 50 if any.

Solution :-

→ Case I : $90,000 \times 18\% \times \frac{22}{366}$ (leap year)

= 974/-

Case II : $1,50,000 \times 18\% \times \frac{45}{366}$

= 3,320/-

Section 52 : Tax Collection at Sources (TCS)

(Rest discussed with RCM => ECO)

Concept : TCS refers to the tax which is collected by ECO when a supplier supplies good or services through ECO and payment for that supplies is collected by E.C.O.

Purpose :- The purpose of TCS is just to enable the govt to have a trail of transactions and to monitor and verify the compliances.

Tax collector :- E.C.O (Third Party), the one who is Receiving consideration of Supply.

* E.C.O fulfilling the following conditions are Liable for TCS :-

1) ECO is not made liable to pay GST.
2) ECO is collecting consideration of supply from Receipient and then remitting to supplier.

- **Supply transaction** - No value Limit
  Rate = 0.5% + 0.5% (1%)

- **Collection Procedure** -

1) Collect tax and then deposit to Govt on monetary basis (10th of next month)
2) Furnish.
   - monthly Statement - GSTR 8
   - Annual Statement - GSTR 9B.

- **In case of Default** :
  (TCS not collected or collected but not paid or Late Paid)
  ↓
  Interest @ 18% P.a. to be Paid + TCS amount