

Chapter 12 - SEC 49 : Payment of Tax



CA Vishal Bhattar

Sec 49(1): E-Cash Ledger	
Debit	Credit
49(3) Utilization of E-Cash Ledger It may be utilised for making payment of [Liability Register] ↳ Tax (output/RCM) ↳ Interest ↳ Penalty ↳ Fees (late fee) ↳ Any other dues Balance if any in E- cash ledger will be carry forward or refunded	Deposit of Amount in E-Cash Ledger ↳ Internet banking /UPI/IMPS ↳ By using credit or debit cards ↳ NEFT or RTGS Payment (PMT-06) by above mode only through authorised bank. ↳ 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:- 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.	

E-Credit Ledger																														
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49(4) Utilization of E-Credit It may be used for making payment of output tax only Balance if any in E-credit ledger will be carry forward (without time limit) Analysis:-	49(2) Amount assessed in E-credit Ledger The IC as self assessed in the return of a R.P. shall be credited to his E-Credit ledger																													
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E- Liability Register									
Discharge of Tax Liability Sec 49(7) & (8) (IMP)	1. All liabilities (tax, interest, penalty etc.) shall be recorded and maintained in an Electronic Liability Register 2. Order of Discharge of liability - (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	<table border="1"> <thead> <tr> <th colspan="2">E- Liability Register</th> </tr> <tr> <th>Debit Amount (DR)</th> <th>Credit Amount (CR)</th> </tr> </thead> <tbody> <tr> <td>↳ Amount payable towards tax, interest, fees penalty or any other dues.</td> <td>↳ Electronic cash ledger</td> </tr> <tr> <td>↳ Amount payable on demand order u/s 73/74/74A</td> <td>↳ Electronic Credit ledger</td> </tr> </tbody> </table>	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
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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 tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s 73/74/74A the E-Liability regiser shall be credited accordingly.								

Rule 87 :- Tax Payment Challan																	
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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:- 1) E-cash ledger:- Immediately allowed on filing application of refund in FORM RFD - 01 2) 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)

Special Discussion- Transfer of balance of E-Cash Ledger (all following amounts are assumed)

Minor Head	Major Head			20th of next month			Transfer between own E-cash ledger	Transfer bet ⁿ E-Cash Ledger of DDP (PMT - 09)
	IGST (₹)	CGST (₹)	SGST (₹)	IGST	CGST	SGST		
Tax	50,000	10,000	10,000	Output Tax	60,000	30,000	30,000	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.
Interest	1,000	500	500	Less: ITC	(30,000)	(5,000)	(5,000)	
Fee	-	-	-	Net liability	30,000	25,000	25,000	
Penalty	-	2,000	2,000	Existing Bal	(50,000)	(10,000)	(10,000)	
Other	-	-	-	Shifting	IGST	10,000	10,000	
					Interest	1,000	1,000	
					Penalty	2,000	2,000	

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 other due date but before providing u/s 73/74/74A started
 Interest is on tax payable through E-cash Ledger (net GST liability + RCM)

If tax is paid after start of proceeding u/s 73/74/74A
 Interest is payable on GST gross liability

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.

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

Sec 50(1) - Calculation of Interest for delay Payment of Tax (all amounts are assumed)

Particulars	IGST (₹)	CGST (₹)	SGST (₹)
Output tax payable	4,50,000	2,85,000	2,85,000
Less: ITC	(2,50,000)	(55,000)	(55,000)
Net Tax (A)	2,00,000	2,30,000	2,30,000
Tax under reverse charge is payable in cash (B)	18,000	32,000	32,000
Total tax payable in cash [(A) + (B)]	2,18,000	2,62,000	2,62,000
Interest payable @ 18% per annum (rounded off)	6,450 (2,18,000*18%*60/365)	7,752 (2,62,000*18%*60/365)	7,752 (2,62,000*18%*60/365)

Sec 50(3) - Calculation of Interest for wrongly availed & utilise ITC

Month	Opening balance in electronic credit ledger [A]	Eligible ITC (B)	ITC wrongly availed (C)	Total ITC (D) = (A+B+C)	Output liability (E)	Closing balance in E-credit ledger (F) = (D-E)	Due date of return filing	Actual date of filing Return	Amount on which Interest is applicable
April	-	7,00,000	50,000	7,50,000	7,00,000	50,000	20 May XX	20 May XX	-
May	50,000	5,00,000	-	5,50,000	5,00,000	50,000	20 Jun XX	20 Jun XX	-
June	50,000	3,00,000	-	3,50,000	3,30,000	20,000	20 Jul XX	20 Jul XX	30,000
July	20,000	6,00,000	-	6,20,000	6,10,000	10,000	20 Aug XX	18 Aug XX	10,000
Aug	10,000	5,00,000	-	5,10,000	5,10,000	-	20 Sep XX	25 Sep XX	10,000

June :- Interest = ₹ 30,000 * 18% * 92 days (21st July to 20th Oct 20XX) / 365 days = ₹ 1,361

July :- Interest = ₹ 10,000 * 18% * 63 days (19th Aug to 20th Oct 20XX) / 365 days = ₹ 311

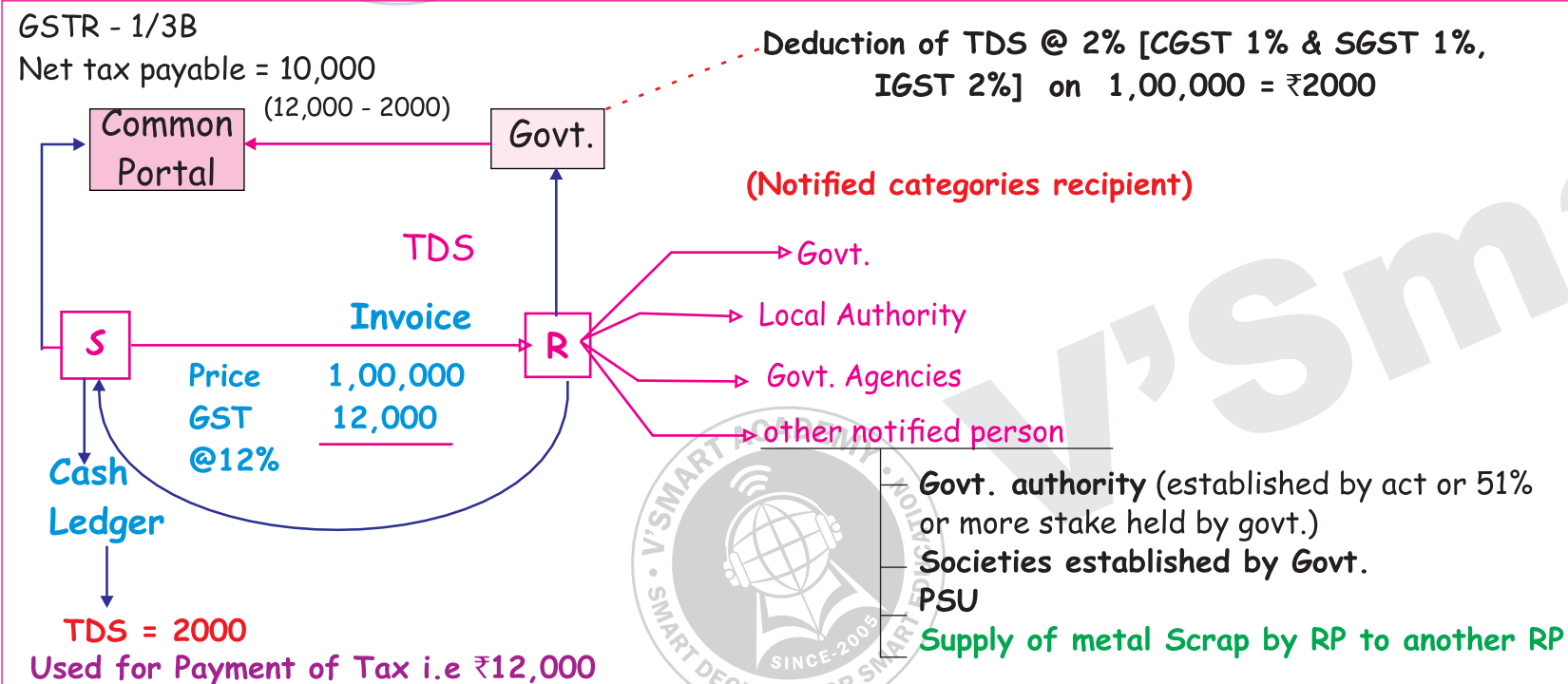
August :- Interest = 10,000 * 18% * 30 days (21st Sep to 20 th Oct 20XX) / 365 days = ₹ 148

Chapter 12 - TDS - TCS

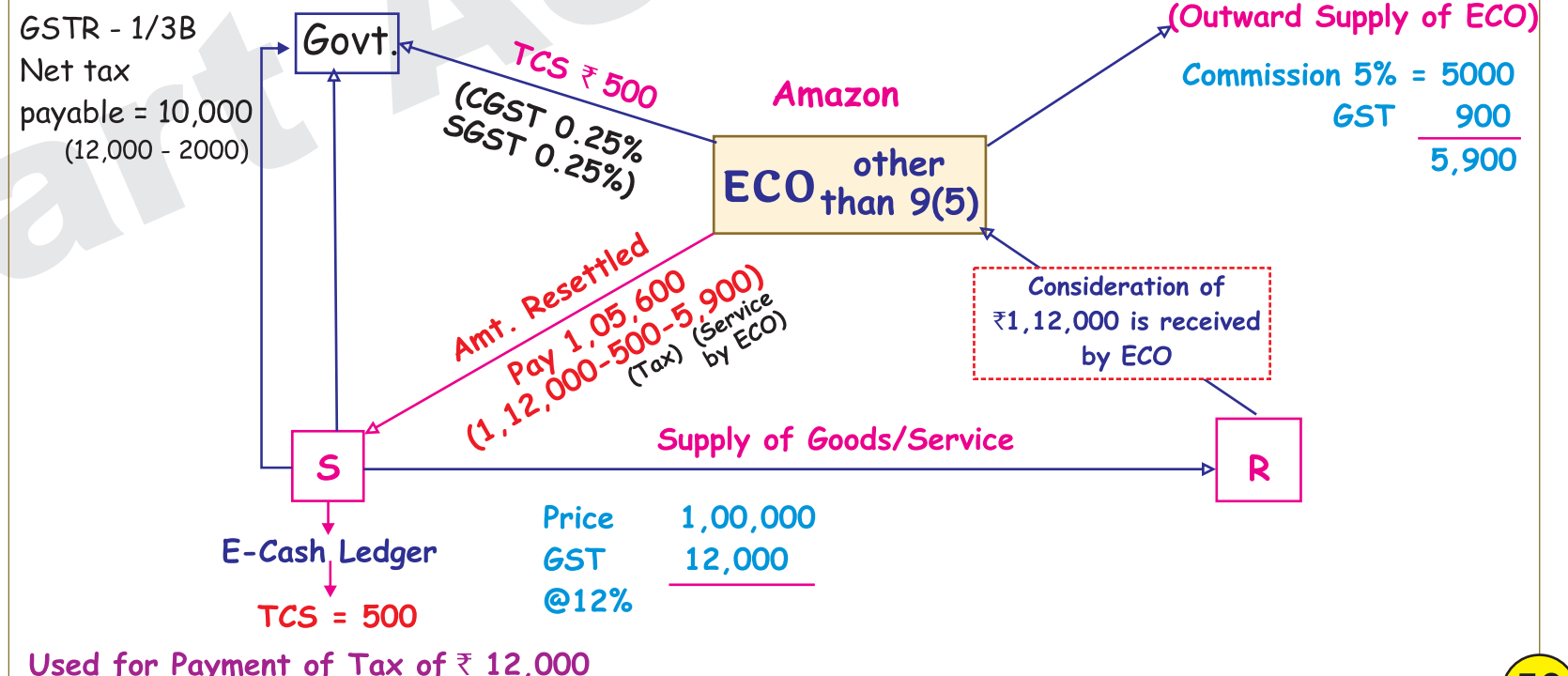


CA Vishal Bhattad

Sec 51 TDS



Sec 52 TCS



Sec 51- TDS

Who is liable (i.e who will deduct TDS)	<ul style="list-style-type: none"> Specified persons like CG, SG, LA, 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. Any RP receiving supplies of metal scrap from other RP. 																				
TDS rate	1% CGST, 1% SGST or 2% IGST																				
Threshold limit	TDS is applicable only when taxable value of contract exceeds ₹2.5 lakh (excluding GST). TDS is deducted at the time of credit or payment, whichever is earlier.																				
Payment	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20%;">Total contract value ₹ 2,00,000</td> <td style="width: 10%;">1</td> <td style="width: 40%;">Payment 1,50,000</td> <td style="width: 10%;">2</td> <td style="width: 20%;">Payment 50,000</td> </tr> <tr> <td></td> <td></td> <td>No TDS</td> <td></td> <td>No TDS</td> </tr> <tr> <td>Total contract value ₹ 3,00,000</td> <td>1</td> <td>Payment 2,00,000</td> <td>2</td> <td>Payment 1,00,000</td> </tr> <tr> <td></td> <td></td> <td>TDS = 4,000</td> <td></td> <td>TDS = 2,000</td> </tr> </table>	Total contract value ₹ 2,00,000	1	Payment 1,50,000	2	Payment 50,000			No TDS		No TDS	Total contract value ₹ 3,00,000	1	Payment 2,00,000	2	Payment 1,00,000			TDS = 4,000		TDS = 2,000
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Due date	Deductor shall deposited TDS deducted by 10th of succeeding month.																				
TDS Certificate	GSTR-7A to be provided to deductee.																				
TDS Return	GSTR -7																				
Non-Compliance	Failure to deposit TDS: Interest @ 18% u/s 50(1) & Penalty u/s Sec 73 or 74/74A/122																				
E-cash ledger	TDS deducted shall reflect in Cash ledger of Deductee.																				
Excess or erroneous deduction of TDS	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 \leq ₹ 2,50,000 Exempt supplies Supplies under RCM. Supplier is URP. LOS & POS are in same state, but LOR is in different state. SOG/SOS between all notified persons u/s 51(1)(a) to (d), excluding metal scrap received by RPs. 																				

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)] C[auctioneer] D[on the net value of supply of tea] E[on net value of supply of services (i.e. Brokerage)] A --- B A --- C B --- D C --- E </pre> </div>
2)	<p>Multiple ECOs : In a scenario involving multiple ECOs where a customer orders through ECO-1, which is linked to ECO-2 (the one with a supplier agreement), TCS will be collected by ECO-2, the ECO making payment to the supplier. ECO-1 will not have the GST information of the supplier.</p>

Sec 52- TCS

<p>ECO</p> <div style="text-align: center;"> </div>							
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 border="1" style="width: 100%;"> <tr> <td>Aggregate value of taxable supplies other than notifies services u/s 9(5)</td> <td style="text-align: center;">XX</td> </tr> <tr> <td>Less: Aggregate value of taxable supplies returned to supplier</td> <td style="text-align: center;">(XX)</td> </tr> <tr> <td>Net value of taxable supplies</td> <td style="text-align: center;">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 notifies 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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TCS in case of services notified u/s 9(5)	<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 \geq ₹7,500 p.u per day. <p style="text-align: right;">In this cases Sec 9(5) is not applicable</p>						
Monthly Statement	GSTR-8 by 10th of next month but maximum within 3 years from its due date. Note: After filing of GSTR-8 by ECO, supplier can claim TCS in their E-cash ledger.						
Annual Statement	GSTR-9B before 31st Dec following the end of FY.						
Rectification of errors:	Any omission or incorrect particulars (other than in scrutiny, audit, inspection), ECO can rectify in the statement along with interest. Time limit: Earlier of 30th Nov of next FY or date of filing Annual statement.						
Late Fee	Lower of: ₹ 200 [₹100 each for CGST & SGST] for every day during which such failure continues or ₹ 10,000 [₹5,000 each for CGST & SGST]						
Penalty	U/s 122 & Penalty upto ₹ 25,000						
Registration:	<ul style="list-style-type: none"> If ECO required to collect TCS u/s 52 & Supplier supplying goods through ECO liable to TCS are compulsorily register under GST (subject to exception covered in sec 24). 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. 						