

# SEC 49 : Payment of Tax



CA Vishal Bhattar

## E-Cash Ledger

<b>Deposit of Amount in E-Cash Ledger Sec 49(1)</b>	<b>49(3) Utilization of E-Cash Ledger:-</b>
<ul style="list-style-type: none"> <li>internet banking or                     <ul style="list-style-type: none"> <li>ia) Unified Payment Interface [UPI]</li> <li>ib) Immediate Payment Services (IMPS)</li> </ul> </li> <li>by using credit or debit cards or</li> <li>National Electronic Fund Transfer (NEFT) or</li> <li>Real Time Gross Settlement (RTGS)</li> </ul> Payment (PMT-06) by above mode only through authorised bank without any monetary Limit	The amount available in the e-cash ledger may be used for making payment toward <ul style="list-style-type: none"> <li>Tax</li> <li>Interest</li> <li>Penalty</li> <li>Fees or any other amount payable</li> </ul>

**Proviso :- Special Payment mode for OIDAR or Online money gaming:-** If a person is providing OIDAR services to NTOR or online money gaming services to any person in India are permitted to make their payments through the international money transfer system of SWIFT network.

## Rule 87 :- Tax Payment Challan

<p>1) OTC - cover the counter payment by cash, cheque or DD  <b>Limit:-</b> ₹ 10,000 per challan per tax period  <b>No Limit:-</b></p> <ul style="list-style-type: none"> <li>a) Government Department, P.O. &amp; other authorised P.O.</li> <li>b) To recover o/s dues form any person registered or not</li> <li>c) During any investigation or enforcement activity</li> </ul>	<p><b>Other Aspects relating to challan</b></p> <p><b>CPIN:-</b> 1. CPIN Stands for <b>Common portal Identification Number.</b></p> <ul style="list-style-type: none"> <li>2. It is created for every Challan successfully generated by the taxpayer.</li> <li>3. It is a 14-digit unique number to identify the challan.</li> <li>4. CPIN remains valid for a period of 15 days.</li> </ul>
<p>2) E-Challan validity is for 15 days</p>	<p><b>CIN:-</b> 1. It stands for <b>Challan Identification number (CIN)</b></p> <ul style="list-style-type: none"> <li>2. It is generated by authorised bank/RBI when payment is actually received by such authorised banks or RBI &amp; credited in the relevant Govt. A/c</li> <li>3. It is indication of successful payment of account</li> <li>4. CIN is communicated by authorised bank to taxpayer as well as to GSTN</li> <li>5. It is 18 digit number that is 14 digit CPIN plus 4 digit Bank code.</li> </ul>
<p>3) Payment may be made by unregistered person through temporary identification no.</p>	
<p>4) When amount is successfully credited in government A/C. A CIN - 18 Digit [Challan Identification no] will be generated the collecting bank which will be indicated in the challan.</p>	
<p>5) On receipt of CIN from the collecting bank, the same amount is credited into the e-cash ledger</p>	
<p>6) If CIN is not generated after payment made, the person can make representation in Form PMT-07 but if bank fails to communicate details of CIN, then E cash ledger may updated by e Scroll of RBI</p>	
<p>7) Date of credit into the govt. (C.G./S.G.) A/c is deemed to be the date of debit to the amount of the taxable person</p>	

## Utilization of Major and minor Head

<p>As per <b>Sec 49</b> a registered person may transfer any amount of tax, interest, penalty, fee or any other amount available in the e-cash ledger under the act.</p> <ul style="list-style-type: none"> <li>To the e-cash ledger for integrated tax, central tax, state tax or UT or cess</li> <li>To the e-cash ledger for integrated tax, central tax, state tax or UT of DDP u/s 25(4) &amp; 25(5).</li> </ul> <p>in <b>Form GST PMT- 09</b>. Hence if a taxpayer has wrongly paid CGST instead of SGST, he can now rectify the same using <b>FORM PMT - 09</b> by reallocating the amount from the CGST Head to the SGST Head.</p>	<p><b>Way of transfer:-</b></p> <ul style="list-style-type: none"> <li>CGST Head to SGST Head</li> <li>SGST Head to CGST Head</li> <li>CGST head or SGST Head to IGST Head</li> <li>Interest &amp; Late fees head to Any tax Head (CGST, SGST, IGST)</li> <li>Any Tax field to interest &amp; late fees head</li> </ul> <p>Such transfer shall be deemed to be a refund from e-cash ledger.</p>
--	---

## ELECTRONIC CASH LEDGER - PMT 05 (Rule 87)

Debit Amount (DR)	Credit Amount (CR)
<ul style="list-style-type: none"> <li>Credit amount of this ledger may be used for payment of tax, interest, fees etc.</li> <li>Remaining credit balance amount after payment of above tax etc. will be refunded to taxable person.</li> </ul>	<ul style="list-style-type: none"> <li>Any deposit made towards tax, interest, penalty, late fee etc. via internet banking, RTGS, fund transfer etc.</li> <li>TDS/TCS claimed</li> </ul>

## E-Credit Ledger

<b>49(2) Amount assessed in E-credit Ledger</b>	<b>49(4) Utilization of E-Credit</b>
The ITC as Self-assessed in the return of a registered person shall be credit to his E-Credit ledger.	It may be used for only making payment toward Output Tax

	Manner of utilization of ITC [Sec 49(5) + Sec 49(A) + Sec 49(B)]	
	Utilisation of cash ledger	Utilisation of Credit ledger
<b>Tax dues</b>		
GST	✓	✓
<b>Other Dues</b>		
Interest	✓	✗
Penalty	✓	✗
Fees	✓	✗
Other Amt.	✓	✗

	Manner of utilization of ITC [Sec 49(5) + Sec 49(A) + Sec 49(B)]		
	INWARD SUPPLY	OUTWARD SUPPLY	
1. IGST	First	Any	Any
2. CGST	First	Second	CGST
3. SGST/UTGST	First	Second	SGST/UTGST

2) It should be noted that CGST cannot be used against SGST/UTGST or vice-versa

## Electronic Credit Ledger

Debit Amount (DR)	Credit Amount (CR)
<ul style="list-style-type: none"> <li>Credit amount of this ledger may be used for payment of output tax viz IGST, CGST, SGST, UTGST in the prescribed order.</li> </ul>	<ul style="list-style-type: none"> <li>Input Tax credit as self-assessed in the return in the form of IGST, CGST, SGST, UTGST</li> </ul>

## Refund

**49(6) Refund of excess balance in E-cash ledger or E-credit ledger is available in following manner:-**

**A) E-Cash Ledger :-** Immediately allowed on filling the application of Refund

**B) E-Credit Ledger:-** a) Refund is available in only following Two cases

- i) ITC of zero rated supply
- ii) Inverted tax rate

b) registered person deposits the amount of erroneous refund sanctioned to him along with interest & penalty. the amount of erroneous refund shall be re-credited to the E-Credit ledger by the proper officer by an order made in FORM GST PMT-03A.

## Rule 86A- Conditions of use of amount available in electronic credit ledger

The Commissioner having reasons to believe ITC available in the E-Cr. ledger has been fraudulently availed or is ineligible may restrict the utilization of ITC till following situations get corrected

- a) tax invoices or debit notes or others
  - i) issued by **non-existent RP (supplier) or RP not doing business from registered place;**
  - ii) **without receipt of goods or services or both;** or
- b) ITC avail in respect **tax which has not been paid by supplier**
- c) The RP taking ITC is **non-existent or not doing business from registered place**
- d) **not in possession of a tax invoice or debit note or etc.**

Such restriction shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction."

## Electronic Liability Register

<b>Discharge of Tax Liability Sec 49(7) &amp; (8)</b>	<p>1. All liabilities shall be recorded and maintained in an Electronic Liability Register</p> <p>2. Order of Discharge -</p> <ul style="list-style-type: none"> <li>(a) Self-assessed tax, and other dues related to Returns of Previous Tax Period</li> <li>(b) Self-assessed tax, and other dues related to the Return of the Current Tax Period</li> <li>(c) Any other amount payable under this Act including the demand for recovery of tax</li> </ul>						
<b>Utilization of Electronic Liability Register</b>	<table border="1"> <thead> <tr> <th colspan="2">Electronic Liability Register</th> </tr> <tr> <th>Debit Amount (DR)</th> <th>Credit Amount (CR)</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>Amount payable towards tax, interest, fees etc.</li> <li>Any other Due</li> <li>Amount payable towards output tax</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Electronic cash ledger</li> <li>Electronic Credit ledger</li> </ul> </td> </tr> </tbody> </table>	Electronic Liability Register		Debit Amount (DR)	Credit Amount (CR)	<ul style="list-style-type: none"> <li>Amount payable towards tax, interest, fees etc.</li> <li>Any other Due</li> <li>Amount payable towards output tax</li> </ul>	<ul style="list-style-type: none"> <li>Electronic cash ledger</li> <li>Electronic Credit ledger</li> </ul>
Electronic Liability Register							
Debit Amount (DR)	Credit Amount (CR)						
<ul style="list-style-type: none"> <li>Amount payable towards tax, interest, fees etc.</li> <li>Any other Due</li> <li>Amount payable towards output tax</li> </ul>	<ul style="list-style-type: none"> <li>Electronic cash ledger</li> <li>Electronic Credit ledger</li> </ul>						
<b>Certain liability only to be discharge through cash ledger</b>	<ul style="list-style-type: none"> <li>The amount deducted under section 51(TDS), or the amount collected under section 52(TCS), or</li> <li>the amount payable on reverse charge basis, or</li> <li>the amount payable under section 10,</li> <li>any amount payable towards interest, penalty, fee or any other amount under the Act</li> </ul>						
<b>Reduction in penalty</b>	<p>The amount of penalty imposed or liable to be imposed shall stand reduced partly or fully, as the case may be, if the taxable person makes the payment of tax, interest and penalty specified in the show cause notice or demand order and the electronic liability register shall be credited accordingly.</p>						

## Rule 86B- Restrictions on use of amount available in electronic credit Ledger

The RP shall not use the amount available in E-Cr. ledger to discharge his liability towards output tax in excess of 99% of such tax liability, in cases where the value of taxable supply other than exempt supply and zero-rated supply, in a month exceeds ₹50 lakhs.

## Interest on Delayed payment of tax (Sec 50 & Rule 88B)

Scenario	Period for which interest is payable	Amount on which interest liability has to be computed	Rate
If tax has been belatedly paid on account of delayed filing of return, before proceedings u/s 73 or 74	Interest to be paid from next day of due date of return upto the date of payment	Tax paid by debiting the electronic cash ledger [net output tax after adjusting ITC + RCM]	18%
In all other cases where interest is payable on delay in POT covered by Sec 50(1)	Period starting from the date on which such tax was due to be paid till the date such tax is paid	Amount of tax which remains unpaid	18%
Where interest is payable on the amounts of ITC wrongly availed and utilised covered by Sec 50(3)	Period starting from the date of utilisation of such wrongly availed ITC till the date of reversal of such credit or POT in respect of such amount	Amount of input tax credit wrongly availed and utilised	18%

**Circular No. 192/04/2023:** While calculating interest under Rule 88B of the CGST Rules, consider the total Input Tax Credit (ITC) available in your E- credit ledger. This includes the credit from IGST, CGST and SGST combined, not just IGST.