Ch 14 MANNER OF PAYMENT

Sec: 49 + 49A + 49B = Payment
Sec: 50 = Interest

$\boxed{\text{Sec: 51 TDS} \quad \text{Sec: 52 TCS}}$

$\boxed{\text{Sec: 53 T/F @ Credit} \quad \text{Sec: 53A T/F @ Cash}}$

Background

On GST portal, we have 3 Ledgers

<table>
<tr><th>E- CASH LEDGER LEDGER (LIKE PAYTM WALLET)</th><th>E- CREDIT LEDGER</th><th>E- LIABILITY REGISTER</th></tr>
<tr><td>We must have sufficient balance in e cash ledger on due date.
If it is not, then add sufficient amount in it.</td><td>Amount will be updated through GSTR 3B</td><td>E- liability register has 2 parts--
Part i: self assessed liability as per return
Part ii: re-assessed liability by department</td></tr>
<tr><td>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.</td><td></td><td>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.</td></tr>
<tr><td></td><td></td><td>Now file gstr 3b and use itc and e cash ledger to discharge liability
Manner of using itc—
<table><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></td></tr>
</table>

Background:

PORTAL — GSTR-1 By 11th of NEXT month; GSTR-3B By 20th of NEXT month — VENDOR

VENDOR — SUPPLY: INVOICE → A EP Ltd

GSTR-2B

PORTAL — GSTR-1 By 11th of NEXT month; GSTR-3B By 20th of NEXT month — A EP Ltd

Output GST = 30000
− ITC use: 9000
21000
− CASH 21000
NIL

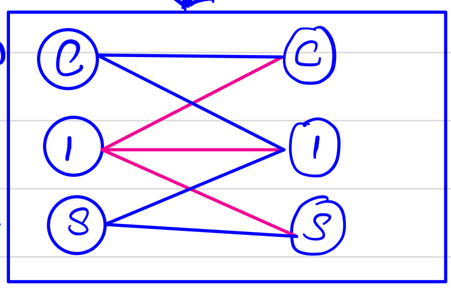
Gross Lia = 30K
Net Lia = 21K

GSTR-1 DATA ie O/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 ®, where to land: E - CREDIT Ledger XXX

How to use ITC



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

BALANCE SHEET

E-Liability REG XXX	E-CREDIT Ledger XXX
	E-CASH Ledger XXX

ie E-Lia REG. PAY off By using E-credit & E-CASH Ledger

E-Credit Ledger: WHERE to USE ← O/P GST: YES BABY; INPUT GST (RCM) = NO; Any Other ie Penalty, INT + etc = NO

E-CASH Ledger USES ← O/P GST ✓; INPUT GST (RCM) ✓; INT., Penalty ✓; Any other Lia Under the ACT ✓

Calculation of Interest

Interest = Value * ROI * Belated Period

Value
- In General → Int. on GROSS Value
- Special Case → Int. on NET Value
  - # ie CASE Where
  - # Whole Return is Delayed and No Notice till filing of Return
  - # THEN INT on NET

ROI
- In General
  - # Rate of Interest @ 18% PA
- Special CASE
  - ie Where ITC Wrongly Availed AND Utilised.
  - @ ROI = 24%PA (MAX)
  - But AS of Now Notified Rate = 18%PA

Belated Period
- # After Due Date till the Date of Payment
- # For Example:
  - * Month of JAN
  - * Due Date: 20th Feb.
  - * Actual Payment = 10 March

Belated Period
- Feb = 28-20 = 8 DAY
- MARCH = 10 DAYS
- = 18 DAYS
- ie 18/365

Example: 1

DID

FIVE TRANSACTIONS — 20th Feb

# # # # #

O/P GST = 8500 | 1500 = 10,000 GROSS

Total GROSS = 10000

JAN END ITC = 2000

NET Liability = 10000 − 2000 = 8000

Whole Return Delayed and filed Jan month Return 10th March

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

Note: By 10th march NO Show Cause Notice Recd.

Example: 2

What if in Above CASE JAN Month Return filed on Due Date ie By 20th Feb. BUT ONLY With first 4 TRANSACTION ie आधी-अधूरी Return. and 5th Transaction filed with feb month's Return on 20th march

Jan Month Return: ON time: NO INT

ie 8500 − ITC 2000 = 6500 ✓

1500th file with 20th march:

$\frac{1500}{\text{GROSS}} \times \frac{18}{100} \times \frac{28}{365} = 21/=$

Ro-RATHA mummy.

Example: 3

Whole Return Delayed & Before filing Late Return A Show Cause Notice AA JA JATA Hai ie Default NE KA DIYA " अंडा - मुर्गा DAPPA

Interest on GROSS:

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

STAGE: 1

BAD = FARZI

Good ITC: 10000
BAD ITC: 18000
28000

JAN

O/P GST: 25000
1st: Good ITC: 10000
15000
2nd: BAD ITC (15000)
NIL

Due Date 20th February

STAGE: 2

C/F ITC = 3,000 (BAD ITC)

Feb. 0 0

O/P GST = 25000
− BAD ITC = 3000
NET 22000

Due Date 20th march

STAGE: 3 Notice issued by department like you have "wrongly availed and utilised ITC" so need to pay: 18000 with interest and the Guy Amt paid on 20th Aug.

What will be the interest:

$$= \# \; 15000 * \frac{18}{100} \times \frac{\text{21 Feb to 20th Aug (181 DAYS)}}{365} = \cancel{1338.9} \; 1339/=$$

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

:SECTION: 53 : TRANSFER OF FUND BY GOVT:

Example:

UP —B to B→ HR —B to C→ HR (ENDUSER)

Value: 100000
IGST: 18000
118000

Value: 150,000
+CGST: 13500
+HRGST: 13500
177000

	CGST	HRGST
O/P GST =	13500	13500
ITC of IGST =	(8000)	(10000)
CASH	5500	3500

TAXPAYER DO EVERYTHING Correct

ABHI KITNA CASH KIS FUND ME GAYA	KIS FUND ME KITNA CASH JANA CHAHIYE	NOW WHAT to do ??
IGST fund: 18000 CASH	IGST fund: NIL	By Govt
CGST fund: 5500 CASH	CGST fund: 13500	# 8000 IGST fund se CGST fund ME T/F KAR DO BY DO
HR-GST fund: 3500 CASH	HRGST fund: 13500	# 10000 IGST fund se SGST fund ME T/F KARO

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

WHY this Concept of 1% :

FARZI ITC BOOK = 100 Cr → 4 DOST Mile & EK FARZI FIRM BANAYI — ITC Pass ON → EK AUR FARZI FIRM → Distribute FARZI ITC → AEP Ltd, X, Y, Z, A — ITC & Book CASH Lia. Reduce.

Value = 500
GST : 90
590
FARZI Bill

ITC = 90 CRORE

"400–500" List addon CHAIN"

अगरमहत्व
अगरमहत्व
शीशमहल में होगा / USA भाग जायेगा
महत्ती

Mileage AS owner — Officer Route : find out
✓ # Driver, Servant, Kaamwali
✓ # Gardner etc.
Aadhaar CARD, PAN CARD USE, Bank A/c etc., cheque Book pre sign

So to find out SUCH CASES Govt INTRODUCE Concept of 1% ie कांटा Hai

Concept KYA Hai :
Those TAX PAYer whose monthly Taxable T/O More than 50 lakh (AND)
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% of Gross liability in CASH : ie In Above Case,

O/P Liability	= 90 Cr
− ITC	89.1 Cr
	9 lakh
from : E-CASH @ 1%	9 lakh
	NIL

IF Not to follow 1% Concept → RC : CANCEL

NOW office will check how many TAX PAYer Covered under 1% Concept. (Suppose 100 TAXPAYer)

Filter

80 EXIT — Ye FARZI NAHI Hai
1. Govt Deptt. (eg. Post office)
2. Owner/Partner/Director : I. TAX in LAST 2 years : 1 lakh Plus
3. Seasonal Business eg. GARM cloths.
4. You are a person who claim Refund of ITC Because of ZERO Rated Supply. ITC ✓ → Refund : 1 lakh Plus ; ~~GST~~ EXPORT
5. etc.

20 Remaining "IN" — कुछ तो
KAHI Pum Wohi to NAHI
Detail Investigation
find out
GST ✓
INT
Penalty < नौकर Firm, अगरमहत्व
Court
Jail

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

AEP. Ltd

GSTR-2B → Rule = 88D → " ITC KA Comparision

ITC Amount in 2B	<	ITC claimed in 3B
5,00000		8,00,000

GAP

Intimation to be issued By Depart like Either to PAY Rs 3,00,000 OR EXPlain It with in 7 DAYS

Action of TAX PAYER

- FULL PAY → OK
- PARTLY PAY Balance EXPlain
- FULL EXPlain

Officer SATISFied.?

- YES → OK
- NO

✓ # 1. Show Cause Notice

✓ # 2. Demand order

✓ # 3. Recovery. 3,00,000

2 PARTY

GSTR-1, GSTR-3B → Rule = 88C → " Output liability KA Comparision"

Amt in GSTR-1	>	Amt in GSTR-3B
12,00,000 Show		9,00,000 Paid

(GAP)

Intimation to be issued By Depart like Either to PAY Rs 3,00,000 OR EXPlain It with in 7 DAYS

Action of TAX PAYER

- FULL PAY → OK
- PARTLY PAY Balance EXPlain
- FULL EXPlain

Officer SATISfied.?

- YES → OK
- NO

1. ~~Show Cause Notice~~
2. ~~Demand order~~
3. " Recovery Action " U/S : 79 3,00000

Open & Shut ✓ ✓

One PARTY

ANALYSIS of Section : 51 : TDS of GST ~~of Income TAX~~

WHY TDS of GST : JAGGA JA SOOS = (R), Supplier Ki JASUSI KARTA Hai

LOYALTI TEST of (S)

[S]		[R]	
Govt Depatt	—	NON GOVt	TDS ✗
NON Govt	—	NON GOVt	= TDS ✗
Govt Depatt	—	Govt Depatt	= TDS ✗
NON Govt	→ TDS ✓ →	Govt Depatt, Govt Agency, Local Authority, PSU, Govt Society etc	= TDS ✓

HOW it Works

GST PORTAL → E-CASH Ledger +10,000 ← 10000 ← GST PORTAL

NON Govt (S) → (1) SUPPLY → (R) Govt

Value : 5,00,000
+ GST : 90000
590000

(3) PAY TDS of Rs 10000 By 10th of NEXT month
Filed : TDS Return By 10th of NEXT MONTH

(2) Payment
Total Bill Amount : 590,000
Less: TDS of GST : (10000)
1+1 = 2% on 5,00,000
580000

Total Payment Recd
580,000 From (R)
10000 in Wallet/E-CASH
590000

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

CYA AB (S) Transaction KO CHHIPA 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 ME TDS MAY Attract

Taxable person : WHO Will Deduct & PAY TDS : Deductor (Govt Depatt) & Such Govt Depatt need A Special REGISTRATION AS TDS Deductor U/s:24 (MANDATORY)

Exemption : IF there is a GST Exemption = ie NO GST → NO TDS

Computation : $\boxed{\text{Value}}$ * Rate of TDS (1% + 1%)

PER CONTRACT Value EXC. of GST & CESS : SHOULD be more than : 2,50,000/=

TCS : NA Because TDS is for GST & it is NOT A TAX But Just Jagga Jasus.

NCM/RCM : NA, But Deductor will PAY to Govt

Compliances : Invoice will contain TDS Referance : NO

Payment : By Deductor By 10th of Next month

Return : YES, By Deductor in Form GSTR = 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)

Govt
Location of (R) (UP)

Value : 100000
+ CGST : 9000
+ SGST : 9000
118000

TDS of CGST, UP GST BY (R) = YES, TDS ✓

INTRA

ORIGIN (UP)
DESTINATION (UP) (POS)

Location of (R) (DL)

Value = 100000
+CGST 9000
+UP-GST 9000
118000

TDS of CGST, UP-GST

Q: TDS ? N.A.

Inter

ORIGIN (UP)
DESTINATION (DL) (POS)

TDS ✗

Location of (R) (MP)

Inter

ORIGIN (UP)
DESTINATION (DL) (POS)

TDS ✓

Location of (R) (DL)

SUTRA :

ORIGIN
MUMMY
PAPA
Destination

BABY
Location of (R)

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

ECO KA CHAKKAR

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

Applicability :

ECO
- Services
  - 4 Specified SERVICES "H-M-T-R U/s: 9(5) wali" → TAX Paid By # ECO # VENDOR, IF PAY T/O CROSS → TCS : NA
  - Rest of the SERVICES → TAX Paid By vendor → TCS : Apply
- Goods
  - All Goods → TAX Paid By Vendor → TCS : Apply ✓

Object: Govt want to CONTROL TRANSACTION which are made through ECO.

Controlling Tool :

TCS Concept :

How It Works :

Amazon Commission = 20%

AMAZON (DL) ← ① # Order Place @ SHOES 10000 + 1800 = 11800 ← Buyer (Ramu) HYD

② Order forward → VENDOR (DL) → ③ INVOICE → Buyer

Value : 10000
+ IGST : 1800
11800

Supportive Transaction

[S] AMAZON, (R) Vendor

Service (Order @ Leta & Deta Hai) @ Commission @ 20%
Supply : YES ← (A)(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 x 9% = 180 SGST
NCM / RCM = NCM
TOS = < (I)(P)(E)
INVOICE Issued By AMAZON to VENDOR

Value : 2000
+ CGST : 180
+ SGST : 180 } INTRA
2360

+ TCS For IGST on Rs 10000 @ .5% DATA = Main Transaction : 50

2410

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 IGST
TOS = INVOICE Date
NCM
Compliance : By Vendor

It is Normal Transaction.

NOW Decide future of Rs 50

① ECO PAY TCS of Rs 50 AT GST PORTAL By 10th of Next month and file TCS Return form = GSTR-8, and ECO shall take an additional REGISTRATION u/s: 24 mandatory as "TCS Collector"

ie ECO → REG. AS TAX PAYER
ECO → REG 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: KYA AB vendor Transaction KO CHHIPA SAKTA Hai KYA BND

How the GST Portal will Cross check < GSTR-08 By ECO. / GSTR-3B By vendor

MATCH ⇓ OK

MIS-MATCH ↓
Notice (चिट्ठी) to Both ie ECO. & vendor
to clarify it
Default Penalty = 25000/=

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:

(i) VENDOR → ECO #1 ← ECO#2 ← ECO#3 ← Buyer

WHO will Collect = TCS From VENDOR: ECO #1

(ii) Mr X: ECO # 1 VENDOR ie own warehouse ← ECO #2 ← ECO #3 ← Buyer

WHO will Collect TCS from Vendor = ECO #2.