

# ***GST Payment***

## ***[Chapter X]***

Edition 8

- Mode of Payment [S. 49]
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- Payment of Tax Rules
- Related FAQs

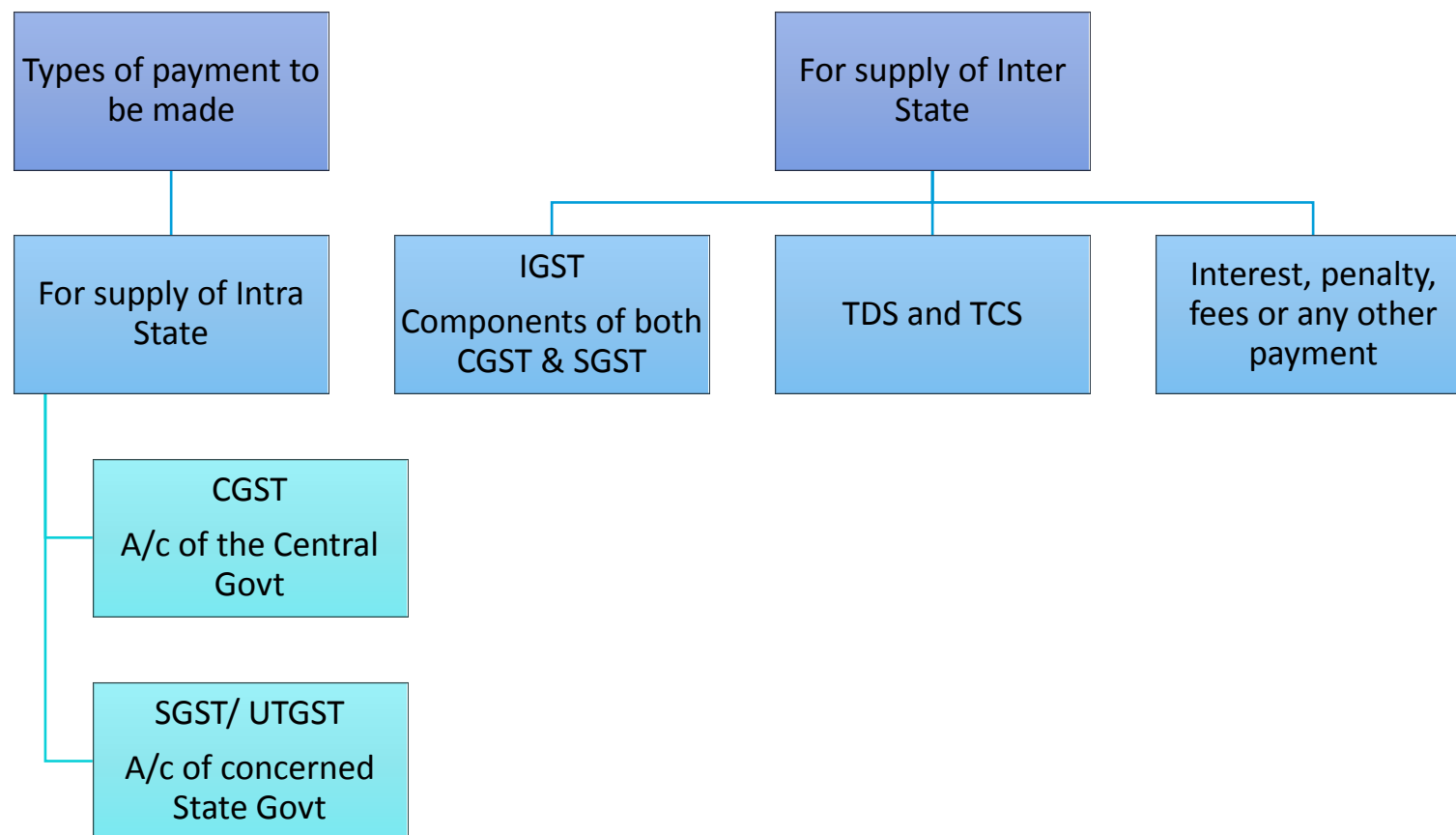
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### Person liable to pay GST

Generally, supplier is liable to pay the tax

In any other case:

- Imports and other notified supplies, liabilities may be imposed on the recipient under the reverse charge mechanism (RCM)
- In case of E-Commerce, Third Person i.e. operator is responsible for TCS
- In case of Contractual Payments, Government / Other notified entities are
- responsible for TDS

Mode of Payment [S. 49(1)]

(a) Credit of amount deposited to electronic cash ledger To be maintained in GST PMT-05	Deposit of amount by way of: <ul style="list-style-type: none"><li>Internet banking</li><li>Credit/ Debit cards</li><li>National Electronic Fund Transfer (“NEFT”)</li><li>Real Time Gross Settlement (“RTGS”)</li><li>Over the Counter (“OTC”) payment for deposits up to Rs.10,000 per challan per tax period, by cash, cheque or demand draft, subject to prescribed exceptions [R. 3(3)]</li></ul> Challan for deposit to be generated in FORM GST PMT – 06 and same shall be valid for period of 15 days [in case of NEFT and RTGS, Challan to be accompanied by a Mandate Form]
(b) Credit of ITC to electronic credit ledger GST PMT-02	Self-assessed ITC in return of a registered person under S. 41

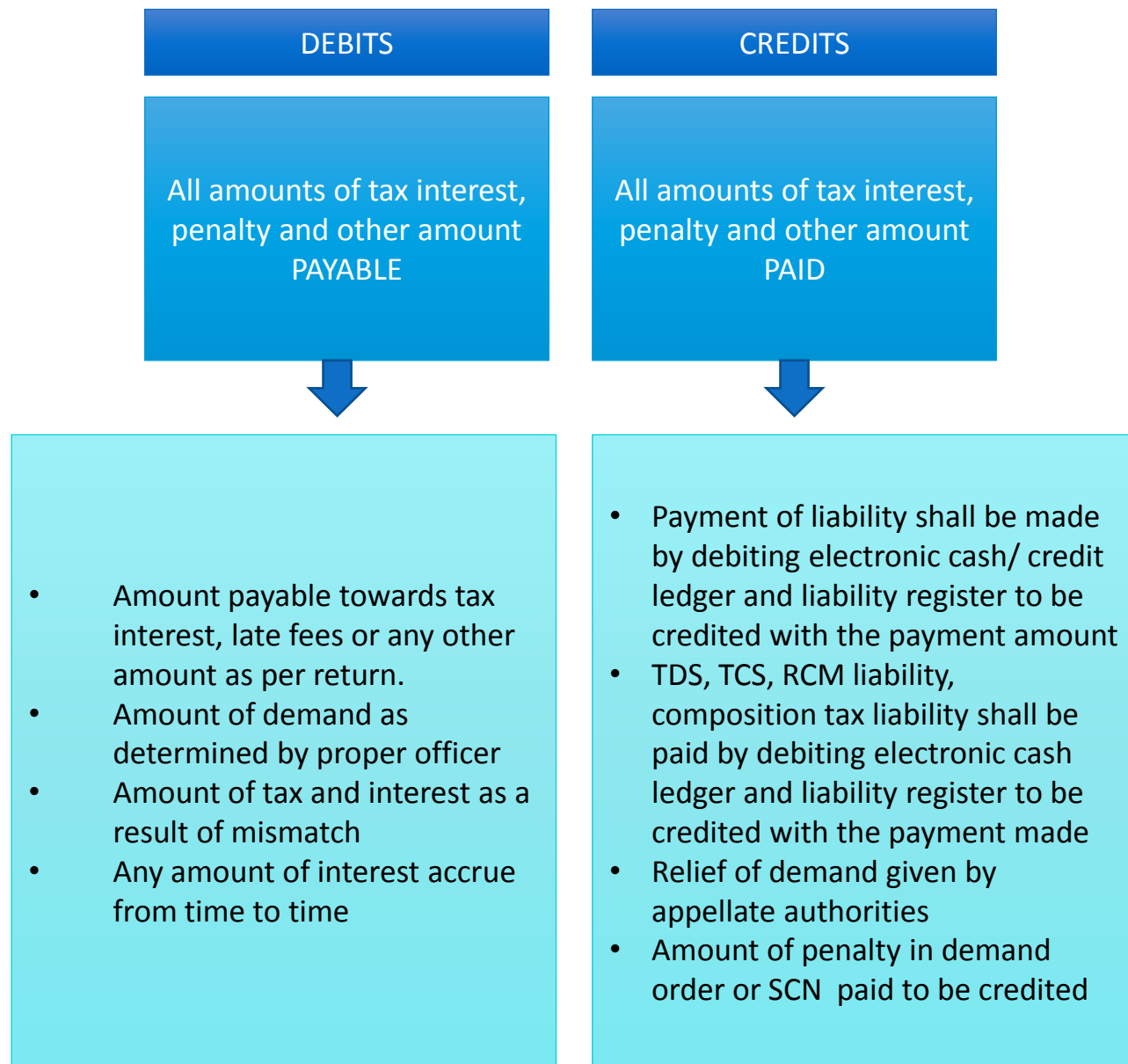
Payment of tax, interest and penalty

- (a) Amount available in electronic cash ledger may be used for payment of tax, interest, penalty, fee or any other amount payable
- (b) Amount available in electronic credit ledger may be used for payment of tax in the manner prescribed. (But not Interest, penalty and any other amounts)

Manner of utilization of ITC available in electronic credit ledger

Credit available	Utilization
IGST	(i) IGST (ii) CGST (iii) SGST/ UTGST
CGST	(i) CGST (ii) IGST
SGST/ UTGST	(i) SGST/ UTGST (ii) IGST

To be maintained GST PMT-01



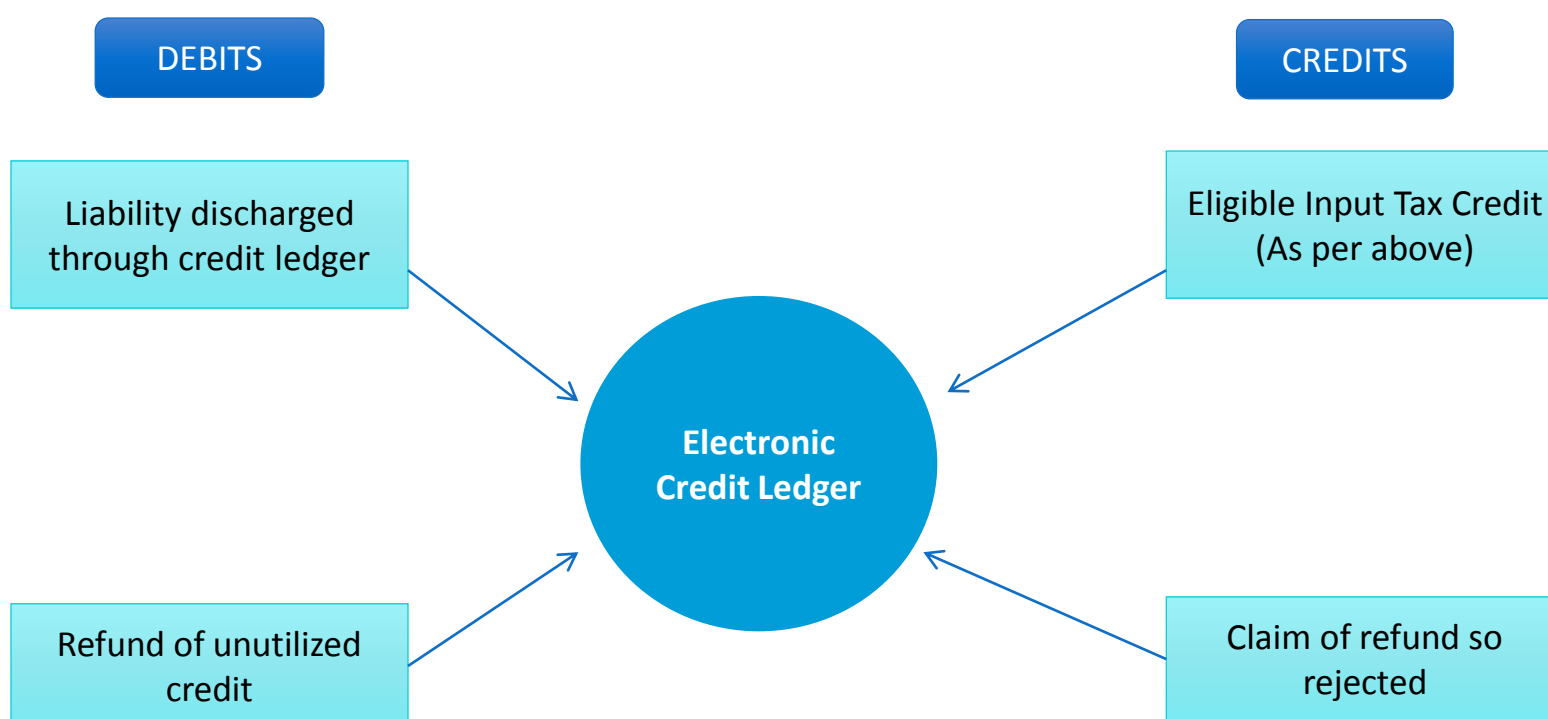
### To be maintained GST PMT-02

- Input tax credit as self assessed shall be credited here
- Used for making payment towards **Output tax**
- Balance may be refunded only in case of exports/ Inverted duty structure
- Ledger debited to the extent of discharge of liability



### Amounts to be credited:

- Input tax credit balance uploaded from return filed under earlier law
- Input tax credit on stock of Inputs, Semi-finished goods & Finished goods in case of new registrants
- Permissible ITC on stock held upon conversion from composition scheme
- ITC on inward supplies from Registered Tax Payers
- ITC got distributed from Input Service Distributor (ISD)
- ITC eligible on payment made on Reverse Charge Basis.





## To be maintained GST PMT-05

- Amount deposited credited
- Used for making payment towards tax, interest, penalty, fees or any amount to be debited
- Balance after payment may be refunded
- Challan generated on payment in GST PMT-06 (Validity 15 days)



### Expenses to be borne by tax payer

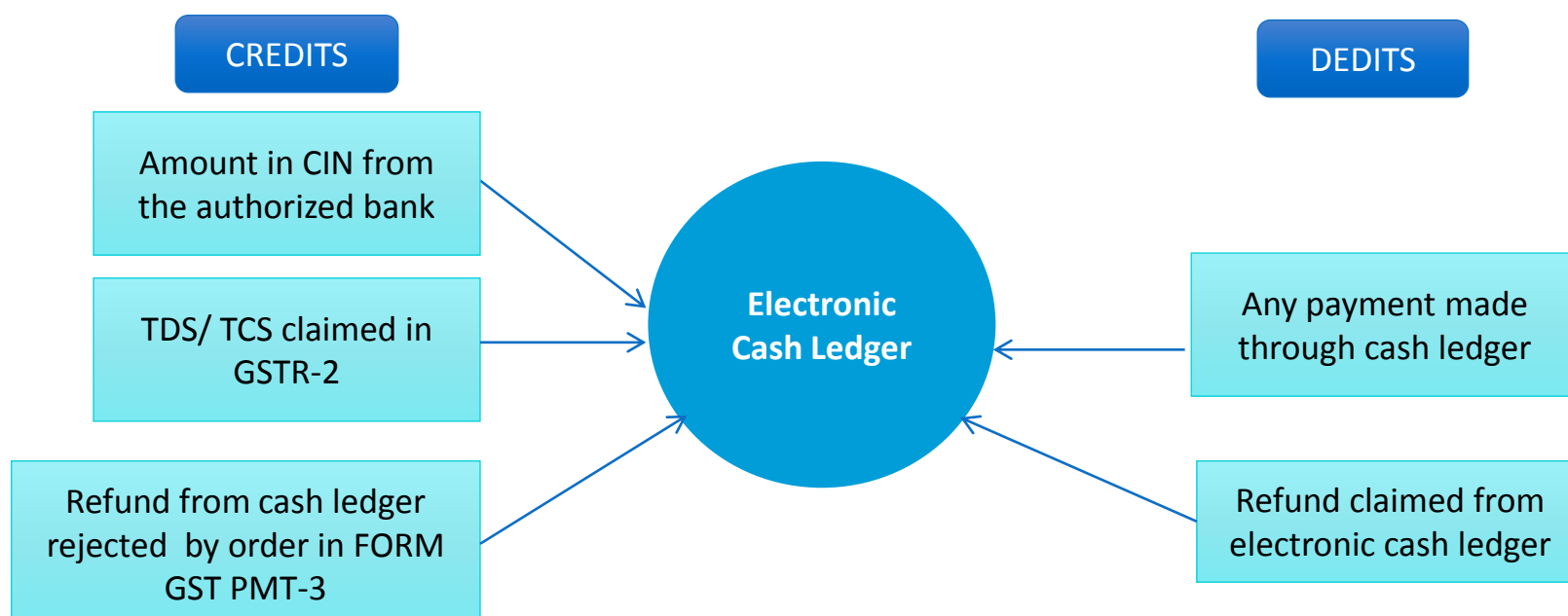
For making payment of any amount indicated in the challan, the commission, if any, payable in respect of such payment shall be borne by the taxable person making such payment.

### Temporary Identification Number

Any payment required to be made by a person who is not registered, shall be made on the basis of temporary identification number.

### Mandatory form for NEFT/ RTGS

- Where the payment is made by way of NEFT or RTGS mode from any bank
- The mandate form shall be generated along with the challan
- The same shall be submitted to the bank from where the payment is to be made.
- A proviso says that the mandate form shall be valid for a period of 15 days from the date of generation of challan.



**Maintenance of electronic liability register**

All liabilities of a taxable person under CGST Act shall be recorded and maintained in electronic liability register in FORM GST PMT-01.

**Order of discharge of GST liability [S. 49(8)]**

Every taxable person to discharge his tax and other dues [interest, penalty, fee or any other amount payable] in following order:

- I. Self-assessed tax and other dues of previous tax periods
- II. Self-assessed tax and other dues of current tax periods
- III. Any other amount payable including demand determined under S. 73 and S.74.

**Payment of interest [S. 50]**

Person liable to pay tax but fails to pay shall for the period for which the tax remains unpaid pay interest, on his own, at rate to be prescribed but not exceeding 18%.

Taxable person who makes undue or excess claim of ITC or reduction in output tax liability shall pay interest at the rate to be prescribed but not exceeding 24%.

**Tax deduction at source [TDS] [S.51]**

(a) The Government may mandate, the following persons ["deductor"], to deduct TDS at the rate of 1% from payment made/ credited to supplier ["deductee"], where value of supply exceeds **Rs. 2,50,000**:

- i. A department or establishment of the Central/ State government; or
- ii. Local authority; or
- iii. Government Agencies; or
- iv. Such persons or category of persons as may be notified by the Government on the recommendations of the Council.

(b) **TDS to be deducted only if place of supply is within State of registration:** No deduction shall be made if location of Supplier and Place of Supply is a State or UT which is different from the State/ UT of registration of the recipient.

(c) **Time limit for deposit of TDS:** 10 days from end of the month in which deduction is made

**Failure to deposit TDS:** In case deductor fails to deposit TDS with government within prescribed time limit, **interest payable** shall be payable at such rate (not exceeding 18% as may be notified by government on recommendation of Council) for the period such tax remains unpaid [S. 50].

(d) **Issue of TDS Certificate:** Deductor to furnish TDS certificate mentioning the contract value, rate of deduction, amount deducted, and amount paid to government and other prescribed particulars.

**Failure to issue TDS certificate:** In case deductor fails to furnish to the deductee the TDS certificate after deducting TDS within 5 days of deposit of such TDS, he shall be liable to pay late fee at the rate of **Rs. 100 per day** from day after expiry of such 5 day period until failure is rectified, subject to maximum amount of Rs.5,000.

(e) **Deductee to claim credit:** Deductee to claim credit in his electronic cash ledger of tax deducted and reflected in the prescribed return of deductor. [S. 39(3)]

(f) **Refund of TDS deducted erroneously:** Refund to be issued as per S.54. No refund shall be granted if the amount deducted has been credited to cash ledger of deductee.

- a) **An electronic commerce operator** (not being an agent) shall collect an amount calculated at such rate not exceeding 1% as may be notified of net value of taxable supplies made through it by other suppliers, where consideration with respect to such supplies has to be collected to by such operator.
- b) **Time limit for deposit of TDS:** 10 days from end of the month in which collection is made
- c) **Furnishing monthly statement of outward supply:** Every operator who collects the amount specified shall furnish a statement [GSTR -8] containing the details of outward supplies of goods and services or both effected through it, including the supplies returned through it, and the amount collected during a month, within 10 days after the end of such month.
- d) **Furnishing annual statement of outward supply:** Every operator who collects the amount specified shall furnish an annual statement containing the details of outward supplies of goods and services or both effected through it, including the supplies returned through it, and the amount collected during the FY, before the 31<sup>st</sup> December following the end of such FY.
- e) **Supplier to claim credit:** Supplier who has supplied goods or services or both through the operator shall claim credit in his electronic cash ledger of amount collected and reflected in the monthly statement of the operator [GSTR – 8]
- f) **Matching of details of filed by the operator:** Details of monthly outward supplies furnished by every operator shall be matched with the corresponding details of outward supplies furnished by the concerned registered supplier within prescribed time. In case of any discrepancy, the same shall be communicated to both persons in prescribed manner.

g) **Increase in output tax liability in case discrepancy is not corrected:** In case the operator or the Supplier does not initiate corrective action in his statement for the month, where value of outward supplies furnished by the operator is more than value of outward supplies furnished by the supplier in his monthly return, the amount in respect of which discrepancy is communicated shall be added to output tax liability of said supplier his return for the succeeding month. Also, supplier shall be liable to pay interest as prescribed under S. 50.

***Transfer of ITC [S. 53]***

On utilization of ITC availed under the CGST Act for payment of tax under IGST Act, amount collected as Central Tax shall stand reduced by an amount equal to such credit so utilized and Central government shall transfer an amount equal to amount so reduced from the Central Tax Account to Integrated Tax Account within the prescribed time.

**1. Electronic Tax Liability Register -to be maintained in GST PMT-01:**

- **Debit by:**
  - a) amount payable towards tax, interest, late fee or any other amount payable as per the return furnished by the said person;
  - b) amount of tax, interest, penalty or any other amount payable as determined by a proper officer in pursuance of any proceedings under the Act or as ascertained by the said person;
  - c) amount of tax and interest payable as a result of mismatch under S.42 or S.43 or S.50; or
  - d) any amount of interest that may accrue from time to time.
- **Debit to electronic cash/ credit ledger and credit to electronic tax liability register:** Payment of every liability by a registered person as per his return shall be made by debiting the electronic credit ledger [Rule 2] or electronic cash ledger [R.3] and the electronic tax liability register shall be credited accordingly.
- **Debit to electronic cash ledger and credit to electronic tax liability register in specified cases:** TDS under S. 51, or amount collected under S. 52, or the amount payable under reverse charge basis [S. 9(3) or S.9(4)], or amount payable under composition scheme [S.10], or S. 5(3) or S. 5(4) of the IGST Act or S. 7(3) or S. 7(4) of the UTGST Act any amount payable towards interest, penalty, fee or any other amount under the Act or the IGST shall be paid by debiting the electronic cash ledger maintained as per R.3 and the electronic tax liability register shall be credited accordingly.
- **Adjustment of tax demand:** Any amount of demand debited in the electronic tax liability register shall stand reduced to the extent of relief given by the appellate authority or Appellate Tribunal or court and the electronic tax liability register shall be credited accordingly.

**2. Electronic Credit Ledger:** To be maintained in FORM GST PMT – 02

- **Debit:** By discharge of tax liability under S. 49 or to the extent of refund claimed of ITC under S. 54
- **Rejection of refund:** Order by proper officer of rejection of refund claim in GST PMT-03, re-credit to electronic credit ledger
- **No direct entry:** No direct entry to be made directly in electronic credit ledger under any circumstance
- **Intimation of discrepancy in credit ledger:** To be made to proper officer in Form GST PMT - 04

**3. Electronic Cash Ledger:** To be maintained in FORM GST PMT-05 for crediting the amount deposited and debiting the payment therefrom towards tax, interest, penalty, fee or any other amount.

- **Exceptions for OTC payments:** Restriction for deposit upto Rs.10,000 per challan shall not apply to deposit by:
  - Government departments or any other deposit to be made by notified persons;
  - Proper officer or any other authorized officer to recover outstanding dues from any person whether registered or not, including recovery made through attachment or sale of movable or immovable properties;
  - Proper officer or any other authorized officer for amounts collected by way of cash, cheque or demand draft during any investigation or enforcement activity or any ad-hoc deposit
- **Payment by unregistered person:** To be made on basis of temporary identification number generated
- **Generation of Challan Identification Number (“CIN”):** On successful credit of the amount to the concerned government account maintained in authorized bank, CIN will be generated in GST PMT-06 by collecting bank and same shall be indicated in Challan.
- **Failure to generate CIN:** Where bank account of person concerned, or the person making the deposit on his behalf, is debited but no CIN is generated or generated but not communicated to the Common Portal, the said person may represent in FORM GST PMT – 07 through Common Portal to the Bank or electronic gateway through which the deposit was initiated.

- **Credit of TDS or tax collected at source:** Amount deducted under S.51 or collected under S.52 and claimed in FORM GSTR-02 by the registered taxable person shall be credited to his electronic cash ledger in accordance with the provisions of Rule 2.
- **Refund claim:** In case of refund claimed, the said amount shall be debited to the electronic cash ledger. Further, if the refund so claimed is rejected, either fully or partly, the amount debited, to the extent of rejection, shall be credited to the electronic cash ledger by the proper officer by an order made in FORM GST PMT-03.

#### 4. Identification number for each transaction [Rule 4]

- Unique Identification Number ("UIN") to be generated for each debit or credit to the electronic cash or credit ledger;
- UIN relating to discharge of any liability shall be indicated in the corresponding entry in the electronic tax liability register;
- UIN to be generated for each credit in the electronic tax liability register





**Q1. What are the main features of GST payment process?**

**A.** The payment processes under GST Act(s) have the following features:

- Electronically generated challan from GSTN Common Portal in all modes of payment and no use of manually prepared challan;
- Facilitation for the tax payer by providing hassle free, anytime, anywhere mode of payment of tax;
- Convenience of making payment online;
- Logical tax collection data in electronic format;
- Faster remittance of tax revenue to the Government Account;
- Paperless transactions;
- Speedy Accounting and reporting;
- Electronic reconciliation of all receipts;
- Simplified procedure for banks
- Warehousing of Digital Challan.

**Q2. What are E-Ledgers?**

**A.** Electronic Ledgers or E-Ledgers are statements of cash and input tax credit in respect of each registered taxpayer. In addition, each taxpayer shall also have an electronic tax liability register. Once a taxpayer is registered on Common Portal (GSTN), two e-ledgers (Cash & Input Tax Credit ledger) and an electronic tax liability register will be automatically opened and displayed on his dash board at all times.

**Q3. What is the linkage between GSTN and the authorized Banks?**

**A.** There will be real time two-way linkage between the GSTN and the Core Banking Solution (CBS) of the Bank. CPIN is automatically routed to the Bank via electronic string for verification and receiving payment and a challan identification number (CIN) is automatically sent by the Bank to the Common Portal confirming payment receipt. No manual intervention will be involved in the process by any one including bank cashier or teller or the tax payer.

**Q4. Can a challan generated online be modified?**

**A.** No. After logging into GSTN portal for generation of challan, payment particulars have to be fed in by the tax payer or his authorized person. He can save the challan midway for future updation. However once the challan is finalized and CPIN generated, no further changes can be made to it by the taxpayer.

**Q5. Is there a validity period of challan?**

**A.** Yes, a challan will be valid for fifteen days after its generation and thereafter it will be purged from the System. However, the tax payer can generate another challan at his convenience.

**Q6. What is a CPIN?**

**A.** CPIN stands for Common Portal Identification Number (CPIN) given at the time of generation of challan. It is a 14-digit unique number to identify the challan. As stated above, the CPIN remains valid for a period of 15 days.

**Q7. What is a CIN and what is its relevance?**

**A.** CIN stands for Challan Identification Number. It is a 17-digit number that is 14-digit CPIN plus 3-digit Bank Code. CIN is generated by the authorized banks/ Reserve Bank of India (RBI) when payment is actually received by such authorized banks or RBI and credited in the relevant government account held with them. It is an indication that the payment has been realized and credited to the appropriate government account. CIN is communicated by the authorized bank to taxpayer as well as to GSTN.

**Q8. What is an E-FPB?**

**A.** E-FPB stands for Electronic Focal Point Branch. These are branches of authorized banks which are authorized to collect payment of GST. Each authorized bank will nominate only one branch as its E-FPB for pan India Transactions. The E-FPB will have to open accounts under each major head for all governments. Total 38 accounts (one each for CGST, IGST and one each for SGST for each State/UT Govt.) will have to be opened. Any amount received by such E-FPB towards GST will be credited to the appropriate account held by such EFPB. For NEFT/RTGS Transactions, RBI will act as E-FPB.

## About Us

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