

Goods and Service Tax



Day 9



By

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Day 9 Session I Payment of Tax



9:30 to 11:00 am

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Payment Process under GST

Chapter X- Section 49 to 53
Rules (Rule 85 to 88)

Types of Payments under GST

- For Supply of Inter-state / Intra State: -
 - CGST = A/c of the Central Govt.
 - SGST = A/c of concerned State Govt.
 - IGST = Components of both CGST & SGST

- Tax Deducted at Source (TDS) & Tax Collected at Source (TCS)

- Additionally wherever applicable: Interest, Penalty, Fees and Any other payment

Persons liable for Payment

- Generally, Supplier is liable to pay the tax
- In Other cases like:
 - Imports and other notified supplies, liabilities may be imposed on the recipient under the reverse charge mechanism (RCM)
 - By third person for example in case of :
 - ✓ E-Commerce = Operator is responsible for TCS
 - ✓ Contractual Payments = Government / Other notified entities are responsible for TDS

Mode of Payment

- Principal tax liability: Debit to Electronic Credit Ledger of the Taxpayer maintained on the “Common Portal – Only”;
- Interest, Penalty and Fees cannot be paid by debiting the Electronic Credit Ledger;
- Cash may be deposited by making E-Payment (Internet Banking, Credit Card – pre registration with the portal, Debit Card, RTGS / NEFT) at any authorized branches of Banks to accept GST payments.
- The cash deposited would be as a debit to the Electronic Cash Ledger of the Taxpayer maintained on the “Common Portal”.

Electronic Credit Ledger

- Input tax credit balance uploaded from return filed under earlier laws would be auto populated in this ledger;
- ITC would be of stock of Inputs, Semi-finished goods & Finished goods on the relevant date, from which Taxpayer becomes liable;
- ITC on inward supplies from Registered Tax Payers;
- ITC distributed from Input Service Distributor (ISD);
- Permissible ITC on stock held upon conversion from composition scheme;
- ITC eligible on payment made on reverse charge basis.

Concept of Electronic Focal Point Branch (E-FPB)

- E-FPB are branches of authorized banks designated 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.
- Any amount received by such E-FPB towards GST will be credited to the appropriate account held by such E-FPB.
- For NEFT/RTGS Transactions, RBI will act as E-FPB

Time of Payment

On occurrence of any one of the following events, GST payment would become due (earliest of the following):

- Receipt of advance
- Issuance of Invoice
- Completion of Supply

Due Date of Making Tax Payment

- CGST/ SGST/ IGST Payment Date = 20th of the Succeeding Month
 - Normal Taxpayer on Monthly Basis
 - Composition Taxpayer on Quarterly Basis
- TDS/ TCS payment on 10th of the succeeding month on monthly basis
- Credit to the account of Government will be considered as date of deposit of Tax.

Payment Process

- Only electronically generated Challan from GSTN for all 3 modes of payment
- Unique 14-digit Common Portal Identification Number (CPIN) for each challan
- Challan can be generated by Taxpayer, authorized representative or Departmental officers
- Single challan for all four types of taxes
- System of electronic Personal Ledger Account (cash ledger) on GSTN for each taxpayer
- RBI to act as aggregator and anchor of flow of fund and information about receipts
- Automation and transparency in flow of information
- E-scroll (statement of tax payment) facility will be provided by RBI

Payment Process

- Use of only system generated challans – no re-digitization in the entire work flow
- CPIN to be generated by GSTN - to be used as a key identifier up till receipt by Bank
- CIN to be generated by collecting Bank - to be used as a key identifier
- Accounting Authorities to play a paramount role in reconciliation
 - Accounting on the basis of RBI data,
 - Reconciliation on the basis of GSTN and bank data

Burdon of Proof

Section 132 and 155

Burden of Proof

Section 155.

- Where any person claims that he is eligible for input tax credit under this Act, the burden of proving such claim shall lie on such person.

Section 132. Punishment for certain offences.

- (1) Whoever commits any of the following offences, namely:—
 - (k) fails to supply any information which he is required to supply under this Act or the rules made thereunder or **(unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true)** supplies false information;

shall be punishable— (i) in cases where the amount of tax evaded or the amt of ITC wrongly availed /utilised /refund wrongly taken exceeds Rs. 5 Crs., with imprisonment for a term which may extend to 5 years and with fine;

(ii) in cases where the amount of tax evaded or the amt of ITC wrongly availed /utilised /refund wrongly taken exceeds Rs. 2 Crs. but does not exceed Rs. 5 Crs., with imprisonment for a term which may extend to 4 years and with fine;

(iii) in the case of any other offence where the amt of tax evaded or the amt of ITC wrongly availed / utilised / refund wrongly taken exceeds Rs. 1 Crs. but does not exceed Rs. 2 Crs., with imprisonment for a term which may extend to 1 year and with fine;



Question *n* Answer Session



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Thank You

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