NO INTEREST UNDER GST ON DELAYED FILING OF GSTR-3B

TA✕CONNECT
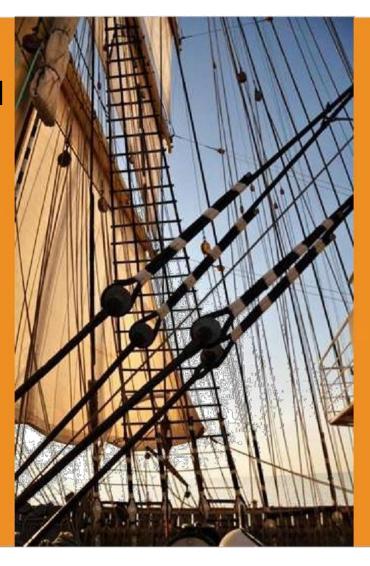EXCELLENCE IN LEGAL DELIVERABLES

Vivek Jalan

[FCA, LL.M (Constitutional Law), LL.B, B.Com (H)]

E-Mail – vivek.jalan@taxconnect.co.in
Call - +91 98315 94980

[MUMBAI   BENGALURU   KOLKATA   DELHI]

Consider a case as follows –

GST Amount Payable For Jan 2024 period	Rs.10,00,000/-
Electronic Credit Ledger Balance	Rs.8,00,000/-
Electronic Cash Ledger Balance	Rs.2,00,000/-
Due Date of return for Jan 2024 period	20th Feb 2024
Return for Jan 2024 period filed on	25th Feb 2024
Interest Liability	NIL

Rationale of No Interest when Balance is available in Electronic Cash Ledger

1. Section 39(1) and 39(7) of CGST Act (Act) require that taxpayers who are required to furnish GSTR-3B return under Section 39(1), shall "**pay**" to the Government the tax due "**before**" the furnishing of The GSTR-3B return and disclose "**tax paid**" in the GSTR-3B return.

2. The amounts deposited to Electronic Cash Ledger are credited by The RBI to the Government Accounts as clarified by The RBI. Further, Explanation (a) to Section 49 read with Section 49(11) clears that the date when amounts are deposited shall be the date when the Government's accounts are credited.

3. The GST collection figure arrived at by the Government, are prepared on the basis of the amount deposited in the electronic cash ledger and not the amount set off while filing the GSTR-3B returns.

4. Hence the Govt. utilizes the money of the ECL. There is no monetary loss to the Govt. incase money in ECL is not set off by GSTR-3B. It would be disastrous for the exchequer if such amounts are not allowed to it to be utilized.

Government may further contest

Rule 61(1) of CGST Rules provide that every person must file his GSTR-3B return within 20th of the month as required by Section 39 of CGST Act. Rule 61(2) requires that while filing the GSTR-3B, the tax shall only be discharged.

THANK YOU

![TAXCONNECT logo - EXCELLENCE IN LEGAL DELIVERABLES]

Vivek Jalan

[FCA, LL.M (Constitutional Law), LL.B, B.Com (H)]

E-mail-
Vivek.jalan@taxconnect.co.in

Call:
+91 98315 94980

[MUMBAI   BENGALURU   KOLKATA   DELHI]