

ए० के० पाण्डेय  
विशेष सचिव एवं सदस्य

*A. K. Pandey*  
Special Secretary & Member



भारत सरकार  
वित्त मंत्रालय  
राजस्व विभाग  
केन्द्रीय अप्रत्यक्ष कर एवं सीमा शुल्क बोर्ड  
नार्थ ब्लॉक, नई दिल्ली-११० ००९  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes & Customs  
North Block, New Delhi-110 001  
Tel. No. : +91-11-23092230, Fax No. +91-11-23093106  
E-mail : ak.pandey60@gov.in

F. No. CBEC-20/16/07/2020- GST

Dated the 10<sup>th</sup> February 2020

Dear *Principal Chief Commissioner / Chief Commissioner,*

Kind attention is drawn towards the cases wherein the taxpayers have filed their **FORM GSTR-3B** returns belatedly without discharging the applicable interest payable on the delayed payment of tax under the sub-section (1) of the Section 50 of the Central Goods and Services tax Act, 2017 (CGST Act, in short).

2. In this regard, I would like to draw your attention towards following provisions of the CGST Act:

i. **Sub-section (1) of Section 50:**

*"(1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council."*

ii. **Sub-section (12) of Section 75:**

*"(12) Notwithstanding anything contained in section 73 or section 74, where any amount of self-assessed tax in accordance with a return furnished under section 39 remains unpaid, either wholly or partly, or any amount of interest payable on such tax remains unpaid, the same shall be recovered under the provisions of section 79."*

2.2 From the above provisions, it can be seen that the law has cast liability on the taxpayer to assess and pay the interest on delayed payment of tax. Further, interest payable on such delayed payment of tax can be recovered under the provisions of section 79 of the CGST Act read with section 75(12), which provides for various methods by which the proper officer shall proceed to recover any amount which is payable to the Government.

3. The Principal Additional Director General (Systems), on 01.02.2020 has generated and shared the GSTIN wise list of the registered person, who have not discharged the due interest liability while filing their GSTR-3B returns belatedly. On perusal of said report, it is observed that the interest amounting to Rupees Forty-five thousand nine hundred and ninety-six crores (Rs.45,996/-crores) remains unpaid to the Government on account of delayed payment of tax. The said report has been shared on SFTP portal for initiating the process for recovery of such unpaid interest as per the provisions of section 79 read with section 75 (12) of the CGST Act.

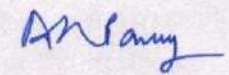


4. Doubts have been raised by field formations, whether the interest has to be paid on the gross tax liability or on the net cash liability. In this regard, the provisions of section 50 are very clear that interest liability is required to be paid on the tax liability that is paid belatedly, either through cash or through utilization of input tax credit (ITC). In other words, interest is required to be paid on total amount of tax liability as shown in **FORM GSTR-3B**.

6. In view of the above, you are requested to look into the issue personally and to urge the field formations under your jurisdiction for making recovery of applicable interest from the identified taxpayers and to furnish weekly report of GSTIN wise recovery of interest made in this regard.

With regards,

Yours sincerely



(A.K. Pandey)

All Principal Chief Commissioners/ Chief Commissioners of Central Tax