



(भारत सरकार) GOVERNMENT OF INDIA
(रेल मंत्रालय) MINISTRY OF RAILWAYS
(रेलवे बोर्ड) RAILWAY BOARD

RBA No. 71/2020
GST Circular No. 40/2020

2016/AC-II/01/06/CRIS

2nd September, 2020

General Managers,
All Zonal Railway/Production Units

Sub: Interest on delayed payment of tax consequent to late filing of return under FORM GSTR-3B

CBIC vide Notification No. 63/2020-Central Tax dated 25th August, 2020 has notified that w.e.f. 1st September, 2020 the proviso to section 50(1) of CGST Act, 2017 shall come into effect. The excerpt of the proviso is reproduced below:

“Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.”

Section 50 of CGST Act, 2017 stipulates interest on delayed payment of tax. Now, as per the above proviso, interest on late payment of tax consequent to late filing of return under FORM GSTR-3B shall be levied on the net tax liability i.e. tax liability discharged in cash through debiting the Electronic Cash Ledger. **In other words, post 1st September, 2020, interest @ 18% p.a. shall be paid only on the amount of tax paid by debiting the cash ledger for that tax period whose return under FORM GSTR-3B is being filed beyond the due date.**

GST Consultants engaged by Principal Railways may be consulted for implementation of the above notification to ensure its compliance. This issues with the approval of competent authority.

(V.Prakash)
Joint Director/Accounts
Railway Board

Copy to:-

1. PFAs, All Zonal Railways and Production Units;
2. All EDs of the ED level Empowered Committee in Railway Board;
3. All Directors of GST Cell, Railway Board.
4. Managing Director, Centre for Railway Information Systems, Chanakyapuri, New Delhi.
5. Director/Finance, CRIS, New Delhi.
6. GM/GSTM, CRIS, New Delhi.