# UNDERSTANDING OF INTEREST ON DELAYED PAYMENT OF OUTPUT GST LIABILITY

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**Whether supplies made during a tax period are declared in GSTR – 3B of the said tax period?**
***[Invoices issued in April are declared in GSTR – 3B of April]***

**YES**

**Whether GSTR – 3B of the said period is filed on or before the due date?**
***[GSTR – 3B of April month is filed on or before 20th May]***

**YES**

**No question of interest liability**

**NO**

***Whether GSTR-3B return of the said period is filed after commencement of proceedings under Section 73 or 74 in respect of said period?***

**YES**

**Interest @ 18% would be calculated on GROSS BASIS***

**NO**

**Interest @ 18% would be calculated on NET BASIS****

**NO**

**Interest @ 18% would be calculated on GROSS BASIS***

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***Gross basis [Section 50 (1) read with Rule 88B (2)]:** Interest will be calculated on delayed payment of GST through debiting both cash as well as credit ledgers

****Net basis [Proviso to Section 50 (1) read with Rule 88B (1)]:** Interest will be calculated on delayed payment of GST to the extent is paid by way of debiting cash ledger even if delayed payment of GST is paid by way of debiting both credit & cash ledgers

| Sr No | Return / Tax period | Supplies declared in tax period are pertaining to | Amt [₹] | Due date for tax period | Actual filing date | Payment made through | | Interest will be calculated on |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Credit ledger | Cash ledger | |
| A | April | April | 10,000 | 20th May | 1st June | 6,000 | 4,000 | 4,000 |
| B | April | March | 15,000 | 20th May | 1st June | 10,000 | 5,000 | 15,000 |

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(Views are strictly personal)