

CA FINAL IDT | MARATHON FOR MAY 22 | Interest Summary Chart Under Indirect Tax

Interest computation under GST

Section	Purpose	Rate	From	Till	Example																																
50(1)	For delay in payment of – <ul style="list-style-type: none"> • Self-assessed tax • TDS/TCS <p><u>Computed On</u></p> <ul style="list-style-type: none"> - <u>Gross liability (If an invoice is not reported by due date, but paid through GSTR-3B at a later date)</u> [Or] - <u>Net liability (If GSTR – 3B of a month is filed after due date)</u> [Or] - <u>TDS/TCS payable</u> 	18% p.a.	1 st day after due date	Date of payment of GST Can be paid using ECL (or) ECRL Either date of filing return (GSTR – 3B/7/8) or DRC – 03.	<p>Invoices having GST of ₹80,000 not reported in GSTR – 3B of Nov 2022 and paid through GSTR – 3B of Dec 2022 filed on 28/01/2022, using ECRL - ₹60,000 and ECL - ₹20,000.</p> <table border="1"> <tr><td>Output Liability</td><td>₹80,000</td></tr> <tr><td>Input Tax Credit</td><td>₹60,000</td></tr> <tr><td>Net GST Liability</td><td>₹20,000</td></tr> <tr><td>GST Pertains to</td><td>Nov 2022</td></tr> <tr><td>Due date of payment</td><td>20/12/2022</td></tr> <tr><td>Actual date of payment</td><td>28/01/2023</td></tr> <tr><td>Period of delay</td><td>39 Days</td></tr> <tr><td>Interest</td><td>₹80,000*18%*39/365 = ₹1,539</td></tr> </table> <p>GSTR – 3B of Nov 2022 with a gross liability of ₹80,000 filed on 28/01/2022. Tax paid through ECRL is ₹60,000 and through ECL is ₹20,000.</p> <table border="1"> <tr><td>Output Liability</td><td>80,000</td></tr> <tr><td>Input Tax Credit</td><td>60,000</td></tr> <tr><td>Net GST Liability</td><td>20,000</td></tr> <tr><td>GST Pertains to</td><td>Nov 2022</td></tr> <tr><td>Due date of payment</td><td>20/12/2022</td></tr> <tr><td>Actual date of payment</td><td>28/01/2023</td></tr> <tr><td>Period of delay</td><td>39 Days</td></tr> <tr><td>Interest</td><td>₹20,000*18%*39/365 = ₹385</td></tr> </table>	Output Liability	₹80,000	Input Tax Credit	₹60,000	Net GST Liability	₹20,000	GST Pertains to	Nov 2022	Due date of payment	20/12/2022	Actual date of payment	28/01/2023	Period of delay	39 Days	Interest	₹80,000*18%*39/365 = ₹1,539	Output Liability	80,000	Input Tax Credit	60,000	Net GST Liability	20,000	GST Pertains to	Nov 2022	Due date of payment	20/12/2022	Actual date of payment	28/01/2023	Period of delay	39 Days	Interest	₹20,000*18%*39/365 = ₹385
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50(2)	Undue or excess reduction in tax liability	24% p.a.	1 st day after due date	Date of payment of GST	(Not applicable at present)																																
60(4)	In case any Tax amount becomes payable subsequent to finalization of the provisional assessment	18% p.a.	from 1 day after the due date of payment of Tax	Date of Actual Payment	<table border="1"> <tr><td>Differential Liability</td><td>₹1,50,000</td></tr> <tr><td>Applied for Provisional Assessment</td><td>28/04/2022</td></tr> <tr><td>Due date</td><td>20/05/2022</td></tr> <tr><td>Actual Payment date</td><td>12/07/2022</td></tr> <tr><td>Period of delay</td><td>53 Days</td></tr> <tr><td>Interest</td><td>₹1,50,000*18%*53/365 = ₹3,921</td></tr> </table>	Differential Liability	₹1,50,000	Applied for Provisional Assessment	28/04/2022	Due date	20/05/2022	Actual Payment date	12/07/2022	Period of delay	53 Days	Interest	₹1,50,000*18%*53/365 = ₹3,921																				
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60(5)	In case any Tax amount becomes Refundable subsequent to finalization of the provisional assessment	6% p.a.	After expiry of 60 days from date of receipt of application of refund	Date of refund	<table border="1"> <tr><td>Amount Refundable</td><td>₹50,000</td></tr> <tr><td>Application for refund</td><td>08/08/2022</td></tr> <tr><td>Expiry of 60 days</td><td>07/10/2022</td></tr> <tr><td>Interest start from</td><td>08/10/2022</td></tr> <tr><td>Actual Refund date</td><td>13/11/2022</td></tr> <tr><td>Period of delay</td><td>37 Days</td></tr> <tr><td>Interest</td><td>₹50,000*6%*37/365 = ₹304</td></tr> </table>	Amount Refundable	₹50,000	Application for refund	08/08/2022	Expiry of 60 days	07/10/2022	Interest start from	08/10/2022	Actual Refund date	13/11/2022	Period of delay	37 Days	Interest	₹50,000*6%*37/365 = ₹304																		
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16	For non-payment of consideration + tax to the supplier by recipient within 180 days from the date of invoice	18% p.a.	From the first date after availment of ITC	Date of addition of such ITC to liability and paid.	<table border="1"> <tr> <td>Invoice dated 01.08.2021</td> <td>1,00,000 (+) GST of ₹12,000</td> </tr> <tr> <td>180 days from Invoice</td> <td>28/01/2022</td> </tr> <tr> <td>Date of Payment to Supplier</td> <td>16/03/2022- (Payment not made within 180 days)</td> </tr> <tr> <td>Interest start from</td> <td>21/09/2021</td> </tr> <tr> <td>Date of addition to liability</td> <td>20/02/2020</td> </tr> <tr> <td>Period of delay</td> <td>153 Days</td> </tr> <tr> <td>Interest</td> <td>₹12,000*18%* 153/365 = ₹905</td> </tr> </table>	Invoice dated 01.08.2021	1,00,000 (+) GST of ₹12,000	180 days from Invoice	28/01/2022	Date of Payment to Supplier	16/03/2022- (Payment not made within 180 days)	Interest start from	21/09/2021	Date of addition to liability	20/02/2020	Period of delay	153 Days	Interest	₹12,000*18%* 153/365 = ₹905		
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17 read with Rule 42	ITC to be reversed w.r.to inputs and input services > ITC reversed on provisional basis	18% p.a.	1 st day of April of succeeding financial year	Date of payment of such difference	<table border="1"> <tr> <td colspan="2">Mr. A Provided following Data with respect to FY 2021-22</td> </tr> <tr> <td>ITC reversed on provisional basis</td> <td>1,50,000 (Sum of all months in the year)</td> </tr> <tr> <td>ITC to be reversed</td> <td>180,000 (Annual basis)</td> </tr> <tr> <td>Interest start from</td> <td>01/04/2022</td> </tr> <tr> <td>Differential ITC paid on</td> <td>31/05/2022</td> </tr> <tr> <td>Days</td> <td>61 Days</td> </tr> <tr> <td>Interest</td> <td>₹30,000*18%*61/365 = ₹5,916</td> </tr> </table>	Mr. A Provided following Data with respect to FY 2021-22		ITC reversed on provisional basis	1,50,000 (Sum of all months in the year)	ITC to be reversed	180,000 (Annual basis)	Interest start from	01/04/2022	Differential ITC paid on	31/05/2022	Days	61 Days	Interest	₹30,000*18%*61/365 = ₹5,916		
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Interest	₹30,000*18%*61/365 = ₹5,916																				
17 read with Rule 43	Reversal of ITC pertaining to capital goods	18% p.a.	1 st day after Availment of ITC	Date of addition of proportionate ITC to output tax liability	<table border="1"> <tr> <td colspan="2">Capital goods purchased on 1/4/2022 for ₹10,00,000 (Excl. GST @ 12%) and used for both taxable and exempted supplies</td> </tr> <tr> <td>Monthly ITC</td> <td>₹1,20,000(÷)60 = ₹2,000</td> </tr> <tr> <td>Exempted (÷) Total supplies for June 2022</td> <td>40 lakhs (÷) 100 lakhs = 0.4</td> </tr> <tr> <td>ITC to be reversed</td> <td>₹2,000 X 0.4 = ₹800</td> </tr> <tr> <td>Interest start from</td> <td>21/05/2022</td> </tr> <tr> <td>GSTR – 3B of June filed</td> <td>20/07/2022</td> </tr> <tr> <td>Period of delay</td> <td>61 Days</td> </tr> <tr> <td>Interest</td> <td>₹800 X 18% X 61/365 = ₹24</td> </tr> </table>	Capital goods purchased on 1/4/2022 for ₹10,00,000 (Excl. GST @ 12%) and used for both taxable and exempted supplies		Monthly ITC	₹1,20,000(÷)60 = ₹2,000	Exempted (÷) Total supplies for June 2022	40 lakhs (÷) 100 lakhs = 0.4	ITC to be reversed	₹2,000 X 0.4 = ₹800	Interest start from	21/05/2022	GSTR – 3B of June filed	20/07/2022	Period of delay	61 Days	Interest	₹800 X 18% X 61/365 = ₹24
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73 & 74	Interest on account of - Non-payment of GST (or) - Short payment of GST (or) - Wrong availment of ITC (or) - Wrong utilization of ITC (or) - Erroneous Refund By reason of Fraud (S. 74) or other than fraud (S. 73)	18% p.a.	1 st day after due date (or) 1 st day after availment of ITC (or) 1 st day after refund date	Date of payment based on SCN (or) Order	<ul style="list-style-type: none"> ▪ This interest computation is similar to interest computation in Sec. 50(1) ▪ This interest is payable MANDATORILY, whether it is specified in SCN/ORDER (or) not. 																
76	Interest on amount collected as tax but not paid	18% p.a.	1 st day after collection of such amount	Date of payment of such amount	<table border="1"> <tr> <td colspan="2">Amount collected representing as GST ₹69,000 on 17th March 2021 and recovered by dept on 26th August 2021</td> </tr> <tr> <td>Interest start from</td> <td>18/03/2021</td> </tr> <tr> <td>Amount paid on</td> <td>26/08/2021</td> </tr> <tr> <td>Period of delay</td> <td>162 Days</td> </tr> <tr> <td>Interest</td> <td>₹69,000 X 18% X 162/365 = ₹5,512</td> </tr> </table>	Amount collected representing as GST ₹69,000 on 17 th March 2021 and recovered by dept on 26 th August 2021		Interest start from	18/03/2021	Amount paid on	26/08/2021	Period of delay	162 Days	Interest	₹69,000 X 18% X 162/365 = ₹5,512						
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39	Interest in case of QRMP Scheme – If tax (Either FSM or SAM) not deposited by 25 th of the next month [Applicable for first 2 months in a quarter]	18% p.a.	26 th of next month	Date of payment (i.e., deposit into ECL)	For July 2022, GST under FSM/SAM i.e., ₹3,00,000 paid on 31/08/2022	
					Interest starts from	26/07/2022
					GST paid on	31/08/2022
					Period of delay	38 Days
					Interest	₹3,00,000 × 18% × 38/365 = ₹5,622
39	Interest in case of QRMP Scheme – If FSM opted, and difference between actual tax and tax under FSM for the quarter not paid by due date	18% p.a.	1 st day after due date (22 nd or 24 th of next month)	Date of payment of difference	For the Quarter July to Sept 2022, GST paid under FCM for first 2 months of a quarter is ₹1,50,000 and actual tax for the quarter is ₹2,90,000 to be paid by 22/10/2022 but GSTR – 3B for that quarter filed on 31/10/2022.	
					Interest starts from	23/10/2022
					GST paid on	31/10/2022
					Period of delay	9 Days
					Int. computed on	₹2,90,000 (-) ₹1,50,000 = ₹1,40,000
Interest	₹1,40,000 × 18% × 9/365 = ₹621					
39	Interest in Case of QRMP Scheme – If SAM opted, and there is a difference between tax under SAM and actual tax for the first two month of a quarter [This is not applicable, if FSM opted]	18% p.a.	26 th of next month	Date of payment of difference	For July 2022, GST under SAM is ₹1,10,000 but actual tax is ₹1,50,000. Such differential is paid on 22/10/2022	
					Interest starts from	26/07/2022
					GST paid on	22/10/2022
					Period of delay	89 Days
					Int. computed on	₹1,50,000 (-) ₹1,10,000 = ₹40,000
Interest	₹40,000 × 18% × 89/365 = ₹1,756					
56	Interest on delay in refund – Refund sanctioned by officer	6% p.a.	61 st day from the date of receipt of application <u>In case of pre-deposit:</u> From the date of deposit	Date of Refund	Particulars	Amount
					Amount Refundable	₹1,50,000
					Receipt of Appln./ Applied for Refund	08/08/2020
					Expiry of 60 days	07/10/2020
					Interest start from	08/10/2020
					Refund paid on	12/11/2020
					Days	36 Days
					Interest	₹1,50,000*6%*36/365 = ₹888
56	Interest on delay in refund – Arising on account of order of Adjudicating authority; Appellate authority	9% p.a.	61 st day from the date of receipt of application	Date of Refund	Particulars	Amount
					Amount Refundable	₹1,50,000
					Receipt of Appln./ Applied for Refund	08/08/2020
					Expiry of 60 days	07/10/2020
					Interest start from	08/10/2020
					Refund paid on	12/11/2020
					Days	36 Days
					Interest	₹1,50,000*9%*36/365 = ₹1,332

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Interest computation under Customs Act, 1962

Section	Purpose	Rate	From	Till	Example									
18	Interest on amount Payable under Provisional assessment	15% p.a.	1st Day of month in which duty is provisionally assessed	Actual Date of payment of Duty	Date of Provisional Assessment	12/12/2021								
					Date of Final Assessment	02/12/2022								
					Duty demanded	₹1,80,000								
					Date of Payment of Duty	05/02/2022								
					Interest period	1/12/2021 to 5/02/2022								
					Days	67 Days								
					Interest Payable	₹1,80,000*15%*67/365 = ₹4,956								
18	Interest on amount Refundable under Provisional assessment	6% p.a.	After expiry of 3 months from finalization of assessment	Date of refund of such Duty	Date of Provisional Assessment	12/07/2021								
					Date of Final Assessment	02/10/2021								
					(+) 3 months	02/01/2022								
					Refund	₹4,20,000								
					Date of Refund	06/02/2022								
					Interest period	03/01/2022 to 06/02/2022								
					Days	35 Days								
					Interest Payable	₹4,20,000*6%*35/365 = ₹2,416								
47	Interest on Late payment of import duty- In case of Immediate Payment	15%	1 st Day after Presentation of BOE	Actual Date of payment of Duty	Date of Presentation of BOE	12/10/2021								
					Date of Payment	05/11/2021								
					Duty Amount	₹1,00,000								
					Interest period	13/10/2021 to 05/11/2021								
					Days	24 Days								
					Interest Payable	₹1,00,000*15%*24/365 = ₹986								
47	Interest on Late payment of import duty- In case of Deferred Payment	15%	After Expiry of due date as mentioned under deferred scheme	Actual Date of payment of Duty	Date of Presentation of BOE	05/10/2021								
					No. of holidays between 1/10 to 15/10	3								
					Due Date of Payment	19/10/2021								
					Actual Date of Payment	10/11/2021								
					Duty Amount	₹1,00,000								
					Interest period	20/10/2021 to 10/11/2021								
					Days	31 Days								
					Interest Payable	₹1,00,000*15%*31/365 = ₹1,274								
	<table border="1"> <thead> <tr> <th>Period</th> <th>Due date</th> </tr> </thead> <tbody> <tr> <td>BOE between 1st to 15th of a month</td> <td>16th Working day of that month</td> </tr> <tr> <td>BOE between 16th to end of that month</td> <td>1st Working day in next month</td> </tr> <tr> <td>BOE between 16th to end of March month</td> <td>31st March</td> </tr> </tbody> </table>	Period	Due date	BOE between 1 st to 15 th of a month	16 th Working day of that month	BOE between 16 th to end of that month	1 st Working day in next month	BOE between 16 th to end of March month	31 st March					
Period	Due date													
BOE between 1 st to 15 th of a month	16 th Working day of that month													
BOE between 16 th to end of that month	1 st Working day in next month													
BOE between 16 th to end of March month	31 st March													

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					Particulars		Amount	
75A(1) of Customs Act r/w S. 27A of Customs Act	Interest on delayed payment of Drawback to claimant [Interest payable by Department]	6% p.a.	After expiry of 1 month from date of filing drawback claim	Date of payment of such drawback	Duty Drawback	₹50,000		
					Applied for Claim	30/07/2021		
					Actual Receipt date	28/10/2021		
					Interest period	31/08/2021 to 28/10/2021		
					Days	59 Days		
					Interest	₹50,000*6%*59/365 = ₹485		
75A(2) of Customs Act r/w S. 28AA of Customs Act	Interest on erroneous refund of drawback [Interest payable to Department]	15% p.a. (If claimant does not pay within 2 months from date of demand, recovery proceedings will be initiated)	1 st day after payment of such drawback to claimant	Date of recovery of such drawback	DB Erroneously refunded	₹20,000		
					Date of erroneously DB received	20/06/2021		
					Demand raised by the department	28/08/2021		
					Refund of DB to the Department	20/10/2021		
					Interest period	21/06/2021 to 20/10/2021		
					Days	122 Days		
					Interest	₹20,000*15%*122/365 = ₹1,003		
61	Interest on warehoused goods	15% p.a.	91 st day from the date of warehousing order	Date of actual clearance	Particulars		Amount	
					Order for warehousing of goods	18/07/2021		
					Goods cleared after filing ex-bond BOE	31/12/2021		
					Customs duty payable upon clearance	₹1,20,000		
					90 days from warehousing order	16/10/2021		
					Interest period	17/10/2021 to 31/12/2021		
					Days	76 Days		
					Interest	₹1,20,000*15%*76/365 = ₹3,748		