

PAYMENT OF TAX

SEC 50

INTEREST ON DELAYED PAYMENT

When payable- in 2 circumstances ;

Delay in payment of tax - full / part

utilisation of wrongly availed ITC



AT 18% INSTEAD OF 24% EARLIER

DURATION

From due date of payment till actual date of payment

From date of utilisation of wrongly availed ITC
Till
Date of reversal of credit or payment of such amount

OTHER CASE

Date on which the balance of ITC falls below amount of ITC wrongly availed

Actual Date of filling return u/s 39

Due date of filling return u/s 39

whichever is earlier

IF RETURN IS TO BE FILED U/S 39

AMOUNT ON WHICH INT IS PAID

Only on the portion of tax that would be paid by debiting the electronic cash ledger

On amount by which the balance in electronic cash ledger falls short

1. If return is furnished after commencement of proceeding u/s 73 or 74.
2. Tax liability in particular period declared in return for subsequent tax period

NOTE - ITC wrongly availed said to be utilised, when balance in electronic ledger falls below ITC wrongly availed and extend of such utilisation of ITC would be amount by which balance in ECRL falls below the amount of ITC wrongly availed.

EXAMPLE:

Jan - ITC availed 10L out of 70L = 60L

Feb - Job - 20L
ITC left = 40L

March - 30L
10L

April → 40L
ITC → 10L utilize
Now bal. fall below ITC utilized