

HC: No Interest Liability if GST Paid to Cash Ledger Before Due Date

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REFER THE DECISION OF THE HON'BLE MADRAS HIGH COURT IN THE CASE OF

Tamilnadu State Transport Corporation (Villupuram) Ltd. vs. Additional Commissioner of Central Tax, Chennai Citation: (2025) 31 Centax 305 (Mad.)

FACTS:

The petitioner, Tamilnadu State Transport Corporation (Villupuram) Ltd., had credited the GST amount to its Electronic Cash Ledger (ECL) before the due date of filing the return.

However, the actual debit of tax from the ECL and filing of return occurred after the due date.

The department demanded interest liability under Section 50 of the CGST Act, contending that the tax was paid late.

Hon'ble High Court Judgement:

The Madras High Court **held that** no interest is payable under Section 50 of the CGST Act if the tax amount was deposited into the Electronic Cash Ledger before the due date, **even if the return was filed later.**

The Court emphasized that "payment" of tax is deemed complete when the amount is credited to the Government account, i.e., **deposited in the ECL.**

Therefore, merely debiting the ledger later while filing the return does not attract interest, as the funds were already with the Government.