

Rules for Gst Cash Utilisation:

The utilization of Cash from Electronic Cash Ledger is done on the basis of the following principles:

1. The amount of Cash deposited for CGST/SGST/UTGST/IGST/Cess in the Electronic Cash Ledger can be used for payment of CGST/SGST/UTGST/IGST/Cess liabilities respectively. No inter head adjustment is allowed for major heads.

2. Cash deposited under the minor head i.e. Tax/Interest/Fee/Penalty/Others in the Electronic Cash Ledger can be utilized for payment of Tax/Interest/Fee/Penalty/Others liabilities respectively of the same major head. No minor head adjustment is allowed.

3. Amount under Cash Ledger will be used in the following priority order:

(a) self-assessed tax, and other dues related to returns of previous tax periods;

Previous month tax liability covers:

a. Tax liability reported but not paid

b. Interest/penalty/fee arising out of previous month return period declarations

(b) self-assessed tax, and other dues related to return of current tax period;

Current month tax liability includes:

a. Liability for invoices and amendments uploaded for previous months

b. ITC reversal due to mismatch of invoice (Reversal under Section 42 (5) & (6) for (M-2) Tax Period)

c. Tax amount increased in M Tax period as a consequence of reduction of liability by supplier in (M-2) tax period but without corresponding reduction in ITC by the receiver (Section 43(6))

d. Liability for invoices and other consolidated declarations uploaded for current month.

(c) Any other amount payable under the Act or the rules made thereunder including the demand determined under section 73 or 74.

4. The amount allowed to be entered for utilization of cash can't be more than the amount of balance available under the respective major/minor head of tax in Cash Ledger.