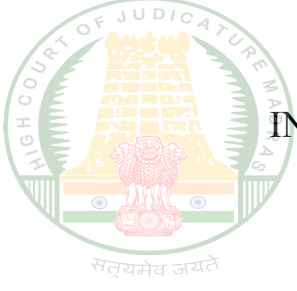




Order QR



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01-10-2026

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THE HON'BLE DR.JUSTICE ANITA SUMANTH

AND

THE HON'BLE MR.JUSTICE S.RAVEEKUMAR

WA No. 2960 of 2026

CNR:{HCMA012083682026}



Case QR

AND

CMP NO. 25950 OF 2026

Jayashree Enterprises (33ASFPK8957K1Z7)

Rep.by its Prop.Kumaravel Kanagaraju,

D.No.107 Radha Complex,

Srinivasa Street, Udumalpet 642 126.

..Appellant(s)

Vs

Assistant Commissioner (ST)

Udumalpet South Assessment Circle,

Tiruppur III, Chithirakudam,

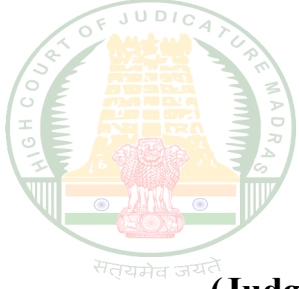
Kalpana Road, Udumalpet 642 126.

..Respondent(s)

Appeal filed under Clause 15 of the Letters Patent to set aside the order dated 17.06.2026 in WP No.19835 of 2026 on the file of this Honourable Court and pass such further or other orders as this Honourable Court.

For Appellant(s): Mr.Karvendhan A.P.
for Mr.V.Chinnasamy

For Respondent(s): Mr.R.Sethu Prabakaran
Government Advocate



Judgment

(Judgment of the Court was delivered by Dr.Anita Sumanth J.)

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The appellant is the Writ Petitioner and had challenged the order of assessment dated 12.02.2025 passed under the Central Goods and Services Tax Act, 2017 (in short 'Act'). The challenge was unsuccessful and the Writ Court, by order dated 17.06.2026 dismissed the Writ Petition.

2. The issue on merits relates to calculation of Input Tax Credit and the applicable interest thereupon. When the matter was listed for admission on 24.09.2026, learned counsel for the appellant circulated a revised computation sheet as to the calculation of the interest under the Act as follows:

Workings for Calculation of interest in terms of Section 50(3) of the CGST Act, 2017 read with Rule 88B(3) of the CGST Rules, 2017

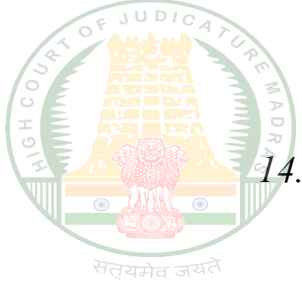
Formula:

Interest = Amount of ITC wrongly availed and utilised X
Rate of Interest X Number of days/365

Note: Number of days = Date of utilization of wrongly
availed input tax credit till the date of reversal of such credit.

APPLICABILITY IN THE PRESENT CASE:

$$\frac{\text{Rs.}48,643 \times 24\% \times 437 \text{ days}}{365} = \text{Rs.}13,977/-$$



Note: 1. Date of utilization of wrongly availed credit = 14.08.2023

2. Date of reversal of such credit = 24.10.2024.

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3. The above computation had not been produced either before the authorities or the Writ Court and the Court had directed the learned Government Advocate appearing for the respondent to obtain instructions on the veracity of the same.

4. Today, we have been furnished with a copy of proceedings in RC.354/2025/A1, dated 28.09.2026, wherein the Assessing Authority has, very fairly, and taking note of the computation supplied by the assessee, revised the interest liability to an amount of Rs.,13,977/- in the following manner:

4. Details of inadvertent errors / omissions or deviations made if any while passing of impugned orders.

1. Whether the base amount of Rs.48,643/-correctly reflects the wrongly availed and utilized ITC.

Yes, The base amount of Rs.48,643/- correctly reflects the wrongly availed and utilized ITC.

2. Whether the date of utilization (14.08.2023) and the date of reversal (24.10.2024) tally with the department's records/ledger.

Yes, The date of utilization (14.08.2023) and the date of reversal (24.10.2024) tally with the department's records/ledger.

3. Whether the computation of Rs.13,977/- is mathematically and factually accurate as per Rule 88B (3).



Yes, The computation of Rs.13,977/- is mathematically and factually accurate as per Rule 88B (3).

With reference to the computation sheet submitted by the appellant before this Hon'ble Court, the interest liability has been re-examined. On re-examination of the assessment order dated 12.02.2025, an inadvertent error was noticed in the original assessment order, wherein interest was calculated from an earlier date instead of the actual date of utilisation of the wrongly availed ITC as prescribed under Rule 88(3). The interest liability has therefore been re-examined and revised based on the actual date of utilisation of the disputed ITC. The revised interest calculation and revised summary, reflecting the corrected interest liability, tax liability and penalty is submitted for consideration and appropriate orders.

Working for Calculation of Interest in terms of Section 50(3) of the CGST Act, 2017 Read with Rule 88B(3) of the CGST Rules, 2017.

Interest is calculated on the wrongly availed and utilised CGST ITC of ₹48,643 at 24% per annum for 437 days, from the actual date of utilisation to the date of payment.

Interest = Amount of ITC wrongly availed and utilised * Rate of Interest * Number of days / 365

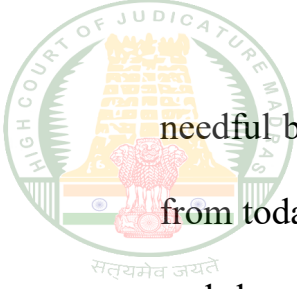
= Rs.48,643/- * 24% * 437 days / 365

= Rs. 13,977/-

Accordingly, the revised interest liability works out to ₹13,977/-.

Sl.No.	Description	SGST	CGST	IGST	CESS	Total
1	Total Tax	0	0	0	0	0
2	Interest	0	13977	0	0	13977
3	Penalty	10000	10000	0	0	20000
	Total	10000	23977	0	0	33977

5. In light of the aforesaid, the assessment order is liable to be modified to the extent of the interest computation and we direct the



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needful be done by the Assessing Authority within a period of one week from today. This would suffice to assuage the grievances of the appellant and learned counsel for the appellant confirms that nothing further survives in this Writ Appeal.

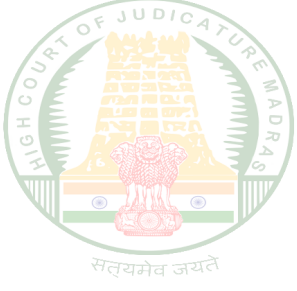
6. If at all any other issue arises, liberty is granted to the appellant to challenge the same by way of statutory appeal/revision, within a period of two (2) weeks from today. Such appeal, if filed, shall be taken on file after ensuring compliance with all statutory conditions barring limitation.

7. We place on record our appreciation to the Assistant Commissioner (ST) Udumalpet (South) Circle, Chithrakoodam, Udumalpet, Tiruppur District for the fair approach adopted in revising the assessment by taking note of the inadvertant error that had occurred at the time of original assessment.

8. This Writ Appeal is closed in terms of this order. No costs. Connected Miscellaneous Petition is also closed.

(A.S.M.,J.) (S.R.K.,J.)
01-10-2026

Index: Yes/No
Speaking order
Neutral Citation: Yes
SL



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Order QR

DR.ANITA SUMANTH J.

AND

S.RAVEEKUMAR J.

SL

To

Assistant Commissioner (ST)
Udumalpet South Assessment Circle,
Tiruppur III, Chithirakudam, Kalpana Road,
Udumalpet 642 126.

WA No. 2960 of 2026
AND
CMP NO. 25950 OF 2026

01-10-2026