

## **HC remanded back the matter as levy of Interest and penalty unjustified where unutilized ITC was reversed**

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### **THE HON'BLE MADRAS HIGH COURT IN THE CASE OF**

**Fairmacs Shipstores Pvt. Ltd. V/s Deputy Commissioner (ST), decided on 12-02.2025**

#### **Issue:**

Is it justified for levy of Interest and penalty on unutilized ITC, where it was reversed?

#### **The Hon'ble High Court Judgement:**

Where assessee had availed credit however did not utilize same and reversed said credit, order passed thereafter imposing interest and penalty was unjustified, therefore, such order was to be set aside and matter was to be remanded to pass fresh orders.

Section 16 of Central Goods and Services Tax Act, 2017