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Many must have faced a situation like me to explain the method of interest calculation to GST officers when they insist to calculate the same on gross amount irrespective of the fact that there is a balance of ITC lying in the electronic credit ledger or an advance payment lying in electronic cash ledger. There was certainly a confusion, although the principles were long back settled, as the Sec. 50 did not have a clear wording to that effect. I have tried to summarise the legal position and the precedence in the following article. What is interest? Interest is charged when there is delay in payment of tax. It is in the nature of compensation to the revenue for the said delay. In *Pratibha Processors v. Union of India*, 1996 (88) E.L.T. 12 (S.C.), (S.C.): (1996) 11 SCC 101, it was held that - In fiscal Statutes, the import of the words — “tax”, “interest&r.....