



W.P(MD)No.26287 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 21.11.2025

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THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN

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&

W.M.P.(MD)No.20444 of 2025

M/s.Sea 6 Energy Private Limited,
Represented by its Director Ms.Srisilaja Nori,
29 Vijayalakshmi Warehouse,
Ayyanadaippu Village,
Madurai Bypass Road,
Tuticorin 628 101.

... Petitioner

Vs.

Assistant Commissioner of Central Taxes,
C-50 SIPCOT Industrial Complex,
Tuticorin 628 008.

... Respondent

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, quashing the impugned order in form GST-RFD 6 Dated 24.06.2025 passed by the respondent as the same being contrary to the provisions of Section 54 of the CGST Act, Section 16 of the IGST Act and Rule 89(4) of the CGST Rules and also in contravention of articles 14, 19(1)(g) and 265 of the Constitution and direct the respondent to sanction the refund as claimed by the petitioner.



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For Petitioner : Mr.G.Natarajan

For Respondent : Mr.R.Gowri Shankar
Standing Counsel

ORDER

Heard both sides.

2. The petitioner is a company engaged in the manufacture and sale of biostimulants and potash. It is a seasonal industry. The petitioner is eligible for refund of the accumulated ITC on account of export of the zero rated goods. The petitioner made such claim for the month of March 2025. The petitioner's claim was partially allowed. Aggrieved by the order dated 24.06.2025, the present writ petition has been filed.

3. The learned counsel for the petitioner reiterated all the contentions set out in the affidavit filed in support of the writ petition and called upon this Court to set aside the impugned order and grant relief as prayed for.

4. The respondent has filed a detailed counter affidavit and the learned standing counsel took me through its contents.



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5. I carefully considered the rival contentions and went through the materials on record. Rule 89 Sub Rule (4) of CGST Rules provides for granting refund of input tax credit. Formula reads as under:-

(Turnover of zero-rated supply of goods + Turnover of
zero-rated x supply of services)

$$\text{Refund Amount} = \frac{\text{Net ITC} \times \text{Adjusted Total Turnover}}{\text{Adjusted Total Turnover}}$$

Where, -

(A) "Refund amount" means the maximum refund that is admissible;

(B) "Net ITC" means input tax credit availed on inputs and input services during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both;

[(C) -Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking or the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, whichever is less, other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both;]

186 (D) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:- Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;



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[(E) -Adjusted Total Turnover? means the sum total of the value of-

(a) the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the turnover of services; and

(b) the turnover of zero-rated supply of services determined in terms of clause (D) above and non-zero-rated supply of services, excluding-

(i) the value of exempt supplies other than zero-rated supplies; and

(ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any, during the relevant period.‘]187

(F) -Relevant period? means the period for which the claim has been filed.

6. The expression “relevant period” is found in the definition of each of the terms found in the formula. I am, therefore, of the view that this expression should also be uniformly construed the board. The petitioner wants me to construe the expression “relevant period” as March as far as the turn over is concerned. However, when it comes to net ITC, he wants me to hold that the petitioner is entitled to full ITC accumulated around the year but availed in March. Such an approach does not appear to be appropriate. The petitioner has to understand and apply the expression “relevant period” consistently in respect of all the terms including ITC as well as turn over and also the adjusted turn over. Since the petitioner has been labouring under a misconception, I permit the petitioner to make a fresh application to the respondents. I make it clear that the following formula will be applied.



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(Turnover of zero-rated supply of goods + Turnover of
zero-rated x supply of services)

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Refund Amount = Net ITC X

Adjusted Total Turnover

7. Upon such application submitted by the writ petitioner, the respondent will apply formula as mentioned above and if any further amount is payable to the petitioner, the same shall be paid within a period of eight weeks thereafter. Since the portal may not accept a fresh application, the petitioner is permitted to submit a manual application. The Writ Petition is disposed of accordingly. No costs. Consequently, connected miscellaneous petition is closed.

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