BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED :**17.12.2025**

CORAM:

THE HONOURABLE MR.JUSTICE KRISHNAN RAMASAMY

W.P(MD)No. 36016 of 2025
and W.M.P.(MD) Nos.28621 & 28623 of 2025

Tvl. Sri Annai Agro Foods,
rep by it partner K.Selvaganesh ... Petitioner

Vs

The Assistant Commissioner (ST) -II,
Virudhunagar. ... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorari to call for the records of the respondent in GSTIN 33AEKFS5589J1ZC/2021-22 dated 28.05.2025 and the Form GST DRC-07 issued in Reference No ZD3305253185893 dated 29/05/2025 uploaded in the portal and quash the same as without authority of Law and against the Principles of Natural Justice.

For Petitioner : Mr. A.Chandra Sekaran

For Respondent : Mr.R.Suresh Kumar
Additional Government Pleader

O R D E R

The challenge was made against the levy of late fee and penalty for the delay in filing annual return for the financial year 2021-22.

2. When this Writ Petition is taken up for hearing, the learned counsel for the petitioner would submit that the issue involved in the present Writ Petition, has been squarely covered by the order of this Court, dated 04.02.2025 passed in W.P.No.36614 of 2024, wherein, this Court has held that the general penalty of Rs.50,000/- towards CGST and SGST is not correct and set aside the same. Therefore, he would submit that the above said order will hold good for the present Writ Petition also and hence, prayed to set aside the general penalty imposed by the respondent.

3. As far as late fee is concerned, he would submit that the provisions of Section 47(2) of GST Act, 2017, mandates the authorities to collect the late fee at Rs.100/- per day, subject to the maximum of 0.25% of the total turnover of the relevant financial year. However, in

this case, in total non-application of mind, the respondent had collected the late fee to the extent of 0.75% of the annual turnover of the petitioner, which is contrary to the provisions of Section 47(2) of the GST Act, 2017 and thus, he requests this Court to set aside the impugned order passed by the respondent.

4. In reply, the learned Additional Government Pleader appearing for the respondents would fairly accede to the submissions made by the petitioner.

5. Heard the learned counsel for the petitioner and the learned Additional Government Pleader appearing for the respondent and also perused the entire materials available on record.

6. In the case on hand, the main grievance of the petitioner is with regard to the levy of late fee and penalty by the respondent for the delay in filing annual return for the financial year 2021-22

7. As far as levy of penalty is concerned, as submitted by the petitioner, the said issue was already dealt with by this Court vide the order dated 04.02.2025 passed in W.P.No.36614 of 2024, wherein, it was held that the general penalty of Rs.50,000/- towards CGST and SGST is not correct and set aside the same.

8. As far as the late fee is concerned, according to the petitioner, it was not collected in accordance in the provisions of Section 47(2) of the GST Act. The said submission was also acceded by the respondent.

9. Therefore, considering the submissions made by the petitioner and in view of the order dated 04.02.2025 passed in W.P.No. 36614 of 2024, this Court passes the following order:

> (i) The impugned assessment order dated 28.05.2025 and the summary order dated 29.05.2025 are quashed to the extent of imposition of general penalty of a sum of Rs.50,000/-.
>
> (ii) As far as the imposition of late fee is concerned, the same is set aside and the matter is

remanded back to the respondent for fresh consideration.

(iii) Considering the fact that the impugned order itself has been set aside, this Court is of the opinion that the attachment made on the bank account of the petitioner cannot survive any longer and hence, it is to be lifted. As a sequel, the respondent is directed to instruct the concerned Bank to release the attachment, and de-freeze the bank account of the petitioner, immediately upon the production of a copy of this order.

10. With the above directions, this writ petition is disposed of. No costs. Consequently, the connected miscellaneous petitions are also closed.

17.12.2025

NCS : Yes/No
Index : Yes / No
Internet : Yes / No
apd/nsa

KRISHNAN RAMASAMY.,J.

apd/nsa

To
The Assistant Commissioner (ST) -II,
Virudhunagar.

ORDER MADE IN

W.P(MD)No. 36016 of 2025

17.12.2025