IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 28.01.2026

CORAM

**THE HONOURABLE MR.JUSTICE C.SARAVANAN**

W.P.No.7481 of 2025
and
W.M.P.No.8375 of 2025

Mill Tech CNC Application,
Rep by its Proprietor
Mr. Raman Muthukaruppan
Zuzuvadi, Hosur,
Krishnagiri District – 635 126. ... Petitioner

Vs.

Additional Commissioner (Appeals),
Office of the Commissioner GST & Central Excise (Appeals)
Coimbatore Circuit Office, Salem.
No.1 Foulks Compound, Anai Road,
Salem – 636001. ... Respondent

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records of the Respondent's order dated 31.05.2024 passed in Order-in-Appeal No. SLM-CGST-ADC-APP-71/2024 and quash the same.

For Petitioner : Mr.Adithya Reddy

For Respondent : Mr.K.S.Ramaswamy
Senior Standing Counsel

**ORDER**

The petitioner is before this Court against the impugned Order-In-Appeal No. SLM-CGST-ADC-APP-71/2024 dated 31.05.2024 passed by the respondent.

2. By the impugned order, the petitioner's appeal against the Order-in-Original No.01/2023-GST (SUPDT) dated 24.01.2023 has been rejected by upholding the said Order-in-Original No.01/2023-GST (SUPDT).

3. The discussion in the impugned order is no longer relevant in view of the admitted position that the petitioner had not only discharged part of the tax liability even prior to the passing of the Assessment Order-in-Original No.01/2023-GST (SUPDT), but had also admitted and paid the balance tax liability of Rs.6,30,946 (18,42,844 – 12,11,898).

4. Operative portion of the Assessment Order-in-Original No.01/2023-

GST (SUPDT) dated 24.01.2023 which is challenged before the respondent is reproduced below:

> "(i) *I hold that provisions of section 74 of Central Goods and Services Tax Act,2017/Tamil Nadu Goods and Services Tax Act, 2017 are invokable in this case to demand the GST from M/s. Mill Tech CNC Application, at Plot No.2. 213/B1, Lingappa Thottam, Zuzuvadi, Hosur, Krishnagiri, Tamil Nadu, 635126;*
>
> *(ii) I confirm demand of* ***Rs.9,21,422/-*** *(Rupees Nine Lakhs Twenty One Thousand Four Hundred and Twenty Two only) towards non-payment of fraudulent/undue Input Tax Credit availed in CGST on account of bogus/fake invoices received from the non-existent firms for the period from January-2019 to November-2019 from M/s. Mill Tech CNC Application, at Plot No.2. 213/B1, Lingappa Thottam, Zuzuvadi, Hosur, Krishnagiri, Tamil Nadu, 635126 under sub-section (1) of Section 74 of Central Goods and Services Tax Act, 2017;*
>
> *(iii) I confirm demand of* ***Rs.9,21,422/-*** *(Rupees Nine Lakhs Twenty One Thousand Four Hundred and Twenty Two only) towards non-payment of fraudulent/undue Input Tax Credit availed in CGST on account of bogus/fake invoices received from the non-existent firms for the period from January-2019 to November-2019 under sub-section (1) of Section 74 of Tamil Nadu Goods and Services Tax (TNGST), 2017;*
>
> *(iv) I order for appropriation of* ***Rs.5,95,949/-*** *(Rupees Five Lakhs Ninety Five Thousand Nine Hundred Forty Nine only) paid by M/s. Mill Tech CNC Application, at Plot No. 2. 213/B1, Lingappa Thottam, Zuzuvadi, Hosur, Krishnagiri, Tamil Nadu, 635126 by credit & cash, towards Central Goods and Services Tax (CGST) demand confirmed at sl.no.(ii) above;*
>
> *(v) I order for appropriation of* ***Rs.6,15,949/-*** *(Rupees Six Lakhs Fifteen Thousand Nine Hundred Forty Nine only) paid by M/s. Mill Tech CNC Application, at Plot No. 2. 213/B1, Lingappa*

*Thottam, Zuzuvadi, Hosur, Krishnagiri, Tamil Nadu, 635126 by credit & cash, towards Tamil Nadu Goods and Services Tax (TNGST), 2017 demand confirmed at sl.no.(iii) above;*

*(vi) I confirm demand of appropriate* ***interest*** *under section 50(3) of Central Goods and Services Tax Act, 2017 from Mill Tech CNC Application, at Plot No. 2. 213/B1, Lingappa Thottam, Zuzuvadi, Hosur, Krishnagiri, Tamil Nadu, 635126 on the demand confirmed at sl.no. (ii) above;*

*(vii) I confirm demand of appropriate* ***interest*** *under section 50(3) of Tamil Nadu Goods and Services Tax (TNGST), 2017 from Mill Tech CNC Application, at Plot No. 2. 213/B1, Lingappa Thottam, Zuzuvadi, Hosur, Krishnagiri, Tamil Nadu, 635126 on the demand confirmed at sl.no. (iii) above;*

*(viii) I impose a penalty of* ***Rs.9,21,422/-*** *(Rupees Nine Lakhs Twenty One Thousand Four Hundred and Twenty Two only), equivalent to the amount confirmed at sl.no. (ii) above, on Mill Tech CNC Application, at Plot No. 2. 213/B1, Lingappa Thottam, Zuzuvadi, Hosur, Krishnagiri, Tamil Nadu, 635126, under Section 122(1)(vii), Section 122(1)(x), Section 122(1)(xvi) and Section 122(2)(b) read with Section 74(1) of Central Goods and Services Tax Act, 2017;*

*(ix) I impose a penalty of* ***Rs.9,21,422/-*** *(Rupees Nine Lakhs Twenty One Thousand Four Hundred and Twenty Two only), equivalent to the amount confirmed at sl.no. (iii) above, on M/s Mill Tech CNC Application, at Plot. No. 2. 213/B1, Lingappa Thottam, Zuzuvadi, Hosur, Krishnagiri, Tamil Nadu, 635126, under Section 122(1)(vii), Section 122(1)(x), Section 122(1)(xvi) and Section 122(2)(b) read with Section 74(1) of Tamil Nadu Goods and Services Tax Act, 2017;*

5. Thus, the only issues before this Court are relating to interest under Section 50(3) of CGST and TNGST Acts, 2017 and penalties under Sections

122(1)(vii), Section 122(1)(x), Section 122(1)(xvi) and Section 122(2)(b) read with Section 74(1) of the respective GST Enactment, 2017.

6. As per the scheme of Section 74(5) of the respective GST Enactments, a person chargeable with tax may, before service of notice under sub-section (1), can pay the amount of tax along with interest payable under Section 50 and a penalty equivalent to 15% of such tax on the basis of his own ascertainment or the tax as ascertained by the proper officer, and inform the proper officer in writing of such payment.

7. As per sub-section (6) of Section 74 of the respective GST Enactments, the proper officer, upon receipt of such information regarding payment, is not required to serve any notice under sub-section (1) in respect of the tax paid or penalty payable under the provisions of this Act or the rules made thereunder.

8. As per sub-section (8) of Section 74 of the respective GST Enactments, if a person chargeable to tax under sub-section (1) pays the tax, interest under Section 50, and a penalty of 25% of the tax within 30 days of the notice, all proceedings for that notice shall be deemed to be concluded.

9. In this case, a person neither opts for the benefit of Section 74(6) nor Section 74(8), such a person can opt for the benefit of Section 74(11) of the respective GST enactment. Therefore, the challenge to the Order-in-Original No.01/2023-GST (SUPDT) dated 24.01.2023, which was rejected by the impugned Order-In-Appeal No. SLM-CGST-ADC-APP-71/2024 dated 31.05.2024, does not merit any interference.

10. At best, the petitioner can seek a remedy under Section 80 of the Act, if the petitioner is otherwise entitled to. In otherwise, the petitioner can request to pay the balance in installment, subject to availability.

11. In view thereof, the impugned order does not merit any interference. However, liberty is given to the petitioner to approach the respondent / competent authority under Section 80 to discharge the balance liability in installments, if available.

12. This Writ Petition is disposed of with the above liberty. Consequently, the connected miscellaneous petition is closed. No costs.

28.01.2026

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Neutral Citation : Yes / No

To

The Additional Commissioner (Appeals),
Office of the Commissioner GST & Central Excise (Appeals)
Coimbatore Circuit Office, Salem.
No.1 Foulks Compound, Anai Road,
Salem – 636001.

**C.SARAVANAN, J.**

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