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W.P.No.26246 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	26.11.2025
Pronounced on	08.06.2026

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.26246 of 2024
and
W.M.P.No.28670 of 2024

Tvl.Noyyal Common Effluent Treatment
Company Limited,
Represented by its Managing Director

... Petitioner

Vs.

The Assistant Commissioner (ST),
Tirupur Central-1 Circle,
Tirupur-II.

... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records relating to impugned order in Reference No.ZD330524333339F dated 31.05.2024 passed by the Respondent and quash the same.

For Petitioner : Mr.T.Ramesh

For Respondent : Mr.V.Prashanth Kiran
Government Advocate



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ORDER

WEB COPY This case was heard along with a batch of 250

Writ Petitions and as one of the 53 Writ Petitions which were finally heard on the larger issue regarding the challenge to the proceedings under Section 74 of the respective GST Enactments.

2. By a Common Order today in **W.P.No.2142 of 2026 [Turbo Energy Private Limited]**, **W.P.Nos.35967, 35970, 35974 and 35976 of 2024 [Fastenex Private Limited]** and **W.P.Nos.14487, 14492 and 14500 of 2025 [Ispahani Estates Private Limited]**, a detailed order has been passed insofar as the invocation of extended period of limitation under Section 74 of the respective GST Enactments.

3. In this Writ Petition, the Petitioner has challenged the Impugned Order dated 31.05.2024 whereby the proposal in the Show Cause Notice in GST DRC-01 dated 28.03.2024 has been confirmed.

4. By the Impugned Order, the Petitioner has been imposed with interest liability of Rs.72,25,154/- on the belated payment of tax for the Tax Period 2017-2018.



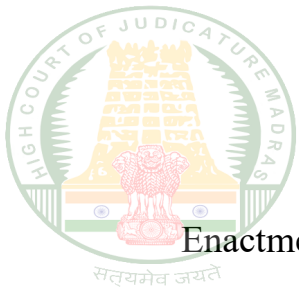
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WEB COPY 5. Earlier, the Petitioner was issued with an Intimation in GST DRC-01A dated 28.07.2020. Pursuant to the aforesaid Intimation, the Petitioner has paid the tax due for the following Tax Period on various dates:-

Sl. No.	DRC-03 ARN	DRC-03 FILED DATE	SGST PAID IN DRC-03	CGST PAID IN DRC -03	TOTAL
1.	AD331120007198O	26-11-2020	1250000	1250000	2500000
2.	AD331220001623Z	04-12-2020	1900000	1900000	3800000
3.	AD330721003225Q	14-07-2021	1948500	1948500	3897000
4.	AD330721001236N	14-07-2021	250000	250000	500000
5.	AD330921006877Y	28-09-2021	2185	2185	4370
6.	AD3301220039461	11-01-2022	2020717	2020717	4041434
			7371402	7371402	14742804

6. The Petitioner had earlier discharged the tax liability at 5% and on being pointed out that the Petitioner was liable to pay tax at 18%, the Petitioner has paid differential tax on the dates mentioned above.

7. The case of the Petitioner is that the Petitioner has promptly paid the tax due after the mistake was pointed out by the Department vide Notice / Intimation in GST DRC-01A dated 28.07.2020. Hence, it is submitted that the proposal in Notice issued under Section 74 of the respective GST



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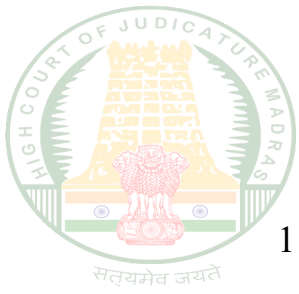
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Enactments which stand confirmed vide the Impugned Order is without any merits.

8. It is submitted that since Section 74 of the respective GST Enactments has been wrongly invoked against the Petitioner, the Petitioner has been disentitled to amnesty under Section 128-A of the respective GST Enactments on the Notification issued thereunder.

9. Defending the Impugned Order, the learned Government Advocate for the Respondent would submit that neither the Detailed Show Cause Notice issued along with summary of the Show Cause Notice in GST DRC-01 dated 28.03.2024 nor the Detailed Order dated 31.05.2024 issued along with the summary of the Order in GST DRC-01 has invoked Section 74 of the respective GST Enactments.

10. It is submitted that only in the summary of the Show Cause Notice in GST DRC-01 dated 28.03.2024 and in the summary of the Order dated 31.05.2024 in GST DRC-07, a reference has been made to Section 74 of the respective GST Enactments.



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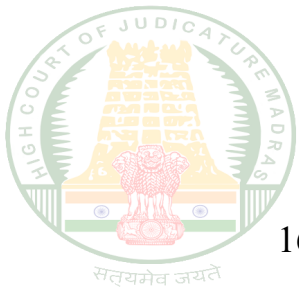
11. It is submitted that since the tax was not paid in time, Notice in GST DRC-01A dated 28.07.2020 was issued pursuant to which on the date mentioned above, the tax was paid by the Petitioner and therefore interest under Section 50(1) of the respective GST Enactments has to follow.

12. It is submitted that this case was outside the purview of the batch and therefore this Writ Petition is liable to be dismissed. It is further submitted that at best the Petitioner has an alternative remedy.

13. By way of rejoinder, the learned counsel for the Petitioner would submit that if Section 73 / Section 74 were not invocable, then there is no scope for recovering the interest from the Petitioner.

14. The learned counsel for the Petitioner placed reliance on the decision of the Division Bench of this Court in **Eternit Everest Limited Vs. Union of India**, (1997) 89 ELT 28.

15. I have considered the arguments advanced by the learned counsel for the Petitioner and the learned Government Advocate for the Respondent.



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16. Both Section 73 and Section 74 of the respective GST Enactments constitute a complete code for the circumstances specified therein along with Section 75(12) read with Section 79 of the respective GST Enactments. In this case, admittedly the dispute pertains to the Tax Period 2017-2018. The Petitioner has paid the tax belatedly only after the Department pointed out the same.

17. By letter dated 12.04.2024, the Petitioner has also stated that the Petitioner will pay the interest arrears in 5 installments.

18. The Petitioner is statutorily required to not only pay the tax but also interest under Section 50(1) of the respective GST Enactments together with penalty at the rates specified therein on account of built-in amnesty under both Section 73 and Section 74 of the respective GST Enactments.

19. A reading of the Impugned Order reveals that not only intimation in GST DRC-01A was issued on 28.07.2020 for the Tax Period 2017-2018 but also a Show Cause Notice along with Summary of Show Cause Notice in GST DRC-01 was issued on 28.03.2024, after the tax was paid by the Petitioner on the dates mentioned above.



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WEB COPY 20. Section 75(12) of the respective GST Enactments contemplates that notwithstanding anything contained in Section 73 or Section 74 or Section 74A of the respective GST Enactments, where any amount of self-assessed tax in accordance with the return furnished under Section 39 of the respective GST Enactments remains unpaid, either wholly or partly, or any amount of interest payable on such tax remains unpaid, the same shall be recovered under the provisions of Section 79 of the respective GST Enactments.

21. Further, as per Explanation to Section 75(12) of the respective GST Enactments inserted with effect from 01.01.2022 vide Notification No.39/2021-Central Tax, dated 21.12.2021 also it is clear that the expression “self-assessed tax” shall include the tax payable in respect of details of outward supplies furnished under Section 37, but not included in the return furnished under Section 39 of the respective GST Enactments.

22. Thus, the impugned recovery proceedings would be justifiable under Section 75(9) of the respective GST Enactments.



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WEB COPY 23. In any event, the Petitioner would have been required to pay interest in terms of Section 50 read with Section 75(12) read with Section 79 of the respective GST Enactments.

24. That apart, the Petitioner has to pay interest on belated payment of tax as required under Section 50 of the respective GST Enactments together with penalty under Section 73 or under Section 74 of the respective GST Enactments as the case may be which has not been paid or deliberately paid. Therefore, it has to be held that the proceedings under Section 74 of the respective GST Enactments was maintainable.

25. This is in view of the Common Order passed in the batch today by a separate order, wherein it has been explained in detail that the threshold for invoking the extended period of limitation under Section 74 of the respective GST Enactments is much lower compared to the earlier Indirect Tax Legislations.

26. Therefore, there is no merits in the challenge to the impugned recovery proceedings merely because summary of the Show Cause Notice in



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27. However, considering the fact that the Petitioner is a Company indulged in treatment of effluents discharged from dyeing units, I am inclined to remit the case back to the Respondent to reconsider the reply and pass a fresh order within a period of three (3) months from the date of receipt of a copy of this order.

28. This Writ Petition is disposed of with the above observations. No costs. Connected Writ Miscellaneous Petition is closed.

08.06.2026

Neutral Citation : Yes / No

gv/arb

To

The Assistant Commissioner (ST),
Tirupur Central-1 Circle,
Tirupur-II.



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C.SARAVANAN, J.

gv/arb

Pre-delivery Order in W.P.No.26246 of 2024

08.06.2026