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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15-04-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 13628 of 2026 & WMP.No.14908 of 2026

The Head Post Office Puducherry
Rep by its Authorised Signatory,
Mr N Karunakaran
Pondicherry Head Post Office,
Pondicheny -605 001

..Petitioner(s)

Vs

The Superintendent of Central Tax
Department of Revenue Office of the
Superintendent of GST and Central Excise,
RANGE IA , Puducherry,
No. 48/I, IInd Floor, Aziz nagar,
Reddiarpalayam,
Puducherry 605 010

..Respondent(s)

Prayer : Writ Petition filed under Article 226 of Constitution of India for issuance of writ of certiorari to call for the records of the respondent relating to the impugned order, Order-in- Original No. 3 of 2024-GST R-IA dated 14.10.2024 passed by the Respondent and quash the same.

For Petitioner(s): Dr.S.Padma

For Respondent(s): Mrs.Revathi Manivannan
Senior Standing Counsel

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ORDER

Mrs.Revathi Manivannan learned Senior Standing Counsel takes notice for the Respondent.

2. This Writ Petition is being disposed of at the stage of admission itself with the consent of the learned counsel for the Petitioner and the learned Government Advocate for the Respondent.

3. The petitioner is before this Court against the impugned Order in Original No.3 of 2024-GST R-1A dated 14.10.2024 whereby a proposal in show cause notice No. 07 of 2024-25-ECM dated 02.08.2024 has been confirmed by the impugned Order.

4. The proposal in aforesaid show cause notice has been confirmed and amount has been paid by the petitioner on 24.04.2024 for the disputed tax period.

5. The petitioner has however, has not paid interest and penalty under section 50[1]. The impugned Order also records that out of interest of Rs.5.53.274/- a sum of Rs.4,66,424/- was paid by the petitioner on 01.08.2024

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and the aforesaid amount has also been adjusted towards interest liability of the petitioner.

6. The impugned Order has imposed penalty under section 74 of the respective GST Act for the amount of tax that was due and payable by the petitioner for the tax period. The operative portion of the impugned Order reads as follows :

> *"In view of foregoing, I pass the following order :*
>
> *[a] I confirm the demand of an amount of Rs.9,57,400/- [IGST Rs.1,58,420/-, CGST Rs.3,99,490/- & SGST Rs.3,99,490/-] being the non-paid GST amount on receipt of default fee from customers on delayed payment of PLI and RPLI for the period from 01.07.2017 to 31.12.2020 under section 74[1] of CGST Act. 2017;*
>
> *[b] I appropriate the amount of Rs.9,56,967/- [IGST Rs.1,58,069/-, CGST Rs.3,99,449/- & SGST Rs.3,99,449/-] paid vide DRC-03 ARN No.AD340424000585F dated 20.04.2024 against the demand made in clause [a] above.*
>
> *[c] I appropriate the amount of Rs.433/- [IGST Rs.351/- and CGST Rs.41/- and SGSGT Rs.41/-] paid through GSTR 3B in the month of December 2023 against the demand made at Clause [a] above.*
>
> *[d] I confirm the demand of interest of Rs.5,53,274/- [IGST Rs.86,850/-, CGST Rs.2,33,212/- and SGST Rs.2,33,212/-] as quantified in para 4 under section 50[1] of the CGST Act, 2017 for the amount demanded in Clause [a].*
>
> *[e] I appropriate the interest amount of Rs.4,66,424/- [CGST Rs.2,33,212/- and SGST Rs.2,33,212/-] paid vide DRC-03 ARN No.AD340824000008] dated 01.08.2024 against the demand of interest in clause [d] above.*
>
> *[f] I impose a penalty of Rs.9,57,400/- [IGST Rs.1,58,420/-, CGST Rs.3,99,490/- & SCGST Rs.3,99,490/-] under section 74[1], subject to provisions of Section 74[11] and to be read with Section 122[2][b] of the CGST Act, 2017."*

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7. The learned counsel for the petitioner drew attention of this Court to the letter issued by the General Manager [Finance] issued by the Heads of Circle dated 22.03.2024 whereby, it is informed as under :-

> *"This is regarding guidelines / directions sought by various circles for the payment of GST on late Fees/Default fees/interest collected on delayed payment of PLI/RPLI premia w.e.f. 1st July 2017.*
>
> *It is to intimate that audit has raised objections in different Circles and in this Directorate for the non-payment of GST on the subject cited above.*
>
> *In view of the above, a detailed accounting procedure is enclosed for smooth payment of due GST.*
>
> *Therefore, it is kindly requested to issue necessary instructions to the concerned DDOs to ensure that the payment of GST on Late Fees/ Default fees / interest collected on delayed payment of PLI/ RPLI premia w.e.f. 1st July 2017 along with applicable interest has been made to the GST authorities and appropriate return has been filed."*

8. The learned counsel for the petitioner submits that the petitioner is a Government of India establishment under the Department of Posts and is engaged in providing postal services across the country under various schemes and as such, it is incorrect to infer that the petitioner is liable to pay interest and / or penalty and therefore, issuance of notification for penalty under section 75 is unjustified.

9. That apart, it is submitted that the petitioner discharged entire dues mentioned above and there is no justification in imposing of interest or penalty

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and also that amount is yet to be recovered from the customer to whom services has been provided by the petitioner. Therefore, the petitioner need not pay the penalty.

10. The learned counsel appearing for the respondent would submit that as per Section 74 of respective GST Enactments interest and penalty has been imposed and since the petitioner has not paid the tax, the petitioner is required to discharge the tax liability on the value of supply made then and there as per the claim. Therefore, failure to pay the tax not only would direct interest under section 50[1] respective GST Enactments, but also penalty.

11. Considering the fact that the petitioner is a Government establishment under the Department of Posts, I am inclined to remit the case back to the respondent to examine whether there was any justification in invocation of extended period of limitation by exercising power similar to the power vested with the Appellate authority, Tribunal or Court under section 75[2] in so far as imposition of penalty alone. The matter is remitted only for the above exercise.

12 This Writ Petition stands disposed of with the above observations. No costs. Connected miscellaneous petition is closed.

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Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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To
The Superintendent of Central Tax
Department of Revenue Office of the
Superintendent of GST and Central Excise,
RANGE IA , Puducherry,
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C.SARAVANAN, J.

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