

W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

WEB COPY

DATED : 18.02.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

and

W.M.P.Nos.2862, 2864, 2869, 2870, 2871, 2872, 3257, 3258, 3273,
3274, 3275, 3276, 3343, 3344, 3625, 3626, 3631, 3632, 4393, 4394,
4398, 4399, 4415, 4416, 4559, 4562, 4575, 4580, 4585, 4586, 4589,
4590, 4591, 4594, 4597, 4599, 4677 and 4678 of 2026

W.P.No.2628 of 2026

Tvl.SAM Enterprises,
Represented by its Proprietor
Sathyapriya Sivakumar

... Petitioner

Vs.

The Commercial Tax Officer,
7-Inspection,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

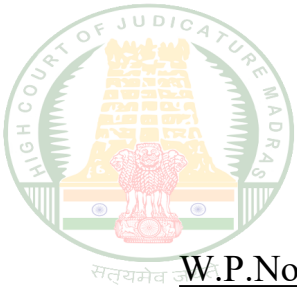
Prayer in W.P.No.2628 of 2026: Writ Petition filed under Article 226 of

the Constitution of India, for issuance of a Writ of Certiorari, to call for

the records pertaining to the impugned Order in Form GST DRC-07

bearing Reference No.ZD331025029438L/2023-2024 dated 06.10.2025

issued by the Respondent and quash the same.



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

W.P.No.2630 of 2026

WEB COPY

Tvl.SAM Enterprises,
Represented by its Proprietor
Sathyapriya Sivakumar

... Petitioner

Vs.

The Commercial Tax Officer,
7-Inspection,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.2630 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025029585K/2024-2025 dated 06.10.2025 issued by the Respondent and quash the same.

W.P.No.2633 of 2026

Tvl.SAM Enterprises,
Represented by its Proprietor
Sathyapriya Sivakumar

... Petitioner

Vs.

The Commercial Tax Officer,
7-Inspection,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

Prayer in W.P.No.2633 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD3310250292222/2022-2023 dated 06.10.2025 issued by the Respondent and quash the same.

W.P.No.2912 of 2026

Tvl.New Life Healthcare Products,
Represented by its Partner
R.C.Venkatachalamurthy

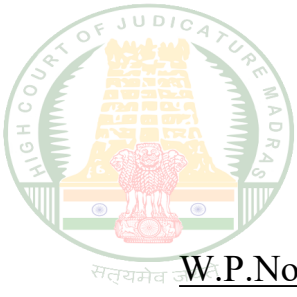
... Petitioner

Vs.

The Commercial Tax Officer,
7-Inspection,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.2912 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025028326T/2024-2025 dated 06.10.2025 issued by the Respondent and quash the same.



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

W.P.No.2925 of 2026

WEB COPY

Tvl.New Life Healthcare Products,
Represented by its Partner
R.C.Venkatachalamurthy

... Petitioner

Vs.

The Commercial Tax Officer,
7-Inspection,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.2925 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD3310250281605/2023-2024 dated 06.10.2025 issued by the Respondent and quash the same.

W.P.No.2927 of 2026

Tvl.New Life Healthcare Products,
Represented by its Partner
R.C.Venkatachalamurthy

... Petitioner

Vs.

The Commercial Tax Officer,
7-Inspection,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

Prayer in W.P.No.2927 of 2026: Writ Petition filed under Article 226 of

the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025027466O/2021-2022 dated 06.10.2025 issued by the Respondent and quash the same.

W.P.No.2982 of 2026

Tvl.New Life Healthcare Products,
Represented by its Partner
R.C.Venkatachalamurthy

... Petitioner

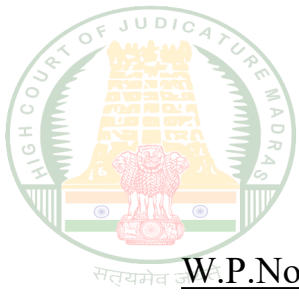
Vs.

The Commercial Tax Officer,
7-Inspection,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.2982 of 2026: Writ Petition filed under Article 226 of

the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD3310250279896/2022-2023 dated 06.10.2025 issued by the Respondent and quash the same.



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

W.P.No.3206 of 2026

WEB COPY

Tvl.Infix Global Healthcare LLP,
Represented by its Partner
Renuga

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 4,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.3206 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025108717N/2023-2024 dated 13.10.2025 issued by the Respondent and quash the same.

W.P.No.3211 of 2026

Tvl.Infix Global Healthcare LLP,
Represented by its Partner
Renuga

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 4,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

Prayer in W.P.No.3211 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD3310251131247/2024-2025 dated 13.10.2025 issued by the Respondent and quash the same.

W.P.No.3949 of 2026

Tvl.M.S.Global Health Care,
Represented by its Partner
Rajkamal

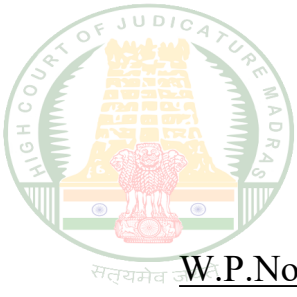
... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 1,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.3949 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025093608C/2023-2024 dated 10.10.2025 issued by the Respondent and quash the same.



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

W.P.No.3953 of 2026

WEB COPY

Tvl.M.S.Global Health Care,
Represented by its Partner
Rajkamal

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 3,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.3953 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025093395F/2022-2023 dated 10.10.2025 issued by the Respondent and quash the same.

W.P.No.3963 of 2026

Tvl.M.S.Global Health Care,
Represented by its Partner
Rajkamal

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 3,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

Prayer in W.P.No.3963 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025092904F/2020-2021 dated 10.10.2025 issued by the Respondent and quash the same.

W.P.No.4088 of 2026

Tvl.Sri Sana Enterprises,
Represented by its Partner
S.V.Sarmila

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 4,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.4088 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD3310252302730/2021-2022 dated 23.10.2025 issued by the Respondent and quash the same.



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

W.P.No.4097 of 2026

WEB COPY

Tvl.Sri Sana Enterprises,
Represented by its Partner
S.V.Sarmila

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 4,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.4097 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025232088R/2022-2023 dated 23.10.2025 issued by the Respondent and quash the same.

W.P.No.4101 of 2026

Tvl.Sri Sana Enterprises,
Represented by its Partner
S.V.Sarmila

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 4,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

Prayer in W.P.No.4101 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD3310252343031/2024-2025 dated 23.10.2025 issued by the Respondent and quash the same.

W.P.No.4107 of 2026

Tvl.Q-Tech Surgical Products,
Represented by its Partner
C.Lydia

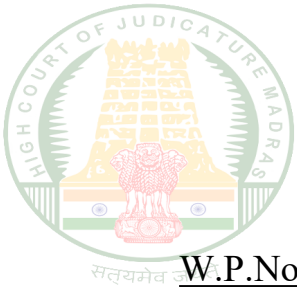
... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 4,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.4107 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD3310251721660/2023-2024 dated 17.10.2025 issued by the Respondent and quash the same.



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

W.P.No.4113 of 2026

WEB COPY

Tvl.Q-Tech Surgical Products,
Represented by its Partner
C.Lydia

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 4,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.4113 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025180327M/2024-2025 dated 17.10.2025 issued by the Respondent and quash the same.

W.P.No.4117 of 2026

Tvl.Q-Tech Surgical Products,
Represented by its Partner
C.Lydia

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 4,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

Prayer in W.P.No.4117 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD3310251709991/2022-2023 dated 16.10.2025 issued by the Respondent and quash the same.

W.P.No.4191 of 2026

Tvl.M.S.Global Health Care,
Represented by its Partner
Rajkamal

... Petitioner

Vs.

The Commercial Tax Officer,
Roving Squad 3,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.

... Respondent

Prayer in W.P.No.4191 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned Order in Form GST DRC-07 bearing Reference No.ZD331025093141W/2021-2022 dated 10.10.2025 issued by the Respondent and quash the same.



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

In W.P.Nos.2628, 2630, 2633, 4191, 3953 and 3949 of 2026

For Petitioners : Mr.S.Durairaj
(In all W.Ps)

For Respondent : Ms.Amirtha Poonkodi Dinakaran
(In all W.Ps) Government Advocate

In W.P.Nos.3206, 3211, 4088, 4101 and 4097 of 2026

For Petitioners : Mr.S.Durairaj
(In all W.Ps)

For Respondent : Mr.C.Harsharaj
(In all W.Ps) Special Government Pleader

In W.P.Nos.4107, 4113, 4117 and 3963 of 2026

For Petitioners : Mr.S.Durairaj
(In all W.Ps)

For Respondent : Mrs.P.Selvi
(In all W.Ps) Government Advocate

In W.P.Nos.2912, 2925, 2927 and 2982 of 2026

For Petitioner : Mr.S.Durairaj
(In all W.Ps)

For Respondent : Mr.V.Prashanth Kiran
(In all W.Ps) Government Advocate



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

COMMON ORDER

WEB COPY

Ms.Amirtha Poonkodi Dinakaran, learned Government Advocate takes notice for the Respondent in W.P.Nos.2628, 2630, 2633, 4191, 3953 and 3949 of 2026, Mr.C.Harsharaj, learned Special Government Pleader takes notice for the Respondent in W.P.Nos.3206, 3211, 4088, 4101 and 4097 of 2026, Mrs.P.Selvi, learned Government Advocate takes notice for the Respondent in W.P.Nos.4107, 4113, 4117 and 3963 of 2026 and Mr.V.Prashanth Kiran, learned Government Advocate takes notice for the Respondent in W.P.Nos.2912, 2925, 2927 and 2982 of 2026.

2. These Writ Petitions are being disposed of at the time of admission with the consent of the learned counsel for the Petitioners, learned Special Government Pleader and the learned Government Advocates for the Respondents.

3. In these Writ Petitions, the respective Petitioners have challenged the respective Assessment Orders in Form GST DRC-07 passed under Section 74 of the respective GST Enactments for the Tax Periods from 2020-2021 to 2024-2025.



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

4. The details of the Writ Petitioners and the impugned Orders

passed for the respective Tax Periods are detailed below:-

Sl. No.	Writ No.	Name of the Writ Petitioner	Tax Period	Date of Impugned Order
1.	2628 of 2026	Tvl.SAM Enterprises	2023-2024	06.10.2025
2.	2630 of 2026	Tvl.SAM Enterprises	2024-2025	06.10.2025
3.	2633 of 2026	Tvl.SAM Enterprises	2022-2023	06.10.2025
4.	2912 of 2026	Tvl.New Life Healthcare Products	2024-2025	06.10.2025
5.	2925 of 2026	Tvl.New Life Healthcare Products	2023-2024	06.10.2025
6.	2927 of 2026	Tvl.New Life Healthcare Products	2021-2022	06.10.2025
7.	2982 of 2026	Tvl.New Life Healthcare Products	2022-2023	06.10.2025
8.	3206 of 2026	Tvl.Infix Global Healthcare LLP	2023-2024	13.10.2025
9.	3211 of 2026	Tvl.Infix Global Healthcare LLP	2024-2025	13.10.2025
10.	3949 of 2026	Tvl.M.S.Global Health Care	2023-2024	10.10.2025
11.	3953 of 2026	Tvl.M.S.Global Health Care	2022-2023	10.10.2025
12.	3963 of 2026	Tvl.M.S.Global Health Care	2020-2021	10.10.2025
13.	4088 of 2026	Tvl.Sri Sana Enterprises	2021-2022	23.10.2025



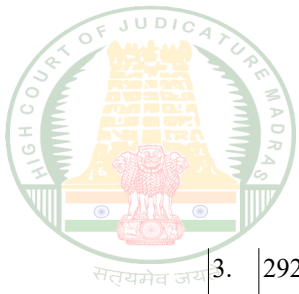
W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

14.	4097 of 2026	Tvl.Sri Enterprises	Sana	2022-2023	23.10.2025
15.	4101 of 2026	Tvl.Sri Enterprises	Sana	2024-2025	23.10.2025
16.	4107 of 2026	Tvl.Q-Tech Products	Surgical	2023-2024	17.10.2025
17.	4113 of 2026	Tvl.Q-Tech Products	Surgical	2024-2025	17.10.2025
18.	4117 of 2026	Tvl.Q-Tech Products	Surgical	2022-2023	16.10.2025
19.	4191 of 2026	Tvl.M.S.Global Health Care	Health	2021-2022	10.10.2025

5. The issue involved in these Writ Petitions pertain to imposition of penalty under Section 122(1)(vii) and Section 122(1)(ii) of the respective GST Enactments on the respective Petitioners, the ineligible Input Tax Credit availed by the respective Petitioners and the alleged fake sales for passing such ineligible Input Tax Credit.

6. By the impugned Orders, the penalty imposed equivalent to the Input Tax Credit availed on circular trading is as detailed below:-

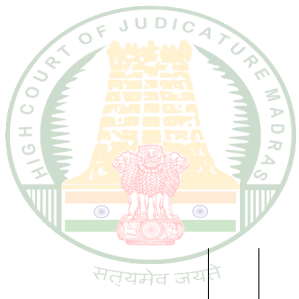
Sl. No.	W.P.No.	Name of the Writ Petitioner	Tax Period	Tax liability	Section 122(1)(vii) Circular Trading Penalty	Section 122(1)(ii) Circular Trading Penalty
1.	2927/2026	New Life Health Care products	2021-2022	0	Rs.2,21,303/-	Rs.2,51,390/-
2.	2982/2026		2022-2023	0	Rs.61,77,750/-	Rs.63,71,278/-



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

3.	2925/2026		2023-2024	0		Rs.91,18,860/-	Rs.88,49,748/-
4.	2912/2026		2024-2025	0		Rs.55,28,204/-	Rs.56,11,642/-
5.	2633/2026	SAM Enterprises	2022-2023	0		Rs.67,50,188/-	Rs.68,67,902/-
6.	2628/2026		2023-2024	Ineligible ITC Tax - Rs.1,09,378/-, Penalty Rs.1,09,378/-		Rs.1,13,69,354/-	Rs.1,15,73,454/-
7.	2630/2026		2024-2025	Section 125 Penalty Rs.50,000/-		Rs.59,77,222/-	Rs.96,44,040/-
8.	4088/2026	Sri Sana Enterprises	2021-2022	Sales Suppression Tax Rs.3,59,234/-, Interest Rs.1,81,762/-, Penalty Rs.3,59,234/-		Rs.3,72,466/-	Rs.89,690/-
9.	4097/2026		2022-2023	Transaction not reported tax Rs.69,178/-, Interest Rs.17,330/-, Penalty Rs.69,178/-		Rs.61,24,868/-	Rs.69,43,502/-
10.	4101/2026		2024-2025	0		Rs.54,14,321/-	Rs.53,68,298/-
11.	3963/2026	M.S.Global Health Care	2020-2021	0	0		Rs.2,30,914/-
12.	4191/2026		2021-2022	0		Rs.3,11,763/-	Rs.3,25,690/-
13.	3953/2026		2022-2023	0		Rs.70,25,004/-	Rs.70,05,392/-
14.	3949/2026		2023-2024	0		Rs.90,52,586/-	Rs.91,23,526/-
15.	3206/2026	Infix Global Healthcare LLP	2023-2024	0		Rs.59,88,980/-	Rs.60,27,310/-
16.	3211/2026		2024-2025	0		Rs.66,65,722/-	Rs.67,32,256/-
17.	4117/2026	Q-Tech Surgical	2022-2023	2A-3B Mismatch		Rs.14,40,140/-	Rs.3,06,25,150/-



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

		Products		Tax Rs.6,08,812/-, Interest Rs.1,96,654/-, Penalty Rs.6,08,812/-		
18.	4107/2026		2023-2024	Ineligible ITC Tax – Rs.50,034/-, Interest Rs.7,130/-, Penalty Rs.50,034/-	Rs.78,72,812/-	0
19.	4113/2026		2024-2025	0	Rs.1,33,68,587/-	0
				Total	Rs.12,34,16,400.9/-	Rs.13,67,85,048/-

7. The case of the Petitioners is that though in the impugned Orders it has been recorded that the respective Petitioners were involved in circular trading and have 1% or less original transactions out of the transactions which were supposed by carried on to portray themselves as genuine tax payers, it has been stated that this is not the case.

8. It is submitted by the learned counsel for the Petitioners that in the impugned Orders it has been recorded that the Petitioners (tax payers) have boosted up their turn over and have billed themselves without any movement of goods and that their aim was to not transfer fake Input Tax Credit but to boost up their business turn over to get bank



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

loans to create an image that they are big players in the medical equipment supply business.

WEB COPY

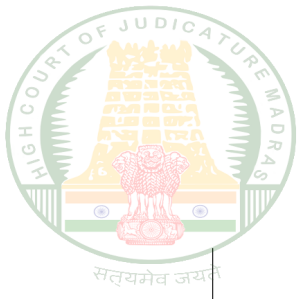
9. Relevant portion from the Order dated 23.10.2025 (wrongly

typed as 23.10.2024) for the Tax Period 2024-2025 in the case of Tvl.Sri

Sana Enterprises was invited. It reads as under:-

“Total Purchase and sales Turnover of suspected tax payers involved in circular trading (Turnover is from period when circular trading was initiated not from the period of registrations for all tax payers except Tvl.Sana Enterprises)”

Tax Payer (Tvl.)	Purchase			Sales		
	Total Turnover	Circular Trading Turnover	CT (%) *	Total Turnover	Circular Trading Turnover	CT (%) *
Q-Tech Surgical Products	60,69,85,014	59,73,98,949	98.4	61,56,22,612	61,25,02,970	99.4
Sana Enterprises	48,62,07,142	47,74,90,999	98.2	49,33,49,598	48,91,05,473	99.1
Med Aid Healthcare	50,24,42,195	50,12,54,958	99.7	42,82,87,058	42,75,91,358	99.8
M.S.Global Health Care	37,85,36,536	37,74,81,894	99.7	38,43,78,733	38,43,78,733	100
New Life Health Care	42,95,56,755	41,51,25,504	96.6	42,16,00,622	42,16,00,622	100
SAM Enterprises	48,38,70,563	48,33,58,801	99.8	56,17,07,864	56,17,07,864	100
Infix Global Health Care LLP	24,56,55,110	24,56,55,110	100	25,51,91,310	25,51,91,310	100



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

3,13,32,53,315	3,09,77,66,215	3,16,01,37,797	3,15,20,78,330	
----------------	----------------	----------------	----------------	--

WEB COPY

(* CT refers to Circular Trading)

The above table shows that the above tax payers are involved in circular trading and has 1% or less original transactions that too were done to portray themselves as genuine tax payers but that is not the case. The above tax payers just to boost up their turnover has billed themselves without any goods movement and their aim is not transfer fake ITC but to boost up their business turnover to get bank loans, to create an image that they are big players in this medical equipment supply business.”

10. Learned counsel for the Petitioners would submit that in terms of Section 122(1) of the respective GST Enactments, the maximum penalty that could have been imposed on the Petitioner could only be restricted to Rs.10,000/- and therefore the impugned Orders imposing aforesaid amount as penalty under Section 122(1)(ii) and Section 122(1)(vii) of the respective GST Enactments on the respective Petitioners is unjustified.

11. In this connection, the learned counsel for the Petitioners has drawn the attention of this Court to few decisions of the Hon'ble Supreme Court rendered in the context of punishment under the labour



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

law jurisprudence, service law jurisprudence to state that imposition of penalty should be in proportion with the gravity of offence by applying the doctrine of proportionality. A reference is made to the following three decisions of the Hon'ble Supreme Court:-

- i. **Coimbatore District Central Cooperative Bank Vs. Coimbatore District Central Cooperative Bank Employees Association and another**, (2007) 4 SCC 669.
- ii. **Charanjit Lamba Vs. Commanding Officer, Army Southern Command and others**, (2010) 11 SCC 314.
- iii. **S.R.Tewari Vs. Union of India and another**, (2013) 6 SCC 602.

12. In **Coimbatore District Central Cooperative Bank case** (referred to *supra*), the Hon'ble Supreme Court in Paragraph Nos.42 to 44 has observed as under:-

“42. In our considered view, the submission is well founded and deserves acceptance. Hence, even though we are of the view that the learned Single Judge was not right in granting benefits and the order passed by the Division Bench also is not proper, it would not be appropriate to interfere with the final order passed by the Division Bench. Hence, while declaring the law on the point, we temper justice with mercy. In the exercise of plenary power under Article 142 of the Constitution, we think that it would not be proper to deprive the 53 workmen who have



WEB COPY



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

received limited benefits under the order passed by the Division Bench of the High Court.

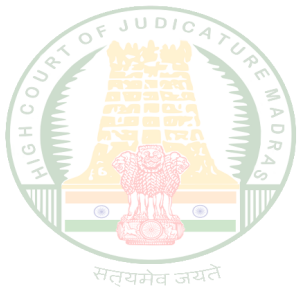
43. For the foregoing reasons, we hold that neither the learned Single Judge nor the Division Bench of the High Court was justified in interfering with the action taken by the Management and the award passed by the Labour Court, Coimbatore which was strictly in consonance with law. In peculiar facts and circumstances of the case and in exercise of power under Article 142 of the Constitution, we do not disturb the final order passed by the Division Bench of the High Court on 3-11-2004 in Writ Appeal No. 45 of 2001.

44. The appeal is accordingly disposed of in the above terms. In the facts and circumstances of the case, there shall be no order as to costs.”

13. In **Charanjit Lamba** case (referred to *supra*), the Hon'ble

Supreme Court in Paragraph Nos.18 to 25 has observed as under:-

*“18. We may refer to the decision of this Court in **M.P. Gangadharan v. State of Kerala** [(2006) 6 SCC 162] where this Court declared that the question of reasonableness and fairness on the part of the statutory authority shall have to be considered in the context of the factual matrix obtaining in each case and that it cannot be put in a straitjacket formula. The following passage is in this regard apposite:*



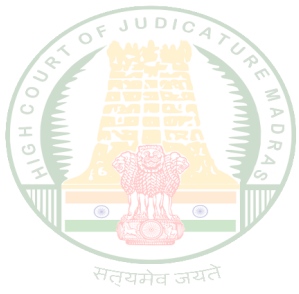
WEB COPY



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

“34. The constitutional requirement for judging the question of reasonableness and fairness on the part of the statutory authority must be considered having regard to the factual matrix obtaining in each case. It cannot be put in a straitjacket formula. It must be considered keeping in view the doctrine of flexibility. Before an action is struck down, the court must be satisfied that a case has been made out for exercise of power of judicial review. We are not unmindful of the development of the law that from the doctrine of Wednesbury unreasonableness, the court is leaning towards the doctrine of proportionality.”

19. That the punishment imposed upon a delinquent should be commensurate to the nature and generally of the misconduct, is not only a requirement of fairness, objectivity, and non-discriminatory treatment which even those form quality (sic) of a misdemeanour are entitled to claim but the same is recognised as being a part of Article 14 of the Constitution. It is also evident from the long line of decisions referred to above that the courts in India have recognised the doctrine of proportionality as one of the ground for judicial review. Having said that we need to remember that the quantum of punishment in disciplinary matters is something that rests primarily with the disciplinary authority. The jurisdiction of a writ court or the Administrative Tribunal for that matter is limited to finding out whether the punishment is so outrageously disproportionate as to be suggestive of lack of good faith.



WEB COPY



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

20. What is clear is that while judicially reviewing an order of punishment imposed upon a delinquent employee the writ court would not assume the role of an appellate authority. It would not impose a lesser punishment merely because it considers the same to be more reasonable than what the disciplinary authority has imposed. It is only in cases where the punishment is so disproportionate to the gravity of charge that no reasonable person placed in the position of the disciplinary authority could have imposed such a punishment that a writ court may step in to interfere with the same.

21. The question then is whether the present is indeed one such case where the High Court could and ought to have interfered with the sentence imposed upon the appellant on the doctrine of proportionality. Our answer is in the negative.

22. The appellant was holding the rank of a Major in the Indian Army at the time he committed the misconduct alleged and proved against him. As an officer of a disciplined force like the Army he was expected to maintain the highest standard of honesty and conduct and forebear from doing anything that could be termed as unbecoming of anyone holding that rank and office. Making a false claim for payment of transport charges of household luggage and car to Chandigarh was a serious matter bordering on moral turpitude. Breach of the rule requiring him to clear his electricity dues upon his transfer from the place of his posting was also not creditworthy for an officer. The competent authority was therefore justified in taking the view that the nature



WEB COPY



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

of the misconduct proved against the appellant called for a suitable punishment.

23. Inasmuch as the punishment chosen was dismissal from service, the competent authority, did not in our opinion, take an outrageously absurd view of the matter. We need to remember that the higher the public office held by a person the greater is the demand for rectitude on his part. An officer holding the rank of Major has to lead by example not only in the matter of his readiness to make the supreme sacrifice required of him in war or internal strife but even in adherence to the principles of honesty, loyalty and commitment. An officer cannot inspire those under his command to maintain the values of rectitude and to remain committed to duty if he himself is found lacking in that quality.

24. Suffice it to say that any act on the part of an officer holding a commission in the Indian Army which is subversive of army discipline or high traditions of the Army renders such person unfit to stay in the service of the nation's Army especially when the misconduct has compromised the values of patriotism, honesty and selflessness which values are too precious to be scarified on the altar of petty monetary gains, obtained by dubious means.

25. In the result this appeal fails and is hereby dismissed.”



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

14. In **S.R.Tewari case** (referred to *supra*), the Hon'ble

WEB COPY

Supreme Court in Paragraph Nos.30 to 35 has observed as under:-

“30. The findings of fact recorded by a court can be held to be perverse if the findings have been arrived at by ignoring or excluding relevant material or by taking into consideration irrelevant/inadmissible material. The finding may also be said to be perverse if it is “against the weight of evidence”, or if the finding so outrageously defies logic as to suffer from the vice of irrationality. If a decision is arrived at on the basis of no evidence or thoroughly unreliable evidence and no reasonable person would act upon it, the order would be perverse. But if there is some evidence on record which is acceptable and which could be relied upon, the conclusions would not be treated as perverse and the findings would not be interfered with. (Vide Rajinder Kumar Kindra v. Delhi Admn. [(1984) 4 SCC 635 : 1985 SCC (L&S) 131 : AIR 1984 SC 1805] , Kuldeep Singh v. Commr. of Police [(1999) 2 SCC 10 : 1999 SCC (L&S) 429 : AIR 1999 SC 677] , Gamini Bala Koteswara Rao v. State of A.P. [(2009) 10 SCC 636 : (2010) 1 SCC (Cri) 372 : AIR 2010 SC 589] and Babu v. State of Kerala [(2010) 9 SCC 189 : (2010) 3 SCC (Cri) 1179] .)

31. Hence, where there is evidence of malpractice, gross irregularity or illegality, interference is permissible.

32. So far as Charge 4 is concerned, the matter was considered by a Board consisting of several officers and the appellant could not have



WEB COPY



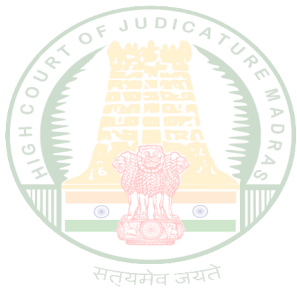
W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

been selectively targeted for disciplinary action. Further, no material could be placed on record that BSF had ever formulated a policy for regularisation of a temporary teacher as a regular teacher and in such a fact situation, the appellant could not have regularised the services of Shri Majumdar as a school teacher, even if he had the experience of 10 years. (This was not even a charge against the appellant nor was there any finding of the inquiry officer, nor has such a matter been agitated before the Tribunal.)

33. It is evident from the record that as per Letter dated 4-4-2013 sent by the Government of India to the appellant through the Chief Secretary, Andhra Pradesh, the proposed punishment is as under:

“A penalty of withholding two increments for one year without cumulative effect, be imposed on the appellant as a punishment under Rule 6 of the All India Services (Discipline and Appeal) Rules, 1969.”

34. The proved charges remained only Charges 4 and 6 and in both the cases the misconduct seems to be of an administrative nature rather than a misconduct of a serious nature. It was not the case of the Department that the appellant had taken the escort vehicle with him. There was only one vehicle which was an official vehicle for his use and Charge 6 stood partly proved. In view thereof, the punishment of compulsory retirement shocks the conscience of the Court and by no stretch of imagination can it be held to be proportionate or commensurate to the



WEB COPY

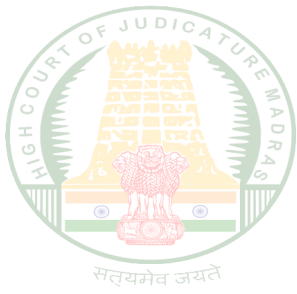


W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

delinquency committed by and proved against the appellant. The only punishment which could be held to be commensurate to the delinquency was as proposed by the Government of India to withhold two increments for one year without cumulative effect. It would have been appropriate to remand the case to the disciplinary authority to impose the appropriate punishment. However, considering the chequered history of the case and in view of the fact that the appellant had remained under suspension for 11 months, suffered the order of dismissal for 19 months and would retire after reaching the age of superannuation in December 2013, the facts of the case warrant that this Court should substitute the punishment of compulsory retirement to the punishment proposed by the Union of India i.e. withholding of two increments for one year without having cumulative effect.

35. In view thereof, we do not want to proceed with the contempt petitions. The appeals as well as the contempt petitions stand disposed of accordingly.”

15. Ms.Amirtha Poonkodi Dinakaran, learned Government Pleader for the Respondents in W.P.Nos.2628, 2630, 2633, 4191, 3953 and 3949 of 2026 submits that the Respondents be given time to file a Counter Affidavit, as invariably Writ Petitions rejected *in limine* are taken up for appeal before the Division Bench of this Court where the Respondents are directed to file a Counter Affidavit to justify the orders of the Writ Court.



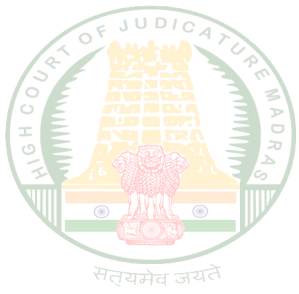
W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

16. Ms.Amirtha Poonkodi Dinakaran, learned Government Pleader for the Respondents in W.P.Nos.2628, 2630, 2633, 4191, 3953 and 3949 of 2026 for the Respondents has however drawn the attention of this Court to the decision of the Hon'ble Supreme Court in **Union of India Vs. Dharamendra Textile Processors and others**, (2008) 13 SCC 369. Specifically, reference is made to Paragraph Nos.17 to 20, which are reproduced below:-

“17. It is of significance to note that the conceptual and contextual difference between Section 271(1)(c) and Section 276-C of the IT Act was lost sight of in Dilip Shroff case.

18. The Explanations appended to Section 271(1)(c) of the IT Act entirely indicates the element of strict liability on the assessee for concealment or for giving inaccurate particulars while filing return. The judgment in Dilip N. Shroff case has not considered the effect and relevance of Section 276-C of the IT Act. Object behind enactment of Section 271(1)(c) read with Explanations indicate that the said Section has been enacted to provide for a remedy for loss of revenue. The penalty under that provision is a civil liability. Wilful concealment is not an essential ingredient for attracting civil liability as is the case in the matter of prosecution under Section 276-C of the IT Act.



WEB COPY

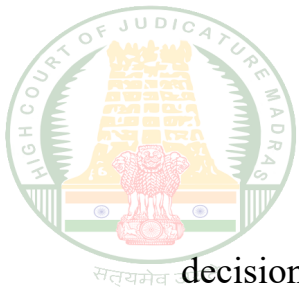


W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

19. In Union Budget of 1996-1997, Section 11-AC of the Act was introduced. It has made the position clear that there is no scope for any discretion. In Para 136 of the Union Budget reference has been made to the provision stating that the levy of penalty is a mandatory penalty. In the Notes on Clauses also the similar indication has been given.

20. Above being the position, the plea that Rules 96-ZQ and 96-ZO have a concept of discretion inbuilt cannot be sustained. Dilip Shroff case was not correctly decided but SEBI case has analysed the legal position in the correct perspectives. The reference is answered. The matter shall now be placed before the Division Bench to deal with the matter in the light of what has been stated above, only so far as the cases where challenge to vires of Rule 967-Q(5) are concerned. In all other cases the orders of the High Court or the Tribunal, as the case may be, are quashed and the matter remitted to it for disposal in the light of present judgments. Appeals except Civil Appeals Nos.3397 & 3398-99 of 2003, 4096 of 2004, 3388 & 5277 of 2006, 4316, 4317, 675 and 1420 of 2007 and appeal relating to SLP(C) No.21751 of 2007 are allowed and the excepted appeals shall now be placed before the Division Bench for disposal.”

17. Ms.Amirtha Poonkodi Dinakaran, learned Government Advocate for the Respondents in W.P.Nos.2628, 2630, 2633, 4191, 3953 and 3949 of 2026 for the Respondents has also drew attention to the



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

decision of the Hon'ble Supreme Court in **Union of India Vs. Rajasthan Spinning and Weaving Mills**, (2009) 13 SCC 448, wherein in Paragraph

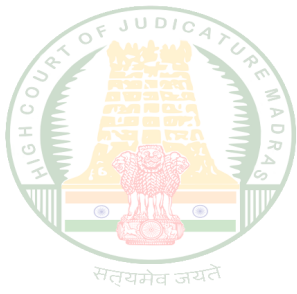
Nos.32 and 34, the Hon'ble Supreme Court observed as under:-

“32. After referring to a number of decisions on interpretation and construction of statutory provisions, in ELT paras 26 and 27 of the decision, the Court observed and held as follows:

“19. In Union Budget of 1996-1997, Section 11-AC of the Act was introduced. It has made the position clear that there is no scope for any discretion. In Para 136 of the Union Budget reference has been made to the provision stating that the levy of penalty is a mandatory penalty. In the Notes on Clauses also the similar indication has been given.

20. Above being the position, the plea that Rules 96-ZQ and 96-ZO have a concept of discretion inbuilt cannot be sustained. Dilip Shroff case was not correctly decided but SEBI case has analysed the legal position in the correct perspectives. The reference is answered.”

From the above, we fail to see how the decision in Dharamendra Textile can be said to hold that Section 11-AC would apply to every case of non-payment or short-payment of duty regardless of the conditions expressly mentioned in the Section for its application. There is another very strong person for holding that Dharamendra Textile could not have



WEB COPY



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

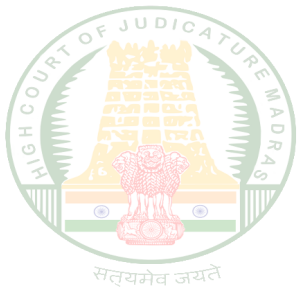
interpreted Section 11-AC in the manner as suggested because in that case that was not even the stand of the Revenue.

34. The decision in Dharamendra Textile must, therefore, be understood to mean that though the application of Section 11-AC would depend upon the existence or otherwise of the conditions expressly stated in the Section, once the Section is applicable in a case the Authority concerned would have no discretion in quantifying the amount and penalty must be imposed equal to the duty determined under Sub-Section (2) of Section 11-A. That is what Dharamendra Textile decides. It must, however, be made clear that what is stated above in regard to the decision in Dharamendra Textile is only insofar as Section 11-AC is concerned. We make no observations (as a matter of fact there is no occasion for it!) with regard to the several other statutory provisions that came up for consideration in that decision.”

18. To arrive at the above conclusion, one has to read the discussion in Paragraph Nos.30, 31, 33 and 35 of the aforesaid Judgment.

They are reproduced below:-

“30. At this stage, we need to examine the recent decision of this Court in Dharamendra Textile. In almost every case relating to penalty, the decision is referred to on behalf of the Revenue as if it laid down that in every case of non-payment of short-payment of duty the penalty clause would automatically get attracted and the Authority had no discretion in the matter. One of us was a party



WEB COPY

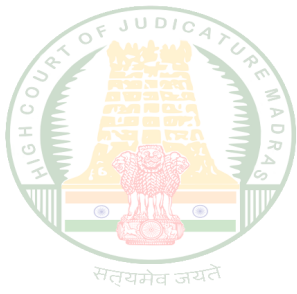


W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

to the decision in Dharamendra Textile and we see no reason to understand or read that decision in that matter.

31. In Dharamendra Textile the Court framed the issues before it, in ELT para 2 and 3 of the decision, as follows:

“2. A Division Bench of this Court has referred the controversy involved in these appeals to a larger Bench doubting the correctness of the view expressed in Dilip N. Shroff Vs. CIT. The question which arises for determination in all these appeals is whether Section 11-AC of the Central Excise Act, 1944 (in short ‘the Act’) inserted by the Finance Act, 1996 with the intention of imposing mandatory penalty on persons who evaded payment of tax should be read to contain mens rea as an essential ingredient and whether there is a scope for levying penalty below the prescribed minimum. Before the Division Bench, stand of the Revenue was that the said Section should be read as penalty for statutory offence and the Authority imposing penalty has no discretion in the matter of imposition of penalty and the adjudicating authority in such cases was duty-bound to impose penalty equal to the duties so determined. The assessee on the other hand referred to Section 271(1)(c) of the Income Tax Act, 1961 (in short ‘the IT Act’) taking the stand that Section 11-AC of the Act is



WEB COPY



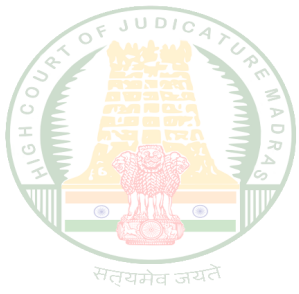
W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

identically worded and in a given case it was open to the assessing officer not to impose any penalty.

3. The Division Bench made reference to Rule 96-zQ and Rule 96-ZO of the Central Excise Rules, 1944 (in short 'the Rules') and a decision of this Court in SEBI Vs. Shriram Mutual Fund and was of the view that the basic scheme for imposition of penalty under Section 271(1)(c) of the IT Act, Section 11-AC of the Act and Rule 96-ZQ(5) of the Rules is common. According to the Division Bench the correct position in law was laid down in SEBI case and not in Dilip Shroff case. Therefore, the matter was referred to a larger Bench.”

33. In ELT para 5 of the decision in Dharamendra Textile case the Court noted the submission made on behalf of the Revenue as follows:

“6. Mr.Chandrashekharan, Additional Solicitor General submitted that in Rules 96-ZQ and 96-ZO there is no reference to any mens rea as in Section 11-AC where mens rea is prescribed statutorily. This is clear from the extended period of limitation permissible under Section 11-A of the Act. It is in essence submitted that the penalty is for statutory offence. It is pointed out that the proviso to Section 11-A deals with the time for initiation of



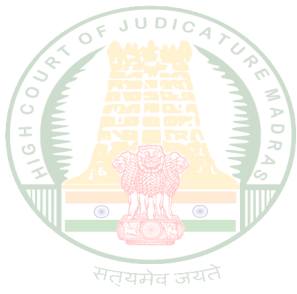
WEB COPY



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

action. Section 11-AC is only a mechanism for computation and the quantum of penalty. It is stated that the consequences of fraud, etc., relate to the extended period of limitation and the onus is on the Revenue to establish that the extended period of limitation is applicable. Once that hurdle is crossed by the Revenue, the assessee is exposed to penalty and the quantum of penalty is fixed. It is pointed out that even if in some statutes mens rea is specifically provided for, so is the limit or imposition of penalty, that is, the maximum fixed or the quantum has to be between two limits fixed. In the cases at hand, there is no variable and, therefore, no discretion.

7. It is pointed out that prior to insertion of Section 11-AC, Rule 173-Q was in vogue in which no mens rea was provided for. It only stated 'which he knows or has reason to believe'. The said clause referred to wilful action. According to learned counsel what was inferentially provided in some respects in Rule 173-Q, now stands explicitly provided in Section 11-AC. Where the outer limit of penalty is fixed and the statute provides that it should not exceed a particular limit, that itself indicates scope for discretion but that it not the case here."



WEB COPY



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

35. In light of the discussion made above it is evident that in both the appeals, orders were passed by the Tribunal on a wrong premise. In both the appeals, therefore, the impugned orders passed by the Tribunal are set aside and the matters are remitted to the respective Tribunals for fresh consideration, in accordance with law, and in light of this judgment. As the matters are quite old it is hoped and expected that the Tribunal would pass the final order within four months from the date of receipt of this order. The two appeals are allowed but with no order as to costs.”

19. Yesterday i.e., on 17.02.2026, W.P.Nos.3958 of 2026 and 4094 of 2026 were dismissed by granting liberty to the Petitioners to file an appeal before the Appellate Authority subject to usual terms.

20. The impugned Orders have also recorded the objective of circular trading after considering the submissions of the learned counsel for the Petitioners before the Respondent(s) during the assessment proceedings.

21. As such, there is no procedural irregularity in the impugned Orders. The language in Section 122(1) of the respective GST Enactments also does not give any discretion to the Assessing Officer to



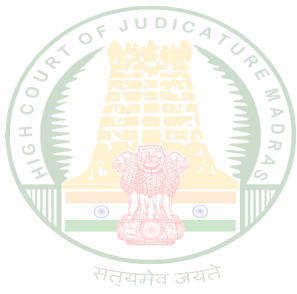
W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

levy lesser of the amount i.e., Rs.10,000/- as the expression used is
“whichever is higher”.

22. The impugned Orders cannot be found fault as adequate reasons have been given and shows application of mind by the Respondent(s) / Assessing Officer(s) while passing the impugned Orders.

23. The above decisions of the Hon’ble Supreme Court cannot be applied to the facts of the case specifically in the light of the language in Section 122(1) of the respective GST Enactments. The expression used in Section 122(1) is “whichever is higher”.

24. Section 11-AC of the Central Excise Act, 1944 which fell for consideration is the above-mentioned decision of the Hon’ble Supreme Court is different from Section 122 of the respective GST Enactments. The Hon’ble Supreme Court in **Union of India Vs. Rajasthan Spinning and Weaving Mills**, (2009) 13 SCC 448, has pointed out that the ratio was confined to Section 11-AC of the Central Excise Act, 1944 and no observations with regard to the several other statutory provisions that came up for consideration in that decision.

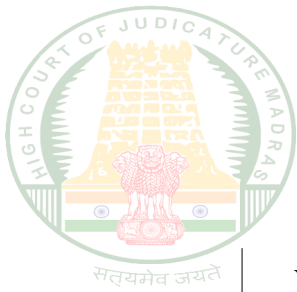


W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

25. For the sake of clarity, Section 122(1)(vii) of the Central Goods and Services Tax Act, 2017 and Section 11-AC of the Central Excise Act, 1944, which fell for consideration in these two decisions are extracted hereunder:-

Section 122 of the Central Goods and Services Tax Act, 2017	Section 11-AC of the Central Excise Act, 1944 which fell for consideration in Dharamendra Textiles Processors case (referred to <i>supra</i>) and Rajasthan Spinning and Weaving Mills case (referred to <i>supra</i>)
122. Penalty for certain offences: (1) Where a taxable person who- i. supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply ii. issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the Rules made thereunder; iii. iv.	11-AC. Penalty for short-levy or non-levy of duty in certain cases: Where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded by reasons of fraud, collusion or any wilful misstatement or suppression of facts, or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, the person who is liable to pay duty as determined under sub-section (2) of section 11-A, shall also be liable to pay a penalty equal to the duty so determined:



WEB COPY

v.

vi.

vii. takes or utilises Input Tax Credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act or the Rules made thereunder.

viii.

ix.

x.

xi.

xii.

xiii.

xiv.

xv.

xvi.

xvii.

xviii.

xix.

xx.

xxi.

he shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded or the tax not deducted under section 51 or short-deducted or deducted but not paid to the Government or tax not collected under section 52 or short-collected or collected but not paid to the Government or input tax credit

Provided that where such duty as determined under sub-section (2) of section 11-A, and the interest payable thereon under section 11-AB, is paid within thirty days from the date of communication of the order of the Central Excise Officer in determining such duty, the amount of penalty liable to be paid by such person under this section be twenty-five per cent of the duty so determined:

Provided further that the benefit of reduced penalty under the first proviso shall be available if the amount of penalty so determined has also been paid within the period of thirty days referred to in that proviso:

Provided also that where the duty determined to be payable is reduced or increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, for the purpose of this section, the duty as reduced or increased, as the case may be, shall be taken into account:

Provided also that in case where the duty determined to be payable is increased by the Commissioner (Appeals), the Appellate Tribunal or, as the



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026



WEB COPY

availed of or passed on or distributed irregularly, or the refund claimed fraudulently, whichever is higher.

case may be, the court then the benefit of reduced penalty under the first proviso shall be available, if the amount of duty so increased, the interest payable thereon and twenty-five per cent, of the consequential increase of penalty have also been paid within thirty days of the communication of the order by which such increase in the duty takes effect.

Explanation.- For the removal of doubts, it is hereby declared that-

(1) the provisions of this section shall also apply to cases in which the order determining the duty under sub-section (2) of Section 11-A, relates to notices issued prior to the date on which the Finance Act, 2000 receives the assent of the President;

(2) any amount paid to the credit of the Central Government prior to the date of communication of the order referred to in the first proviso or the fourth proviso shall be adjusted against the total amount due from such person.

26. Even if Section 122(1A) of the respective GST Enactments is to be applied, *prima facie* indications are that an assessee is liable to a



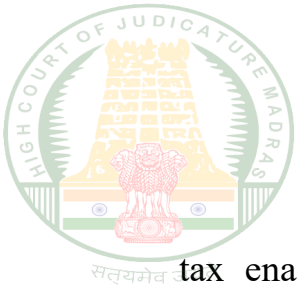
W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

WEB COPY

penalty of an amount equivalent to the evaded or ineligible Input Tax Credit availed of or passed on. No doubt that the Petitioners have wrongly availed the Input Tax Credit and have apparently passed on the credit to boost up their respective turn overs with a view to take undue advantage of the system, *prima facie* they are liable to penalty under Section 122(1) of the respective GST Enactments.

27. The provisions of the respective GST Enactments contemplate an appellate remedy before the Appellate Authority under Section 107 of the respective GST Enactments and further appeal before GST Tribunal under Section 122 of the respective GST Enactments and thereafter remedy before the High Court. The finer aspects of law at best can be left to be decided by the Division Bench of this Court in its appellate jurisdiction under Section 117 of the respective GST Enactments which is in line with the Judgment of the Hon'ble Supreme Court in **L.Chandrakumar Vs. Union of India and others**, (1997) 3 SCC 261.

28. The Petitioner cannot short circuit the statutory mechanism prescribed by citing the decisions and the principle laid under the indirect



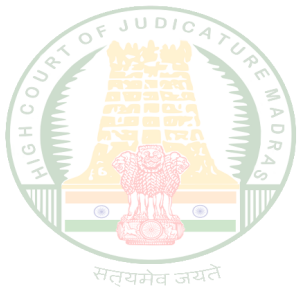
W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949, 3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

tax enactments which have been subsumed into the respective GST Enactments.

29. As such, the present Writ Petitions are liable to be dismissed. However, liberty is granted to the Petitioners to file an appeal before the Appellate Authority within a period of thirty (30) days from the date of receipt of a copy of this order.

30. Since pre-deposit of huge penalty as prescribed under Section 107 of the respective GST Enactments will cause undue hardship to the respective Petitioners and make the appellate remedy illusory, pre-deposit of 10% of penalty under Section 107 of the respective GST Enactments is dispensed with at the time of filing the appeals before the Appellate Authority.

31. In case the Petitioners files such an appeal before the Appellate Authority, the same shall be disposed of on merits and in accordance with law after hearing the Petitioners, as expeditiously as possible, preferably, within a period of ninety (90) days from the date of receipt of a copy of this order.



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

32. These Writ Petitions are dismissed with the above liberty.

WEB COPY

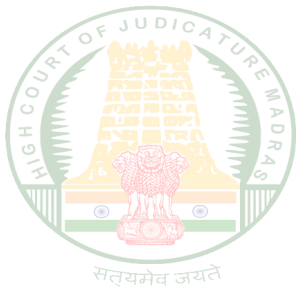
No costs. Connected Writ Miscellaneous Petitions are closed.

18.02.2026

Neutral Citation : Yes / No
arb

To:

- 1.The Commercial Tax Officer,
7-Inspection,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.
- 2.The Commercial Tax Officer,
Roving Squad 4,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.
- 3.The Commercial Tax Officer,
Roving Squad 1,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.
- 4.The Commercial Tax Officer,
Roving Squad 3,
Commercial Taxes Building,
Dr.Balasundaram Road,
Coimbatore – 641 018.



WEB COPY



W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

C.SARAVANAN, J.

arb

W.P.Nos.2628, 2630, 2633, 2912, 2925, 2927, 2982, 3206, 3211, 3949,
3953, 3963, 4088, 4097, 4101, 4107, 4113, 4117 and 4191 of 2026

18.02.2026