Kandan Hardware Mart & Others vs The Assistant Commissioner (ST) & Others

Validity of levy of late fee under Section 47 and general penalty under Section 125 of GST Acts in light of Amnesty Notification No. 07/2023.

Date of Order: January 2, 2026
Case Law No: GIB-MHC-2026-16
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

The petitioners challenged assessment orders and show cause notices imposing late fee under Section 47 and penalty under Section 125 of GST Acts for delayed filing of returns.
They sought benefit of Amnesty Notification No.07/2023-Central Tax dated 31.03.2023, which reduced/waived late fee for specified periods.
Some petitioners had filed returns within the amnesty window, while others filed before or after the prescribed period.
They contended that imposition of both late fee and general penalty was illegal and contrary to the scheme of the Act.

Court Decision:
The Court held that late fee under Section 47 is a specific penalty for delay in filing returns and once imposed, general penalty under Section 125 cannot be levied for the same default.
Imposition of general penalty in addition to late fee was set aside as unsustainable.
The Court upheld applicability of Amnesty Notification No.07/2023 (as amended) only to those who satisfied the conditions specified therein, including filing within the prescribed period.
Relief was granted by directing re-computation of late fee in accordance with the notification wherever applicable and by quashing improper penalty components.

Cases Referred:

- *Tvl. Jainsons Castors and Industrial Products vs The Assistant Commissioner (ST), Nandanam, Chennai*

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