IN THE HIGH COURT OF JUDICATURE AT MADRAS

**DATED: 28-10-2025**

CORAM

**THE HONOURABLE MR JUSTICE C. SARAVANAN**

**WP No. 40624 of 2025**
**AND**
**WMP NO. 45550 OF 2025,WMP NO. 45552 OF 2025**

1. Tvl Sri Balaji Sago Products
(Represented by its Managing Partner
Mr. Loganathan Rangasamy) No.85/3C,
Attur Road, Namagiripet, Namakkal,
Tamil Nadu.

Petitioner(s)

Vs

1. The State Tax Officer
Attur Rural Assessment Circle, Attur.

2.The Branch Manager
Canara Bank, 6, Attur Main Road,
Devathanampudur.

Respondent(s)

**PRAYER**

calling for the records in the Impugned Order passed by the 1st Respondent herein vide GSTIN 33ABMFS8691L2ZA dated 29.12.2023 along with its accompanying FORM GST DRC - 07 vide Reference No. ZD3312232678393 dated 29.12.2023 for the tax period JUL - 2017 and MAR- 2018 and quash the same

For Petitioner(s): M/s. N. Prasad
K.A. Parthasarathy
C. Subramanian
A.P. Karventhan

For Respondent: Ms. Amirtha Poonkodi Dinakaran
Government Advocate
for R1

**ORDER**

Ms. Amirtha Poonkodi Dinakaran, learned Government Advocate takes notice for the 1st Respondent.

2. This Writ Petition is being disposed of at the time of admission with the consent of the learned counsel for the Petitioner and learned Government Advocate for the 1st Respondent.

3. In this Writ Petition, the Petitioner has challenged the impugned assessment order dated 29.12.2023 of the 1st Respondent, which was preceded by a Show Cause Notice in GST DRC-01 dated 30.09.2023 for the tax period between July 2017 and March 2018, wherein the Petitioner was also called upon to appear for personal hearing.

4. The Petitioner however did not file any reply to the Show Cause Notice in GST DRC-01 dated 30.09.2023. Thus, the impugned Order has been passed. The learned counsel for the Petitioner argued the case to demonstrate that the impugned order is arbitrary. It is admitted that the petitioner has not discharged the tax liability that was due as was proposed in notice in DRC-01 dated 30.09.2023 till date.

5. However, the learned counsel for the Petitioner would submit that as against the total tax liability of Rs.90,584/-, the Respondent has imposed interest of Rs.9,28,266/- which is beyond the amount that can be imposed under Section 73 of the respective GST enactments with the aforesaid penalty under Section 73(9) of the Act for a sum of Rs.20,000/-. Thus, it is submitted that the summary of the order in DRC-07 indicates the amount due as Rs.10,38,850/-.

6. Reading of the impugned order dated 29.12.2023 and the show cause notice in DRC-01 dated 30.09.2023 indicate that there has been an error in calculation of the amount of interest that was payable by the Petitioner as on the

date of the issuance of the notice dated 30.09.2023. The show cause notice dated 30.09.2023 itself had proposed that the Petitioner should pay tax with interest under Section 50 (1) of the respective GST enactments.

7. It is clear that there is an error in the calculation as far as interest is concerned. As it is not inconceivable how interest of Rs.9,28,266/- was due and payable by the Petitioner for the tax due from the Petitioner for a sum of Rs.90,584/-.

8. In these circumstances, the impugned order dated 29.12.2023 is quashed and the case is remitted back to the first respondent to redo the calculation. As there is no dispute that the Petitioner is indeed liable to pay tax, the Petitioner shall pay the disputed tax amount of Rs.90,584/- together with penalty due and interest payable from the due date till date of payment within a period of thirty (30) days from the date of receipt of a copy of this order.

9. The 1st respondent shall thereafter issue an appropriate communication/notice to the Petitioner stating whether the amount paid by the Petitioner was correct or not. Thereafter, the Petitioner may pay the amount or give an appropriate reply/representation to the Respondents for latter to pass appropriate orders on merit. As and when the Petitioner complies with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically raised/vacated.

10. In case the Petitioner fails to comply with any of the stipulations, the 1st Respondent is at liberty to proceed against the Petitioner to recover the tax in accordance with law as if this Writ Petition was dismissed *in limine* today.

11. Needless to state, before passing any such order, the 1st Respondent shall give due notice to the Petitioner.

12. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

**28-10-2025**

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

**WP No. 40624 of 2025**

To

1.The State Tax Officer
Attur Rural Assessment Circle, Attur.

2.The Branch Manager
Canara Bank, 6, Attur Main Road,
Devathanampudur.

**C.SARAVANAN J.**

ab

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