IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.11.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.42667 of 2025 and W.M.P.Nos.42671 & 42682 of 2025
and
W.P.No.42671 of 2025 and W.M.P.Nos.47727 & 47730 of 2025
and
W.P.No.42682 of 2025 and W.M.P.Nos.47745 & 47747 of 2025
and
W.P.No.42688 of 2025 and W.M.P.Nos.47752 & 47753 of 2025

R.Muruganandam (Works Contractor),
No.2/76, Sonapettai Keelpathy,
Pullavayangudikadu,
Thiruvarur – 614013. ... Petitioner in all cases

Vs.

1. The State Tax Officer (Inspection - II),
   Office of the Joint Commissioner (State Tax) (Intelligence),
   No.3/216, Pavithramanikkam Main Road,
   Thiruvarur.

2. The State Tax Officer (ST),
   Mannargudi Assessment Circle,
   Mannargudi. ... Respondents in W.P.Nos.42667 and 42671 of 2025

The State Tax Officer (Inspection - 1),
Office of the Joint Commissioner (State Tax) (Intelligence),
Thiruvarur Division,
No.3/216, Pavithramanikkam Main Road,
Thiruvarur. ....Respondent in W.P.Nos.42682 and 42688 of 2025

Prayer in W.P.No.42667 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records on the file of the 1st respondent in GSTIN: 33AJZPM7014NIZJ/2017-18 dated 12.02.2024 and Form GST DRC-07 issued in Reference No:ZD330224070883G dated 13.02.2024, uploaded in the GSTN Portal, and quash the same as without jurisdiction.

Prayer in W.P.No.42671 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records on the file of the 1st respondent in GSTIN: 33AJZPM7014NIZJ/2019-20 dated 26.06.2024 and Form GST DRC-07 issued in Reference No:ZD330624328600P dated 26.06.2024, uploaded in the GSTN Portal, and quash the same as without jurisdiction.

Prayer in W.P.No.42682 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records on the file of the respondent in GSTIN: 33AJZPM7014NIZJ/2020-21 dated 26.06.2024 and Form GST DRC-07 issued in Reference No:ZD3306243286774 dated 26.06.2024, uploaded in the GSTN Portal, and quash the same as without jurisdiction.

Prayer in W.P.No.42688 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records on the file of the respondent in GSTIN: 33AJZPM7014NIZJ/2019-20 dated 26.06.2024 and Form GST DRC-07 issued in Reference No:ZD330624328751G dated 26.06.2024, uploaded in the GSTN Portal, and quash the same as without jurisdiction.

For Petitioner : Mr.A.Chandrasekaran in all cases
For Respondents : Mr.C.Harsharaj,
Special Government Pleader in all cases
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COMMON ORDER

In these writ petitions, the petitioner has challenged the impugned orders as detailed below:

S. No	W.P.Nos.	A.Y	Date of show cause notice	Date of Assessment Order	Tax Demand	Date of Payment of Tax
1.	42667 of 2025	2017-2018	27.09.2023	13.02.2024	Rs.25,30,284/- (CGST+SGST)	Rs.12,65,142/- on 25.06.2024 & Rs.12,65,142/- 06.07.2024
2.	42671 of 2025	2019-2020	10.10.2023	26.06.2024	Rs.23,45,414/- (CGST+SGST)	Rs.11,72,707/- on 02.01.2025 & Rs.11,72,707/- on 24.03.2024
3.	42682 of 2025	2020-2021	10.10.2023	26.06.2024	Nil	Rs.21,60,000/- through DRC-03 on 21.04.2023 at the time of inspection
4.	42688 of 2025	2022-2023	10.10.2023	26.06.2024	Rs.40,32,446/- (CGST+SGST)	Rs.20,16,223/- on 31.01.2025 and 25.08.2025

2. It is noticed that the petitioner was issued the above-mentioned notice under Section 74, and since the petitioner failed to respond to the same, the impugned assessments have been passed. The details of the petitioner's discharged tax liability are given below.

3. The learned counsel for the petitioner submits that the said amounts have already been paid, as there was a departmental dispute. It is further submitted that no case has been made out for invoking the extended period of limitation under Section 128-A of the respective GST Enactment.

4. The learned counsel for the respondent submits that the levy of interest and penalty is axiomatic once the demand is confirmed. It is therefore contended that there is no justification for challenging the impugned orders in these writ petitions, particularly at this distant point of time after the tax amount has already been discharged by the petitioner.

5. The learned counsel for the petitioner further submits that the petitioner's case may be remitted back to the respondent to reconsider whether there exists any scope for arriving at a conclusion that the demand ought to have been made under Section 73 of the respective GST Act, instead of Section 74.

6. The learned counsel for the petitioner also submits that the petitioner will not contest the tax liability and that the dispute is confined only to the interest and penalty, for which the petitioner seeks to work out an appropriate remedy, if any, under Section 128-A of the respective GST Act.

7. The learned counsel for the respondent fairly submits that the respondent will consider the matter under Section 128-A of the respective GST Enactment, though the proceedings were originally initiated under Section 74 of the Act.

8. Having considered the submissions made by the learned counsel for the petitioner and the learned counsel for the respondent, and balancing the interests of both parties, this Court is of the view that the matter deserves to be remitted back to the respondent. This is particularly in light of the fact that the petitioner has already paid the tax amount and has undertaken not to dispute the same, confining the challenge only to the imposition of penalty and the invocation of the machinery provisions under Section 74 of the Act.

9. In view of the above, the case is remitted back to the respondent for examining whether the petitioner has a valid case to contend that the machinery under Section 74 is not applicable, and that the proceedings ought to have been initiated under Section 73 of the respective GST Act, by exercising powers under Section 75(2). The said exercise shall be completed by the respondent within a period of three (3) months from the date of receipt of a copy of this order, subject to the petitioner filing a detailed reply to the notice and treating the impugned order as a show cause notice within a period of thirty (30) days.

10. It is also noticed that the petitioner has paid only 50% of the disputed tax in W.P. No. 42688 of 2025. Hence, the petitioner shall deposit the balance 50% of the tax within the said period.

11. With the above directions, **these Writ Petitions are disposed of**. No costs. Consequently, the connected W.M.Ps. are closed.

06.11.2025

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Neutral Citation : Yes / No
To:

1. The State Tax Officer (Inspection - II),
   Office of the Joint Commissioner (State Tax) (Intelligence),
   No.3/216, Pavithramanikkam Main Road, Thiruvarur.

2. The State Tax Officer (ST),
   Mannargudi Assessment Circle,
   Mannargudi.

C.SARAVANAN, J.

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