IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 10.12.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.48336 of 2025
and
W.M.P.Nos.53982 and 53984 of 2025

Jayarani Departmental Store,
(Represented by its Partner Mr.G.Balamurugan)
No.3/342, Pollachi Road,
Gudiamangalam, Tiruppur – 642 201. ... Petitioner

Vs.

Assistant Commissioner (ST),
Udumalpet North Circle, Tiruppur. ... Respondent

Prayer:- Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records in the Impugned Order passed by the Respondent herein vide FORM GST DRC - 07 vide Reference No.ZD330225241092Y dated 24.02.2025 along with its accompanying detailed order vide GSTIN - 33AAKFJ1727B1ZU/2020-2021 dated 24.02.2025 for the year 2020-21 and quash the same.

For Petitioner : Mr.K.A.Parthasarathy
For Respondent : Mr.C.Harsharaj
Special Government Pleader

ORDER

Mr.C.Harsharaj, learned Special Government Pleader takes notice for the Respondent.

2. The petitioner is before this Court against the order dated 24.02.2025 in DRC – 07 passed for the tax period 2020-2021 by the Respondent under Section 73 of the respective GST enactments. By the impugned order, the petitioner has been imposed with penalty and interest as detailed below:-

Sr. No.	*Tax Rate (%)*	*Interest*	*Penalty*	*Total*
1	***2***	***9***	***10***	***13***
1	0	1,29,135.00	21,619.00	1,50,754.00
2	0	1,35,350.00	21,619.00	1,56,969.00
Total		2,64,485.00	43,238.00	3,07,723.00

3. The tax demand raised against the petitioner in the Show Cause Notice in DRC – 01 dated 25.11.2024 that preceded the impugned order are as follows:-

Sr. No.	*Tax*	*Interest*	*Penalty*	*Fee*	*Total*
1	8	9	10	11	13
1	7,75,093.00	5,79,472.00	77,509.00	2,150.00	14,34,224.00
2	7,75,093.00	5,79,472.00	77,509.00	2,150.00	14,34,224.00
Total	15,50,186.00	11,58,944.00	1,55,018.00	4,300.00	28,68,448.00

4. A reading of the pleadings in the impugned order indicate that

the petitioner has accepted the tax liability as well as the Late Fee that was proposed in the Show Cause Notice in DRC - 01 dated 25.11.2024. The impugned order while confirming the tax liability of the petitioner has reduced the amount of interest that was proposed in the Show Cause Notice. Similarly, the penalty proposed in the Show Cause Ntoice has also been drastically reduced by the Respondent while passing the impugned order.

5. The learned counsel for the petitioner would submit that a separate notice ought to have been issued for levying interest and penalty, apart from the Show Cause Notice issued in DRC-01 dated 25.11.2024.

6. That apart, it is submitted that the tax liability arose purely on account of enabling the petitioner to reconcile the figures during the course of personal hearing. Therefore, the petitioner admitted the tax liability. However, according to the petitioner that would not entitle the Respondent to levy interest under Section 50(1) and penalty under Section 73 of the respective GST Enactments.

7. The learned Special Government Pleader appearing for the

respondent would submit that the writ petition has been filed long after the impugned order was passed on 24.02.2025. It is further submitted that the impugned order is a contested order and therefore, the petitioner ought to have filed a statutory appeal within the prescribed time.

8. Having considered the submissions made by the learned counsel for the petitioner and the learned Special Government Pleader for the respondent, argument of the learned counsel for the petitioner cannot be counteranced.

9. There is no dispute that the Show Cause Notice in DRC-01 dated 25.11.2025 had not only proposed the demand of tax but also interest, penalty, and Late Fee, the details of which have already been extracted. The petitioner has also admitted the tax liability during the course of assessment proceedings and has paid the amount. That being the case, the challenge to the impugned order levying interest and imposing penalty on the petitioner cannot be sustained. The penalty imposed on the petitioner is also lesser than the amount that was proposed in the Show Cause Notice in DRC-01 dated 25.11.2024.

10. The learned counsel for the petitioner has not been able to substantiate that there is any error in the calculation of interest in the impugned order for the tax period. The submission that a separate Show Cause Notice has to be issued for imposing penalty and interest therefore stands rejected. The challenge to the impugned order is rejected for the aforesaid reasons.

11. At this stage, the learned counsel for the petitioner would submit that the petitioner may be given liberty to file a statutory appeal to challenge the imposition of penalty on the petitioner in the impugned order. Recording the above request of the petitioner to file a statutory appeal to challenge the impugned order insofar as the imposition of penalty is concerned, within a period of thirty days from the date of receipt of a copy of this order, subject to payment of the interest confirmed under the impugned order within such time.

12. In case, the petitioner complies with the above stipulations, the Appellant Authority shall dispose of the appeal on merits on its turn without reference to the aspect of limitation.

13. In case the Petitioner fails to comply with any of the stipulations, the Appellate Authority 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.

14. This Writ Petition stands dismissed with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

10.12.2025

Neutral Citation : Yes / No
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C. SARAVANAN, J.

Mac

To:
The Assistant Commissioner (ST),
Udumalpet North Circle, Tiruppur.

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