BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 28.08.2025

CORAM

**THE HONOURABLE MR.JUSTICE C.SARAVANAN**

**Writ Petition(MD)No.23286 of 2025**
**and**
**W.M.P(MD)Nos.18297 and 18299 of 2025**

Tvl. Punithan Stores,
rep. by its Partner
Paul Rajan Kasi,
106, Nethaji Road,
Madurai – 625 001.

... Petitioner

Vs.

1.The Assistant Commissioner (ST),
Tamil Nadu Commercial Tax Department,
Nethaji Road Assessment Circle,
Dr.Thangaraj Salai,
Madurai – 625 020.

2.The Deputy Commissioner (ST),
GST Appeal,
Commercial Taxes Building,
Dr.Thangaraj Salai,
Madurai – 625 020.

... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus to call for the records in respect of impugned Orders under Section 73(9) read with Rule 142(5) of the Acts, 2017 under Reference No. ZD330625321629A dated 28-06-2025 and Form GST DRC-07 Summary of the Order dated 28-06-2025 along with Annexure under Reference GSTIN No. 33AABFP0190P1Z5/2021-22 dated 28-06-2025 passed by the First Respondent and Quash the same as it is illegal and in gross violation of principles of natural justice and further direct the first respondent to pass orders afresh after providing opportunity of personal hearing as per provisions of the GST Act, 2017.

For Petitioner : Mr.S.Renganathan

For Respondents : Mr.R.Sureshkumar
Addl. Govt. Pleader

**ORDER**

The petitioner is aggrieved by the impugned order dated 28.06.2025. The said order was preceded by a notice in DRC-01 dated 18.04.2025 for the tax period 2021–2022. The impugned order itself records that the petitioner had inward supply to the value of Rs. 7,92,795/-, and outward supply to the value of Rs.10,45,600/-. The output tax payable by the petitioner was determined at Rs.1,85,301/-, which was adjusted partly against the petitioner's Input Tax Credit (ITC) of Rs.1,74,219/- and the balance of Rs.12,888/- was directed to be paid in cash. The relevant portion of the impugned order reads as follows:-

> "Tvl.Punithan Stores, Madurai bearing GSTIN: 33AABFP0190P1Z5 functioned at 106, Nethajj Road, Madurai – 625 001 hereafter referred as taxperson who is a regular taxperson, retailer in sewing needles, Knitting needles, Bodkins, Embroidery Stilettos and similar articles, Safety pins bearing HSN Code 84529099, 73199000 as per profile, comes within the State Jurisdiction. Taxperson reported a total turnover of Rs.10,45,600/- and taxable turnover Rs.10,45,600/- during the tax period 2021-2022. For the tax period, taxperson filed GSTR1, GSTR3B and GSTR2A were scrutinized. It reveals inward supply to a value of Rs. 7,92,795- and outward supply to a value of Rs. 10,45,600-, output tax effect of Rs.1,85,301/- is adjusted through ITC of Rs.1,74,219- and remaining through cash payment of Rs.12,888-respectively."

2. However, the impugned order has failed to properly appropriate the amounts already adjusted, and instead has raised a demand for the following sums:

| Details | IGST Rs. | CGST Rs. | SGST Rs. |
|---|---|---|---|
| Tax due | 3195 | 538140 | 538140 |
| Paid | 0 | 0 | 0 |
| Balance | 3195 | 538140 | 538140 |
| Interest Due As on 24.03.2025 | 1776 | 299088 | 299088 |
| Interest Paid | 0 | 0 | 0 |
| Balance | 1776 | 299088 | 299088 |

3. Apart from the amount, the following penalty has been imposed on the petitioner:-

| Details | IGST Rs. | CGST Rs. | SGST Rs. |
|---|---|---|---|
| Penalty U/s 73(9) | 20000 | 53814 | 53814 |
| Paid | 0 | 0 | 0 |
| Balance | 20000 | 53814 | 53814 |

4. It is noticed that the petitioner did not participate in the show cause proceedings which preceded the impugned order. The explanation put forth during the course of hearing today is that the petitioner had entrusted the matter to his Accountant, who failed to inform him, and consequently the petitioner suffered the impugned order.

5. Under normal circumstances, this Court would have quashed the impugned order, following the consistent view taken in similar cases, by directing the petitioner to deposit 25% of the disputed tax. In the present case, however, it is seen that a sum of Rs.1,85,301/- has already been recovered but has not been duly adjusted. Therefore, in order to balance the interests of both sides, this Court is inclined to quash the impugned order and remit the matter back to the respondent for fresh consideration.

6. Accordingly, the impugned order dated 28.06.2025 is quashed and shall be treated as an addendum to the show cause notice in DRC-01 dated 18.04.2025. The petitioner shall file a reply within a period of 30 days from the date of receipt of a copy of this order. On receipt of the same, the first respondent shall pass a fresh order on merits, after affording due opportunity to the petitioner, within a period of two months thereafter.

7. This writ petition is disposed of accordingly. No costs. Consequently, connected miscellaneous petitions are closed

**28.08.2025**

NCC : Yes/No
Index : Yes/No
Internet:Yes
skn

To

1.The Assistant Commissioner (ST),
Tamil Nadu Commercial Tax Department,
Nethaji Road Assessment Circle,
Dr.Thangaraj Salai,
Madurai – 625 020.

2.The Deputy Commissioner (ST),
GST Appeal,
Commercial Taxes Building,
Dr.Thangaraj Salai,
Madurai – 625 020.

**C.SARAVANAN, J.**

skn

**Writ Petition(MD)No.23286 of 2025**
**and**
**W.M.P(MD)Nos.18297 and 18299 of 2025**

28.08.2025