



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20-02-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

**WP No. 1671 of 2026
and WMP.Nos.1719 & 1721 of 2026**

Tvl. Suren Steels
Rep. by its Proprietor Mr. Murugesan,
No.84/1B, 85/1B, N.H. Road,
Vanagaram, Chennai-600 095.

..Petitioner

Vs

The Deputy Commissioner,
Valasaravakkam Division,
Chennai South Commissionerate,
Newry Towers, Ground Floor,
Plot No.2054, 1st Block, 2nd Avenue,
12th Main Road, Annanagar,
Chennai-600040.

..Respondent

Prayer : Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorari to call for the records of impugned order dated 09.09.2025 in Form GST DRC-07 bearing Reference No. ZD3309250920773 along with its annexure Order-in-Original No.61/2025-DC [GST] dated 08.09.2025 of the Respondent passed in Petitioner's GSTIN 33AFMPM1995B2ZF for the FY 2018-19 and quash the same.

For Petitioner:

Mr. R.Anish Kumar

For Respondent:

Mr.A.P.Srinivas, Senior Standing Counsel



ORDER

Order dated 08.09.2025 imposing penalty of Rs.31,86,990/- under Section 122(1)(ii) of applicable GST enactments and a further sum of Rs.25,000/- under Section 122(3)(a) of such enactments is challenged in this writ petition.

2. Learned counsel for the petitioner submits that proceedings against the purchaser of goods for alleged bill trading were concluded. Therefore, he points out that the petitioner is entitled to the benefit of explanation 1(ii) of Section 74 of applicable GST enactments. In addition, he contends that principles of natural justice were not complied with.

3. Mr.A.P.Srinivas, learned senior standing counsel, refutes the contention that principles of natural justice were not complied with by pointing out that three opportunities were provided to the petitioner.

4. On perusal of the impugned order, it is noticeable that such order was issued without hearing the petitioner. The petitioner has filed the W.P. within the limitation period prescribed under the statute. On instructions, learned counsel for the petitioner submits that the petitioner agrees to remit 10% of the penalty demand under the impugned order.



5. In order to provide the petitioner an opportunity to contest the penalty demand on merits, the impugned order is set aside subject to the condition that the petitioner remits 10% of the penalty demand thereunder within four weeks from the date of receipt of a copy of this order. After providing a reasonable opportunity to the petitioner, including personal hearing, a fresh order shall be issued within three months from the date of receipt of a copy of this order.

6. The writ petition stands disposed of on the above terms without any order as to costs. Consequently, connected miscellaneous petitions are closed.

20-02-2026

Index : Yes/No

Internet: Yes/No

Neutral Citation : Yes/No

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To

The Deputy Commissioner,
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SENTHILKUMAR RAMAMOORTHY, J.

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