IN THE HIGH COURT OF JUDICATURE AT MADRAS

**DATED: 23-02-2026**

CORAM

**THE HON'BLE MR JUSTICE C. SARAVANAN**

**WP No. 5807 of 2026**
**and**
**W.M.P.Nos.6322 and 6325 of 2026**

Tvl SRI BALAJI GREEN POWER ENERGY,
GSTIN -33ACRFS7436F1ZS,
Represented by its Partner Arulselvi Mahendran,
14, 11A, C.M. Tower, Rajendra Road,
Near Railway station, Udumalpet,
Tirupur-642 126.

..Petitioner(s)

Vs

The Commercial Tax Officer
(The State Tax Officer),
Udumalpet (South),
144B, Kanthasamy Complex,
Kalpana Road,
Udumalpet -642 126.

..Respondent(s)

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records pertaining to the impugned order in Form GST DRC-07 bearing reference No.ZD3312253874491/2021-2022 dated 26.12.2025 issued by the Respondent and quash the same.

For Petitioner(s): Mr.G. Derrick Sam

For Respondent(s): Mr.V. Prashanth Kiran,
Govt Advocate

**ORDER**

Mr.V.Prashanth Kiran, learned Government Advocate takes notice for the Respondent.

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

3. The Petitioner is before this Court against the impugned order dated 26.12.2025, whereby, proposal in Show Cause Notice dated 23.09.2025 issued for the tax period 2021-2022 has been confirmed. In response to the aforesaid Notice, the Petitioner had replied by a reply dated 15.10.2025.

4. The challenge to the impugned order is that the aforesaid notice proposal was confined to Rs.56,07,434/- as detailed below:-

The total tax payable on account of these deficiencies is arrived as follows:-

| S.No | Description | SGST | CGST | IGST | CESS | Total |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | Credit notes issued (GSTR-09 Table 41 of 2021-22) | 5,00,188 | 5,00,188 | 0 | 0 | 28,03,717 |
| 2 | 5% of Table 5 of GSTR-9 (5D+5E+5F) | 23,03,529 | 23,03,529 | 0 | 0 | 28,03,717 |
| 3 | Total Tax due | 28,03,717 | 28,03,717 | 0 | 0 | 56,07,434 |
| 4 | Penalty (Sl.No.3) | 2,80,372 | 2,80,372 | 0 | 0 | 5,60,743 |

5. However, the Respondent had confirmed the demand of Rs.1,38,41,980/- vide impugned order which is contrary to section 75(7) of the respective GST enactments. Summary of the revenue abstract reads as under:-

| S.No | Description | SGST | CGST | IGST | CESS | Total |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | Total tax due in (under declaration of output tax) + (Excess claim of ITC) above | 6920990 | 6920990 | 0 | 0 | 13841980 |
| 2 | Interest | 5283465 | 5283465 | 0 | 0 | 10566930 |
| 3 | Penalty on amount in S.No.1 | 692099 | 692099 | 0 | 0 | 1384198 |
| 4 | Late fee | 0 | 0 | 0 | 0 | 0 |
| **5** | **Total (1+2+3+4)** | **12896554** | **12896554** | **0** | **0** | **25793108** |

6. It is noticed that in the Notice in Form GST DRC – 01 dated 23.09.2025, the Petitioner was called upon to furnish supporting documents for claim of exemption on the following turnover:-

| **S.No** | **Description** | **Turnover Reported** |
|---|---|---|
| **1** | **2** | **3** |
| 1 | Table 5 of GSTR-9 (5D+5E+5F) | 92141145.04 |
| 2 | Table 7 of GSTR-9C (7B) | 92141145.04 |
| 3 | Table 8 of GSTR – 1 | 70022175.00 |
| 4 | Table 3.1 of GSTR-3B (3.1(c)+3.1(e)) | 70022175.00 |

In response to which the Petitioner has replied as under:-

> **2.Nature of business:-**
> In my primary business is trading of contract work and land sale is carried out without process. The trading whole purchase and sale of land sales business is exempted goods and contract work is GST taxable goods.
>
> 3.**Sales as per GST-1 and GSTR-9 Reports**:

| Particulars | Taxable |
|---|---|
| Sales GSTR-1 Exempted | 7,00,22,175.00 |
| Sales GSTR-9 Exempted | 9,21,41,145.04 |
| Difference Exempted value | 2,21,18,970.04 |

> The notice mentioned difference is we unfortunately Land Sales (Exempt) values are not add in GSTR-1 for the month of March-2022. So, we are filed in the exempted land sales values are added in GSTR-9 return. We have reconciliation for GSTR-9 return filed in FY-2021-2022 and Income Tax return files sales turnover for the GSTR-9 basis as on 31.03.2022. We have enclosed Land Sale document for your kind verification purpose.

7. The confirmation of the demand in absence of a proper reply of the Petitioner cannot be interfered with.

8. Considering the same, the case is remitted back to the Respondent to pass a fresh order on merits subject to the Petitioner depositing 10% of the disputed tax confirmed vide impugned order of the disputed tax in cash or from the Petitioner's Electronic Cash Register within a period of thirty (30) days from the date of receipt of a copy of this order.

9. Insofar as the defect No.1 pointed out in the aforesaid notice in Form GST DRC - 01 dated 23.09.2025, the Petitioner shall file a proper reply thereafter the Respondent shall proceed to pass order.

10. Within such time, the Petitioner shall also file a reply to the Show Cause Notice in GST DRC-01 dated 23.09.2025 together with requisite documents to substantiate the case by treating the impugned Order dated 26.12.2025 as an addendum to the Show Cause Notice dated 23.09.2025.

11. In case the Petitioner complies with the above stipulations, the Respondent shall proceed to pass a final order on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply/pre-deposit. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner if any, shall also stand automatically vacated.

12. It is made clear that bank attachment shall be lifted subject to the Petitioner depositing 10% of the disputed tax as ordered above and the Petitioner not being in arrears of any other amount for any other tax period barring the amount demanded under the impugned Order.

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

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

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

**23-02-2026**

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

To

The Commercial Tax Officer
(The State Tax Officer),
Udumalpet (South),
144B, Kanthasamy Complex,
Kalpana Road,
Udumalpet -642 126.

**C.SARAVANAN, J.**

jas

**WP No. 5807 of 2026**
**and**
**W.M.P.Nos.6322 and 6325 of 2026**

**23-02-2026**