IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24-02-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 6956 of 2026
and W.M.P.Nos.7567 & 7570 of 2026

Senthil Kumar Departmental Stores
Rep By Its Proprietrix
Smt. Shamundeeswari
S.F.No.228/2, Anandur, Uthangarai-635304

..Petitioner(s)

Vs

The State Tax Officer
Harur,
Dharmapuri

..Respondent(s)

Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorari to call for the records of the respondent herein in GSTIN - 33FWCPS1315F1ZU/2018-19 and quash the proceeding dated 06.05.2025 passed therein

For Petitioner(s): Mr.Raveendran B

For Respondent(s): Mr.TNC Kaushik, Additional Government Pleader

ORDER

Heard Mr.Raveendran B, the learned counsel for the petitioner and Mr.TNC Kaushik, the learned Additional Government Pleader 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 Additional Government Pleader for the Respondent.

3. The petitioner is before this Court against the impugned order dated 06.05.2025 in Form GST DRC – 07 passed for the tax period 2018 – 2019 under Section 74 of the respective GST Enactments, which was preceded by a Show Cause Notice in Form GST DRC – 01 dated 11.10.2023 to which the petitioner replied on 28.12.2023 in Form GST DRC – 06.

4. The learned counsel for the petitioner would submit that in response to the notice intimation in DRC – 01A dated 19.06.2023, the petitioner had filed a reply dated 26.12.2023 and replied to the Show Cause Notice in Form GST DRC – 01 28.12.2023. However, it is submitted that without considering the same, the impugned order has been passed.

5. A reading of the impugned order dated 06.05.2025 indicates that the petitioner had filed a reply dated 28.12.2023 and a content of which has been extracted in the impugned order. Relevant part of the impugned order which extracts the reply of the petitioner dated 28.12.2023 in Form GST DRC – 06 reads as under :

> *" <u>Reply filed by the dealer</u>:*
> *The dealer have stated that "We accept the demand of CGST Rs.81,054/- and SGST Rs.81,054/-. The payment has been made through DRC – 03 ARN:AD330623032615C DT.20.06.2023 and the relevant document is enclosed for your reference.*

6. By the impugned order dated 06.05.2025, the petitioner has been asked to pay the penalty and interest at 18%. The petitioner has been imposed with a lesser penalty and interest at 18% up to the date of payment of tax on 06.05.2025.

7. Section 74 of the respective GST Enactments contemplates the payment of penalty before the issuance of notice on assesse's own ascertainment or on the ascertainment by the proper officer after the issuance of Show Cause Notice. The petitioner has not opted for any of the benefit under the Scheme prescribed under Section 74 of the respective GST Enactments.

8. Section 74 of the respective GST Enactments gives three opportunity to an assess to pay the tax together with the interest and penalty at available rates which has been discussed by this Court in ***M/s.Geena Garments Vs. State Tax Officer in W.P.No.19805 of 2025*** dated ***11.02.2026***. Relevant portion of the order dated **11.02.2026** in **W.P.No.19805 of 2025** is extracted hereunder:-

"7. There is no scope for any interference in the impugned Assessment Order as the Petitioner has been asked to pay interest under Section 50(3) and penalty under Section 74 of the respective GST Enactments for late payment of tax.

8. It was open for the Petitioner to either pay the tax together with interest payable under Section 50 of the respective GST Enactments together with penalty equivalent to fifteen percent of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer in terms of Section 74(5) of the respective GST Enactments and inform the proper officer in writing of such payment.

9. Similarly, the second option was also available to the Petitioner after the Show Cause Notice was issued under Section 74(8) of the respective GST Enactments. The Petitioner had the option to pay tax, interest under Section 50 of the respective GST Enactments together with 25% of such tax towards penalty within a period of 30 days from the date of issuance of such notice.

10. After the impugned Assessment Order was passed, the Petitioner had yet another option under Section 74(11) of the respective GST Enactments. The Petitioner could pay tax along with interest on belated payment along with penalty equivalent to 50% of such tax and communicate the same to the proper officer in writing of such payment.

11. In this case, the Petitioner has not opted for any of the *alternatives provided under Sections 74(5), 74(8) or 74(11) of the respective GST Enactments. As such, there is no scope for interfering with the impugned Assessment Order passed by the Respondent, particularly when the Petitioner has admitted the tax liability and credited the same on 18.10.2024."*

9. As such, there is no merits in challenge to the impugned order in so far as the impugned order seeks to levy interest and penalty. The penalty that has been imposed is also at concessional rate. Hence, the writ petition is liable to be dismissed as the petitioner has been given with an undue advantage in the impugned order.

10. As there is no merits in challenge to the impugned order in so far as the levy of penalty, the interest at 18% up to 06.05.2025, may require a fresh determination as the amount was paid on 20.06.2023. Therefore, the case is remitted back to the respondent only for redetermination of interest up to the actual date of payment.

11. This Writ Petition is disposed of with the above observation. No costs. Connected miscellaneous petitions are closed.

24-02-2026

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

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To:

The State Tax Officer
Harur,
Dharmapuri

C.SARAVANAN, J.

BKN

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