IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 11-03-2026

CORAM

THE HONOURABLE MR JUSTICE C. SARAVANAN

WP No. 9430 of 2026
and
WMP Nos.10151 & 10148 of 2026

Tvl.Annai Agency
Rep by its Gurusamy Kandasamy,
No.7, NA, Pillaiyar Kovil Street,
Kandigai, Chengalpattu 600 048.

Petitioner(s)

Vs

1. The State Tax Officer
Thirukazhukundram Assessment Circle,
Thirukazhukundram.

2.The Assistant Commissioner (ST)
Thirukazhukundram Assessment Circle,
Thirukazhukundram.

Respondent(s)

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Certiorarified Mandamus, calling for the records leading to the issuance of proceedings with order passed by the 1st respondent in GSTIN No.33BXQPK2054L1Z7/2020-2021 along with summary of the order Form GST DRC-07 dated 24.02.2025 and consequential order of proceedings in Form GST DRC-08 dated 30.1.2026 by the 2nd respondent herein and quash the same and direct the respondent herein to consider the petitioner rectification application dated 29.3.2025.

For Petitioner(s): Mr.Desinghu Natesan

For Respondent: Mr.T.N.C.Kaushik
Additional Government Pleader

ORDER

Mr.T.N.C.Kaushik, learned Additional Government Pleader, takes notice for the Respondents.

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 24.02.2025 passed by the 1st respondent in Form DRC-07 and the order dated 30.01.2026 in Form GST DRC-08 passed by the 2nd respondent in response to the application filed under Section 161 of the TNGST/CGST Act, 2017 filed on 29.03.2025.

4. It is noticed that the petitioner was issued with show cause notice dated 25.11.2024 in Form DRC-01, to which the petitioner had also replied. By the first mentioned order passed by the 1st respondent, the demand was confirmed. The Revenue abstract of the demand confirmed vide order dated 24.02.2025 is under:

Sr.No.	Tax Period		Tax	Interest	Penalty	Fee	Others	Total
	From	To						
1.	Apr 2020	Mar 2021	0	1,20,448	17,833	12,475	0	1,50,756
2.	Apr 2020	Mar 2021	0	1,20,448	17,833	12,475	0	1,50,756
3.	Apr 2020	Mar 2021	0	1,62,363	24,173	0	0	1,86,536
Total			0	4,03,259	59,839	24,950	0	4,88,048

5. In the light of the payment of tax by the petitioner belatedly in the background, the petitioner filed an application on 29.03.2025 for rectification of order, which came to be rejected by the 2nd mentioned order dated 30.01.2026. During the interregnum period, the petitioner claims to have discharged the proportionate interest, penalty and late fee, except the late fee on account of the Input Tax Credit availed on the CESS on the motor vehicle purchased by the petitioner.

6. The specific grievance of the petitioner is that the petitioner has not utilized the credit availed and the said credit was also reversed on 11.01.2025. If the petitioner had not utilized the ITC, it would be just unfair to impose interest, though the general penalty under Section 125 of the Act can be imposed. The reply of the petitioner and also the rectification application filed by the petitioner has not brought out clearly as to whether the petitioner had utilized the ITC availed on the CESS paid on the motor vehicle and the

Insurance thereof.

7. Considering the same, the case is remitted back only for verification as to whether the petitioner had indeed utilised the ITC availed on the CESS paid on the motor vehicle is ineligible. In case, the petitioner had also utilized then the demand confirmed vide order dated 24.02.2025 need not be disturbed. If the ITC had remained unutilised, the respondents may pass appropriate orders dropping the interest with liberty to impose the general penalty under Section 125 of the Act.

8. This writ petition is disposed of with the above observation. No costs. Consequently, connected Miscellaneous Petitions are closed.

11-03-2026

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

To
1. The State Tax Officer
Thirukazhukundram Assessment Circle,
Thirukazhukundram.

2.The Assistant Commissioner (ST)
Thirukazhukundram Assessment Circle,
Thirukazhukundram.

C.SARAVANAN J.
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