IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29-06-2026

CORAM

THE HON'BLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

W.P.No.18896 of 2026
and
W.M.P.Nos.20189 & 20190 of 2026

SS Flowers,
Represent by its Proprietor Mr.Lokesh
Door No.265B1A, Berigai Village and Post,
Shoolagiri Taluk, Krishnagiri-635109.

..Petitioner

Vs

The Deputy State Tax Officer 1,
(Also known as Deputy Commercial Tax Officer)
Hosur North -2 Assessment Circle,
Hosur, Krishnagiri.

..Respondent

Prayer: Writ Petition filed under Article 226 of Constitution of India for issuance of Writ of Certiorari, calling for the records on the file of the respondent herein in his order in FORM GST DRC – 07 with Reference No.ZD330225249781F dated 24.02.2025 issued along with the detailed order in GSTIN No.33AHLPL5354L1Z0/2020-21 dated 24.02.2025 and quash the same.

For Petitioner:	Mr.N.Chandirasekar
For Respondent:	Ms.Amirta Poonkodi Dinakaran, Government Counsel

ORDER

An order dated 24.02.2025 imposing tax, interest and penalty on the petitioner for wrongful availment of Input Tax Credit (ITC) is challenged in this writ petition.

2.Learned counsel for the petitioner submits that the entire tax liability under the impugned order of Rs.3,37,405/- was discharged. Relying on the electronic credit ledger of the petitioner, he submits that ITC was not utilized by the petitioner because the petitioner deals in exempted goods (flowers).

3.Ms.Amirta Poonkodi Dinakaran, learned Government Counsel, appears on behalf of the respondent. She submits that tax was paid voluntarily and cannot be construed as disputed tax.

4.The petitioner has placed on record evidence that the entire tax demand under the impugned order was discharged. The case of the petitioner is that ITC was not utilized because the petitioner deals in exempt supplies. If the contention of the petitioner is correct, there would be no case to impose tax and interest although penalty would be leviable if ITC had been wrongfully availed of. In order to provide an opportunity to the petitioner to canvass these aspects, reconsideration is necessary.

5.Therefore, subject to verifying and confirming that the entire tax demand under the impugned order had been recovered, the impugned order is set aside and the matter is remanded for reconsideration. After providing a reasonable opportunity to the petitioner, a fresh order shall be passed within three months from the date of verifying and confirming the recovery of the tax demand.

6.The writ petition is disposed of on the above terms. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

29-06-2026

Index:No
Speaking order
Neutral Citation:No
hvk

To

The Deputy State Tax Officer I,
(Also known as Deputy Commercial Tax Officer),
Hosur North -2 Assessment Circle,
Hosur, Krishnagiri.

SENTHILKUMAR RAMAMOORTHY, J.

hvk

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