



W.P.No.19805 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	04.02.2026
Pronounced on	11.02.2026

CORAM :

THE HONOURABLE MR. JUSTICE C.SARAVANAN

W.P.No.19805 of 2025
and
W.M.P.No.22270 of 2025

M/s.Geena Garments,
Represented by its Partner

... Petitioner

Vs.

State Tax Officer,
Gandhi Nagar Assessment Circle,
No.16, Emperor Building,
Indira Nagar 1st Street,
Avinashi Road,
Tiruppur – 641 603.

... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records of the Respondent leading to issuance of Impugned Order dated 05.02.2025 vide GSTIN: 33AAGFG6962K1Z3/2017-18 and quash the same.

For Petitioner : Mr.S.Sathyanarayanan

For Respondent : Ms.Amirtha Poonkodi Dinakaran
Government Advocate



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ORDER

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In this Writ Petition, the Petitioner has challenged the impugned Assessment Order dated 05.02.2025 in Form GST DRC-07 passed for the tax period 2017-2018 under Section 74 of the respective GST Enactments. The impugned Assessment Order was preceded by a Show Cause Notice dated 30.08.2024 in Form GST DRC-01 to which the Petitioner replied on 10.07.2024.

2. By the impugned Assessment Order, the demand proposed in the Show Cause Notice in Form GST DRC-01 for a sum of Rs.2,37,965/- (towards SGST and CGST each) towards the claim of ineligible Input Tax Credit has been confirmed against the Petitioner. The impugned Assessment Order has also levied interest under Section 50(3) and imposed penalty under Section 74 of the respective GST Enactments.

3. The interest under Section 50(1) and penalty under Section 74 of the respective GST Enactments confirmed by the Respondent in the impugned Assessment Order are as follows:-



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Act	Interest	Penalty u/s 74	Total
SGST	187529	237965	425494
CGST	231889	237965	469854
Total	419418	475930	895348

4. Pursuant to the aforesaid Show Cause Notice dated 30.08.2024 in Form GST DRC 01, the Petitioner accepted the demand proposed therein and made payment on 18.10.2024 in Form GST DRC-03 for a sum of Rs.2,37,965/- (towards SGST and CGST each) by debiting Input Tax Credit ledger viz., the Electronic Credit Ledger.

5. When the Petitioner's Input Tax Credit was verified, it was noticed that for a period from 31.07.2017 to 18.10.2024, the Credit Ledger balance was insufficient for the aforesaid payment with effect from 03.06.2020 for SGST and 22.05.2019 for CGST. Therefore, interest was confirmed against the Petitioner by the impugned Assessment Order.

6. I have heard the arguments of the learned counsel for the Petitioner and the learned Government Advocate for the Respondent and have perused the materials on record.



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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.



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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.

12. In view thereof, this Writ petition is liable to be dismissed and is accordingly dismissed. No costs. Connected Writ Miscellaneous Petition is closed.

11.02.2026

Neutral Citation: Yes / No

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To:

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C.SARAVANAN, J.

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Pre-delivery Order in W.P.No.19805 of 2025

11.02.2026