



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04-06-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

**WP No. 18015 of 2026
and WMP.Nos.19364 & 19367 of 2026**

P.Baskaran
Rep. by its Proprietor
Baskaran,
No.589/ Old No.217, Trichy Main Road,
Gugai, Salem,
Tamil Nadu- 636 006

..Petitioner

Vs

The Deputy State Tax Officer,
(Also known as the Deputy Commercial Tax
Officer), Gugai Circle Salem,
Room No.126, 1st Floor, Integrated commercial
Taxes Building, No.17, Pitchards Road,
Hasthampatty, Salem-7.

..Respondent

Petition filed under Article 226 of The Constitution of India praying for the issuance of a Writ of Certiorari calling for the records on the files of the learned Respondent herein in GSTIN/ 33AGXPB4930D1ZL/ 2018-19 in FORM GST DRC-07 in Order Reference No. ZD330824291608Z dated 30.08.2024 and quash the same.

For Petitioner:

Ms. Siri Chandana K.

For Respondent:

Ms. Amirta Poonkodi Dinakaran
Government Counsel (Tax)



ORDER

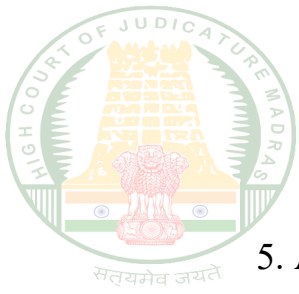
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An order dated 30.08.2024 imposing interest and penalty under Section 74 of applicable GST enactments is challenged herein on the ground of alleged breach of principles of natural justice.

2. Learned counsel for the petitioner contends that the Input Tax Credit (ITC) availed of by the petitioner was reversed although there was genuine supply of goods. She also submits that the ingredients of Section 74 are not made out.

3. Ms. Amirta Poonkodi Dinakaran, learned Government Counsel (Tax), accepts notice on behalf of the respondent. She submits that the petitioner had replied to the show cause notice and that no case is made out for interference.

4. The ITC availed of by the petitioner has been reversed. Therefore, revenue interest is protected to that extent. The possibility of the petitioner establishing that there was a genuine supply of goods and that Section 74 was incorrectly invoked cannot be ruled out without providing the petitioner an opportunity to place material documents on record. For that limited purpose, the order impugned herein is set aside and the matter is remanded for reconsideration with regard to the invocation of Section 74.



5. After providing a reasonable opportunity to the petitioner, a fresh order shall be issued within three months from the date of receipt of a copy of this order.

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

04-06-2026

Index: Yes/No

Neutral Citation: Yes/No

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To

The Deputy State Tax Officer,
(Also known as the Deputy Commercial Tax
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Room No.126, 1st Floor, Integrated commercial
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SENTHILKUMAR RAMAMOORTHY, J.

KJ

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