

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED : 09.01.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.49845 of 2025

and

W.M.P.Nos.55729 and 55730 of 2025

M/s.Muniappa Traders,
Represented by its Proprietor A.Muniyappan,
No.340, Pennagaram Road,
Dharmapuri-636 701.

... Petitioner

Vs.

1.The Deputy Commissioner (CT),
GST-Appeal,
Tirupur (North)-1,
Tiruppur.

2.The State Tax Officer,
Dharmapuri Assessment Circle,
Commercial Taxes Buildings,
Ground Floor,
Dharmapuri-636 107.

3.The Assistant Commissioner (ST), (FAC),
Dharmapuri Assessment Circle,
Near Collectorate,
Dharmapuri-636 705.

... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records of the second respondent in his proceedings in Order No.33AQVPM6422H1ZK/2020-21,



dated 25.02.2025 and culminating in the order of the first respondent in GSTIN/Temp ID/UIN 33AQVPM6422H1ZK-ARN # AD330925014856U, dated 17.09.2025, and quash the same.

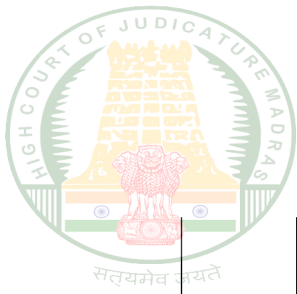
For Petitioner : Mr.Subramanian, C.
For Respondents : Mrs.P.Selvi
Government Advocate

ORDER

In this Writ Petition, the Petitioner is before this Court against the impugned order dated 25.02.2025 in Form GST DRC-07 for the tax period 2020-2021, whereby the demand proposed in Show Cause Notice in DRC-01 dated 24.01.2024 has been confirmed against the petitioner.

2. The total demand confirmed against the petitioner by the impugned order is as under:-

S.No.	Description	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7
1	Total tax due in (Under declaration of output tax) + (Excess claim of ITC)	295971	295971	39060	0	631002
2	Interest	234701	234701	30974	0	500376
3	Penalty on	29597	29597	20000	0	79194



amount	in					
S.No.1						
4	Late fee	8550	8550	0	0	17100
5	Total (1+2+3+4)	568819	568819	90034	0	1227672

3. It is noticed that in response to the Show Cause Notice in DRC-01 dated 24.11.2024, the petitioner filed a reply on 17.02.2025 which has been extracted in the impugned order. Relevant portion of the impugned order reads as under:-

Sir,

F.Y.2020-21 Jan-Mar 2021 Excess availed ITC CGST = 177820.28, SGST=177820.28 are Reversed on Next F.Y.2021-22 Apr 2021 GSTR 3B return TABLE 4B(2). Please verify and reduce this Tax amount, Interest and penalty amount in this Notice sir. I attached proof of Mar 2021, Apr 2021 GSTR3B returns and Mar 2021 system generated 3B return sir.

GSTR3B_33AQVPM6422H1ZK_032021_SystemGenerated.pdf

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4. The learned counsel for the petitioner would submit that on 10.06.2021, the petitioner had voluntarily reversed excess ITC of Rs.1,77,820.28 each towards CGST and SGST in the monthly return filed in GSTR-3B for the Tax period April 2021 (2021-2022). In other words, the



petitioner has discharged the tax liability in respect of alleged excess ITC. In addition thereto, the petitioner had also paid 10% of the disputed tax, as mandated under the respective GST Enactments.

5. The learned counsel for the respondents is however unable to confirm whether indeed the petitioner has paid the aforesaid amount towards the tax liability confirmed under the impugned order.

6. The learned counsel for the petitioner would submit that post facto a total sum of Rs.6,31,002 /- has been recovered from the petitioner on the dates as under:-

DATE	REF.NO	TAX PERIOD	INTE.	CENTRAL	STATE	TOTAL
25.02.2025	D13302250585773	MARCH 21	-	177820	75299	253119
15.03.2025	D13303250096932	MARCH 21	-		42852	42852
15.03.2025	D13303250097007	MARCH 21	-	39060		39060
15.03.2025	D13303250100555	MARCH 21	-	15581		15581
20.08.2025	D13308250477097	MARCH 21	-		159966	159966
02.12.2025	D13312250005461	MARCH 21	-	118151	2273	120424
				350612	280390	631002

7. It is therefore submitted by the learned counsel for petitioner that petitioner may be given an opportunity to defend the case for fresh consideration on terms.



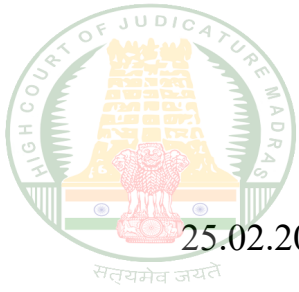
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8. It is noticed that the limitation for filing an appeal under Section 107 of the respective GST enactments, 2017 against the impugned Order has already expired. The present Writ Petition has been filed only on 12.12.2025.

9. Under similar circumstances, Orders have been quashed and cases have been remitted back to pass a fresh order on terms subject to such Assessee depositing 10% to 100% of the disputed tax depending upon the length of delay in approaching the Court. I do not find any reason to take a different view in this case.

10. Therefore, to balance the interest of both parties viz., the Assessee and the Revenue, the impugned order is quashed and the case is remitted back to the Respondents to pass a fresh order on merits subject to the Petitioner depositing 25% of the disputed tax in cash from the Petitioner's Electronic Cash Register within a period of thirty (30) days from the date of receipt of a copy of this order.

11. Within such time, the Petitioner shall also file a reply to the Show Cause Notice dated 24.11.2024 in GST DRC-01 together with requisite documents to substantiate the case by treating the impugned Order dated



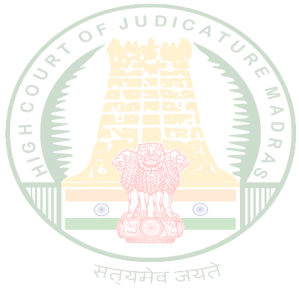
25.02.2025 as an addendum to the Show Cause Notice dated 24.11.2024.

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12. In case the Petitioner complies with the above stipulations, the Respondent shall proceed to pass a final order on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply/pre-deposit. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

13. It is made clear that bank attachment of the petitioner shall be lifted subject to the petitioner depositing 25% of the disputed tax as ordered above and the Petitioner not being in arrears of any other amount barring the amount demanded under the impugned Order.

14. In case the Petitioner fails to comply with any of the stipulations, the Respondents is at liberty to proceed against the Petitioner to recover the tax in accordance with law as if this Writ Petition was dismissed *in limine* today.



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15. Needless to state, any tax amount already recovered / paid by the petitioner against the tax liability confirmed by the impugned order shall be set off and adjusted towards the pre-deposit of 25% as ordered above subject to verification. If the said amount is over and above the 25% of disputed tax, no further amount is required to be paid by the petitioner as condition for *de novo* proceedings.

16. Needless to state, the petitioner shall be heard by the respondents before passing any such order.

17. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

09.01.2026

ssn

Neutral Citation : Yes / No



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Case Citation: (2026) taxcode.in 59 HC



W.P.No.49845 of 2025

C.SARAVANAN, J.,

ssn

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