



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27-07-2026

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THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP Nos. 19693 & 19695 of 2023

&

WMP Nos.18977, 18979, 18983 & 18989 of 2023

In both WPs

Tvl. Indian Railway Finance Corporation Limited
Rep. by its Authorised Signatory, Mr.N.H.
Kannan, NGO Building, Mint Street, Park Town,
Chennai -600 003

..Petitioner(s)

Vs

Assistant Commissioner (ST) (FAC),
Park Town Assessment Circle, Integrated Building
For Commercial Taxes Department, Chennai North
Division, No. 32, Elephant Gate Bridge Road,
Vepery, Chennai 600 003.

..Respondent(s)

PRAYER IN W.P.No.19693 OF 2023: This writ petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of Certiorari calling for the records relating to the impugned order in GSTIN - 33AAACI0681C1Z6/ 2020- 2021 dated 09.06.2023 passed by the respondent and to quash the same.

PRAYER IN W.P.No.19695 OF 2023: This writ petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of Certiorari calling for the records relating to the Urgent Notice for Non-Payment of GST Arrears i.e. Recovery Notice dated 12.06.2023 in GSTIN-33AAACI0681C1Z6 for FY 2020-21 issued by the Respondent and to quash the same.



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WP No. 19693 of 2



In both WPs

For Petitioner(s):

Ms.R.Charulatha
for M/s.Lakshmi Kumaran and Sridharan
Attorneys

For Respondent(s):

Ms. G.Dhana Madhri
Government Counsel (T)

COMMON ORDER

An order dated 09.06.2023 relating to assessment period 2020-21 and a consequential recovery notice dated 12.06.2023 are challenged in these writ petitions.

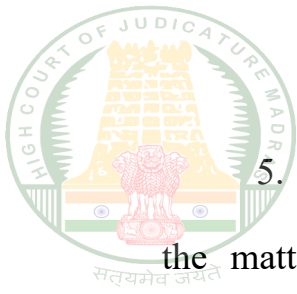
2. Adverting to reply dated 27.04.2023 to the show cause notice, learned counsel for the petitioner submits that the petitioner had responded to each query raised therein. As regards the discharge of reverse charge liability, learned counsel submits that the invoice issued by the petitioner upon discharge of the tax liability on reverse charge basis is the tax invoice, which is relevant for purposes of computing the period of limitation for availing of Input Tax Credit (ITC). If computed from the date of invoice, she submits that ITC was availed of in accordance with Section 16(4), as amended by Section 16(5) of the statute. As regards alleged avilment of excess ITC, learned counsel points out that there was excess credit available in the GSTR-2A in relation to CGST and SGST and that there is no provision for the lapsing thereof as recorded in the impugned order. She also submits that the legal submissions made in relation to



the alleged availment of excess ITC of Rs.15,44,85,472.60 towards IGST were not taken into consideration and no findings were recorded thereon. For all these reasons, it is submitted that reconsideration is necessary.

3. Ms.G.Dhana Madhri, learned Government Counsel, appears on behalf of the respondent. At the outset, she submits that principles of natural justice were complied with. She also submits that challenge is on the merits of the decision and that a writ petition does not lie in such circumstances.

4. On perusal of the impugned order, it is noticeable that the proper officer has recorded a finding that the taxpayer is not eligible to claim and utilize ITC on account of making the payment in financial year 2021-22 after receiving supplies in financial year 2020-21. By referring to Section 31(3)(f) of the applicable GST enactments, learned counsel for the petitioner contended that the relevant invoice is the invoice issued by the petitioner and not the invoice issued by the supplier. This aspect has not been considered in the impugned order. In addition, it appears that the tax liability has been arrived at by adding the excess ITC available in the petitioner's GSTR-2A as regards CGST and SGST. This approach was clearly erroneous and warrants reconsideration.



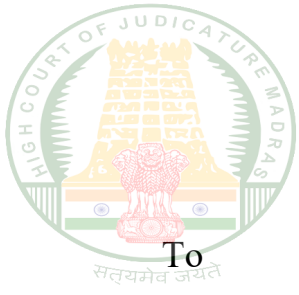
5. Therefore, the impugned order and recovery notice are set aside and the matter is remanded for reconsideration. After providing a reasonable opportunity to the petitioner, including a personal hearing, a fresh order shall be issued within three months from the date of receipt of a copy of this order.

6. The writ petitions are disposed of on the above terms. Consequently, connected miscellaneous petitions are closed. No costs.

27-07-2026

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

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To

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Assistant Commissioner (ST) (FAC),
Park Town Assessment Circle, Integrated Building
for Commercial Taxes Department,
Chennai North Division, No. 32,
Elephant Gate Bridge Road,
Vepery, Chennai 600 003.



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WP No. 19693 of 2



SENTHILKUMAR RAMAMOORTHY, J.

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