

W.P.(MD) No.18566 of 2026

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 16.07.2026

CORAM

THE HON'BLE MR.JUSTICE C.SARAVANAN

W.P.(MD) No.18566 of 2026

and

W.M.P.(MD) Nos.13733 & 13735 of 2026

M/s.Sri Vaira Balaji Fireworks,
Rep. by its Partner Mr.V.RAJA,
No.3/856-A, Anuppankulam Village,
Sivakasi - 626 123,
Virudunagar District, Tamil Nadu.

... Petitioner

Vs.

1.The Commissioner of Commercial Tax,
O/o. The Principal Secretary /
Commissioner of Commercial Taxes,
Ezhilagam, Chepauk,
Chennai - 600 005.

2.The Joint Commissioner (ST),
Madurai Road,
Near VVV Women College,
Virudunagar.

3.The Assistant Commissioner (ST),
Sivakasi III Circle,
Commercial Tax Building,
Satchiyapuram,
Sivakasi - 626 123,
Virudunagar District.

... Respondents



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Prayer : Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus to call for the records pertaining to the impugned order in Form DRC-07 bearing reference No.ZD3304261937361/GSTIN 33ADTFS1917L1ZL, dated 22.04.2026, passed by the third respondent herein and quash the same as illegal, unjust, unfair and in excess of jurisdiction and in violation of principles of natural justice and further direct the third respondent herein to re-consider the case with regard to clubbing of amounts available in individual persons account in accordance with law on the basis of documents already filed and also the records therein and the facts available on records by duly following the orders passed by High Courts and the instructions issued by the Government after affording an opportunity of personal hearing.

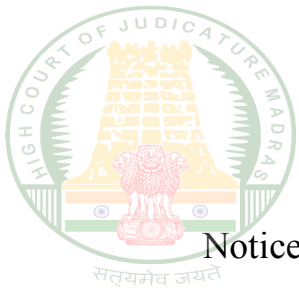
For Petitioner : Mr.A.K.Jayaraj

For Respondents : Mr.R.Parthiban
Counsel for Government of Tamilnadu

ORDER

The petitioner is before this Court challenging the impugned order dated 22.04.2026 passed in Form GST DRC-07 for the tax period 2020-2021.

2. The impugned order has been passed under Section 74A(9) of the respective GST Enactments in the absence of a reply to the Show Cause

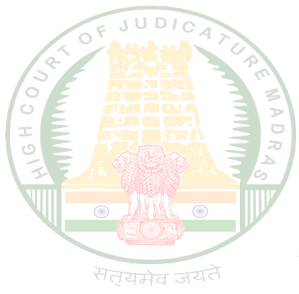


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Notice that preceded the impugned order. The case of the Department appears to be that the petitioner diverted the receipts to the personal accounts of its partners, namely, Madurai Veeran Vairavan, V.Raja and V.Jotheswaran and thereby suppressed the turnover in the monthly returns filed in Form GSTR-3B.

3. The learned counsel for the petitioner was asked to explain as to whether any GST registration stood in the names of the respective partners. However, it is noticed that only two of the partners, namely, Madurai Veeran Vairavan and V.Raja, obtained GST registrations on 29.08.2023 and 11.03.2025, respectively. Therefore, the independent GST registrations obtained by the aforesaid partners during the subsequent tax period are of no relevance to the present case.

4. The records filed by the petitioner also reveal that there were huge transactions in the business current account maintained with Axis Bank. The petitioner ought to have submitted a proper reply to the Show Cause Notice that preceded the impugned order. The petitioner also ought to have produced the relevant documents and appeared for the personal hearing.



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5. Considering the above, I am inclined to remit the matter back to the third respondent to pass a fresh order, subject to the condition that the petitioner deposits 10% of the disputed tax confirmed by the impugned order, which the petitioner would otherwise have been required to deposit under Section 107 of the respective GST Enactments for filing an appeal before the Appellate Authority.

6. Accordingly, the impugned order is quashed and the matter is remitted to the third respondent to pass a fresh order, subject to the petitioner complying with the above condition. The petitioner is directed to cooperate with the third respondent and also file an additional reply, if any.

7. With the above directions, this Writ Petition stands disposed of. There shall be no order as to costs. Consequently, the connected Miscellaneous Petitions are closed.

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NCC : Yes / No

Index : Yes / No



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C.SARAVANAN, J.

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