IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 17.10.2025

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P. No. 39541 of 2025
and
W.M.P. Nos. 44409 & 44410 of 2025

M/s. Laxmi Jewellery Chennai Private Limited,
Represented by its Director,
Ashok Kumar Jain ...Petitioner

Versus

1.The Deputy Commissioner (GST) Appeal,
PAPJM Building Greams Road,
Nungambakkam,
Chennai – 600 006.

2.The Assistant Commissioner (CT),
Park Town Assessment Circle,
Room No.307, Third Floor,
Integrated Commercial Taxes Building,
S. No.1275/3, Elephant Gate Bridge Road,
Vepery, Chennai – 600 003.

3.The State Tax Officer,
No.32, Integrated Commercial Tax Offices Building,
Wall Tax Road, Chennai – 600 003. ...Respondents

Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorari, to call for the records pertaining impugned Assessment Order dated 29.04.2024 made in ZD330424229676A under Section 73 of TNGST Act 2017/CGST Act 2017, for tax period April 2018 – March 2019, uploaded in the GST Portal along with the DRC 07, made by the 3rd respondent and to quash the same.

For Petitioner : Mr. P. Vikramkumar

For Respondents : Mr. T.N.C. Kaushik,
Additional Government Pleader

ORDER

This Writ Petition is disposed of at the time of admission with the consent of the learned counsel for the Petitioner and the learned Additional Government Pleader who takes notice on behalf of the Respondents.

2. The Petitioner is before this Court long after the impugned order dated 26.04.2024 was passed for the tax period 2018-2019. The impugned order was preceded by several notices, which have been referred to in the preamble and the notice in DRC 01 dated 22.12.2023.

3. It appears that about 12 different discrepancies were pointed out in these notices and that in respect of Discrepancy No.2 namely, Negative difference of tax in the Table 8-A and 8-B of the GSTR9 was confirmed. Insofar as the above, Discrepancy reads as under : -

> *“The tax payer has clarified that during the year the tax payer has availed input tax credit for Rs.12,03,91,433.00 as per audited financialy year. Whereas, at the time of filing GSTR-9c annual return, they have incorrectly reported the ITC value of Rs.12,44,48,471.00. It is merely clerical error. They have not produced input register to verify the genuineness. In the absence of such records, the proposal is hereby confirmed.”*

The discussion dealing with the aforesaid conclusion in the impugned order are as under: -

Discrepancy No.2 : Negative difference of tax in the Table 8-A and 8-B of the GSTR9 :

On comparison of Input Tax Credit availed by the taxpayer and shown in GSTR 3B returns with that of the purchase details available in GSTR 2A (auto populated) i.e. reported by the inward suppliers for the year 2018-19 revealed that the tax payer had adjusted/availed Input Tax Credit in GSTR 3B than the actual inward supply as per GSTR 2A which was as detailed below:-

Details for the year 2018-19	CGST	SGST	IGST
A) ITC Adjusted(₹) as per GSTR 2A reported in GSTR9 Pt.III Sr. No. 8A	30796178	30796178	58550522
B) ITC AVAILABLE as per GSTR 3B adjusted(₹) and reported in GSTR9 Pt.III Sr. No. 8B	32316540	32316540	55685891
RCM amount availed in the next financial year	0	0	0
Difference (A-B+C)	(-)1520362	(-)1520362	(+)2894631

From the above statement it was proved that the tax payer had availed excess input tax credit of Rs.15,20,362 for each Act of CGST and SGST and therefore the negative difference amount had to be paid and the positive difference amount of Rs.28,94,631 lapsed to Government.

Taxpayer's Reply:

For this defect the taxpayer had stated that as per GSTR9-C Table 14-R total amount Rs.12,03,18,968. As per annual return ITTC claimed as per annual return ITC total credit available for utilisation was Rs.12,44,48,471. There was surplus of ITC to the tune of Rs.41,29,502. The question of over utilization of Input tax does not arise. We attach herewith complete details for your kind notice.

Earlier Observations of the Proper Officer:

On a perusal of the Table No.12, Sr. No. D/E/F of GSTR9-C it was noticed that they had reported /declared ITC as detailed below.

Table Pt.IV.12-D	ITC availed as per audited /financial Statements or books of accounts	12,03,91,433
Table Pt.IV.12-E	ITC claimed in Annual return (GSGR9)	12,44,48,471
Table Pt.IV.12-F	Unreconciled ITC	40,57,038

On a scrutiny of the Annual return in GSTR9 for the year 2017-18 it was noticed in Table 6-A that they had already claimed ITC on Transition Credit through TRAN-1(including Revisions, if any.). In view of the above the reply of the taxpayer was not acceptable and therefore the proposal of the negative difference of tax for Rs.15,20,362 and Rs.15,20,362 was confirmed and to be paid.

4. Learned counsel for the Petitioner submits that *post facto*, the amount has also been recovered from the Petitioner on 23.10.2024 and on 20.03.2025 towards the SGST payable by the Petitioner.

5. Learned Additional Government Pleader for the Respondents also confirms the position after referring to Page 115 and 116 of the typed set.

6. Considering the fact that the Petitioner's reply dated 03.01.2024 has not been fully considered in the impugned order while confirming the demand insofar as Discrepancy No.2 referred to supra and considering the fact that the entire disputed tax has been recovered, the case is remitted back to the Respondents / Original Authority to pass a fresh order subject to verification that the entire amount has been recovered. In case, no such recovery has been made, the Petitioner shall also deposit the aforesaid amount.

7. The Writ Petition is disposed of with the above observations. Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

17.10.2025

Index : Yes/No
Neutral Citation :Yes/No
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C.SARAVANAN, J.

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