**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

DATED : 27.11.2025

CORAM :

**THE HONOURABLE MR.JUSTICE C.SARAVANAN**

**WP.No.44447 of 2025**
**and**
**WMP.Nos.49575 & 49576 of 2025**

Tvl.P.S.Kandasamy Dyeing
represented by its Partner Mr.P.S.Kandasamy
No.32, Kamaraj Nagar,
Periyakadu, Pallipalayam 638 006 …. Petitioner

Vs.

The Assistant Commissioner (ST) (FAC)
Pallipalayam Assessment Circle,
Namakkal ... Respondent

**Prayer :** Writ Petition filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorarified Mandamus to call for the records in order passed by the Respondent herein vide GSTIN 33AAQFP78611Z2/2018-19 along with DRC 07 Ref.No.ZD3307240158711 both dated 01.07.2024 and quash the same as arbitrary, bad in law and consequently direct the respondent to hear the case on merits.

For Petitioner : Mr. M. Narasimha Bharathi
For Respondent : Mrs.P. Selvi,
Govt. Advocate

## ORDER

Mrs.P.Selvi, learned Government Advocate, takes notice for the Respondent.

2. This Writ Petition is being disposed of at the time of admission with the consent of the learned counsel for the Petitioner and learned Government Advocate for the Respondent.

3. The petitioner has approached this Court against the impugned order dated 01.7.2024. The impugned order has preceded a notice in DRC 01 dated 23.05.2024 to which the petitioner failed to respond and has thus suffered impugned order. The demand has been confirmed on account of mismatch between GSTR 3B and the Input Tax credit that was available in GSTR 2A for the tax period 2018-19.

4. Since there were large scale disruption due to technical glitches, the Government has also issued circular No.183/15/2022 dated 27.12.2022 whereby the assessees/registered persons were permitted to file a certificate either from the supplier or from the Chartered Accountant. However, the petitioner failed to comply with the same. The petitioner also failed to respond to the Show Cause

Notice dated 25.03.2024 and has thus suffered the impugned order dated 01.07.2024.

5. In the affidavit filed in support of the petition, the petitioner has stated as under:

> "d. *The Petitioner submits being a small concern, furthermore the petitioner has not exposed to tax related matters and as well as handling of e-portals. Thereby the petitioner engaged the local consultant to handle the GST related issues. However the consultant has not paid due diligence while handling the case of the petitioner herein.*
>
> *e. Furthermore the consultants has not provide any details of proceedings, only after the recovery threat from the Respondent, the petitioner will come to know the proceedings."*

6. That apart, the learned counsel for the Petitioner would submit that Show Cause Notice is bereft of details of invoking Section 74 against the Petitioner. It is further submitted that no case for invoking Section 74 has been made out as the mis-match is only between the 3B and 2A which are purely on account of the technical glitches that prevailed immediately after the role out of the GST which has resulted in the impugned proceedings.

7. On the other hand, learned Government Advocate for the Respondent would submit that the petitioner has slept over the rights and therefore cannot

agitate the issue either on the ground of limitation or on merits by filing this Writ Petition on 11.11.2025. Therefore, this Writ Petition is liable to be dismissed.

8. Having considered the submissions made by learned counsel for the Petitioner and the Government Advocate for the Respondent and taking note of the extenuating circumstances resulting in denial of input tax credit on account of the mismatch between GSTR 3B and 2 A for a sum of Rs.34,64,334/-, this case is remitted back to the Respondent to pass a fresh order on merits subject to the Petitioner depositing a token amount of Rs.5 lakhs in cash within a period of 30 days from the date of receipt of a copy of this order. Within such time, the petitioner shall also file its reply to the notice that preceded the impugned order by treating the impugned order as its addendum.

9. In case, the petitioner deposits the aforesaid amount of Rs.5,00,000/- (Rupees Five Lakhs only) within such time, the respondent shall pass an appropriate order on merits. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

10. It is made clear that bank attachment shall be lifted subject to the deposit of Rs.5,00,000/-(Rupees Five Lakhs only) of the disputed tax as ordered above and the petitioner is not in arrears of any other amount barring the amount demanded under these impugned Orders.

11. In case the Petitioner complies with the above stipulations, the Respondent shall proceed to pass final orders on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply/pre-deposit.

12. In case the Petitioner fails to comply with any of the stipulations, the Respondent is at liberty to proceed against the Petitioner to recover the tax in accordance with law as if these Writ Petitions were dismissed *in limine* today.

13. Needless to state, before passing any such order, the Respondent shall give due notice to the Petitioner.

**C.SARAVANAN.,J**

gv

14. These Writ Petitions stand disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

**27.11.2025**

Neutral Citation : Yes / No
gv

To:

The Assistant Commissioner (ST) (FAC)
Pallipalayam Assessment Circle,
Namakkal

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