IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 11.12.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.48555 of 2025
and
W.M.P.Nos.54216 and 54220 of 2025

M/s.Sri Meenakshi Steels,
Represented by its Proprietor
M.Ashok Chakkaravarthy. ... Petitioner

Vs.

1.The Deputy Commissioner (ST) (FAC),
Central – II,
Arumbakkam, Chennai – 600 006.

2.The Assistant Commissioner (ST),
Arumbakkam Assessment Circle,
No.1, Greams Road, 4th Floor,
PAPJM (Annexe) Building,
Chennai – 600 006.

3.The Branch Manager,
Axis Bank,
No.113, Gopathi Narayana Swami,
Chetty Road,
Satyamurthy Nagar,
T.Nagar, Chennai – 600 017. ... Respondents

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 made in

Impugned Order dated 07.05.2025 made in GSTIN/33BYRPA0792H1ZE/2022-23 passed by the proceeding of the 2nd respondent and notice to the 3rd respondent under Section 79(1)(c) of the 1st respondent made in GSTIN 33BYRPA0792H1ZE/2025 dated 22.09.2025 and quash the same as illegal, void and unconstitutional and consequently directing the 1st respondent to refund the amount Rs.18,51,096/- from the petitioner's Axis Bank, T.Nagar Branch in Current Account No.920020058155395.

For Petitioner : Mr.S.M.Sivasooriyan

For Respondents : Mrs.K.Vasanthamala
Government Advocate
for R1 & R2

ORDER

Mrs.K.Vasanthamala, learned Government advocate takes notice for the 1st and 2nd Respondents.

2. This Writ Petition is being disposed of at the stage of admission itself with the consent of the learned counsel for the Petitioner and the learned Government Advocate for the 1st and 2nd Respondents.

3. In this Writ Petition, the Petitioner has challenged the impugned Order dated 07.05.2025, which was preceded by a Show Cause Notice in GST DRC-01 dated 02.09.2024 which was replied by the Petitioner to the 1st

Respondent on 02.10.2024 in Form GST DRC 06. However, the 2nd respondent has passed the impugned order dated 07.05.2025 without reference to the reply dated 02.10.2024.

4. The Petitioner has became aware of the impugned order purportedly only after the recovery proceedings was initiated by the office of the 1st Respondent recovering a sum of Rs.18,51,096/- directly from the Petitioner's bank account with the 3rd respondent on 22.09.2025. The reply of the Petitioner dated 02.10.2024 reads as under:-

> "*With reference to your above mentioned notice we are submitting the below details and enclosed necessary documents for your reference.*
>
> *Input claimed as RCM:*
>
> *We have filed our GSTR 1 for the month of Jan 2023 with wrong GSTIN and paid IGST for an amount of Rs.13,45,114/. We paid the amount and filed GSTR 3B, (Jan 2023)*
>
> *Since the supply was with in the state, we have amended the GSTIN of the customer in the month of Feb 2023. Due to the amendment of the GSTIN the amount paid under IGST in Jan 2023 for an amount of Rs.13,54,114/- was reflected as negative figure in February GSTR 1.*
>
> *In order to claim the amount paid under IGST, and there is no option to mention the negative figures in GSTR 3B, we have claimed the same as input under RCM as SGST of Rs.6,72,557/- and CGST of Rs.6,72,557/- enclosed GSTR – 1 and GSTR 3B for Jan 2023 and Feb 2023 for your reference. Also enclosed GSTR reconciliation for your reference.*
>
> *As per the rule the IGST can be adjusted against both CGST and SGST, we have claimed this excess amount paid as input credit under RCM.*"

5. There is a clear manifest violation of principles of natural justice as the Petitioner has indeed replied to the Notice in GST DRC – 01 dated 02.09.2024. The recovery without proper notice to the Petitioner particularly after the Petitioner filed a reply to the Notice in GST DRC – 01 dated 03.09.2024 ought not to have been made.

6. Since recovery has been made directly from the Petitioner's bank account with the 3rd Respondent, the case is remitted back to the 1st Respondent to pass a fresh order on merits and taking note of the reply to the Petitioner dated 02.10.2024.

7. Since the amount has been recovered directly from the Petitioner's bank account, the Respondents are directed to re-credit 90% of the amount recovered from the Petitioner's bank account as a pre-condition of re-doing the exercise. This exercise shall be completed by the 1st and 2nd Respondents within a period of one week from the date of receipt of a copy of this order.

8. Needless to state, the Petitioner shall also be heard before final orders are passed.

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

11.12.2025

Neutral Citation: Yes / No
jas

To

1.The Deputy Commissioner (ST) (FAC),
Central – II,
Arumbakkam, Chennai – 600 006.

2.The Assistant Commissioner (ST),
Arumbakkam Assessment Circle,
No.1, Greams Road, 4th Floor,
PAPJM (Annexe) Building,
Chennai – 600 006.

3.The Branch Manager,
Axis Bank,
No.113, Gopathi Narayana Swami,
Chetty Road,
Satyamurthy Nagar,
T.Nagar, Chennai – 600 017.

C.SARAVANAN, J.

jas

W.P.No.48555 of 2025
and
W.M.P.Nos.54216 and 54220 of 2025

11.12.2025