IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 10.12.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.48388 of 2025
and
W.M.P.Nos.54021 and 54022 of 2025

M/s.Sahai Automation,
Represented by its Proprietor S.Aruldass,
2/272B4, Mettu Thottam,
Thakualayam Privu,
Palladam to Tirupur Main Road,
Tirupur-641 664. ... Petitioner

Vs.

State Tax Officer-(FAC),
Office of the Deputy Commercial Tax Officer,
Palladam-1, Assessment Circle,
Tiruppur. ... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari to call for the records of the respondent in the Impugned Order in GSTIN:33AGYPA6455D2ZC/2018-2019 dated 19.08.2025 along with consequential order in form DRC-07 bearing a Ref.No.ZD3308251822186 dated 19.08.2025 for the Period 2018-20, and quash the same as it is being contrary to the provision of CGST Act, 2017.

For Petitioner : Mr.Vignesh Kumar, K.

For Respondent : Ms.Amirtha Poonkodi Dinakjaran
Government Advocate

ORDER

Ms.Amirtha Poonkodi Dinakjaran, learned Government Advocate takes notice for the Respondent.

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 Respondent.

3. In this Writ Petition, the Petitioner has challenged the Order bearing GSTIN:33AGYPA6455D2ZC/2018-2019 dated 19.08.2025 passed by the Respondent, for the tax period 2018-2020, which was preceded by a Notice in GST DRC-01 dated 07.11.2024. The petitioner replied to the aforesaid Show Cause Notice on 02.12.2024 in Form GST DRC-06.

4. It is noticed that the Department has clearly invoked Section 74 of the GST enactment in the aforesaid Show Cause Notice and has pointed out that there is a shortfall on payment of tax on account of mismatch in GSTR 3B and GSTR 2A filed by the petitioner. The petitioner's reply dated 02.12.2024 has been captured in the impugned order which reads as under:

The taxpayer reply:

"The taxpayer replied that, "I am writing in response to the GST notice Ref.No.ZD330724041099E recently issued to SAHAI AUTOMATION, dated 03.07.2024, concerning GSTR-1 VS GSTR-3B and ITC mismatch between GSTR-2A and GSTR-3B.

Upon reviewing the notice, we have observed that it appears to have been issued for an incorrect section under the GST Act. The notice mentions under Section 74, whereas our understanding and records indicate that the correct Section applicable to our transaction/activity should be under Section 73.

Further there is no suppression of sales to issue notice under Section 74.

Further ITC difference between GSTR 2A and GSTR 3B are information furnished already made available in monthly returns.

We respectfully request the concerned department to kindly review this discrepancy and provide us with clarification on the correct Section under which the notice should be issued. Additionally, we are prepare to provide any necessary documentation or information to facilitate this process"

5. However, the reply filed by the petitioner has not dealt with the allegations in the notice in DRC-01 dated 07.11.2024.

6. The petitioner would have been required to file an appeal against the impugned order in DRC-07 on payment of 10% of disputed tax prescribed under Section 107 of the respective GST enactments, 2017.

7. The learned counsel for the petitioner would further submit that the petitioner is willing to explain the case afresh and also willing to deposit 25% of the disputed tax.

8. It is noticed that the limitation for filing an appeal under Section 107 of the respective GST enactments, 2017 against the impugned Order has already expired. The present Writ Petition has been filed only on 02.12.2025.

9. Under similar circumstances, Orders have been quashed and cases have been remitted back to pass a fresh order on terms subject to such Assessee depositing 10% to 100% of the disputed tax depending upon the length of delay in approaching the Court. I do not find any reason to take a different view in this case.

10. Therefore, to balance the interest of both parties viz., the Assessee and the Revenue, the case is remitted back to the Respondent to

pass a fresh order on merits subject to the Petitioner depositing 25% of the disputed tax in cash from the Petitioner's Electronic Cash Register within a period of thirty (30) days from the date of receipt of a copy of this order.

11. Within such time, the Petitioner shall also file a reply to the Show Cause Notice in GST DRC-01 dated 07.11.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 19.08.2025 as an addendum to the Show Cause Notice dated 07.11.2024.

12. In case the Petitioner complies with the above stipulations, the Respondent shall proceed to pass a final order on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply/pre-deposit. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

13. It is made clear that bank attachment shall be lifted subject to the deposit of 25% of the disputed tax as ordered above and no other amount is in arrears barring the amount demanded under the impugned Order.

14. 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 this Writ Petition was dismissed *in limine* today.

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

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

10.12.2025

ssn

To:

State Tax Officer-(FAC),
Office of the Deputy Commercial Tax Officer,
Palladam-1, Assessment Circle,
Tiruppur.

C.SARAVANAN, J.

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