IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.01.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.321 of 2026
and
W.M.P.Nos.377 and 384 of 2026

M/s. SMT Traders,
Rep. By its Proprietor – A. Murugesan,
54C/73-1, NA, West Street,
Kolakattupurdur Post, Prelur TK,
Namakkal, Tamil Nadu – 637 208.

... Petitioner

Vs.

1. The Assistant Commissioner (ST),
Office of the Assistant Commissioner,
Tiruchengodu (Rural) Assessment Circle,
Namakkal.

2. The Assistant Commissioner (ST)(FAC),
Office of the Commercial Tax Officer,
Tiruchengodu (Rural) Assessment Circle,
Namakkal.

... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records relating to the impugned proceedings passed by the 1st respondent in the impugned order in GSTIN:33ASCpM7201M1ZT/2017-18 dated 10.06.2024 along with the consequential proceedings under Section 74 in FORM GST DRC 07 vide ref.

no.ZD3306240677744 dated 10.06.2024 along with consequential Rejection Order vide GSTiN:33ASCPm7201M1ZT/2017-2018 dated 10.09.2025 along with consequential rejection of application for rectification vide ref no.ZD330925117819Z dated 10.09.2025 passed by the second respondent for the period Jul'17 to Mar'18 to quash the same.

For Petitioner : Mr.Devanand J.R.

For Respondents : Mrs. K.Vasanthamala
Government Advocate

ORDER

Mrs. K.Vasanthamala, learned Government Advocate, takes notice for the Respondents.

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 Respondents.

3. In this Writ Petition, the Petitioner has challenged the impugned Order dated 10.06.2024, whereby the following demand has been confirmed against the petitioner.

Sl.No	Details	CGST Due (Rs.)	SGST Due (Rs.)	IGST Due (Rs.)	Total
1	TAX DUE	354202	354202	0	708404
2	Interest	364547	364547	0	729093
3	Penalty	354202	354202	0	708404
Total Due		**1072951**	**1072951**	**0**	**2145901**

4. The petitioner failed to respond to the Show Cause Notice issued in Form GST DRC-01 dated 06.01.2024, and thus suffered the impugned order.

5. Thereafter, the petitioner filed an application for rectification on 17.02.2025, which also came to be rejected by the order dated 10.09.2025. Hence, the present writ petition has been filed challenging the aforesaid orders.

6. The learned counsel for the petitioner submits that the entire disputed tax amount has already been recovered from the petitioner's bank account. Apart from the tax, the penalty and interest amounts have also been recovered.

7. However, the learned Government Advocate appearing for the respondents is unable to confirm the same.

8. Following the consistent view taken by this Court under similar circumstances, the case is remitted back to the 2nd respondent to pass a fresh

order on merits, subject to the Petitioner depositing 50% of the disputed tax in cash from the Petitioner's Electronic Cash Register within a period of 30 days from the date of receipt of a copy of this order. After due verification, any amount already recovered from the petitioner’s bank account shall be adjusted towards the said 50% of disputed tax. In case the amount already recovered, as stated above, exceeds or satisfies the 50% pre-deposit requirement, no further amount shall be required to be deposited for the purpose of redoing the proceedings.

9. Within such time, the Petitioner shall also file a reply to the Show Cause Notice in Form GST DRC-01 dated 06.01.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 10.06.2024 as an addendum to the Show Cause Notice dated 06.01.2024.

10. In case the Petitioner complies with the above stipulations, the 2nd 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 raised/vacated.

11. It is made clear that bank attachment shall be lifted subject to the deposit of 50% of the disputed tax as ordered above and the Petitioner is not in arrears of any amount barring the amount demanded under the impugned Order.

12. In case the Petitioner fails to comply with any of the stipulations, the 2nd 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.

13. Needless to state, before passing any such order, the 2nd Respondent shall give due notice to the Petitioner.

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

07.01.2026

Index : Yes/No
Neutral Citation : Yes/No

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C.SARAVANAN, J.

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To:

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