IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 07.01.2026

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P. No. 329 of 2026
and
W.M.P. Nos. 393 & 395 of 2026

M/s. Ponnshankar Traders,
Rep by its Prop – Mani Mohankumar,
No.1/16-19D, Ranga Complex, Sankari,
Salem, Tamil Nadu – 637 301.

... Petitioner

Versus

1. The appellate Deputy Commissioner of State Taxes,
   Salem.
2. The Deputy Commissioner (CT),
   Salem.
3. The State Tax Officer,
   O/o. The Commercial Tax Officer,
   Sankari, Salem.

...Respondents

Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of Certiorari calling for the records relating to the impugned proceedings initiated by the respondent in the impugned order FORM GST DRC – 07 bearing ref No.ZD330824128226H dated 16.08.2024 along with the Annexure vide GSTIN:33AKBPM5432F1ZK / 2019-2020 dated 16.08.2024 along with consequential proceedings in Order of rejection of application for rectification vide ref No.ZD330125199141O dated 23.01.2025 passed by the third respondent along with the consequential appellate proceedings in FORM GST APL – 02 bearing ref No.ZD330325082185I dated 13.03.2025 passed by the 2nd respondent on behalf of 1st respondent for the AY 2019-2020 to quash the same.

For Petitioner : Mrs.R.Hemalatha

For Respondents : Mrs.P.Selvi
Government Advocate

ORDER

Mrs.P.Selvi, 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 Assessment order dated 16.08.2024 which was proceeded by a Show Cause Notice in Form GST DRC-01 dated 20.05.2024, issued for the tax period 2019 -2020. The petitioner failed to respond to the same and, therefore, suffered the assessment order dated 16.08.2024 passed by the third respondent.

4. Thereafter, the petitioner moved an application for rectification of the aforesaid order, which came to be rejected by the 3rd respondent vide order dated 23.01.2025.

5. In this background, the petitioner filed an appeal before the office of the first respondent on 04.03.2025, which came to be dismissed on 13.03.2025.

6. It is noticed that, at the time of filing the appeal on 04.03.2025 before the office of the first respondent, the petitioner had already deposited 10% of the disputed tax.

7. The petitioner has failed to reply to the Show Cause Notice in Form GST DRC – 01 dated 20.05.2024 culminated in the assessment order dated 16.08.2024 passed by the third respondent, which stands reaffirmed by the orders dated 23.01.2025 and 13.03.2025. The above facts clearly show that no reply was submitted by the petitioner to the Show Cause Notice dated 20.05.2024.

8. Having considered the submission of the learned counsel for the petitioner and the learned Government Advocate for the respondents and following the consistent view taken by this Court under similar circumstances, the case is remitted back to the 3rd respondent to pass a fresh order on merits, subject to the Petitioner depositing an additional 40% of the disputed tax, over and above the 10% already pre-deposited at the time of filing the appeal before the office of the 1st Respondent on 04.03.2025 in case or from the petitioner's Electronic Cash Register within a period of 30 days from the date of receipt of copy of this order.

9. Within such time, the Petitioner shall also file an additional detailed reply to the Show Cause Notice in GST DRC-01 dated 20.05.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 16.08.2024 as an addendum to the Show Cause Notice dated 20.05.2024.

10. Amount which has already recovered from the petitioner or paid by the petitioner towards the tax liability confirmed vide impugned order dated 16.08.2024 shall be adjusted towards the pre-deposit of 40% of disputed tax.

11. In case the Petitioner complies with the above stipulations, the 3rd 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.

12. It is made clear that bank attachment shall be lifted subject to the deposit of 40% of the disputed tax as ordered above and the Petitioner not being in arrears of any other amount demanded for any other tax period barring the amount demanded under the impugned Order.

13. In case the Petitioner fails to comply with any of the stipulations, the 3rd 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.

14. Needless to state, before passing any such order, the 3rd Respondent shall give due notice to the Petitioner.

15. 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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