IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 27.01.2026
Coram

The Honourable **Mr.Justice C.Saravanan**

W.P.No.2624 of 2026
and
W.M.P.Nos.2855 & 2856 of 2026

Tvl Sri Guru Constructions
(Represented by its Partner, Mr. G. Alagarsamy)
No.13/26 Bazaar Street, Royapuram
Chennai Tamil Nadu - 600 013. ...Petitioner

Vs.

The Assistant Commissioner (ST) (FAC)
Royapuram Assessment Circle
Integrated Commercial Taxes office Complex
Room No.226, 2nd Floor,
No 32 Elephant Gate Bridge Road
Vepery, Chennai – 600 003. ...Respondent

Prayer :

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari calling for the records on the files of the Respondent herein in his proceeding in FORM GST DRC 07 with Reference No. ZD330225071375K dated 07.02.2025 issued along with detailed order in GSTIN : 33ACHFS6824R1ZF/2020-2021 dated 07.02.2025 for the tax period APR 2020 MAR 2021 and to quash the same.

For Petitioner : M/s.S.Vishnupriya
For Respondent : Mr.T.N.C.Kaushik
Additional Government Pleader (T)

Order

With the consent of M/s.S.Vishnupriya, the learned counsel for the Petitioner and Mr.T.N.C.Kaushik, learned Additional Government Pleader, who accepts notice on behalf of the Respondent, this Writ Petition is being disposed of at the time of admission.

2. In this Writ Petition, the Petitioner has challenged the Order dated 07.02.2025 in Form GST DRC-07 passed under Section 73 of the respective GST Enactments for the tax period April, 2020 to March, 2021 by the Respondent, which was preceded by a Show Cause Notice in Form GST DRC-01 dated 23.11.2024, to which the Petitioner failed to reply and thus, suffered the impugned Order, as mentioned above.

3. The learned counsel appearing for the Petitioner would submit that the demand proposed in the aforesaid Show Cause Notice dated 23.11.2024 which has been confirmed by the Respondent vide the impugned Order dated 07.02.2025 is on account of wrong availment of Input Tax Credit (ITC).

4. However, it is the case of the learned counsel for the Petitioner that though the Petitioner had availed cess credit on 24.02.2021, the Petitioner had never utilized the same, as the Petitioner has been asked to reverse the same. That apart, the unutilized cess amount of Rs.1,66,471/- has already been recovered from the Petitioner's Electronic Credit Ledger on 17.09.2025.

5. It is further submitted by the learned counsel for the Petitioner that as far as wrong availment of ITC during the month of December, 2020 is concerned, the Petitioner has reversed the same in the returns filed for the month of February, 2021 on 03.06.2021.

6. The learned counsel for the Petitioner also fairly concedes that the Petitioner will deposit the balance amount as far as Late Fee and interest for the belated filing of Returns in Form GSTR-3B is concerned.

7. I have considered the submissions made by the learned counsel appearing for the Petitioner and the learned Additional Government Pleader for the Respondent.

8. Recording the above submission, the impugned Order dated 07.02.2025 stands quashed and 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 of Rs.6,07,130/- (Rupees Six Lakh Seven Thousand one Hundred and Thirty only) confirmed by the impugned Order within a period of 30 days from the date of receipt of a copy of this Order. Within such time, the Petitioner shall also deposit the entire Late Fee and the Interest for the belated filing of Returns in Form GSTR-3B.

9. Needless to state, any amount recovered from the Petitioner towards the tax liability confirmed vide the impugned Order dated 07.02.2025, the same shall be adjusted towards the predeposit of 25% as ordered above.

10. Within such time, the petitioner shall file a Reply to the Show Cause Notice in Form GST DRC-01 dated 23.11.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 07.02.2025 as an addendum to the said Show Cause Notice.

11. In case, the Petitioner complies with above stipulation, the Respondent shall proceed to pass fresh 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. Needless to state that before passing any such order, the petitioner shall be heard.

13. It is made clear that the Bank Attachment shall be lifted subject to the depositing the disputed tax as ordered above and the Petitioner is not in arrears of any other amount barring the amount demanded under the respective impugned order.

14. In case, the petitioner fails to complies with the Petitioner complying with the above stipulations, the Tespondent shall proceed to pass fresh 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.

15. It is needless to state that, before passing any such order, the petitioner shall be heard.

16. This Writ Petition stands disposed of with the above observations. Consequently, connected miscellaneous petitions are closed. No costs.

27.01.2026

sd
Index : yes/no
Neutral Citation : yes/no

To
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C.Saravanan,J.,

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