IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.01.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.2943 of 2026
and
W.M.P.Nos.3290 and 3291 of 2026

Mr.Kannippan Arumugan
Sole Proprietor of
Tvl. P A TRADERS
No.1A/2, Munniyappan Nagar Main Road,
Selliyamman Nagar Extn, Nerkunram
Chennai. ... Petitioner

Vs.

The Assistant Commissioner (ST)
Saligramam Assessment Circle,
Central 1, Chennai Central
No.307, 3rd Floor,
Mylapore Taluk office Building,
Greenways Road, Chennai-600 028. ... Respondent

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 and seeking quash of the Impugned Order in Original vide GSTIN 33ACXPA8247L1Z3/2022-23, dated 21.07.2025 along with DRC-07 Ref.No.ZD330725212398B on the file of the Respondent, as it is arbitrary and bad in law, with a consequential direction to the Respondent to permit rectification of the inadvertent error in GSTR-1 and drop the proceedings.

For Petitioner : M/s.Jayalakshmi.P
For Respondent : M/s.K.Vasanthamala,
Government Advocate
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ORDER

M/s.K.Vasanthamala, 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. The petitioner is before this Court against the impugned order dated 21.07.2025 in Form GST DRC-07 passed for the tax period 2022–2023, whereby the demand proposed in the Show Cause Notice dated 30.05.2023 has been confirmed against the petitioner.

4. The impugned assessment order has been passed after considering the petitioner’s reply to the aforesaid Show Cause Notice in

Form DRC-01 dated 30.05.2023. It is evident that the dispute arose on account of a mistake committed by the petitioner in filing GSTR-01 for the said tax period.

5. It appears that by mistake, instead of Rs.1,31,280.30/-, the petitioner had mentioned Rs.2,54,040.30/- in the returns as the tax liability in respect of the supply made to Tvl.Innoforge Pvt Ltd vide invoice No.PAT/017/22-23 dated 24.03.2023.

6. This error may have facilitated the said recipient, namely M/s. Innoforge Private Limited, to avail excess Input Tax Credit of Rs.1,22,760/- (Rs.2,54,040.30 – Rs.1,31,280.30).

7. The records filed before this Court reveal that in Form GSTR-3B filed by the petitioner, the petitioner has correctly determined the taxable value of the petitioner as Rs. 14,58,670/- for the relevant tax period.

8. Ideally, the petitioner ought to have issued a sales return credit note or rectified the mistake by filing a rectification application at the appropriate time. However, the petitioner failed to do so and has acted only after the issuance of the Show Cause Notice in Form DRC-01 dated 30.05.2023, which has now culminated in the impugned order dated 21.07.2025.

9. Even if the credit was availed by M/s. Innoforge Private Limited on the strength of auto-populated GSTR-2A/2B, it would amount to excess Input Tax Credit having been availed by the said recipient. It is further noticed that the petitioner has not obtained any certificate from M/s. Innoforge Private Limited clarifying this aspect.

10. The learned counsel for the petitioner submits that M/s. Innoforge Private Limited is not cooperating with the petitioner and has not issued the certificate duly certified by a Chartered Accountant stating whether the Input Tax Credit was availed based on the tax amount mentioned in the invoice dated 24.03.2023. This, according to the petitioner, is a private dispute between the petitioner and M/s. Innoforge Private Limited.

11. However, considering there is a considerable lapse of time, the impugned order dated 21.07.2025 is quashed and the case is remitted back to the respondent to pass a fresh order on merits within a period of six months from the date of receipt of a copy of this order. The petitioner shall comply with the principle in Circular No.212/6/2024, dated 26.06.2024.

12. Meanwhile, the respondent shall also coordinate with the counter part namely the jurisdictional authority under whose control M/s. Innoforge Private Limited operates to ascertain as whether the said recipient has availed excess Input Tax Credit or the amount reflected in the Invoice dated 24.03.2023.

13. If any excess amount has been availed as Input Tax Credit by M/s.Innoforge Private Limited, it is for the petitioner to recover the same from the said recipient.

14. The Writ Petition is disposed of by with the above observation. No costs. Connected W.M.Ps are closed.

30.01.2026

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Neutral Citations: Yes/No

To:

The Assistant Commissioner (ST)
Saligramam Assessment Circle,
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No.307, 3rd Floor,
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Greenways Road, Chennai-600 028.

C.SARAVANAN, J.

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