IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.02.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.3012 of 2026
and
W.M.P.Nos.3395 and 3396 of 2026

Tvl.Cauvery Enterprises,
(Represented by its Proprietor S.Ragunandan)
134/165, Chola Tower,
Medavakkam Main Road, Adambakkam,
Chennai-600 088. ... Petitioner

Vs.

The State Tax Officer,
Nanganallur Assessment Circle,
Integrated Commercial Taxes & Registration Department,
2nd Floor, South Tower, Anna Salai, Nandanam,
Chennai-600 035. ... 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 relating to the detailed impugned Order bearing Reference No.GSTIN/33AGZPR5081P2Z9/2019-20 dated 28.08.2024 along with the summary order bearing Reference No.ZD3308242637172 dated 28.08.2024 passed by the Respondent and quash the same as the same being arbitrary, passed in violation of the principles of natural justice.

For Petitioner : M/s.K.Aarthy
For Respondent : Mr.C.Harsharaj,
Special Government Pleader

****

ORDER

This writ petition is disposed of at the stage of admission with the consent of the learned counsel for the petitioner and the learned counsel for the respondent.

2. In this writ petition, the petitioner has challenged the impugned order dated 28.08.2024 in Form GST DRC-07 passed for the tax period 2019–2020. By the impugned order, the demand proposed in the Show Cause Notice dated 20.05.2024 in DRC-01 has been confirmed against the petitioner in the absence of a proper reply.

3. The demand that has been confirmed by the impugned order is on account of excess Input Tax Credit claimed on account of mismatch in details between GSTR-3B and GSTR-1 and belated availing of Input Tax Credit under Section 16(4) of the respective GST Enactments.

4. As far as the demand confirmed on account of belated availing of Input Tax Credit is concerned, the issue is now covered in favour of the petitioner in view of the statutory intervention by insertion of whereby **Section 16(5) and 16(6) vide Finance (No. 2) Act, 2024 (Act No. 15 of 2024) dated 16.08.2024 with effect from 27.09.2024 vide S.O. 4253(E) with retrospective effect from 01.07.2017.**

5. 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 28.01.2026.

6. At this stage, the learned counsel for the petitioner submits that the petitioner is willing to deposit 50% of the disputed tax demand on account of mismatch in details between GSTR-3B and GSTR-1 for de novo adjudication.

7. Under similar circumstances, Orders have been quashed and cases have been remitted back to the Respondent to pass a fresh order on terms subject to such Assessee depositing 25% 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.

8. Considering the length of time taken by the petitioner in approaching this Court and to balance the interest of both parties viz., the assessee and the Revenue, the impugned order is quashed and the matter is remitted back to the respondent to pass a fresh order on merits subject to the petitioner depositing a sum of Rs.3,98,132/-, being 50% of the disputed tax confirmed on account of mismatch in details between GSTR-3B and GSTR-1 for de novo adjudication within a period of thirty (30) days from the date of

receipt of a copy of this order.

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

10. In the event 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 from the date of such reply and/or pre-deposit. Subject to such compliance, the attachment of the petitioner's bank account shall stand automatically raised/vacated.

11. In case the petitioner fails to comply with any of the above stipulations, the respondent is at liberty to proceed against the petitioner to recover the tax in accordance with law, as if this writ petition had been dismissed *in limine* today.

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

13. The writ petition is disposed of with the above observations. No costs. Consequently, the connected W.M.Ps. are closed.

06.02.2026

nvi

Neutral Citations: Yes/No

To:

The State Tax Officer,
Nanganallur Assessment Circle,
Integrated Commercial Taxes & Registration Department,
2nd Floor, South Tower, Anna Salai, Nandanam,
Chennai-600 035.

C.SARAVANAN, J.

nvi

W.P.No.3012 of 2026 and
W.M.P.Nos.3395 and 3396 of 2026

06.02.2026