IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 25-02-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 5988 of 2026
and
WMP Nos.6513 & 6514 of 2026

M/s. Dalavai Infrastructure
Represented by its Partner,
Mr.Jagan Mohan G Reddy,
Having its Office at,
No. 520 A, 1st & 2nd Cross,
Poonganagar, SIPCOT Post,
Krishnagiri-635 109

..Petitioner(s)

Vs

The Assistant Commissioner (State Tax)
Hosur (North)- I Assessment Circle,
Office of the Assistant Commissioner (ST),
II Floor, Integrated Commercial Taxes Building,
Seetharam Nagar,
Hosur-635 109

..Respondent(s)

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 adjudication orders dated 07.10.2024 and 21.02.2025, on the file of the Respondent quash the same.

For Petitioner(s): Mr.Prajwala Satyaprakash

For Respondent(s): Mrs.P.Selvi
Government Advocate.

ORDER

Mrs.P.Selvi, 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. In this writ petition, the petitioner is before this Court against the impugned orders dated 07.10.2024 and 21.02.2025 whereby proposals contained in the Show Cause Notices in Form GST DRC-01 dated 13.10.2023 and 25.11.2024 have been confirmed in the absence of any reply from the petitioner.

4. The case of the petitioner is that certain amounts were voluntarily paid even before the impugned orders were passed. However, the said payments were not taken into consideration while passing the impugned orders. In order to substantiate this submission, the learned counsel for the petitioner drew the attention of this Court to the debits made in Form GST DRC-03 dated 23.05.2022, 29.06.2023 and 31.08.2023.

5. However, there is no clear tabulation either with respect to the demand proposed in the respective Show Cause Notices or the demand confirmed by the impugned orders.

6. A reading of the impugned order dated 07.10.2024 prima facie indicates that a part of the demand pertains to the excess claim of Input Tax Credit (ITC) for the relevant financial year as compared to the actual tax paid on inward supplies, as reflected in the supplier invoices available in GSTR-2A.

7. Similarly, in the impugned order dated 21.02.2025, a portion of the demand relates to the Input Tax Credit availed belatedly, which has been denied under Section 16(4) of the Act.

8. However, insofar as the demand relating to Input Tax Credit under Section 16(4) is concerned, the same appears to have been dropped in the light of the statutory intervention through insertion of Sections 16(5) and 16(6) in the respective GST enactments, by the Finance (No.2) Act, 2024 (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.

9. Since the impugned orders have been passed ex-parte, and considering the fact that the petitioner claims to have made certain payments on the dates

mentioned above, which do not appear to have been properly considered in the respective impugned orders, this Court is inclined to remit the matter back to the respondents to pass fresh orders on merits, subject to the petitioner depositing 10,00,000/- within a period of 30 days from the date of receipt of a copy of this order.

10. Within such time, the Petitioner shall also file a proper reply to the respective Show Cause Notices in GST DRC-01 dated 13.10.2023 & 25.11.2024 together with requisite documents to substantiate the case by treating the respective impugned Orders dated 07.10.2024 & 21.02.2025 as an addendum to the respective Show Cause Notices.

11. In case the Petitioner complies with the above stipulations, the Respondent shall proceed to pass a consolidated order in respect of the demands confirmed vide the impugned 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. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

12. It is made clear that bank attachment shall be lifted subject to the Petitioner depositing Rs.10,00,000/- of the disputed tax as ordered above and

the Petitioner not being in arrears of any other amount 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 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 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.

25-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

AV

To

The Assistant Commissioner (State Tax)
Hosur (North)- I Assessment Circle,
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C.SARAVANAN, J.

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