IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 02.02.2026
Coram
The Honourable **Mr.Justice C.Saravanan**

W.P.No.3723 of 2026
and
W.M.P.No.4135 & 4137 of 2026

M/s. Ratna Cafe
Rep. by its Partner,
Mr.Lokesh Gupta ...Petitioner

Vs.

1.The Assistant Commissioner,
CGST & Central Excise, Triplicane Division
Chennai North, 26/1, 6th Floor,
Annex Building, Utthamar Ghandhi Road,
Nungambakkam, Chennai – 600 034.

2. Branch Manager,
City Union Bank, Triplicane Branch
1st Floor, 23, Pillaiyar Koil Street,
Chepauk, Triplicane, Chennai – 600 005. ...Respondents

Prayer

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus to call for records relating to the impugned order in original bearing Reference No.CHE-GST-AC-26/2024-25 dated 26.07.2024 passed by the first respondent and to quash the same and to direct the first respondent to lift the attachment placed on their Bank Account bearing account No.512120020032708 maintained with the second respondent.

For Petitioner : Mr.Raghav Rajeev
For Respondent-1 : Mr.Sai Sruajan Tayi
Senior Standing Counsel
For Respondent-2 : Mrs.Ananda Gomathy

Order

This Writ Petition is being disposed of at the time of admission with the consent of Mr.Raghav Rajeev, the learned counsel for the Petitioner, Mr.Sai Sruajan Tayi, the learned Senior Standing Counsel, who takes notice on behalf of the first Respondent and Mrs.Ananda Gomathy, learned counsel, who takes notice for the second Respondent.

2. The Petitioner is before this Court against the Order-in-Original dated 26.07.2024 in Form GST DRC-07 passed for the tax period 2019-20 by the first Respondent under Section 73 of the respective GST Enactments and the consequential Attachment of the Petitioner's Bank Account maintained with the second respondent, City Union Bank on 29.01.2026.

3. The impugned Order dated 26.07.2024 was preceded by a Show Cause Notice No.11/2023-24(CGST) dated 21.05.2024 in Form GST DRC-01, to which, the Petitioner replied on 10.07.2024. However, the

Petitioner failed to appear for the personal hearings fixed by the Respondent and thus suffered the impugned Order.

4. By the impugned Order dated 26.07.2024, the demand that has been confirmed against the Petitioner as follows:-

> (i) I confirm the CGST amount of Rs. 10,40,258/- (Rupees ten lakh forty thousand fifty eight only), as detailed in the supra show cause notice para 2.3(1) under Section 73(1) of the CGST Act, 2017 for the tax period from April 2019 τo March 2020.
>
> ii) I confirm an appropriate interest under Section 50 of the CGST Act, 2017 on the amount of CGST demanded in Sl.No.(i) above.
>
> (iii) I impose penalty Rs. 1,04,026/- (Rupees one lakh four thousand and twenty six only) under Section 73(9) of the CGST Act, 2017 for short declaration/payment and excess availment of ITC of CGST amount demanded in sl.no (i) above:
>
> (iv) I confirm the SGST amount of Rs. 10,40,258/-
>
> (Rupees ten lakh forty thousand fifty eight only), as detailed in the supra show cause notice para 2.3 (i) under Section 73(1) of the TNGST Act, 2017 for the tax period from April 2019 to March 2020;
>
> (v) I confirm appropriate interest under Section 30 of the CGST Act, 2017 for short-payment of CGST demanded in sl.no (iv) above;
>
> (vi) I impose penalty Rs. 10,40,258/- (Rupees ten lakh forty thousand fifty eight only) under Section 73(9) of the CGST Act, 2017 for short declaration /payment and excess availment of ITC of SGST amount demanded in sl.no sl.no. (iv) above;
>
> (vii) I confirm interest amount of Rs. 17,67,768/- (Rupees

Seventeen Lakh Sixty Seven Thousand Seven Hundred Sixty eight only) as discussed in the supra show cause notice para 2.3 (ii) under Section 50 of CGST/TNGST act 2017 for the tax period from April 2019 to March 2020;

(viii) I confirm IGST amount of Rs. 5,690/- (Rupees fine thousand six hundred ninety only) as discussed in the supra show cause notice para 2.3 (iii) under Section 73(1) of the CGST Act, 2017 read with section 20 of the IGST act 2017 for period from april-19 to March-2020;

(ix) I confirm an appropriate interest under Section 50 of the CGST Act, 2017 read with section 20 of the IGST act 2017 for period from april-19 to March-2020 demanded in sl.no.(viii) above;(x) I impose penalty Rs. 10,000/-(Rupees ten thousand only) under Section 73(9) of the CGST Act, 2017 read with section 20 of the IGST act 2017 for short declaration/payment and excess availment of ITC of IGST amount demanded in sl.no sl.no.(vii) above;

(xi) I confirm CGST amount of Rs. 3,724/-(Rupees three thousand seven hundred twenty four only) as discussed in supra show cause notice para 2.3(iii) under Section 73(1) of the CGST Act, for period from april-2019 to March-2020;

(xii) I confirm an appropriate interest under Section 50 of the CGST Act, 2017 period from april-19 to March-2020 demanded in sl.no.(xi) above;

(xii) I impose penalty Rs. 10,000/-(Rupees ten thousand only) under Section 73/9) of the CGST Act. 2017 for short declaration/ payment and excess availment of ITC of CGST amount demanded in sl.no sl.no. (xi) above;

(xiv) I confirm SGST amount of Rs. 3724/- (Rupees three thousand seven hundred twenty four onivi as discussed in supra show cause notice para 2.3(under Section 73(11 of the TNGST Act, for period from april-2019 to March-2020.

` (xv) I confirm an appropriate interest under Section 50 of the TNGST Act. 2017 period from april 19 to March-2020 demanded in sl.no. (xiv) above;

(xvi) I impose penalty Rs. 10,000/-(Rupees ten thousand only) under Section 73(9) of the TNGST Act, 2017 for short declaration / payment and excess availment of ITC of SGST amount demanded in sl.no sl.no. (xiv) above,

(xvii) I confirm interest amount of Rs. 2180/-(Rupees two thousand one hundred and eighty only) as discussed in the supra show cause notice para2.3 (iv) under Section 50 of the CGST Act/TNGST act 2017 for period from april-2019 to March-2020.

This order is issued without prejudice to any other action that may be taken against them under the provision of the CGST Act, 2017/TNGST Act 2017 and IGST Act, 2017 as amended or the rules made there under or under any other law for the time being in force in India."

5. It is noticed that the time prescribed to file an appeal against the impugned Order under Section 107 of the respective GST Enactments has also expired.

6. The learned counsel appearing for the Petitioner would submit that the Petitioner was unaware of the passing of the impugned Order and became aware of the same only after the Petitioner's Bank Account maintained with the second Respondent was attached by the first Respondent on 29.01.2026. At this stage, the learned counsel for the Petitioner prays that the Petitioner may be granted liberty to prefer an appeal before the Appellate Authority to contest the case on merits on terms.

7. The learned Senior Standing Counsel for the first Respondent would submit that this Writ Petition is devoid of merit and is liable to be dismissed, as the dispute has arisen purely on account of a mismatch in details occurred in the outward supply in Form GSTR-1 and the tax liability arrived at by the Petitioner in Form GSTR-3B.

8. It is further submitted that the Petitioner has underpaid the tax for the said tax period and therefore the demand proposed in the Show Cause Notice dated 21.05.2024 has been confirmed against the Petitioner after considering the Petitioner's Reply to the said Show Cause Notice.

9. The learned Senior Standing Counsel for the second Respondent submits that the Petitioner is having an Over Draft account (OD Account) with the second Respondent Bank and the amounts that are lying in the aforesaid account are that of the Bank and therefore such amounts cannot be attached by the first Respondent.

10. I have considered the submissions made by the learned counsel for the Petitioner, the learned Senior Standing Counsel for the first Respondent and the learned counsel for the second Respondent.

11. Following the consistent view taken by this Court under similar circumstances, this Writ Petition is disposed of by granting liberty to the Petitioner to challenge the impugned Order dated 26.07.2024 passed by the first Respondent before the Appellate Authority/Commissioner, CGST & Central Excise (Appeals) Chennai 600 034 within a period of 30 days from the date of receipt of a copy of this Order, subject to the Petitioner depositing 50% of the disputed tax as confirmed vide the impugned Order.

12. The Petitioner shall deposit 50% of the disputed tax as confirmed vide the impugned Order dated 26.07.2024 in two instalments within two months from the date of a copy of this Order.

13. In case, the Petitioner complies with the above stipulation, the Appellate Authority shall consider and dispose of the Appeal on merits without further reference to limitation on its own turn.

14. It is made clear that, in case, the Petitioner fails to comply with the above stipulation, the Appellate Authority shall dismiss the Appeal on the ground of the Petitioner having violated the Order passed by this Court, in which case, the first 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.

15. Since the Bank Account maintained by the Petitioner with the second respondent is only an OD Account, there cannot be any attachment of such OD Account. However, the first Respondent is at liberty to proceed against the assets, including the movable and immovable assets, which might have been offered by the Petitioner as security, subject to the rights of the second Respondent pursuant to the outcome of the Appeal to be filed by the Petitioner.

16. This Writ Petition is disposed of with the above observation. No costs. Consequently, connected Miscellaneous Petitions are closed.

02.02.2026

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Index : yes/no
Neutral Citation : yes/no

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C.Saravanan,J.,

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