IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 09-03-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 8672 of 2026
and WMP Nos.9349 & 9350 of 2026

M/s.Saran Textiles
Represented by its Proprietor Mr. U. K. Killyvalavan,
7D, Ingur Road, Chennimalai,
Erode, Tamil Nadu- 638 051

..Petitioner(s)

Vs

Deputy State Tax Officer I
Chennai Circle
3rd Floor, Integrated Commercial Taxes Building,
S.F. No.400/1, 7 and 8, 46-Pudur, B Village,
Erode -638 002

..Respondent(s)

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, calling for records on files of the respondent in its proceedings in GSTIN 33APEPK0845G1Z8/ 2020-2021 dated 14.2.2025 and quash the same as arbitrary and unconstitutional and direct the respondent to pass fresh order taking into account the amounts due to the credit of the petitioner.

For Petitioner(s): Mr.T.V.Lakshmanan

For Respondent(s): Mr.C.Harsharaj
Special Government Pleader

ORDER

Mr.C.Harsharaj, learned Special Government Pleader takes notice for the Respondent.

2. This Writ Petition is disposed of at the stage of admission itself, with the consent of the learned counsel for the Petitioner and the learned Special Government Pleader for the Respondent.

3. The Petitioner is before this Court against the impugned order dated 14.02.2025 whereby proposal in Show Cause Notice in DRC-01 dated 25.11.2024 has been confirmed for the tax period April 2020-March 2021 in absence of the proper reply.

4. 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 long before. However, the present Writ Petition has been filed only on 27.02.2026.

5. The learned counsel for the Petitioner submits that more than 50% of the disputed tax has been recovered.

6. The learned Special Government Pleader, however, is unable to confirm the same.

7. At this stage, the learned counsel for the Petitioner submits that the Petitioner is willing to pre-deposit 25% of the disputed tax as a condition for *denovo* adjudication and he has also made an endorsement to that effect in the Court bundle.

8. The learned counsel for the Petitioner has also made the following endorsement to that effect in the Court bundle which has been extracted hereunder:-

> *"The Petitioner agrees to deposit 25% of the disputed tax"*

9. Considering the fact that the impugned order dated 14.02.2025, the impugned order is quashed and the case is remitted back to the respondent subject to Petitioner depositing 25% of the disputed tax in cash or from the Petitioner's Electronic Cash Register within a period of thirty (30) days from the date of receipt of a copy of this order.

10. Within such time, the Petitioner shall also file a reply to the Show Cause Notice in GST DRC-01 dated 25.11.2024 together with requisite documents to substantiate the case by treating the impugned Order dated

14.02.2025 as an addendum to the Show Cause Notice dated 25.11.2024.

11. Needless to state, any amount recovered from the Petitioner / paid by the Petitioner, towards the tax liability confirmed vide impugned order, shall be adjusted towards the aforesaid pre-deposit of 25% as ordered above. This will be however subject to verification by the Respondent.

12. In case, the amount recovered more than 25% of the disputed tax no further pre-deposit will be required.

13. In case 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 of such reply/pre-deposit. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner if any, shall also stand automatically vacated.

14. It is made clear that bank attachment shall be lifted subject to the Petitioner depositing 25% 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.

15. 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.

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

17. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

09-03-2026

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

GBI

To

Deputy State Tax Officer I
Chennai Circle
3rd Floor, Integrated Commercial Taxes building,
S.F. No.400/1, 7 and 8, 46-Pudur, B Village,
Erode -638 002

C.SARAVANAN, J.

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