IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24-02-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 7524 of 2026
and W.M.P.Nos.8110 & 8111 of 2026

M/s.Folium Trading Pvt Ltd
Rep.by its Director Mansoor Ali,
Gulab Brindavan, No.156(52), Flat No.S1
2nd Floor, Vannier Street, Choolaimedu,
Chennai 600 094

..Petitioner(s)

Vs

Deputy Commissioner (ST)
Chengalpattu Zone,
No.26, Abirami Complex,
Kanchipuram High Road, Thimmavaram,
Chengalpattu- 603 101.

..Respondent(s)

Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorarified mandamus calling for the records of the Respondent pertaining to the Impugned bank attachment letter issued in Form GST DRC13 dated 17.02.2026, quash the same, and consequently direct the Respondent to forthwith lift the bank attachment, including refund of any amount already debited from the Petitioners bank account.

For Petitioner(s): Mr.P.V.Balasubramanian
Senior Counsel
for Mr. Jitendra Kumar

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

ORDER

Heard Mr.P.V.Balasubramanian, the learned Senior Counsel for the petitioner and Mr.C.Harsharaj, the learned Special Government Pleader for the respondent.

2. The petitioner is before this Court as against the impugned order in Form GST DRC -13 dated 17.02.2026 issued under Section 79(1)(c)(i) & (iii) of the respective GST Enactments, whereby the petitioner's bank account with SVC Co-operative Bank, Ltd., has been attached towards the tax liability of one Tvl. Praveen Traders, for a sum of Rs.4,09,73,222/-, as it was observed that the aforesaid amount was payable to Tvl.Praveen Traders by the petitioner.

3. The petitioner appears to have had certain transactions which according to the respondent appears to be dubious and therefore, a similar notice was issued earlier directly to the petitioner on 22.08.2025 which called upon the petitioner to pay a sum of Rs.4,09,73,222/- to Tvl.Praveen Traders. In response to the same, the petitioner appears to have given certain particulars and details.

4. The aforesaid Tvl. Praveen Traders had also suffered an adverse order dated 09.05.2025 for the tax period 2024-2025 under Section 122 (1) of the respective GST Enactments, against which Tvl. Praveen Traders had preferred

an appeal. However, since appeal has been filed against the said order though belatedly, temporarily the proceedings initiated pursuant to Form GST DRC -13 dated 22.08.2025 was kept in abeyance.

5. It appears that the appeal that was belatedly filed before the Appellate Commissioner against the order dated 09.05.2025 by the said Tvl.Praveen Traders has also been dismissed by an order dated 24.10.2025, against which Tvl.Praveen Traders is said to have filed a rectification application. Further, appeal is to be preferred and paid the required pre-deposit before GSTAT on 17.02.2026.

6. It is also noticed that in response to one of the communication, the respondent by their communication dated 18.02.2026, has asked upon the petitioner to furnish the details of documentary evidence to support the transaction with the said Praveen Traders, which has not been complied so far.

7. According to the learned Senior Counsel for the petitioner, the petitioner had purchased consignment of paper and wood from the said concern from December, 2024 and payments were made over a period of time between April, 2025 to 14.08.2025 and that as on 22.08.2025, no amount was due and payable by the petitioner to the said Tvl.Praveen Traders.

8. The respondents are not without any remedy in case the petitioner fails to furnish the details. They can seize the records in accordance with Section 67 of the respective GST Enactments.

9. In case, it is the case of the Department that the petitioner is a beneficiary of forbidden Input Tax Credit based on any irregularity committed by Tvl.Praveen Traders, the remedy to recover the tax / Input Tax Credit which according to the respondent is available under Sections 73 / 74 of the respective GST Enactments.

10. Pending such exercise, there is no justification in attaching the petitioner's bank account with the said SVC- Co-operative Bank Ltd. vide Impugned Order under the circumstance when the said Tvl.Praveen Traders has given an undertaking to prefer an appeal before the GSTAT once constituted and have also made the pre-deposit as required under Section 112 of the respective GST Enactments.

11. In view of the above observations, this Writ Petition is disposed of by directing the respondent to lift the attachment of petitioner's bank account with liberty to the respondent to initiate appropriate proceedings against the

petitioner based on the available records and in accordance with law. No costs.

Connected miscellaneous petitions are closed.

24-02-2026

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

BKN

To:

Deputy Commissioner (ST)
Chengalpattu Zone,
No.26, Abirami Complex,
Kanchipuram High Road, Thimmavaram,
Chengalpattu- 603 101.

C.SARAVANAN, J.

BKN

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