IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.03.2026

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.10348 of 2026
and
W.M.P.Nos.11221, 11222 and 11223 of 2026

Baluraja Harvesters Spares,
Represented byits Proprietor
Balasubramanian P,
79, A,B,C BR Complex,
Salem Main Road,
Narasingapuram,
Salem,
Tamil Naud-636 108 ... Petitioner

Vs.

1.The Superintendent of GST & Central Excise,
Attur Range, Salem II Division
1, E-Perumal Street,
South Uayarpalayam, Attur,
Tamil Nadu-636 102.

2. Superintendent of GST & Central Excise (Audit-Gr.III)
Salem Audit Circle,
Anai Road, Foulkes Compound,
Salem, Tamil Nad.

3. The Assistant Commissioner,
Salem Audit Circle,
Anai Road, Foulkes Compound,
Salem, Tamil Nadu.

4. The Branch Manager,
Axis Bank,
910 Niresh Complex Cuddalore Main Road,
Attur, Tamil Nadu-636 102

... Respondents

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari calling for the records in GSTIN No.33APIPB0578D1ZD/2020-21 on the file of the first respondent and quash the impugned order-in-Original dated 25.02.2025 with the reference O1O SI No.07/2025-GST (SUPDT) for the FY 2020-21.

For Petitioner : Mr.Danish UR Rahman S

For Respondents : Mr.Rajendran Raghavan
Senior Standing Counsel

ORDER

Heard the learned counsel for the petitioner and the learned counsel for the respondents.

2. With the consent of the learned counsel for the petitioner and learned Government Advocate for the respondents, this writ petition is being disposed of at the time of admission.

3.The petitioner is before this Court against the impugned Order-In-

Original SI.No.07/2025-GST (SUPDT) dated 25.02.2025, whereby the following demand has been confirmed:-

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" i*) I confirm the demand and recovery of short payment of tax for an amount of Rs.7,164/-(IGST-Rs.2,234/-CGST-Rs.2,465/-and SGST-Rs.2,465/-) (Rupees Seven Thousand one hundred and sixty four only) for the period FY:2020-21 as detailed in 5.1 above, from the taxpayer in terms of Sectioin 73(1) of the CGST Act, 2017/TNGST Act, 2017 read with Section 20 of IGST Act, 2017.*

ii) I confirm the demand and recovery of Wrongly availment of ITC as per GSTR-2A and GSTR-3B for an amount of Rs.65,780/-(CGST – Rs.32,890/- and SGST-Rs.32,890/-) (Rupees Sixty Five Thousand seven hundred and eighty only) for the period FY:2020-2021 as detaile din 5.2 above, from the taxpayer in terms of Section 73(1) of the CGST Act, 2017/TNGST Act, 2017 read with Section 20 of IGST Act, 2017.

iii) I confirm the demand and recovery for an amount of Rs.2,260/- along with appropriate interest (IGST-Rs.940/-CGST-Rs.660/-&SGST-Rs.660/-) (Rupees Two thousand two hundred and sixty only) being tax on RCM, mentioned at para 5.3, as covered during the Audit Observation mentioned above, in terms of

Section 73 of CGST Act, 2017/SGST Act, 2017/IGST Act, 2017;

(iv) I confirm the demand and recovery of appropriate interest as applicable from the taxpayer against the short payment of tax demand at Sl.No.i), ii) and iii) above, in terms of Section 50(3) of the CGST Act, 2017/TNGST Act, 2017 read with Section 20 of IGST Act, 2017.

v) I impose a penalty for an amount of Rs.40,000/- (IGST-20,000/-, CGST-Rs.10,000/- and SGST-Rs.10,000/-)(Rupees Forty thousand only) at Sl.No.1) on the taxpayer in terms of section 73(9) read with section 122(2)(a) of CGST Act, 2017/SGST Act, 2017.

vi) I impose a penalty for an amount of Rs.20,000/- (CGST-Rs.10,000/- and SGST-Rs.10,000/-)(Rupees Twenty thousand only) at Sl.No.ii) on the taxpayer in terms of section 73(9) read with section 122(2)(a) of CGST Act, 2017/SGST Act, 2017.

vii) I impose a penalty for an amount of Rs.40,000/- (IGST-20,000/-, CGST-Rs.10,000/- and SGST-Rs.10,000/-)(Rupees Twenty thousand only) at Sl.No.iii) on the tax payer in terms of section 73(9) read with section 122(2)(a) of CGST Act, 2017/SGST Act, 2017".

4. The demand has been confirmed pursuant to a show cause notice

issued to the petitioner in SCN SL.No.37/2024-GST(SUPDT) dated 20.11.2024. It appears that the petitioner failed to respond to the same and has suffered the impugned order.

5. The argument of the petitioner appears to be that part of the demand covered by the impugned order was the subject matter of an order in Form ADT-02 dated 10.12.2024 pursuant to which the petitioner has made payment on 24.08.2024. That apart, it is submitted that 80% of the disputed tax confirmed by the impugned order has already been recovered.

6. After considering the submissions made by the learned counsel for the petitioner and the learned counsel for the respondents and taking note of the fact that the impugned order has been passed in pursuance of the reply to the show cause notice, I am inclined to remit the case back to the respondent to pass a fresh orders on merits subject to the petitioner depositing 25% of the disputed tax.

7. Needless to state the amount that has been recovered shall be adjusted and it is for the petitioner to convince the respondent that the amount over and above 25% has been recovered from the petitioner.

8. The petitioner shall also file a reply to the impugned Show Cause Notice dated 20.11.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 25.02.2025 as an addendum to the aforesaid show cause notice.

9. Subject to the petitioner complying with the above stipulations, the respondent shall proceed to pass fresh 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.

10. It is needless to state that, before passing any such order, the petitioner shall be heard.

11. The attachment of the petitioner's bank account shall also stand automatically raised/vacated, subject to the petitioner complying with the above stipulations.

12. It is made clear that bank attachment shall be lifted subject to the deposit of 50% 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. This Writ Petition stands disposed of with the above directions. Consequently, connected miscellaneous petitions are closed. No costs.

11.02.2026

sr
Index:yes/no
Website:yes/no
Neutral Citation : Yes / No

To

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