IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23-03-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 10192 of 2026
AND
WMP Nos.11027 & 11024 of 2026

PVR Enterprises
Rep.by its Proprietor Pazhanivel, New No.81,
Shop No.6, Peters Road.Royapettah,
Chennai - 600 014

..Petitioner(s)

Vs

1. Deputy Commissioner (ST)
   Chengalpattu Zone
   No.26, Abirami complex
   Kanchipuram High Road
   Thimmavaram
   Chengalpattu-603 101
2. Karur Vysya Bank
   Whites Road BranchNo,37, Whites Road,
   Express Estate,Royapettah, Chennai - 600 014

..Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus to call for the records of the 1 Respondent pertaining to the Impugned third-party recovery notice in Form GST DRC 13 dated 05.02,2026 , quash the same, and consequently direct the 1 Respondent and 2nd Respondent to forthwith lift the bank attachment, including refund of any amount already debited from the Petitioners bank account,

For Petitioner(s): Mr.Jitendra Kumar

For Respondent(s): Mr.TNC.Kaushik, AGP for R1
Dispensed with - R2

ORDER

Mr.TNC.Kaushik, learned Additional Government Pleader takes notice for the 1st Respondent.

2. This Writ Petition is disposed of after dispensing with the notice on the 2nd Respondent, since no adverse orders are proposed to be passed. In fact the Petitioner ought to have made the supplier also a party to the proceedings However, no adverse orders are proposed to be passed at this stage. This Writ Petition is disposed of after hearing learned counsel for the Petitioner and the learned counsel for the 1st Respondent.

3. The Petitioner is before this court against the impugned recovery notice in Form GST DRC 13 dated 05.02.2026. The impugned recovery notice was preceded by an intimation of the office of the 1st Respondent through an E-mail dated 22.01.2026, whereby the bank account of the Petitioner's supplier namely Tvl.Praveen Traders has been attached.

4. Independently, the said supplier had suffered an adverse order dated 09.05.2025 under Section 122 of the respective GST Enactments. Against the said order, supplier also appears to have filed an Appeal on 22.08.2025, in respect of which APL 02 was issued on 23.08.2025. The Appeal of the supplier

before the Appellate Authority also appears to have been dismissed on 24.10.2025.

5. It is informed by the learned Counsel for the Petitioner that the supplier is also proposing to file an Appeal against the aforesaid order dated 01.11.2025, rejecting the said Appeal against the order in DRC 07 dated 09.05.2025 passed under Section 122 of the respective GST Enactment.

6. As far as the Petitioner is concerned, parallel proceedings were initiated in respect of the supply made by the said Tvl.Praveen Traders. Petitioner was earlier issued with an intimation in DRC-01 A dated 03.03.2025 followed by a notice in DRC-01 dated 04.04.2025.

7. It appears that the Petitioner has availed Input Tax Credit under Section 16 on various invoices raised on the Petitioner by the said supplier for a total sum of Rs.3,64,346/- between 10.12.2024 and 28.12.2024.

8. According to the Petitioner, the Petitioner had discharged the liability proposed in the aforesaid intimation and notice in DRC-01 dated 04.04.2025 by filing a reply on 02.05.2025 and Petitioner also reversed the amount of Input Tax Credit availed on the supplies made by the said supplier between 10.12.2024 and 28.12.2024, and that the Department also dropped the

proceedings against the Petitioner by an order dated 02.05.2025.

9. The case of the Petitioner is that the Petitioner does not owe any amount to the said supplier in view of the dispute raised by the Department which had culminated in the above mentioned intimation and Show Cause Notice to the Petitioner dated 03.03.2025 and 04.04.2025 respectively, and order dated 02.05.2025, and in view of the parallel proceedings initiated against the supplier.

10. On a specific query as to whether the Petitioner had received the consignment from the supplier or not, learned Counsel for the Petitioner submitted that the Petitioner had indeed received the supply, however, has reversed the Input Tax Credit in view of the proceedings.

11. Thus, it is evident that the there is a possibility of the Petitioner making payment for the supplies covered by the 67 invoices between 10.12.2024 and 28.12.2024 less the Input Tax Credit, which was reversed by the Petitioner pursuant to the intimation dated 03.03.2025 and 04.04.2025. The total value of the consignment covered by the 67 invoices approximately comes to Rs.20,36,267/-.

12. The supplier may or may not be entitled to recover the amount, and

there is a possibility of further proceedings being initiated to recover the same by the supplier. There is also possibility of the Petitioner making the payment of the aforesaid amount to the said supplier .

13. Although the Petitioner has reversed the Input Tax Credit availed pursuant to the intimation in DRC01 dated 03.03.2025 and notice in DRC 01 dated 04.04.2025. Balancing the interest of the Petitioner and also the supplier, I am inclined to direct the Respondent to vacate the attachment of the Petitioner's bank account pursuant to the impugned recovery notice, subject to the Petitioner not making any direct or indirect payment to the said supplier pending resolution of collateral disputes in an appropriate forum in appropriate proceedings.

14. The 2nd Respondent/Bank with whom the Petitioner maintains the account shall ensure that no amounts are paid directly or indirectly by the Petitioner to the said supplier unless appropriate orders are obtained from the appropriate authority by the said supplier in collateral proceedings that may be pending or initiated independently.

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

Neutral Citation: Yes/No **23-03-2026**

gv

C.SARAVANAN J.

GV

To

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