IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 05.01.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.50674 of 2025
and
W.M.P.Nos.56749 and 56750 of 2025

The Farming Collective
Represented by its Partner
Ms.Pratibha Shri Pandey
SN 499, Anchetty Village, Thaggatti Taraff
Denkanikotta, Krishnagiri – 635 107.

... Petitioner

Vs.

1. Deputy state Tax Officer – 2
   Hosur (South)-III Circle
   Integrated Commercial Taxes Building
   Ground Floor, Seetharam Medu,
   Old Bus Stand Hosur – 635 109.

2. Deputy Commissioner (Appeals),
   Hosur No.3/47 and 3/47-1 to 4,
   Gandhi Nagar, Sipcot Phase – II,
   Kumedepalli Post, Hosur - 635130

... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records relating to the impugned order No.ZD33072186759Q dated 15.07.2024 passed by the first respondent under Section 74 of the Central Goods and Services Tax Act, 2017 read with the corresponding provision under the Tamil Nadu goods and Services Tax Act, 2017 for the year 2019-20, and quash the same.

For Petitioner : Mr.V.Srinivasan

For Respondents : Mr.C.Harsharaj
Special Government Pleader

ORDER

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

2. This Writ Petition is being disposed of at the time of admission with the consent of the learned counsel for the Petitioner and learned Special Government Pleader for the Respondents.

3. In this Writ Petition, the Petitioner has challenged the Order dated 15.07.2024 in Form GST DRC - 07, which was preceded by a Show Cause Notice in Form GST DRC-01 dated 30.05.2024 for the tax period 2019-2020 to which the petitioner failed to reply and thus suffered, the impugned order, whereby the demand confirmed against the petitioner is as follows:-

Sr.No	Tax	Interest	Penalty	Total
1	5,49,443.00	4,18,901.00	5,49,443.00	15,17,787.00
2	5,49,443.00	4,18,901.00	5,49,443.00	15,17,787.00
Total	**10,98,886.00**	**8,37,802.00**	**10,98,886.00**	**30,35,574.00**

4. The learned counsel for the petitioner submits that, as on date, 60% of the disputed tax confirmed by the impugned order has already been recovered from the petitioner's partner's bank account on 29.12.2025.

5. However, the learned Special Government Pleader appearing for the respondents is unable to confirm the same.

6. Under similar circumstances, Orders have been quashed and cases have been remitted back to pass a fresh order on terms subject to such Assessee depositing 25% to 100% of the disputed tax depending upon the length of delay in approaching the Court. I do not find any reason to take a different view in this case.

7. Therefore, to balance the interest of both parties viz., the Assessee and the Revenue, the impugned order is quashed and case is remitted back to the first Respondent to pass a fresh order on merits, subject to the Petitioner depositing 50% of the disputed tax in cash 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.

8. After due verification, any amount already recovered from the petitioner's partner's bank account shall be adjusted towards the pre-deposit 50% of disputed tax as ordered above. In case the amount already recovered, as stated above, exceeds or satisfies the 50% pre-deposit requirement, no further amount shall be required to be deposited by the petitioner for the purpose of de nono proceedings.

9. Within such time, the Petitioner shall also file a reply to the Show Cause Notice in Form GST DRC-01 dated 30.05.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 15.07.2024 as an addendum to the Show Cause Notice dated 30.05.2024.

10. In case the Petitioner complies with the above stipulations, the first 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 shall also stand automatically raised/vacated.

11. It is made clear that bank attachment shall be lifted subject to the petitioner depositing 50% of the disputed tax as ordered above and the Petitioner not being in arrears of any amount barring the amount demanded under the impugned Order.

12. In case the Petitioner fails to comply with any of the stipulations, 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.

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

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

05.01.2026

Index : Yes/No
Neutral Citation : Yes/No

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C.SARAVANAN, J.

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