BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 23.03.2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.(MD) No.7643 of 2026

Tvl Sivanthi Joe Substrates Pvt. Ltd.,
Represented by its Managing Director,
Dunston Joseph Wilfred Devatheeran,
GSTIN 33AACCG3449E1ZY,
6/107-U, Theri Rod, Servaikaranmadam,
Pudukottai, Thoothukudi - 628103. ... Petitioner

Vs.

1.The Assistant Commissioner,
Thoothukudi - III Assessment Circle,
Commercial Taxes Buildings,
Thoothukudi.

2.The Joint Commissioner (ST),
Office of the Joint Commissioner (ST),
Tirunelveli Division,
Commercial Tax Buildings, Tirunelveli.

3.The Joint Commissioner (Computer Systems),
Office of the Commissioner of Commercial Taxes,
Chennai - 600 005.

4.The Commissioner of Commercial Taxes,
Ezhilagam, Chepauk,
Triplicane, Chennai - 600 005. ... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus to call for the records relating to the Rejection Order No.ZD330325004277R in Form GST RFD-06 dated 03.03.2025 passed by the first respondent rejecting the Refund Application ARN No.AA3301250477759 dated 17.01.2025 for the tax period October 2024, quash the same as illegal and arbitrary and consequently direct the respondents to rectify the clerical/system error by re-crediting and releasing the sanctioned refund amount of Rs.2,39,136/- to the petitioner's registered bank account instead of the Consumer Welfare Fund.

For Petitioner : Mr.N.Sudalai Muthu

For Respondents : Mr.R.Suresh Kumar
Additional Government Pleader

O R D E R

This Writ Petition is filed challenging the order dated 03.03.2025, whereby the refund of Rs.2,39,136/- for the month of October, 2024, though granted, was ordered to be credited to the account of the Consumer Welfare Fund instead of to the account of the petitioner.

2. The learned counsel for the petitioner would submit that after taking into account the accounts for the month of October, 2024, it was

decided, without any dispute, that a sum of Rs.2,39,136/- has to be refunded to the petitioner. In the case of such refund, it has to be credited to the account of the petitioner. However, by mistake, it was ordered to be transferred to the account of the Consumer Welfare Fund. The amount will be transferred to the account of the Consumer Welfare Fund only in cases where tax has been unauthorisedly collected or where refund to the concerned person is not permissible. In this case, the conscious decision was only to refund the amount to the petitioner.

3. When the same was pointed out by the petitioner, by a communication dated 14.10.2025, the Joint Commissioner (ST) had also forwarded the request made by the Assistant Commissioner (ST), Tuticorin-III, to the Joint Commissioner (Computer Systems), Chennai, pointing out that when the mistake is noticed, enablement in the software should be made so that the amount can be transferred to the taxpayer's account. In view thereof, nothing positive has come out. Therefore, the petitioner is before this Court.

4. As a matter of fact, by an email dated 14.10.2025, the State Tax Officer-1, Research and Analysis Unit, had also pointed out that as per the

Model-2 back-office workflow, refund orders cannot be rectified once RFD-05 has been issued.

5. The learned Additional Government Pleader appearing for the respondents would submit that in any event, the impugned order of refund rejection is an appealable order. If the refund is wrongly ordered to be credited to the account of the Consumer Welfare Fund, the petitioner ought to have filed an appeal before the Deputy Commissioner of Commercial Taxes, upon which the appellate authority would have been in a position to pass orders, thereby reversing the entry and refunding the amount to the petitioner.

6. In reply thereto, the learned counsel for the petitioner would submit that even in the appeal, the very same answer relating to the enablement with reference to the software setup alone will be given.

7. I have considered the rival submissions made on either side and perused the materials on record.

8. It can be seen from the impugned order that the amount is sought to be refunded to the petitioner. However, while doing so, by an

inadvertent mistake, it has been transferred to the account of the Consumer Welfare Fund. Further, from the communication of the second respondent dated 14.10.2025, the mistake is explicitly admitted and further action from the end of the Joint Commissioner (Computer Systems) is sought. The third respondent, who is in charge of systems, has to come up with a software solution. Software is only an enabling mechanism to ensure the workflow as per the Act. Whenever there is an error, the law leans in favour of rectification of such error and such a law cannot be overridden merely because there is no enabling handle or button in the software for reversal of the fund flow. It is for the software developers to make provisions and to make systems compliant with the law. The taxing assessment system or law cannot be made to accommodate the software system. It must be the other way around.

9. Therefore, this Court is of the view that the impugned order dated 03.03.2025 is liable to be declared illegal insofar as it orders crediting of the refund amount to the account of the Consumer Welfare Fund and the petitioner is entitled to refund in his account in this case. This Court is not in a position to accept the submission made by the learned Additional Government Pleader that an appeal can be filed against the impugned

order, when there are no reasons in the impugned order for crediting the amount to the account of the Consumer Welfare Fund and even as per the respondents, when the refund rightly belongs to the petitioner, it is for the respondents to find out ways by which the amount can be credited to the petitioner's account. The third respondent, namely, the Joint Commissioner (Computer Systems), shall first make such enabling tool available to the Assistant Commissioner to correct errors in cases of such erroneous refunds. Notwithstanding the regular enabling buttons, provisions shall be made in the software as a temporary measure and the third respondent shall enable the first and second respondents to re-transfer the fund from the account of the Consumer Welfare Fund to the petitioner's account. The aforesaid exercise of transferring the amount to the petitioner's account shall be carried out within a period of twelve weeks from the date of receipt of a copy of this order. The third respondent shall also ensure, by issuing suitable directions to the developers of the software and if necessary, by writing to the appropriate authorities, that enabling provisions are made to correct errors at various stages. The said exercise shall also be simultaneously undertaken.

10. Accordingly, this Writ Petition is allowed. No costs.

23.03.2026

JEN
Neutral Citation : Yes / No

To

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Triplicane, Chennai - 600 005.

D.BHARATHA CHAKRAVARTHY, J.

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