IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 07-07-2026

CORAM

THE HONOURABLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No.23463 of 2026 and
WMP Nos.25452 & 25453 of 2026

SYA Homes,
No.F4, Apple Block, Orchard Apartment,
85, Arcot Road, Vadapalani,
Chennai, Tamil Nadu - 600 026
Represented by its Partner,
Mr.Mohan Raghavan

Petitioner

Vs

1. Assistant Commissioner (ST)
Vadapalani Assessment Circle,
Chennai Central -1,
No.1, PAPJM Buildings (Annex), Ground Floor,
Greams Road, Chennai – 600 006.

2. The Assistant Commissioner (ST) (FAC)
Vadapalani Assessment Circle,
Station No.1, PAPJM Buildings (Annex),
Ground Floor, Greams Road,
Chennai – 600 006.

3. Deputy Commissioner (ST),
Commercial Taxes Department,
Chennai Central – 1,
No.1, Greams Road, 3rd Floor,
PAPJM Building, Chennai 600 006.

Respondents

PRAYER Writ Petition filed under Article 226 of the Constitution of India, seeking to issue a Writ of Mandamus, directing the 1st Respondent to adjust the tax paid by the Petitioner under IGST against the liability under CGST and SGST for the month of September 2021, and consequently direct the 3rd Respondent to forthwith lift the attachment of the Petitioner's bank account bearing Account No.533101010036220 maintained with Union Bank of India Vadapalani effected pursuant to an attachment notice issued by the 3rd Respondent in Form GST DRC-13 under Section 79(1)(c) of the TNGST Act 2017 read with Rule 145(1) of the TNGST Rules, 2017, dated 10.02.2026

For Petitioner: Mr.Suhrith Parthasarathy

For Respondents: Mr.R.Sethu Prabakaran,
GST Counsel (T)

ORDER

In September 2021, the petitioner filed the GSTR-3B return by inadvertently reflecting the tax liability of Rs.5,84,832.70/- under the IGST head instead of apportioning it as Rs.2,92,416.35/- each towards CGST and SGST. This resulted in order dated 17.07.2023 directing the petitioner to pay the outstanding SGST and CGST dues. The petitioner applied for rectification. By order dated 17.02.2026, it was concluded that the petitioner should first discharge the liability of Rs.2,92,416.35/- each towards CGST and SGST and thereafter claim refund of erroneously paid IGST of Rs.5,84,832.70/-. The present writ petition was filed in the above facts and circumstances.

2. Learned counsel for the petitioner relies upon the findings recorded in the rectification order and contends that the agreed position is that the entire tax liability of Rs.5,84,832.70/- was discharged by the petitioner, albeit by making

payment inadvertently under the wrong IGST head. Therefore, he contends that the GST authorities may be directed to transfer the amount from one head to the other.

3. Learned counsel relies upon the judgment of the Kerala High Court in *W.P.(C) No.35868 of 2018, Saji S, Proprietor, Adithya and Ambadi Traders, Convent Road Nellivila P.O., Venganoor, Thiruvananthapuram, Pin 695 523 and anr. Vs. The Commissioner, State GST Department Tax Tower, Killipalam, Karamana P.O., Thiruvananthapuram, Pin 695 002 and anr.* order dated 12.11.2018.

4. In response, relying on Section 19 of the IGST Act, r/w. Rule 89 (1A) of the CGST Rules, Mr.R.Sethu Prabakaran, learned counsel appearing for the respondents, contends that there is no infirmity in the rectification order and that the correct procedure is for the petitioner to pay the dues towards CGST and SGST and thereafter seek the refund.

5. Section 19 of the IGST Act is set out below:

Tax wrongly collected and paid to Central Government or State Government

(1) A registered person who has paid integrated tax on a supply considered by him to be an inter-State supply, but which is

subsequently held to be an intra-State supply, shall be granted refund of the amount of integrated tax so paid in such manner and subject to such conditions as may be prescribed.

(2) A registered person who has paid central tax and State tax or Union territory tax, as the case may be, on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall not be required to pay any interest on the amount of integrated tax payable.

6. As is evident from the above, the provision applies in a case where a registered person pays integrated tax on a supply considered by him to be an inter-State supply which is subsequently determined to be an intra-State supply. In that circumstance, he is entitled to refund of the integrated tax. Section 77 is the corresponding provision under the CGST Act. Rule 89 (1A) was framed for the implementation thereof. None of these provisions apply to a case where the tax was paid inadvertently under a wrong head.

7. The rectification order records categorically that the aggregate dues of Rs.5,84,832.70/- were discharged by making the remittance under the IGST head. Consequently, it was held that the petitioner is entitled to a refund of this amount.

8. Given that the petitioner has discharged the tax liability within the prescribed period, the petitioner cannot be penalised by being directed to first pay the taxes and thereafter seek the refund. Therefore, this writ petition is disposed of on the following terms:

i. the petitioner shall file an application requesting that the sum of Rs.5,84,832.70/- which was inadvertently remitted under the IGST head, be appropriated towards the liability under CGST and SGST heads;

ii. If procedurally necessary for this purpose, an application for refund may be submitted;

iii. within 30 days from the date of receipt of an application from the petitioner, the respondents are directed to appropriate the amounts already available towards the CGST and SGST liability of the petitioner;

iv. To the extent the rectification order dated 17.02.2026 conflicts with the above directions, such order is set aside.

9. No costs. Consequently, connected miscellaneous petitions are closed.

07-07-2026

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

SENTHILKUMAR RAMAMOORTHY J.

vum

To

1.Assistant Commissioner of Income tax, TDS
TDS Circle 1(1) Room No.102
1st Floor BSNL Tower No.16
Greams Road Chennai 06.

2. The Commissioner of Income Tax, (TDS)
1st Floor BSNL Tower No.16,
Greams Road Chennai 600 006

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