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W.P.No.37228 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.12.2024

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THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P.No.37228 of 2024

and

W.M.P.Nos.40239 and 40240 of 2024

Pure Logic Hydro Systems,
Represented by its proprietor,
Mr.Krishnan Sankaran Murali Krishnan.

..Petitioner

Vs.

The Deputy State Tax Officer (ST)-II,
(Formerly Known as Deputy Commercial Tax Officer),
Madhavaram: Tiruvallur,
Survey No.1275/3, Integrated Commercial Taxes Building,
Chennai (North) Division,
Room No.104, 1st Floor,
Elephant Gate Bridge Road,
Chennai-600 003.

..Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying to issue Writ of Certiorari, calling for the records of the respondent order in Reference No.ZD330823003649D/2019-20 dated 01.08.2023 and quash the same as arbitrary, illegal and pass orders.

For Petitioner : Mr.V.Vijayalakshmi

For Respondent : Ms.Amrita Dinakaran
Government Advocate

ORDER



W.P.No.37228 of 2024

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The present Writ Petition is filed challenging the impugned order passed by the respondent dated 01.08.2023 relating to the assessment year 2019-20.

2. The petitioner is engaged in the business of trading of pumps for liquids, centrifuges, reservoirs, tanks, similar container and metal oxides and is a registered dealer under Goods and Services Act, 2017. During the relevant period, the petitioner had filed its return and paid appropriate taxes. However, on scrutiny of the petitioner's monthly return, it was noticed that ineligible input tax credit has been claimed.

2.1. Pursuant thereto, a notice in ASMT-10 was issued to the petitioner on 17.03.2023, followed by a show cause notice in DRC-01 on 19.04.2023. Further, personal hearing was offered to the petitioner on 01.06.2023 and reminders on 16.06.2023 and 10.07.2023. However, the petitioner had neither filed its reply nor availed the opportunity of personal hearing. Hence, the impugned order came to be passed, confirming the proposal.

3. The learned counsel for the petitioner would place reliance upon the recent



W.P.No.37228 of 2024

judgment of this Court in the case of **M/s.K.Balakrishnan, Balu Cables vs. O/o. the Assistant Commissioner of GST & Central Excise in W.P.(MD)No.11924 of 2024 dated 10.06.2024**. It was further submitted that the petitioner is ready and willing to pay 25% of the disputed tax and that he may be granted one final opportunity before the adjudicating authority to put forth their objections to the proposal, to which, the learned Government Advocate appearing for the respondent does not have any serious objection.

4. By consent of parties, the writ petition stands disposed of on the following terms:

- a) The impugned order dated 01.08.2023 is set aside
- b) The petitioner shall deposit 25% of the disputed taxes as admitted by the learned counsel for the petitioner and the respondent, within a period of four weeks from the date of receipt of a copy of this order.
- c) If any amount has been recovered or paid out of the disputed taxes, including by way of pre-deposit in appeal, the same would be reduced/adjusted, from/towards the 25% of disputed taxes directed to be paid. The assessing authority shall then intimate the balance amount out of 25 % of disputed taxes to be paid, if any, within a period of one week from the date of receipt of a copy of this



W.P.No.37228 of 2024

order. The petitioner shall deposit such remaining sum within a period of three weeks from such intimation.

d) The entire exercise of verification of payment, if any, intimation of the balance sums, if any, to be paid for compliance with the direction of payment of 25% of the disputed taxes, after deducting the sums already paid and payment by the petitioner of the balance amount, if any, on intimation in compliance of the above direction, shall be completed within a period of four weeks from the date of receipt of copy of this order.

e) Failure to comply with the above condition viz., payment of 25% of disputed taxes within the stipulated period i.e., four weeks from the date of receipt of a copy of this order shall result in restoration of the impugned order.

f) If there is any recovery by way of attachment of Bank account or garnishee proceedings, the same shall be lifted /withdrawn on complying with the above condition viz., payment of 25 % of the disputed taxes.

g) On complying with the above condition, the impugned order of assessment shall be treated as show cause notice and the petitioner shall submit its objections within a period of four (4) weeks from the date of receipt of a copy of this order along with supporting documents/material. If any such objections are filed, the same shall be considered by the respondent and orders shall be passed in



W.P.No.37228 of 2024

accordance with law after affording a reasonable opportunity of hearing to the petitioner. It is made clear that if the above conditions viz., 25% of disputed taxes is not complied or objections are not filed within the stipulated period, four weeks respectively from the date of receipt of a copy of this order, the impugned order of assessment shall stand restored.

5. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

12.12.2024

Speaking (or) Non Speaking Order

Neutral Citation: Yes/No

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To

The Deputy State Tax Officer (ST)-II,
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MOHAMMED SHAFFIQ, J.

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