



W.P.No.1714 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 27.01.2025

CORAM

THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P. No.1714 of 2025

and

WMP.Nos.1964 & 1966 of 2025

Tvl.Prakash Steel Enterprises,
Represented by its proprietor
Jeevanlal Omprakash Gupta,
No.43, Jones Street, Broadway,
Chennai – 600 001.

...

Petitioner

Vs.

The Deputy State Tax Officer,
Broadway Assessment Circle,
No.32 Integrated Commercial Taxes
office Complex,
Room No.304, 3rd Floor,
Elephant Gate Bridge Road,
Vepery, Chennai – 600 003.

...

Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India seeking for a Writ of Certiorarified Mandamus calling for the records in GSTIN No: 33AABPG0946Q1ZN/2019-2020 dated 21.08.2024 on the file of the respondent and quash the same.

For Petitioner

... Mr.A.Thiagarajan
Senior Advocate
for Mr.S.Ramesh Kumar

For Respondent

... Mr.V.Prashanth Kiran
Government Advocate



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ORDER

The present Writ Petition is filed challenging the impugned order passed by the respondent on 21.08.2024 relating to the assessment year 2019-20.

2. The petitioner is engaged in the business of Iron and Steel and is a registered dealer under Goods and Services Act, 2017. During the assessment period 2019-20, the petitioner filed its returns and paid the appropriate taxes. However, on examination, it is found in the impugned notice that the petitioner had claimed excess input tax credit inasmuch as the petitioner's claim was hit by Section 16(2)(c) and the petitioner was also found to have under declared ineligible input tax credit in terms of Section 17(5).

2.1. Pursuant thereto, a show notice was issued in DRC 01 to the petitioner on 20.05.2024. Further, personal hearing offered to the petitioner on 24.07.2024, 30.07.2024 and 13.08.2024. However, the petitioner had neither filed its reply nor paid the appropriate taxes. Hence, the impugned order came to be passed, confirming the proposal.



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3. It is submitted by the learned counsel for the petitioner that neither the show cause notice nor the impugned order of assessment has been served on the petitioner by tender or sending it by RPAD, instead it had been uploaded in the GST Portal, thereby, the petitioner was unaware of the initiated proceedings and was thus unable to participate in the adjudication proceedings. It is further submitted by the learned counsel for the petitioner that if the petitioner is provided with an opportunity, they would be able to explain the alleged discrepancies.

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



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

- a) The impugned order dated 21.08.2024 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 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.



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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 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.



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

Speaking (or) Non Speaking Order

Index : Yes/ No

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Neutral Citation: Yes/No

sms

To

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MOHAMMED SHAFFIQ, J.

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