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W.P.No.1911 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED :27.01.2025

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THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P. No.1911 of 2025

and

W.M.P.Nos.2189 and 2190 of 2025

Tvl.Sri Metals,
Represented by its Proprietor Ayesha Sithika B,
No.10, Santhanipet 1st Street,
Maduvinkarai, Guindy,
Chennai 600 032.

... Petitioner

Vs.

1.State Tax Officer,
Alandur Assessment Circle,
Room No.352, III Floor,
Integrated Building for Commercial Taxes and
Registration Department (South Tower),
Nandanam, Chennai 600 035.

2.Assistant Commissioner (ST),
Alandur Assessment Circle,
Room No.352, III Floor,
Integrated Building for Commercial Taxes and
Registration Department (South Tower),
Nandanam, Chennai 600 035.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India
praying to issue a Writ of Certiorarified Mandamus calling for the records
relating to the impugned order bearing GSTIN/33BYSPA2984A1ZL/2019-20
dated 20.08.2024 along with the DRC 07 bearing reference



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No.ZD330824171193F dated 20.08.2024 passed by the first respondent and quash the same and consequently directing the second respondent to release the bank account of the petitioner maintained in Axis Bank, Alandur Branch.

For Petitioner : Mr.M.S.Sanjay Nikash
for Mr.G.Natarajan

For Respondents : Mrs.K.Vasanthamala,
Government Advocate.

ORDER

The present writ petition is filed challenging the impugned order passed by the first respondent dated 20.08.2024 relating to the assessment year 2019-20.

2. The petitioner is engaged in the business of trading in metal scraps and is registered under the Goods and Services Tax Act, 2017. During the relevant period viz., 2019-20, the petitioner filed its returns and paid the appropriate taxes. However, on examination of the information furnished in GSTR-01, GSTR-2A, GSTR-3B and other records available, the following discrepancies were noticed viz.,



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S.No	Issue	Table no. in GSTR-09	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7	8
A	Total Ineligible ITC u/s 17(5)		557586	557586	0	594860	1710032
B	Ineligible ITC declared	7E or {sum of 4D (1) of GSTR 3B of all months in FY} which ever is higher	0	0	0	0	0
C	Difference / excess ITC claimed	“If {SL.No.A-Sl.No B>0) then Lower of {SL.No.A-Sl.No B} or {(sum of 4C of GSTR 3B of all months in current FY)-(13-12 of Previous FY GSTR-09) + (13-12 of current FY GSTR-09)}”	557586	557586	0	0	1115172

2.1. Pursuant thereto, a notice in DRC-01 was issued on 24.05.2024, followed by reminders along with personal hearings on 04.07.2024, 18.07.2024 and 25.07.2024. However, the petitioner had neither filed its reply nor availed the opportunity for a personal hearing. Hence, the impugned order came to be passed, confirming the proposal.

3. The impugned order is challenged on the premise that neither the show cause notices nor the impugned order of assessment has been served on



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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.

4. It is 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. The learned counsel for the petitioner would then 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***, to submit that this court has remanded the matter back in similar circumstances subject to payment of 25% of the disputed taxes. It was further submitted that subsequent to the passing of the impugned order, the petitioner had remitted more than 30% of the disputed taxes and that they may be granted one final opportunity before the adjudicating authority to put forth their objections to the proposal. It is submitted that there is bank attachment and the same may be lifted to which the learned Government Advocate appearing for the respondents does not have any serious objection.

5. By consent of both parties, the writ petition stands disposed of on the



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following terms:

- a) The impugned order dated 20.08.2024 is set aside.
- b) The petitioner shall deposit 25% of the disputed taxes as admitted by the learned counsel for the petitioner and the respondents, 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 with 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.



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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.

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

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Speaking (or) Non Speaking Order



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Index : Yes/ No
Neutral Citation: Yes/No
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To:

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- 2.Assistant Commissioner (ST),
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MOHAMMED SHAFFIQ, J.

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