IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 20.08.2025
Coram
The Honourable **Mr.Justice Krishnan Ramasamy**

W.P.No.14848 , 16503 & 16851 of 2025
and
W.M.P.Nos.16753, 16755, 18644 & 19103 of 2025

Tmt. N.Shanthi .. Petitioner in all W.Ps.

Vs.

1 THE COMMISSIONER,
COMMERCIAL TAXES DEPARTMENT PUDUCHERRY
100 FT ROAD, ELLAIPILLAICHAVADY, PUDUCHERRY 605005.

2 THE ASSISTANT COMMISSIONER (A AND I)
COMMERCIAL TAXES DEPARTMENT
100 FT ROAD ELLAIPILLAICHAVADY
PUDUCHERRY 605005

3 DEPUTY COMMERCIAL TAX OFFICER
GOODS DIVISION-I GOVERNMENT OF PUDUCHERRY
100 FT ROAD, ELLAIPILLAICHAVADY,
PUDUCHERRY 605005. ...Respondents 1 to 3 in all W.ps.

Common Prayer :-

Writ Petitions filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus to call for records dated 12.09.2023 passed by the 3rd respondent for the Assessment order Nos.101385/2006-07, 34310000147/2007-08, 34310000147/2009-10 respectively in PGST No./CSTNo/VAT TIN 101385/34310000147 and to quash the same consequently, to direct the 1st Respondent to extend the time for making payment by considering the representation of the petitioner dated 19.09.2023 under the Puducherry Settlement of Arrears Act 2020

Appearance of the Counsel in all W.Ps.

For Petitioner	:	Mr.P.Muthukrishnan for Mr.K.M.Balaji
For Respondents	:	Mr.A.Tamilvannan Additional Government Pleader

Common Order

The challenges in these Writ Petitions are to the orders passed by the third respondent dated 12.09.2023 and to quash the same, consequently, to direct the first respondent to extend the time for making payment by considering the representation of the petitioner dated 19.09.2023 under the Puducherry Settlement of Arrears Act 2020.

2. Mr.P.Muthukrishnan, learned counsel appearing for the petitioner would submit that the petitioner has filed applications under Section 4 (1) of the Settlement of Arrears Act,2020 from the year 2001 to 2010 for settlement of arrears of tax due to the respondent-Department; that as per the said Act, the petitioner has paid the demand amount upto the year 2006 to a sum of Rs.5,00,00,000/- and the due is only from 2006 to 2010, totalling to a sum of Rs.1,88,21,621/-; that though the third respondent/Assessing Officer has sent a notice dated 07.07.2023 to make the due payment on 11.09.2023, the petitioner, due to family circumstances, failed to make the payment within the time stipulated, but, the third respondent passed the impugned orders, rejecting the petitioner's application, and challenging the same, the present Writ Petitions.

2.1 The learned counsel for the petitioner would further submit that the petitioner also made a representation dated 19.09.2023 to the first respondent seeking extension of time for a period of three months, and when the same is pending before the first respondent, the third respondent ought not to have rejected the petitioner's application, that too, when substantial arrears of tax was paid by the petitioner under the Act, i.e. a sum of Rs.5,00,00,000/-and therefore, prays for setting aside the impugned order and for a consequential direction on the first respondent to consider the petitioner's representation dated 19.09.2023, as the petitioner is ready and willing to pay the arrears of balance tax and penalty under the said Scheme, if a reasonable time is granted.

3. Mr.A.Tamilvannan, learned Additional Government Pleader appearing on behalf of the respondents would submit that in terms of Section 5 (4) of the Puducherry Settlement of Arrears Act, the amount determined by the Assessing Officer ought to have been paid by the petitioner/dealer within a period of three months, from the date on which, the such notice determining the amount was communicated to the petitioner without requirement of any further notice from the Assessing Officer, and since, the petitioner failed to make payment within the due date, i.e. on 11.09.2023, and further, there is no provisions under the Act to extend the time, the petitioner's application came to be rightly rejected by the third respondent vide the impugned order.

4. Heard Mr.P.Muthukrishnan, the learned counsel appearing for the petitioner and Mr.A.Tamilvannan, learned Additional Government Pleader on behalf of the respondent and perused the materials available on record.

5. The petitioner is a registered dealer of Indian Corporation in Puducherry Union Territory and is an assessee on the file of the respondent under the provisions of the VAT Act. The petitioner filed an application under Section 4 (1) of the Settlement of Arrears Act, 2020 from the year 2001 to 2010 for settlement of arrears of tax due to the respondent-Department and had paid the entire demand due upto the year 2006 to the tune of Rs.5,00,00,000/-. However, from the year 2006-2010, the petitioner, due to her family circumstances, is not in a position to make the payment. In these circumstances, the third respondent vide notice dated 07.07.2023 directed the petitioner to make the payment on or before 11.09.2023. Since the petitioner failed to make the payment within the time stipulated by the third respondent, the third respondent rejected the petitioner's application by the impugned order dated 12.09.2023 and challenging the said order, the present Writ Petition is filed.

5. 1 Thus, when the petitioner has neither disputed her liability nor denied to make the payment, but only sought for three months' time to make such payment and also made a representation to the first respondent setting out her family circumstances and requested to grant three months' time for making the balance amount and when the same is pending before the first respondent, the third respondent ought not to have rejected the petitioner's application itself in toto, that too, when substantial arrears of tax was paid by the petitioner under the Act, i.e. a sum of Rs.5,00,00,000/- and the due is only for a sum of Rs.1,88,21,621/- inasmuch as, the very object and intent of the scheme, called "Puducherry Settlement of Arrears Act, 2020" is to enable the assessees to settle the issue amicably with the respondent-Department. Though according to the respondents, there is no provisions in the Puducherry Settlement of Arrears Act to grant such time extension, the respondent-Authority, instead of sticking on to the provisions of the Act, shall try to handle the issue by keeping in mind, the purpose behind the Scheme/Act, for which, it being enacted, which would certainly reduce unnecessary litigation before this Court.

6. Thus, this Court, for the all aforesaid reasons, in the interest of justice, is inclined to quash the impugned orders. Accordingly, this Court pass the following order/directions:-

i) The order of rejection of the petitioner's application passed by the third respondent dated 12.09.2023 are quashed. Consequently, the first respondent is directed to consider the petitioner's representation dated 19.09.2023 and dispose of the same in accordance with law by granting time for a period of four months from the date of receipt of a copy of this order.

ii) Though according to the petitioner, the outstanding due is only a sum of Rs.1,88,21,621/-, in the event, if there is any differential amount that is due to be paid by the petitioner, the petitioner is directed to remit the same as well, in terms of the Puducherry Settlement of Arrears Act, 2020.

7. In the result, the Writ Petitions are allowed on the aforesaid terms.

No costs. Consequently, connected Miscellaneous Petitions are closed.

20.08.2025

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Index : yes/no
Neutral Citation : yes/no

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Krishnan Ramasamy,J.,

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