IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.11.2025

CORAM
THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.20233 of 2025
and
WMP.No.22816 of 2025

M/s.Roja Steels
Represented by its Partner
Mr.A.Nizamudeen
No.39/4, Jones Street
Mannady, Chennai 600 001. ...Petitioner

Vs.

1.The State Tax Officer
Group XII, Intelligence I
Chennai 600 006.

2.The State Tax Officer
Group VIII
Chennai 600 006. ...Respondents

Prayer: This Writ Petition is filed under article 226 of the Constitution of India, praying to issue a Writ of Certiorari, to call for the records pertaining to the Impugned order dated 04.02.2025 in GSTIN: 33AADFR4915N1ZO, passed by the 1st Respondent and quash the same along with the connected proceedings.

For Petitioner : M/s.M.Punnagai

For Respondents : Mr.C.Harsha Raj
Special Government Pleader

ORDER

This is the second round of litigation before this Court.

2. The petitioner has challenged the order dated 04.02.2025 passed by the 1st respondent for the tax period 2017-2018 which preceded the show cause notice in DRC-01 dated 05.04.2024. Earlier the petitioner had challenged the Show Cause Notice dated 05.04.2024 issued by the 2nd respondent for the tax period 2017-18 under Section 74 of the respective GST Enactments in W.P.No.30427 of 2024.

3. The said Writ Petition was dismissed vide order dated 17.10.2024 with the following observation:

> *"A) However, in the case on hand it is contended by the learned counsel for the respondent that the petitioner is liable to GST under Reverse Charge Mechanism and the said facts has been denied by the learned counsel for the petitioner and therefore this Court is of the view that the issue whether the petitioner is liable to pay GST as per Reverse Charge*

Mechanism or not and the non payment of the same, would amount to willful or not are the issues to be raised before the authorities concerned.

B) In such view of the matter, this Court is not inclined to entertain this Writ Petition and the same is liable to be dismissed.

C). Accordingly, this Writ Petition is dismissed. However, liberty is granted to the petitioner to file reply for the impugned notice before the authorities concerned and the authorities concerned shall pass the Assessment Order without being influenced by any of the observations made by this Court. The petitioner is also at liberty to raise all the issues with regard to jurisdiction before Authorities concerned. No costs. Consequently, connected Miscellaneous Petitions are closed."

4. Though the order came to be passed on 17.10.2024, the petitioner however failed to take advantage of the liberty granted to petitioner and respond to the Show Cause Notice and thus suffered the impugned order dated 04.02.2025.

5. The learned counsel for the petitioner would submit that the aforesaid notice dated 05.04.2024 preceded an intimation in DRC-01A dated 23.05.2023 issued under Section 73 of the respective GST Enactments to which the petitioner had replied.

6. It is further submitted that there is absolutely no scope for confirming the demand under Section 75 of the Act and that therefore the learned counsel for the petitioner would submit that the impugned order is liable to be dismissed.

7. On the other hand, the learned counsel for the respondents would submit that the challenge to the proceedings initiated vide DRC-01 dated 05.04.2024 has been answered against the petitioner vide order dated 17.10.2024 in W.P.No.30427 of 2024 filed by the petitioner, thus it is not open for the petitioner to challenge the same once again before this Court merely because an assessment order has been passed.

8. Have considered the submissions made by the learned Counsel for the petitioner and the learned Special Government Pleader for the respondents.

9. There is no scope for any interference with the impugned assessment order as the petitioner failed to take advantage of the order dated 17.10.2024 passed in W.P.No.30427 of 2024. The petitioner is not

entitled to raise any ground with regard to the aspect of limitation before this Court, as the principle of *res judicate* will apply in so far as the challenge to invoking Section 74 of the respective GST enactments is concerned. Therefore, the Writ Petition is liable to be dismissed.

10. The impugned order is dated 04.02.2025 and this Writ Petition has been filed by the petitioner almost immediately on 07.05.2025. The petitioner has also secured an interim order from this Court on 06.06.2025.

11. It is noticed that the limitation for filing an appeal under Section 107 of the respective GST enactments, 2017 against the impugned Orders has also already expired. The only liberty that can be granted to the petitioner at this stage is to file a reply to the Show Cause Notice dated 05.04.2024 passed for the tax period 2017-2018.

12. Considering the fact that the petitioner had not filed a reply to the Show Cause Notice and therefore, to balance the interest of both parties viz., the Assessee and the Revenue, the case remitted back to the first respondent to pass a fresh order, subject to the Petitioner depositing

10% of the disputed tax in cash from the Petitioner's Electronic Cash Register within a period of thirty (30) days from the date of receipt of a copy of this order.

13. Within such time, the Petitioner shall also file a reply to the Show Cause Notice in GST DRC-01 dated 05.04.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 04.02.2025 as an addendum to the Show Cause Notice dated 05.04.2024.

14. In case the Petitioner complies with the above stipulations, the first respondent shall proceed to pass a final order on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply/pre-deposit. Subject to the Petitioner complying with the above stipulations, if any the attachment of the bank account of the Petitioner shall also stand automatically raised/vacated.

15. It is made clear that bank attachment shall be lifted subject to the deposit of 10% of the disputed tax as ordered above and the petitioner

is not in arrears of any other amount barring the amount demanded under the impugned Order.

16. In case the Petitioner fails to comply with any of the stipulations, the first Respondent is at liberty to proceed against the Petitioner to recover the tax in accordance with law as if this Writ Petition was dismissed *in limine* today.

17. Needless to state, before passing any such order, the first Respondent shall give due notice to the Petitioner.

18. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petition is closed.

05.11.2025

Index : Yes/No
Speaking order : Yes/No
Neutral Case Citation : Yes/No
dna

C.SARAVANAN, J.

dna

To

1.The State Tax Officer
Group XII, Intelligence I
Chennai 600 006.

2.The State Tax Officer
Group VIII
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