IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 09.10.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.20321 of 2025
and
W.M.P.Nos.22909 & 22910 of 2025

M/s.FAIR DEAL ENTERPRISES,
Rep by its Proprietrix
Uma Kandoi. ... Petitioner

Vs.

1.The Commissioner of Central GST and Central Excise,
No.1, Foulkes Compound,
Anaimedu, Salem – 636 001.

2.The Assistant Commissioner of Central GST and Central Excise,
Salem – I Division,
106, 3rd Floor, Varalakshmi Orchid,
Ramakrishna Road, Salem – 636 007.

3.The Branch Manager,
HDFC Bank Ltd,
F26/7, Sector 07, Near Ayodhya Chowk,
Rohini, New Delhi. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records pertaining to the impugned order-in-original SL.No.01/2024 GST (AC-SLM I DIV), GEXCOM/ADJN/GST/1737/2024-CGST-DIV-1-SLM-COMMRTE-SALEM

DIN No.20240459XP000000C838, dated 09.04.2024 passed by the 2nd respondent herein and to quash the same as illegal, unjust, unfair and in excess of jurisdiction and in violation of principles of natural justice and further to direct the 2nd and 3rd respondent herein to De-Freeze the Freezed Bank Account of the Petitioner as ordered vide Form GST DRC-13 Notice dated 09.04.2025 issued by the 2nd respondent to 3rd respondent herein.

For Petitioner	:	Mr.A.K.Jayaraj
For Respondents	:	Mr.K.S.Ramasamy CGSC for R1 and R2

ORDER

Heard the learned counsel for the Petitioner and the learned Central Government Standing Counsel for the 1st and 2nd Respondents.

2. In this Writ Petition, the Petitioner has challenged the impugned order-in-original SL.No.01/2024 GST (AC-SLM I DIV), dated 09.04.2024, whereby, the demand that was proposed in the Show Cause Notice Sl.No.33/2023 (AC) dated 24.03.2023 has been confirmed.

3. A reading of the impugned order indicates that the Petitioner has not replied to the Show Cause Notice and has thus suffered the impugned order in

the hands of the 2nd Respondent.

4. The learned counsel for the Petitioner submits that the Petitioner was unaware of the order and only after the recovery proceedings were initiated by attaching the bank account of the Petitioner with the 3rd Respondent, the Petitioner became aware of the impugned order and therefore the Petitioner is before this Court for quashing the impugned order.

5. It is submitted that the Petitioner has been wrongly subject to tax liability of Rs.58,78,241/- and equal amount of penalty and interest thereon.

6. The learned counsel for the Petitioner further submits that the Petitioner be given one opportunity to explain the case.

7. The learned Central Government Standing Counsel for the 1st and 2nd Respondents on the other hand would submit that the Petitioner was issued with summons and thereafter with the Show Cause Notice mentioned above. The Petitioner neither filed a reply nor co-operate with the 1st and 2nd Respondents and has thus suffered the impugned order.

8. It is further submitted that the Petitioner had availed the input tax credit on invoices issued by bogus vendors who had generated the fake invoices to facilitate the Petitioner to avail input tax credit under the provisions of the respective GST enactments to allow the petitioner to discharge the tax liability.

9. It is submitted that the Petitioner does not deserves any mercy as the Petitioner was engaged in defrauding the revenue and that criminal proceedings were also initiated in respect of the person who had obtained GST registration has found illegal for issuance of fake invoices.

10. The learned counsel for the Petitioner on the other hand would submit that the Petitioner is willing to pay any amount that may be required to secure the interest.

11. I have considered the submissions made by the learned counsel for the Petitioner and the learned Central Government Standing Counsel for the 1st and 2nd Respondents, I am inclined to dispose this Writ Petition by directing the 2nd Respondent to pass a fresh order on merits subject to the Petitioner depositing 25% of the disputed tax in cash from the Petitioner's Electronic Cash Register within a period of thirty days from the date of receipt of a copy of this

order.

12. Within such time, the Petitioner shall file a detailed reply to the Show Cause Notice together with requisite documents to substantiate the case by treating the impugned order dated 09.04.2024 as an addendum to the Show Cause Notice.

13. In case the Petitioner complies with the above stipulations, the 2nd 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, the attachment of the bank account of the Petitioner shall also stand automatically raised/vacated.

14. In case the Petitioner fails to comply with any of the stipulations, the 2nd 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.

15. Needless to state, before passing any such order, the 2nd Respondent

shall give due notice to the Petitioner.

16. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

09.10.2025

Neutral Citation : Yes / No
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To

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C.SARAVANAN, J.

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