IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.09.2025

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THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P. No.28208 of 2025
and
W.M.P. No.31634 of 2025

M/s.Altspace Technologies,
Represented by its Partner Mr.B.S.Suresh,
Old No.188, New No.184/3,
Second Floor, Chandamama Buildings,
N.S.K. Arcot Road, Chennai-600 026. ...Petitioner(s)

vs.

1.The Deputy State Tax Officer-1,
Arumbakkam Assessment Circle,
Greams Road, PAPJM Buildings,
Chennai-600 006.

2.The Assistant Commissioner (ST),
Arumbakkam Assessment Circle,
Greams Road, PAPJM Buildings,
Chennai-600 006. ...Respondent(s)

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorari calling for the records of the 1st respondent in Show Cause Notice in DRC-01 dated 31.05.2024 and consequential order in GSTIN:33AAKFC5532F1ZQ/2019-20 along with DRC-07 dated 22.08.2024 and quash the same as illegal, erroneous, without jurisdiction apart from being barred by limitation under Section 73 of the Goods and Services Tax Act, 2017.

For Petitioner(s) : Mr.V.Sundareswaran

For Respondent(s) : Mrs.P.Selvi
Government Advocate

ORDER

The present writ petition is filed challenging the impugned order dated 22.08.2024 relating to the assessment year 2019-20.

2. It is submitted by the learned counsel for petitioner that petitioner is registered under the Goods and Services Tax Act, 2017. During the relevant period 2019-20, petitioner filed their returns and paid appropriate taxes. However, on verification of the returns the following discrepancies were *inter-alia* noticed:

i) Mismatch between GSTR 1 and 3B;

ii) Mismatch between GSTR 3B and 2A.

3. Pursuant thereto, a notice in DRC-01 was issued on 31.05.2024, followed by reminder notice dated 06.08.2024 with personal hearing on 12.08.2024. However, the petitioner had not responded to any of the above notices, the impugned order was thus passed confirming the proposal. It is submitted by the learned counsel for petitioner that neither the show cause

notices nor the impugned order of assessment has been served on the petitioner by tender or sending it by RPAD, instead it had been uploaded on the GST Portal in “Notice tab”. It is further submitted by the learned counsel for petitioner that petitioner closed the business as early as 31.12.2022, pursuant thereto, petitioner's registration was cancelled by the respondent with retrospective effect from 01.02.2023, thereby, petitioner was unaware of the initiated proceedings and was unable to access the GST Portal and participate in the adjudication proceedings and would request that if 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,*** to submit that this court has remanded the matter back in similar circumstances subject to payment of 25% of the disputed taxes.

5. It was further submitted that petitioner is ready and willing to pay 25% of the disputed tax and that they may be granted one final opportunity before the

adjudicating authority to put forth their objections to the proposal. It was submitted that pursuant to the impugned order of assessment, recovery proceedings were initiated and bank accounts have been attached and requests that the same may be lifted on payment of 25% of disputed taxes, to which the learned Government Advocate appearing for the respondent does not have any serious objection.

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

a) The impugned order dated 22.08.2024 is set aside.

b) The petitioner shall deposit 25% of the disputed taxes as agreed to by both the learned counsel for the petitioner and the respondent, within a period of four weeks from the date of uploading of web copy without waiting for the receipt of the certified copy.

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 uploading of web copy without waiting for the receipt of the certified copy. The petitioner shall deposit such remaining sum within a period of three weeks from such intimation.

d) 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 uploading of web copy of this order, shall result in restoration of the impugned order.

e) 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.

f) 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 compliance of the conditions relating to deposit in Clause (b) and (c) supra, 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., payment of 25% of disputed taxes is not complied or objections are not filed within the stipulated time as stated above the impugned order of assessment shall stand restored.

7. There shall be no order as to costs. Consequently, connected

miscellaneous petition is closed.

15.09.2025

Speaking (or) Non Speaking Order
Index : Yes/ No
Neutral Citation: Yes/No
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To:
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<u>MOHAMMED SHAFFIQ, J.</u>

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