IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 31.07.2025

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THE HON'BLE Mr. JUSTICE KRISHNAN RAMASAMY

W.P.No.28383 of 2025
and W.M.P.Nos.31788 & 31789 of 2025

Karthik ... Petitioner

Vs.

1.The Deputy Commissioner,
Appellate Authority,
State Taxation,
Coimbatore Division, Coimbatore Zone,
Tamil Nadu.

2.The Assistant Commissioner (C.T),
State Taxation, Ganapathy Assessment Circle,
Coimbatore Division, Coimbatore Zone,
Dr.Balasundaram Rd, ATT colony,
Commercial Tax Building, 3rd Floor,
Pappanaickenpalayam,
Coimbatore - 641 018.

3.Union Bank of India,
Chinnavedampatti Branch,
Rep. by its Branch Manager,
No.67/8, Chinnavedampatti Road,
Ganapathy, Coimbatore - 6.

4.Lakshana Industries,
Rep. by its Power Agent,
R.Devaraj

5.Devaraj

6.Haritha ... 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 on the file of the first respondent under Ref: ZD330725058956V and dated 7.7.2025 in confirming the order of the second respondent in Ref No: 33AUZPK6639AE1Z5/2020-21/IIT and dated 14.02.2025 and quash the same as arbitrary, erroneous, unsustainable in law and consequently direct the second respondent to adjudicate the show cause notice dated 25.11.2024 under reference No.ZS3311242000748.

For Petitioner : Mr.ARM.Arunachalam

For Respondents 1 & 2 : Ms.Amirta Poonkodi Dinakaran, Government Advocate (T)

ORDER

This writ petition has been filed challenging the impugned order dated 07.07.2025 passed by the first respondent.

2. Ms.Amirta Poonkodi Dinakaran, learned Government Advocate, takes notice on behalf of the respondents 1 & 2. By consent of the parties, the main writ petition is taken up for disposal at the admission

stage itself.

3. The learned counsel for the petitioner would submit that in this case, the petitioner formed the fourth respondent proprietorship on 21.09.2017. In continuance, petitioner executed an unregistered Power of Attorney dated 15.03.2018 favouring the fifth respondent, wherein the sixth respondent is a witness to the deed, that empowered the fifth respondent to attend the business and to discharge the tax, dues payable on behalf of the fourth respondent to the second respondent. Simultaneously, the petitioner along with the sixth respondent entered into an MOU dated 03.02.2023 and transferred the entire business handled by the fifth respondent to the sixth respondent. Accordingly, the GST Registration was cancelled and necessary GST for the financial years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 was said to have been discharged and paid as undertook and submitted by the respondents 5 & 6 in the MOU dated 03.02.2023. It was under the circumstances, the second respondent issued the show cause notice dated 25.11.2024 and subsequently passed the assessment order on 14.02.2025. Challenging the said order, the petitioner preferred an appeal, which was rejected by

the first respondent vide order dated 07.07.2025, on the ground of limitation. Hence, challenging the assessment order dated 14.02.2025 and appeal rejection order dated 07.07.2025, this writ petition has been filed.

4. Further, he would submit that the petitioner is willing to pay 25% of the disputed tax amount to the respondents. Hence, he requests this Court to grant an opportunity to the petitioner to present their case before the respondent by setting aside the impugned order.

5. The learned Special Government Pleader appearing for the respondents 1 & 2 has no objection for the said submission made by the learned counsel for the petitioner.

6. Heard the learned counsel for the petitioner and the learned Special Government Pleader appearing for the respondents 1 & 2 and also perused the materials available on record.

7. Considering the above facts and circumstances of the case and

the fair submission made by the learned counsel for the petitioner that he is willing to pay 25% of the disputed tax amount to the respondents, this Court feels, it would be appropriate to set aside the impugned assessment order dated 14.02.2025 passed by the second respondent. Accordingly, this Court passes the following order:-

(i) The impugned assessment order dated 14.02.2025 is set aside and the matter is remanded to the second respondent for fresh consideration on condition that the petitioner shall pay 25% of disputed tax amount to the respondent within a period of four weeks from the date of receipt of a copy of this order. The setting aside of the impugned order will take effect from the date of payment of the said amount.

(ii) The petitioner shall file their reply/objection along with the required documents, if any, within a period of three weeks from the date of payment of amount as stated above.

(iii) On filing of such reply/objection by the petitioner, the respondent shall consider the same and issue a 14 days clear notice, by fixing the date of personal hearing, to the petitioner and thereafter, pass appropriate orders on merits and in accordance with law, after hearing the petitioner, as expeditiously as possible.

(iv) Considering the fact that the impugned assessment order itself has been set aside, this Court is of the opinion that the attachment made on the bank account of the petitioner cannot survive any longer and hence, it is to be lifted. As a sequel, the second respondent is directed to instruct the concerned Bank to release the attachment, and de-freeze the bank account of the petitioner, immediately upon the production of a copy of this order.

With the above directions, this writ petition is disposed of. No costs. Consequently, the connected miscellaneous petitions are also closed.

31.07.2025

Speaking/Non-speaking order
Index : Yes / No
Neutral Citation : Yes / No
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To

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