IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 02.09.2025

Coram:
THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P.No.33020 of 2025
and W.M.P.Nos.37049 & 37050 of 2025

M/s.Graced Retails,
Rep. by its Proprietor,
Charles Elango John,
No.1A, Block-C, The Canopy Ground Floor,
Mahendra World City,
Chengalpattu – 603 002.

...Petitioner

Versus

The State Tax Officer,
Chengalpattu Assessment Circle,
Station No.16A, 1st Floor, 1st Main Road,
Anna Nagar, Chengalpattu – 603 001.

...Respondent

Writ Petition filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorari to call for the impugned order dated 29.08.2024 in Order-in-Original No.GSTIN: 33AAAPE6556F1Z3 for the period of 2019-20 issued by the respondent and quash the same as illegal and arbitrary.

For Petitioner	:	Mr.S.Prabakaran
For Respondent	:	Mr.V.Prashanth Kiran, Government Advocate (Tax)

ORDER

Mr.V.Prashanth Kiran, learned Government Advocate (Tax) takes notice for the respondent.

2. The present writ petition has been filed by the petitioner challenging the Order-in-Original dated 29.08.2024 passed by the respondent for the year 2019-20.

3. The learned counsel for the petitioner submitted that the petitioner is engaged in the business of whole sale and retail trading of groceries, rice, water, chocolate, cool-drinks etc. The petitioner has been duly filing their returns and paying all the statutory taxes. On scrutinization of the returns filed by the petitioner for the year 2019-20, following discrepancies were *inter-alia* noticed:

(i) Input Tax Credit mismatch between GSTR 3B Vs. GSTR 2A
(ii) Non payment of tax to be paid on reverse charge
(iii) Interest not paid on late filing of GSTR 3B
(iv) Non reversal of ITC attributable to credit note
(v) Purchase Suppression
(vi) Non generation of e-way bill for inward supply

Hence, the respondent issued a Show Cause Notice in Form GST DRC-01 dated 28.05.2024, in response to which, the petitioner submitted their detailed Reply in Form GST DRC-06 on 24.08.2024. However, without considering the petitioner's reply, the respondent has passed the impugned order in Form GST DRC-07 dated 29.08.2024, confirming the demands proposed in the Show Cause Notice and directing the petitioner to pay the demand of Rs.28,95,456/- comprising tax, interest and penalty. Subsequently, the respondent-Department issued a Bank Attachment Notice in Form GST DRC-13 dated 12.01.2025 to the petitioner's Banker viz., ICICI Bank, Adyar Branch seeking to recover a sum of Rs.28,95,456/- from the petitioner's Bank Account towards the tax dues arising out of the impugned order.

3.1. It is submitted by the learned counsel for the petitioner that the petitioner was not given adequate opportunity to represent their case. It is also submitted by the learned counsel for the petitioner that if the petitioner is provided with an opportunity, the petitioner would be able to explain the alleged discrepancies.

3.2. The learned counsel for the petitioner has placed reliance on the order passed by 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 in similar circumstances, this Court has remanded the matter back to the respondent, subject to the payment of 25% of the disputed tax by the petitioner therein.

3.3. The learned counsel for the petitioner further submitted that the petitioner is ready and willing to pay 25% of the disputed tax amount and that on such payment, attachment made in petitioner's Bank Account may be ordered to be lifted and one final opportunity may be granted to the petitioner to put forth their objections to the proposal before the Adjudicating Authority, to which, the learned Government Advocate (Tax) appearing for the respondent does not have any serious objection.

4. By consent of the learned counsel on both sides, this Writ Petition stands disposed of on the following terms:

(a) The impugned Order-in-Original dated 29.08.2024 passed by the respondent is quashed.

(b) The petitioner shall deposit 25% of the disputed tax as agreed by the learned counsel for the petitioner, within a period of four weeks from the date of uploading of web copy of this order without waiting for the receipt of a certified copy of this order.

(c) If any amount has been recovered or paid out of the disputed tax, 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 intimate the balance amount out of 25% of disputed tax to be paid, if any, within a period of one week from the date of uploading of web copy of this order without waiting for the receipt of a certified copy of this order. 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 tax within a period of 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 that the petitioner shall pay 25% of the disputed tax, within a period of four weeks from the date of uploading of web copy of this order.

(f) On complying with the above condition, the impugned order of assessment shall be treated as Show Cause Notice and the petitioner shall submit their objections along with supporting documents/material, within a period of four weeks from the date of compliance of the conditions relating to deposit in Clauses (b) and (c). If any such objections are filed, the respondent shall consider the same and pass orders, in accordance with law, after affording a reasonable opportunity of hearing to the petitioner.

(g) It is made clear that if the above conditions viz., payment of 25% of disputed tax is not complied or objections are not filed within the stipulated time as stated above, the impugned order of assessment shall stand restored.

5. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

02.09.2025

mrr
Index : Yes/No
Speaking Order (or) Non-Speaking Order

To

The State Tax Officer,
Chengalpattu Assessment Circle,
Station No.16A, 1st Floor, 1st Main Road,
Anna Nagar, Chengalpattu – 603 001.

MOHAMMED SHAFFIQ, J.

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