IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 10.09.2025

Coram:
THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P.Nos.33092 & 33096 of 2025
and W.M.P.Nos.37164, 37165, 37170 & 37172 of 2025

M/s.Fiction Team,
Represented by its Partner,
Mr.Sai Ganesh Babu,
Having Office at
House 2A, Madha Nagar
Main Road Extension 5,
Mugalivakkam, Sriperumbudur,
Chennai – 600 125.

...Petitioner in both W.Ps

Versus

1.The State Tax Officer,
Ayyappanthangal Assessment Circle,
Integrated Commercial Taxes Building,
4/109, First Floor,
Bangalore-Chennai Highway,
Varadarajapuram, Nazarathpet,
Chennai – 600 123.

2.The Deputy Commissioner (ST),
Poonamallee Zone,
Kancheepuram Division,
Integrated Commercial Taxes Building,
4/109, Bangalore-Chennai Highway,
Varadharajapuram, Nazarathpet,
Chennai – 600 123.

3.HDFC Bank Limited,
Represented by its Branch
Operations Manager,
No.40, Nungambakkam High Road (N.H.Road),
Chennai – 600 034.

...Respondents in both W.Ps

Prayer in W.P.No.33092 of 2025:

Writ Petition filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorari calling for the records pertaining to the impugned order in Form GST DRC-07 dated 30.08.2024 passed by the 1st respondent in Reference No.ZD330824288090D and quash the same.

Prayer in W.P.No.33092 of 2025:

Writ Petition filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorari calling for the records pertaining to the impugned communication dated 24.03.2025 issued by the 3rd respondent marking "No debit/hold" for Rs.10,35,616/- in the current Account Nos.50200020589977 and 50200031399774 held by the petitioner and quash the same.

For Petitioner in both W.Ps	:	Mr.Hari Radhakrishnan
For Respondents – 1 & 2 in both W.Ps	:	Mrs.P.Selvi, Government Advocate (Tax)
For Respondent – 3 in both W.Ps	:	Mr.C.Mohan and Ms.A.Rexy Josephine Mary for M/s.King & Partridge

COMMON ORDER

Mrs.P.Selvi, learned Government Advocate (Tax) takes notice for the respondents 1 & 2 and Mr.C.Mohan, learned counsel takes notice for 3rd respondent Bank.

2. The relief sought in W.P.No.33092 of 2025 is to quash the Order in Form GST DRC-07 dated 30.08.2024 passed by the 1st respondent.

3. The relief sought in W.P.No.33096 of 2025 is to quash the Communication dated 24.03.2025 issued by 3rd respondent.

4. The learned counsel for the petitioner submitted that the petitioner is engaged in the production of television programmes and commercials. The petitioner has been duly filing their returns and paying all the statutory taxes. However, on scrutinization of the returns filed by the petitioner for the Financial Year 2019-20, following discrepancies were *inter-alia* noticed:

(i) Under declaration of output tax
(ii) Excess claim of ITC

Hence, 1st respondent issued a Show Cause Notice in Form GST DRC-01 dated 24.05.2024, pursuant to which, 1st respondent has passed the Order in Form GST DRC-07 dated 30.08.2024, confirming the demands proposed in the Show Cause Notice and directing the petitioner to pay the demand of Rs.10,35,616/- comprising tax, interest and penalty. Subsequently, 2nd respondent vide Recovery Notice dated 14.03.2025, demanded the petitioner to pay a sum of Rs.10,35,616/- based on the impugned order of assessment. Further, 2nd respondent sent a Letter dated 18.03.2025 to 3rd respondent Bank seeking to recover a sum of Rs.10,35,616/- from the petitioner's Bank Accounts towards the tax dues arising out of the impugned order of assessment, pursuant to which, 3rd respondent Bank has issued a Communication dated 24.03.2025 to the petitioner stating that “No debit/hold” has been marked for a sum of Rs.10,35,616/- on the petitioner's Current Account Nos.50200020589977 & 50200031399774.

4.1. It is also submitted by the learned counsel for the petitioner that both the Show Cause Notice and the impugned order of assessment had not been served to the petitioner either by tender or by way of RPAD, instead, the same had been uploaded in "View Additional Notices and Orders" of GST portal. Therefore, the petitioner was unaware of the proceedings initiated by 1st respondent and was also unable to participate in the adjudication proceedings. 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.

4.2. 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.

4.3. 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 Accounts 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 respondents 1 & 2 does not have any serious objection.

5. By consent of learned counsel on both sides, these Writ Petitions are disposed of on the following terms:

(a) The Order in Form GST DRC-07 dated 30.08.2024 impugned in W.P.No.33092 of 2025 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 of assessment.

(e) 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, 1st respondent shall consider the same and pass orders, in accordance with law, after affording a reasonable opportunity of hearing to the petitioner.

(f) 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.

(g) Since the Order in Form GST DRC-07 dated 30.08.2024 impugned in W.P.No.33092 of 2025 itself has been quashed, the Communication dated 24.03.2025 issued by 3rd respondent Bank impugned in W.P.No.33096 of 2025 is also quashed. Consequently, the attachment made in petitioner's Bank Accounts is ordered to be lifted forthwith subject to the compliance of 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.

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

10.09.2025

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Index : Yes/No

Speaking Order (or) Non-Speaking Order

To

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MOHAMMED SHAFFIQ, J.

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