IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 02.09.2025

Coram:
THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P.No.32982 of 2025
and W.M.P.Nos.36995 & 36996 of 2025

Shibu Kumar M/A 47 Years
Prop. M/s.Royal Constructions,
57/15, Shiva Moorthy Complex,
Shop No.6, First Floor, M.T.H.Road,
Padi, Chennai – 600 050.
GSTIN/ID-33CLDPS7263M1ZK.

...Petitioner

Versus

1.State Tax Officer,
Paid Assessment Circle,
Integrated Commercial Taxes &
Registration Department Building,
Room No.426, 4th Floor, Nandanam,
Chennai – 600 035.

2.HDFC Bank,
Rep. by the Bank Manager,
Anna Nagar West Branch,
No.1513/E1, East Main Road,
Anna Nagar West,
Chennai – 600 101.

...Respondents

Writ Petition filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorarified mandamus to call for the records on the file of the 1st respondent in connection with impugned

Assessment Order vide Ref.No.ZD330125273724H dated 29.01.2025 and quash the same as illegal, arbitrary and consequently, directing the 1st respondent to redo the assessment proceedings for the 2020-21 after giving full and fair opportunity to the petitioner as well as revocation of the blocking of access to funds from the petitioner's bank account (HDFC Bank Current Account No.15962020000521 and HDFC Bank Savings Account No.15961530002445) which is with the second respondent.

For Petitioner	:	Mr.A.Ganesh
For Respondent – 1	:	Mr.V.Prashanth Kiran, Government Advocate (Tax)
For Respondent – 2	:	Mr.C.Mohan and Ms.A.Rexy Josephine Mary for M/s.King & Partridge

ORDER

Mr.V.Prashanth Kiran, learned Government Advocate (Tax) takes notice for 1st respondent and Mr.C.Mohan, learned counsel takes notice for 2nd respondent.

2. The relief sought in this writ petition is to quash the Assessment Order dated 29.01.2025 bearing Ref.No.ZD330125273724H passed by 1st respondent and consequently, to direct the 1st respondent to redo the assessment proceedings for the year 2020-21, after giving an opportunity to the petitioner and to remove the blocking of access to funds from the

petitioner's Bank Accounts viz., Current Account bearing No.15962020000521 and Savings Account bearing No.15961530002445 with 2nd respondent Bank.

3. The learned counsel for the petitioner submitted that the petitioner is engaged in the business of construction works for various companies under the trade name, M/s.Royal Constructions. On scrutinization of the returns filed by the petitioner for the Financial Year 2020-21, following discrepancies were *inter-alia* noticed:

(i) Reconciliation of GSTR-01 with GSTR-3B; and

(ii) GSTR-1 Late Fee

Hence, 1st respondent issued a Show Cause Notice in Form GST DRC-01 dated 25.11.2024, proposing a liability totalling at Rs.18,46,354/- and calling upon the petitioner to file his Reply by 24.12.2024 and appear for personal hearing on 18.12.2024. However, the petitioner neither replied to the Show Cause Notice nor appeared for personal hearings and thus, 1st respondent has passed the Assessment Order in Form GST DRC-07 dated 29.01.2025, confirming the demands proposed in the Show Cause Notice and directing the petitioner to pay the demand of Rs.18,46,354/- comprising tax, interest, penalty and late fee. Subsequently, the respondent-Department issued a Bank Attachment Notice in Form GST DRC-13 dated 27.05.2025 to 2nd respondent (petitioner's Banker) seeking to recover a sum of Rs.33,03,690/- from the petitioner's Bank Accounts towards the tax dues arising out of the impugned order of assessment, pursuant to which, petitioner's Bank Accounts viz., Current Account bearing No.15962020000521 and Savings Account bearing No.15961530002445 were freezed by 2nd respondent Bank.

3.1. It is submitted by the learned counsel for the petitioner that both the Show Cause Notice and the impugned Assessment Order had not been served to the petitioner either by tender or by way of RPAD, instead, the same had been uploaded in the GST portal and thus, 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.

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 Accounts may be ordered to be lifted and one final opportunity may be granted to the petitioner to put forth his objections to the proposal before the Adjudicating Authority, to which, the learned Government Advocate (Tax) appearing for 1st 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 Assessment Order dated 29.01.2025 passed by 1st 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 his 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.

(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

1.State Tax Officer,
Paid Assessment Circle,
Integrated Commercial Taxes &
Registration Department Building,
Room No.426, 4th Floor, Nandanam,
Chennai – 600 035.

2.The Bank Manager,
HDFC Bank,
Anna Nagar West Branch,
No.1513/E1, East Main Road,
Anna Nagar West,
Chennai – 600 101.

MOHAMMED SHAFFIQ, J.

mrr

W.P.No.32982 of 2025

02.09.2025