IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 10.09.2025

Coram:

THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P.No.33198 of 2025
and W.M.P.Nos.37324, 37325 & 37327 of 2025

Rujo Engineering Private Limited,
Represented by its Managing Director Jacob Ruban,
No.1375, TNHB Main Road,
Velacherry,
Chennai – 600 042.

...Petitioner

Versus

1.The Deputy State Tax Officer – 1,
(Formerly known as Deputy Commercial Officer),
Velacherry Assessment Circle,
Room No.223, 2nd Floor,
No.571, Integrated Commercial Taxes
and Registration Department (South Tower),
Nandanam,
Chennai – 600 035.

2.The Assistant Commissioner (ST),
Velacherry Assessment Circle,
Room No.225, 2nd Floor,
No.571, Integrated Commercial Taxes
and Registration Department,
Nandanam,
Chennai – 600 035.

3.The Branch Manager,
INDUSIND BANK,
Velacherry Branch,
Ground Floor, DEV Apartments,
28A 1, Venkateswara Nagar,
100 Feet By-pass Road,
Velacherry,
Chennai – 600 042.

...Respondent

Writ Petition filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorarified mandamus calling for records in Reference Number: ZD 330 225 154 913I/2020-21 dated 17.02.2025 on the file of the 1st respondent and quash the same as contrary to law, consequently direct the 2nd respondent to defreeze the Bank Account in bearing GSTIN: 33 AAI CRO 479 B1ZN/2020-21 of the petitioner.

For Petitioner : Ms.V.Vijayalakshmi
For Respondents – 1 & 2 : Mrs.R.Vasanthamala, Government Advocate

ORDER

Mrs.R.Vasanthamala, learned Government Advocate takes notice for the respondents 1 & 2.

2. The relief sought in this writ petition is to quash the Order dated 17.02.2025 passed by 1st respondent and to direct the 2nd respondent to defreeze the petitioner's Bank Account.

3. The learned counsel for the petitioner submitted that the petitioner is engaged in the business of manufacturing of machinery components and allied services. 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 2020-21, following discrepancies were *inter-alia* noticed:

(i) Output Liability mismatch in GSTR-1 and GSTR-3B

(ii) Input Mismatch (GSTR-3B Vs. GSTR-2A)

Hence, 1st respondent issued a Notice in Form GST DRC-01A dated 18.11.2024 and a Show Cause Notice in Form GST DRC-01 dated 19.11.2024, followed by three Reminder Notices dated 13.01.2025, 25.01.2025 & 03.02.2025. However, the petitioner neither replied to the notices issued by 1st respondent nor appeared for personal hearing before 1st respondent. Hence, 1st respondent has passed the impugned Order in Form GST DRC-07 dated 17.02.2025, confirming the demands proposed in the Show Cause Notice and directing the petitioner to pay the demand of Rs.14,20,714/- comprising tax, interest and penalty. Subsequently, 2nd respondent has issued a Bank Attachment Notice in Form GST DRC-13 dated 22.05.2025 to 3rd respondent Bank (petitioner's Banker) seeking to recover a sum of Rs.16,02,009/- from the petitioner's Bank Account towards the tax dues arising out of the impugned order of assessment. Pursuant to the issuance of said Bank Attachment Notice, 3rd respondent Bank has freezed the petitioner's Bank Account.

3.1. 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 the 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.

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 appearing for the respondents 1 & 2 does not have any serious objection.

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

(a) The impugned order dated 17.02.2025 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 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.

(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.

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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