IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.09.2025

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THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P. No.34342 of 2025
and
W.M.P. Nos.38508 and 38510 of 2025

Tvl.Narayan Co.
Rep. By its prop. K.Naryanan
59/84, Othavadai Street,
Kodambakkam, Chennai-600 024. ...Petitioner(s)

vs.

The Deputy State Tax Officer,
MMDA Colony Assessment Circle,
No.88, II Floor, Mayor Ramanathan Salai,
Chennai-600 031. ...Respondent(s)

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorari calling for the records of the respondent on GSTIN/33AAQPN4032M1ZG/2019-20 dated 16.08.2024 and quash the same as illegal, arbitrary and against the principles of natural justice.

For Petitioner(s) : Mr.A.Chandrasekaran

For Respondent(s) : Mrs.Amritha Poonkodi Dinakaran
Government Advocate

ORDER

By consent of learned counsel on both sides, this writ petition is taken up for final disposal at the admission stage itself.

2. The present writ petition is filed challenging the impugned order dated 16.08.2024 relating to the assessment year 2019-20.

3. It is submitted by the learned counsel for petitioner that petitioner is engaged in the business of providing works contract services and is registered under the Goods and Services Tax Act, 2017. During the relevant period 2019-20, petitioner filed their returns and paid appropriate taxes. However, on verification of the returns the following discrepancies were *inter-alia* noticed:

i) Mismatch between GSTR 3B and 2A and

ii) Mismatch between GSTR 7 and GSTR 1.

4. Pursuant thereto, ASMT-10 notice was issued on 07.06.2022, followed by show cause notice in DRC-01 dated 10.05.2024 and three reminder notices dated 18.07.2024, 24.07.2024 and 05.08.2024. Petitioner filed their reply to the show cause notice on 10.06.2024, however, the impugned order came to be passed confirming the proposal without considering the reply thereby impugned order stands vitiated.

5. It is further submitted by the learned counsel for petitioner that if the petitioner is provided with an opportunity, they would be able to explain the alleged discrepancies. The learned counsel for the petitioner would place reliance upon the recent judgment of 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 this court has remanded the matter back in similar circumstances subject to payment of 25% of the disputed taxes.

6. It is submitted by the learned counsel for the petitioner that subsequent to the passing of the impugned order, entire taxes have already been recovered and would only request that they may be granted one opportunity to put forth their objections, to which the learned Government Advocate for the respondent does not have any serious objection.

7. By consent of both parties, the writ petition stands disposed of on the following terms:

a) The impugned order dated 16.08.2024 is set aside.

b) The petitioner shall deposit 25% of the disputed taxes as agreed to by both the learned counsel for the petitioner and the respondent, within a period of four weeks from the date of uploading of web copy without waiting for the receipt of the certified copy.

c) If any amount has been recovered or paid out of the disputed taxes, 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 then intimate the balance amount out of 25 % of disputed taxes to be paid, if any, within a period of one week from the date of uploading of web copy without waiting for the receipt of the certified copy. 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 taxes within the stipulated period i.e., 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 viz., payment of 25 % of the disputed taxes.

f) On complying with the above condition, the impugned order of assessment shall be treated as show cause notice and the petitioner shall submit its objections within a period of four (4) weeks from the date of compliance of the conditions relating to deposit in Clause (b) and (c) supra, along with supporting documents/material. If any such objections are filed, the same shall be considered by the respondent and orders shall be passed in accordance with law after affording a reasonable opportunity of hearing to the petitioner. It is made clear that if the above conditions viz., payment of 25% of disputed taxes is not complied or objections are not filed within the stipulated time as stated above the impugned order of assessment shall stand restored.

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

12.09.2025

Speaking (or) Non Speaking Order
Index : Yes/ No
Neutral Citation: Yes/No
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To:
The Deputy State Tax Officer,
MMDA Colony Assessment Circle,
No.88, II Floor, Mayor Ramanathan Salai,
Chennai-600 031.

MOHAMMED SHAFFIQ, J.

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