IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 17-10-2025

CORAM

THE HONOURABLE MR JUSTICE C. SARAVANAN

WP No. 39446 of 2025
and
WMP Nos.44293 & 44294 of 2025

Tvl.Flowline Technologies Private Limited,
Represented by its Director,
Thiru Krishnakumar,
No.91, Armenian Street,
Begam Ispahani Complex, Chennai 600 001.

Petitioner(s)

Vs

The Assistant Commissioner (ST)(FAC),
Loansquare Assessment Circle,
No 32, Elephant Gate bridge Road,
Integrated Commercial Taxes Office Complex,
Chennai 600 003.

Respondent(s)

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records of the Respondent herein in impugned order having reference number ZD331223215740Y dated 27.12.2023 passed under Section 73 of the Tamilnadu Goods and Service Tax Act, 2017 read with Central Goods and Service Tax Act, 2017 herein after referred to as GST Act, 2017 and quash the same as arbitrary, unjust and illegal and thus render justice.

For Petitioner(s): Mr.Suresh T

For Respondent: Mrs.P.Selvi
Government Advocate

ORDER

Mrs.P.Selvi, learned Government Advocate, takes notice on behalf of the respondent.

2. This Writ Petition is being disposed of at the time of admission with the consent of the learned counsel for the Petitioner and the learned Government Advocate for the Respondent.

3. The petitioner is before this Court against the impugned order dated 27.12.2023, which was preceded by a show cause notice in Form DRC-01 dated 08.08.2023. Though the notice had specific time line for filing reply and

personal hearing, the petitioner failed to respond to the same and thus, suffered the impugned order dated 27.12.2023. Now the Department/respondent has initiated recovery proceedings, and hence, the present writ petition has been filed by the petitioner on 14.10.2025.

4. Reading of the impugned order and show cause notice dated 08.08.2023 indicate that there are some discrepancies in the returns filed between GSTR-3B Vs Form 26AS of Income Tax Act and GSTR-3B Vs GSTR9/9C.

5. The learned counsel for the petitioner submits that the petitioner is exempt from payment of tax, in terms of Serial No.3 of the Notification No.12/2017 - Central Tax (Rate) dated 28.06.2017 issued by the Ministry of Finance (Department of Revenue), Government of India. Serial No.3 of the said Notification is extracted hereunder:

Sl.No.	*Chapter, Section, Heading, Group or Service Code (Tariff)*	*Description of Services*	*Rate (Per cent.)*	*Condition*
3	Chapter 99	Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental Authority by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution....	Nil	Nil

6. Since there are several disputed questions of fact involved, it cannot be straight away inferred that the petitioner was entitled to the above exemption, as the above exemption is confined to only pure services provided to the Central Government, State Government, Union Authority as mentioned in the above

notification.

7. Therefore, to balance the interest of the petitioner and the Revenue, this case is remitted back to the respondent to pass a fresh order, subject to the petitioner depositing 50% of the disputed tax in cash from Petitioner's Electronic Cash Register, within a period of thirty (30) days from the date of receipt of a copy of this order.

8. Within such time, the Petitioner shall also file a reply to the show cause notice in Form DRC-01 dated 08.08.2023 together with requisite documents to substantiate the case by treating the impugned order dated 27.12.2023 as an addendum to the show cause notice dated 08.08.2023.

9. In case the Petitioner complies with the above stipulations, the respondent shall proceed to pass afresh orders on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply/pre-deposit. Subject to the petitioner depositing 50% of the

disputed tax, within the stipulated time as stated above, the attachment made on the petitioner's Bank account shall also stand automatically raised/vacated.

10. In case, the Petitioner fails to comply with any one of the above stipulations, the respondent is at liberty to proceed against the Petitioner to recover the tax in accordance with law as if this Writ Petition was dismissed *in limine* today.

11. Needless to state, before passing any such order, the respondent shall give due notice to the petitioner.

12. With the above directions, this Writ Petition is disposed of. No costs. Consequently, connected Miscellaneous Petitions are closed.

17-10-2025

Jd
Index:Yes/No
Speaking/Non-speaking order
Internet:Yes
Neutral Citation:Yes/No

To

The Assistant Commissioner (ST)(FAC),
Loansquare Assessment Circle,
No 32, Elephant Gate bridge Road,
Integrated Commercial Taxes Office Complex, Chennai 600 003.

C.SARAVANAN J.

Jd

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