IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 27.11.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.46289 of 2025
and
W.M.P.Nos.51636 and 51637 of 2025

K P R and Co
Represented by its Managing Partner
S.P.Ramar. ... Petitioner

Vs.

The Commercial Tax Officer,
Office of the State Tax Officer (ST)(FAC),
Edappady Assessment Circle,
S.M.V.T.Nagar, Vellandivalasu,
Edappady – 637 105.
Salem. ... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records in Reference No.ZD3307250743088 dated 08.07.2025 under Section 73 of the TNGST Act, 2017 along with a summary of the order dated 08.07.2025 in Reference No.ZD3307250743088 on the file of the Respondent relating to F.Y.2021-22 and quash the same.

For Petitioner : M/s.N.Janani

For Respondent : Mr.V.Prashanth Kiran
Government Advocate

ORDER

Mr.V.Prashanth Kiran, learned Government Advocate takes notice for the Respondent.

2. This Writ Petition is being disposed of at the stage of admission itself 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 08.07.2025, which was preceded by a Show Cause Notice in GST DRC-01 dated 13.03.2025, wherein the Petitioner was called upon to appear for personal hearing.

4. By the impugned order, part of the demand proposed in the Notice in GST DRC – 01 dated 13.03.2025 has been confirmed. The final determination in the impugned order reads as under:

> **Final Determination:**
>
> In view of the above findings and conclusion, the revised assessment under Section 73 of the CGST/SGST Act, 2017 for the Financial Year 2024 – 2025 is finalized as follows:-

Defect No.	SGST TAX	CGST TAX	SGST INT	CGST INT	SGST PTY	CGST PTY
1.Reconciliation of turnover in GSTR 07 with supplied declared in GSTR B (Rs.926501.00@15%)	83385.00	83385.00				
2.Section 50(1)/50(3) interest (01.04.2023 to 08.07.2025-830 days)			34130.00	34130.00		
3.Section 74(A) penalty					10000.00	10000.00
Total	**83385.00**	**83385.00**	**34130.00**	**34130.00**	**10000.00**	**10000.00**

The reasons for the above conclusion are as under:-

> *"However, the remaining balance turnover amounting to 9,26,501/- as per Form 26AS is not backed by any agreement copies, invoices, or other valid documents to establish that the contracts were executed for government departments or that they qualify as exempted. Hence, the claim of exemption for this portion is not accepted.*
>
> *In the absence of valid proof, the turnover of 9,26,501/- is treated as taxable turnover, assumed to have been executed for private entitles. Accordingly, tax is proposed to be levied at the rate of 18% (CGST 9% + SGST 9%). Since the taxpayer has already paid tax @ 12%, the balance tax @ 3% CGST and 3% SGST is now payable on the said turnover, along with interest under Section 50 and penalty under Section 73(9) of the CGST / SGST Act, 2017."*

5. The learned counsel for the Petitioner would submit that the Petitioner is having relevant documents as claimed for and that the Petitioner

is entitled for exemption from payment of GST for the amount as stated above. Therefore, the Petitioner may be given one opportunity to explain the case afresh.

6. Have considered the submissions made by the learned counsel for the Petitioner and the learned Government Advocate for the Respondent.

7. Following the consistent view taken by this Court under similar circumstances, the case is remitted back to the Respondent to pass a fresh order subject to the Petitioner giving an proper Reply / explanation within a period of thirty (30) days from the date of receipt of a copy of this order.

8. In case the Petitioner complies with the above stipulation, the Respondent shall proceed to pass a final order on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

9. It is made clear that bank attachment shall be lifted as ordered above subject to the Petitioner not being in arrears of any other amount barring the amount demanded under the impugned Order.

10. In case the Petitioner fails to comply with the above stipulation, 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. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

27.11.2025

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To:

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Office of the State Tax Officer (ST)(FAC),
Edappady Assessment Circle,
S.M.V.T.Nagar, Vellandivalasu,
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C.SARAVANAN, J.

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