IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.12.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.48564 of 2025
and
W.M.P.Nos.54223 and 54224 of 2025

M/s.Sri Mahalakshmi Store,
Represented by its Proprietor
K.Ragupathi. ... Petitioner

Vs.

The Deputy State Tax Officer – 2/ Proper Officer,
Panruti Town Assessment Circle,
Office of the State Tax Officer (ST),
Panruti Town. ... 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 relating to the impugned proceedings of the Respondent in GSTIN:33BBXPR8845R1Z7/2018-19 culminating in the order dated 07.10.2025 passed under Section 74 of the CGST/TNGST Act, 2017 and summary of the order in Form DRC 07 in bearing Reference No.ZD331025042442Z dated 07.10.2025 and quash all the impugned proceedings as passed contrary to the provisions of the CGST/TNGST Act, 2017 and without granting a personal hearing and so passed against the principles of natural justice.

For Petitioner : Mr.P.Rajkumar

For Respondent : Mr.C.Harsharaj
Special Government Pleader

ORDER

Mr.C.Harsharaj, learned Special Government Pleader 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 Special Government Pleader for the Respondent.

3. The Petitioner is before this Court against the impugned order dated 07.10.2025 in Form GST DRC – 07 for the tax period 2018 - 2019, which was preceded by a Show Cause Notice in GST DRC-01 dated 02.06.2025 wherein the Petitioner was called upon to appear for personal hearing. However, the Petitioner had not taken advantage of the same and thus, suffered the impugned Order dated 07.10.2025.

4. The Petitioner was also issued with Reminders on 12.07.2025, 25.08.2025 and 22.09.2025, which called upon the Petitioner to file a reply

and to appear for a personal hearing, pursuant to which the Petitioner filed a reply on 07.10.2025.

5. It is the submission of the learned counsel for the Petitioner that the impugned assessment order has been passed on the same date of the reply filed by the Petitioner and therefore there is non application of mind by the Respondent while passing the impugned order.

6. According to the learned counsel for the Petitioner, the Petitioner is running a departmental store and subjected to variable tax on goods that are sold by the Petitioner. It is submitted that in the reply dated 07.10.2025, the Petitioner has given the particulars with the rate to be applied in terms of **Notification No.46/17-CT(Rate)** dated **13.10.2017**.

7. It is submitted by the learned Special Government for the Respondent that the Respondent has confirmed the demand after considering the reply filed by the Petitioner to the Show Cause Notice in DRC - 01.

8. Although the Petitioner has stated that the goods supplied by the Petitioner are subjected to variable tax in terms of the above notification, the

Petitioner has not particularized the same in the reply filed to the Show Cause Notice. The reply filed by the Petitioner is vague to that extent.

9. Considering the fact that the Petitioner may have a case on merits, the impugned order is quashed and the case is remitted back to the Respondent to re-do the exercise to the extent the demand has been confirmed by examining variable items supplied for the clearance about Rs.1 Crore during the aforesaid tax period.

10. Therefore, to balance the interest of both parties viz., the Assessee and the Revenue, the case is remitted back to the Respondent to pass a fresh order on merits subject to the Petitioner depositing 10% of the disputed tax in cash from the Petitioner's Electronic Cash Register within a period of thirty (30) days from the date of receipt of a copy of this order.

11. Within such time, the Petitioner shall also file a reply to the Show Cause Notice in GST DRC-01 dated 02.06.2025 together with requisite documents to substantiate the case by treating the impugned Order dated 07.10.2025 as an addendum to the Show Cause Notice dated 02.06.2025.

12. In case the Petitioner complies with the above stipulations, 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/pre-deposit. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

13. It is made clear that bank attachment shall be lifted subject to the Petitioner depositing 10% of the disputed tax as ordered above and the Petitioner not being in arrears of any other amount barring the amount demanded under the impugned Order.

14. In case the Petitioner fails to comply with any of the 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.

15. Needless to state, before passing any such order, the Respondent shall give due notice to the Petitioner.

16. This Writ Petition stands disposed of with the above observations.

No costs. Connected Writ Miscellaneous Petitions are closed.

19.12.2025

Neutral Citation: Yes / No
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<u>To</u>:

The Deputy State Tax Officer – 2/ Proper Officer,
Panruti Town Assessment Circle,
Office of the State Tax Officer (ST),
Panruti Town.

C.SARAVANAN, J.

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