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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 13.03.2025

CORAM:

THE HONOURABLE MR.JUSTICE VIVEK KUMAR SINGH

W.P.(MD)Nos.6746 to 6752 of 2025
and
W.M.P.(MD)Nos.5008, 5009, 5010, 5014, 5055, 5056, 5057, 5058, 5049, 5050, 5052, 5054, 5018, 5026, 5027, 5029, 5015, 5016, 5020, 5022, 5021, 5028, 5023, 5025, 5093, 5094, 5095 and 5098 of 2025

Sreshta Leisure Pvt. Ltd.,
Represented by its Managing Director,
Krithika Subramanian,
No.4/1116, Blake High School Road,
M.Chavi, Pudupattinam,
Thanjavur - 613 001. ... Petitioner in all the W.Ps.

-vs-

The State Tax Officer,
Thanjavur - 1 Assessment Circle,
Thanjavur. ... Respondent in all the W.Ps.

PRAYER IN W.P.(MD)No.6746 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records respondent with regard to impugned order dated 12.12.2024 bearing TIN No.33426328965/2017-2018 and quash the same as it is unreasonable, illegal, improper and in gross violation of principles of natural justice.

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PRAYER IN W.P.(MD)No.6747 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records respondent with regard to impugned order dated 12.12.2024 bearing TIN No.33426328965/2018-2019 and quash the same as it is unreasonable, illegal, improper and in gross violation of principles of natural justice.

PRAYER IN W.P.(MD)No.6748 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records respondent with regard to impugned order dated 12.12.2024 bearing TIN No.33426328965/2019-2020 and quash the same as it is unreasonable, illegal, improper and in gross violation of principles of natural justice.

PRAYER IN W.P.(MD)No.6749 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records respondent with regard to impugned order dated 12.12.2024 bearing TIN No.33426328965/2020-2021 and quash the same as it is unreasonable, illegal, improper and in gross violation of principles of natural justice.

PRAYER IN W.P.(MD)No.6750 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records respondent with regard to impugned order dated 12.12.2024 bearing TIN No.33426328965/2021-2022 and quash the same as it is unreasonable, illegal, improper and in gross violation of principles of natural justice.

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PRAYER IN W.P.(MD)No.6751 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records respondent with regard to impugned order dated 12.12.2024 bearing TIN No.33426328965/2022-2023 and quash the same as it is unreasonable, illegal, improper and in gross violation of principles of natural justice.

PRAYER IN W.P.(MD)No.6752 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records respondent with regard to impugned order dated 12.12.2024 bearing TIN No.33426328965/2023-2024 and quash the same as it is unreasonable, illegal, improper and in gross violation of principles of natural justice.

For Petitioner in all the W.Ps. : Mr.Vaibhav Rangarajan Venkatesh

For Respondent in al the W.Ps.: Mr.J.K.Jayaselan
Government Advocate

COMMON ORDER

These Writ Petitions have been filed seeking to quash the impugned orders passed by the respondent, dated 12.12.2024, for the Assessment Years 2017 – 2018 to 2023 – 2024.

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2. With the consent of both sides, these Writ Petitions are taken up for final disposal at the admission stage itself.

3. The learned counsel for the petitioner submits that the petitioner has been regularly filing the VAT monthly returns for the period from April 2018 to 2020 and has also made the requisite payments of VAT without suppressing any material particulars. The learned counsel for the petitioner further submits that a notice was issued on 30.08.2024, directing the petitioner to pay tax for the Assessment Years 2017-2018 to 2023-2024 and to produce documents for inspection. However, the notice issued for the years 2017-2018 to 2019-2020 is entirely bad in law, as the VAT returns for these years were already filed upto September 2020. Therefore, the issuance of the said notice, lacks legal validity and must be set aside.

4. The learned counsel for the petitioner further submits that for the Assessment Years 2020-2021 to 2023-2024, the respondent has arrived at an estimated figure for suppression and alleged wilful non-disclosure based purely on hypothetical assumptions, conjectures and surmises. There is no substantive

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evidence or material to arrive at such a figure and as such, the assessment for these years, is flawed and should be reconsidered.

5. The learned counsel for the petitioner also submits that the impugned notice issued in September 2024 and the subsequent order of assessment dated 12.12.2024 mention a cross-verification of the data collected from "TASMAC." However, the petitioner was not provided with any opportunity to respond to the verification process. The petitioner was not notified about what verification was conducted or whether any report was generated. As a result, the petitioner was deprived of the opportunity to challenge or clarify the findings. The mere mention of a cross-verification without any supporting documentation or notice to the petitioner, is flawed and cannot be sustained. Therefore, the issuance of the notice and the subsequent assessment orders, are legally untenable and must be set aside.

6. The learned Government Advocate appearing for the respondent submits that the notice issued to the petitioner, requiring the petitioner to pay VAT for the Assessment Years 2017-18 to 2019-20, is justified. The petitioner's claim that VAT returns for these years were filed until September 2020 does not absolve the

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petitioner from producing relevant documents or clarifying any discrepancies that may have been identified during the assessment process. The learned Government Advocate contends that the issuance of the notice is in accordance with the provisions of law and any lapses in the filing of returns or payments are matters to be addressed in the assessment proceedings.

7. The learned Government Advocate submits that the estimation of suppression and wilful non-disclosure for the Assessment Years 2020-21 to 2023-24 was based on a reasonable and appropriate assessment of the available data. The respondent had to rely on estimates due to the petitioner's failure to provide adequate documentation. The figures used in the assessment are not based on conjecture, but on reasonable presumptions drawn from the available records and from the data that could be cross-verified with sources such as "TASMAC." The learned Government Advocate submits that the petitioner's contention regarding the lack of evidence to support the estimated suppression is incorrect.

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8. The learned Government Advocate further submits that the cross-verification conducted with TASMAC was a part of the routine assessment procedure. The information obtained from TASMAC was vital for verifying the petitioner's transactions. While the petitioner was not formally informed of the details of the cross-verification, the data obtained was used solely to verify the correctness of the petitioner's returns and payments. The learned Government Advocate contends that such verification is within the purview of the authority and is not required to be disclosed in advance to the petitioner and therefore, the impugned orders of assessment, dated 12.12.2024, are valid and should not be set aside.

9. The learned Government Advocate appearing for the respondent also submits that the petitioner is having an appeal remedy before the appellate Deputy Commissioner under Section 51 of the Tamil Nadu Value Added Tax Act, 2006. The petitioner had multiple opportunities to present documents and clarify any discrepancies and hence, the learned Government Advocate prayed for dismissal of the Writ Petitions.

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10. Heard both sides.

11. Considering the submissions of both parties, this Court is of the view that there are serious procedural lapses in the respondent's actions that warrant reconsideration. The petitioner was not given a fair opportunity to challenge the findings or verify the cross-referencing with TASMAC. Moreover, the respondent has not provided sufficient justification for the estimation of suppression and wilful non-disclosure based on hypothetical grounds, as claimed by the petitioner. Hence, the impugned orders of assessment dated 12.12.2024, are set aside due to the procedural deficiencies, lack of proper notice and the failure to provide the petitioner with adequate opportunity to challenge the verification process conducted by the respondent. The matter is remanded back to the respondent for fresh consideration, directing the respondent to consider the case of the petitioner on merits and pass appropriate orders in accordance with law, after giving due opportunity to the petitioner, within a period of three months from the date of receipt of a copy of this order. The petitioner is also directed to cooperate with the respondent during the remand proceedings and to submit any necessary documents or clarifications required by the respondent for a fair and complete assessment.

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12. These Writ Petitions stand allowed on the above terms. There shall be no order as to costs. Consequently, connected Miscellaneous Petitions are closed.

NCC : Yes / No
Index : Yes / No
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13.03.2025

To

The State Tax Officer,
Thanjavur - 1 Assessment Circle,
Thanjavur.

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VIVEK KUMAR SINGH, J.

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Common order in
W.P.(MD)Nos.6746 to 6752 of 2025

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