BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **05.08.2025**

CORAM:

THE HONOURABLE MR.JUSTICE **C.SARAVANAN**

W.P.(MD) No.21282 of 2025
and
W.M.P.(MD) No.16446 of 2025

Tvl.Asian Enterprises,
rep by its Proprietor
Mohammed Fagurudeen Khan

... Petitioner

/vs./

The Deputy State Tax Officer-1,
Office of the Assistant Commissioner (ST),
Madurai Rural (East) Assessment Circle,
Madurai. ... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Certiorarified Mandamus, calling for the impugned assessment order on the file of respondent vide GSTIN 33EJHPM5755C1Z8/2020-2021 dated 10.02.2025 and quash the same as illegal and devoid of merits and direct the respondent to redo the assessment proceedings for the year 2020-21.

For Petitioner : Mr.Raja.Karthikeyan

For Respondent : Mr.J.K.Jeyaseelan
Government Advocate

ORDER

Mr.J.K.Jeyaseelan, learned Government Advocate takes notice for the respondent.

2.The petitioner has challenged the impugned order dated 10.02.2025 passed for the tax period 2020-21 by the respondent.

3.The impugned order has preceded with a notice in DRC 01, dated 22.11.2024, to which the petitioner has replied on 30.01.2025 and attended the personal hearing.

4.The specific case of the petitioner is that the total value of supply made during the period was only Rs.25,94,000/- and that the petitioner was entitled for payment of tax at 1% on the total value of the supply under the composition scheme in terms of Section 10 of the respective GST enactment.

5.It is submitted that in the reply, there was a mistake. It is submitted that the petitioner has stated “we are collected taxes on our outward supply”. It is submitted that the sentence should have read 'we have not collected taxes on our outward supply'.

6.It is submitted that though the petitioner had attempted to explain the same, the same was not noticed. It is submitted that since the value of supply is only Rs.25,94,000/-, the petitioner was entitled for payment of tax under the composition scheme under Section 10 of the respective GST enactment r/w Rule 6 of the respective GST Rules.

7.The petitioner appears to have made out a case, considering the fact that the total value of supply is only Rs.25,94,000/- for the tax period 2020-21. The reply given by the petitioner as mentioned above dated 31.01.2025 contains a grammatical mistake, as a result of which, the tax has been demanded from the petitioner at 12% of the value instead of 1% under Section 10 of the respective GST enactment r/w Rule 6 of the respective GST Rules.

8.Considering the same, this Court is inclined to quash the impugned order and remits the case back to the respondent to pass a fresh order on merits and in accordance with law. The impugned order, which stands quashed, shall be treated as addendum to the show cause notice issued to the petitioner in DRC 01, dated 22.11.2024.

9.The petitioner shall file a reply to the said show cause notice within a period of 30 days from the date of receipt of a copy of this order. The petitioner shall also pay the admitted tax under Section 10 of the respective GST enactment as pre-condition, within such time.

10.In case, the petitioner complies with the above stipulations, the respondent shall endeavour to pass a fresh order on merits as expeditiously as possible within a period of three months thereafter. Needless to state, the petitioner shall be heard before passing final orders.

11.In case the petitioner fails to comply with any of the conditions stipulated above, it will be deemed as if the Writ Petition was dismissed, in which case, it is open for the respondent to proceed against the petitioner in accordance with law.

12.It is made clear that the petitioner shall co-operate with the respondent and shall produce all the documents to substantiate that the entire value of supply during the aforesaid tax period was confined to only Rs.25,94,000/-.

13.With the aforesaid direction, the Writ Petition stands allowed. No costs. Consequently, connected Miscellaneous Petition is dismissed.

Index : Yes / No
Internet : Yes / No
mm

05.08.2025

To

The Deputy State Tax Officer-1,
Office of the Assistant Commissioner (ST),
Madurai Rural (East) Assessment Circle,
Madurai.

C.SARAVANAN, J.

mm

W.P.(MD) No.21282 of 2025

05.08.2025