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WP No. 38341 of 2



Order QR

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05-10-2026

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THE HON'BLE MR JUSTICE KRISHNAN RAMASAMY

WP No. 38341 of 2026

and WMP Nos.43055 and 43057 of 2026



Case QR

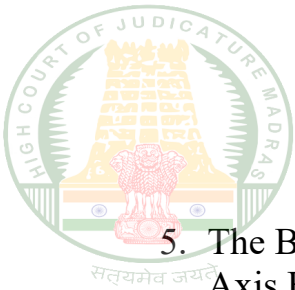
CNR: {HCMA012090972026}

M/s.Shree Velu Builders Private limited
Represented by its Managing Director
No.4/219, Poonamallee High Road
Kattupakkam, Chennai- 600 056.

..Petitioner(s)

Vs

1. State Tax officer (ST)
Group -IX,
O/o.The Joint Commissioner (S.T), Intelligence -II
No.1, PAPJM Buildings,
Greens Road, Chennai- 06.
2. The Branch Manager,
ICICI Bank Limited
kotturpuram Branch
Chennai-085.
3. The Branch Manager
ICICI Bank Limited
Nandanam Branch
Chennai-035.
4. The Branch Manager
Axis Bank Limited,
Virugambakkam Branch
Chennai-092.



5. The Branch Manager
Axis Bank Limited
R.K. Salai Branch
Chennai-004.

..Respondent(s)

PRAYER: The Writ Petition is filed under Article 226 of the Constitution of India seeking the issuance of a Writ of Certiorarified Mandamus calling for the records of the 1st respondent herein relating to the impugned order in GSTIN 33AAACS6653C1ZO/2019-20 dated 27.03.2026, quash the same as illegal, arbitrary and devoid of merit and consequentially direct the Respondents herein to restore the status of the petitioner herein as a Composition Taxpayer and de-freeze the accounts with respondents 2 to 5 enabling the petitioner to operate the bank account without any hindrance.

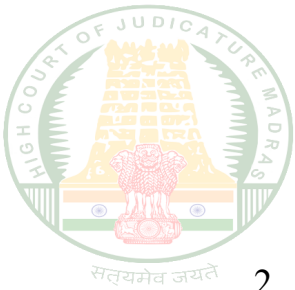
For Petitioner(s): Mr. A.V.Arun

For Respondent(s): Mr. B. Sivaraman

Government Advocate for R1

ORDER

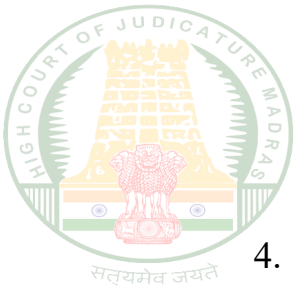
The present Writ Petition has been filed challenging the impugned order passed by the 1st respondent dated 27.03.2026.



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2. The learned counsel for the petitioner submits that by way of the impugned order, a tax demand was raised for a sum of Rs. 5,50,25,100/- based on the projected revenue of the petitioner, along with a remaining sum of Rs. 2,40,19,438/- towards other liabilities.

3. The learned counsel for the petitioner fairly submits that while the other liabilities are disputed, the primary grievance relates to the levying of tax on the basis of projected revenue for Block Nos. 12 and 13. He submits that this assessment was made solely on the strength of the planning approval granted by the Member Secretary, Salem Local Planning Authority, whereas the construction work is yet to commence. He, therefore, contends that the tax levied on such projected revenue is unsustainable and liable to be set aside. As regards the remaining disputed aspects, the learned counsel submits that the petitioner is ready and willing to deposit a sum of Rs. 50,00,000/-, and prays that subject to the said deposit, the matter may be remanded to the respondent for fresh consideration.

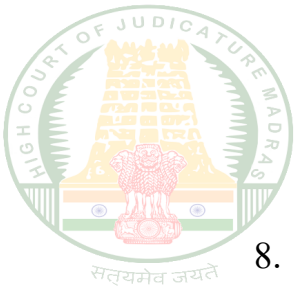


4. It is further contended that although the petitioner participated in the initial proceedings and sought time to file a reply, the impugned order was passed hastily without affording a reasonable opportunity.

5. Conversely, the learned Government Advocate appearing for the respondents submits that sufficient opportunity was granted to the petitioner, but the petitioner failed to utilize the same. Under such circumstances, the respondent was constrained to pass the impugned order.

6. Heard the learned counsel for the petitioner as well as the learned Government Advocate appearing for the respondents and perused the materials placed on record.

7. Upon hearing the parties and perusing the records, this Court finds that as far as Block Nos. 12 and 13 are concerned, construction has not even commenced. Therefore, the question of levying tax on the basis of projected revenue merely because the plan for Block Nos. 12 and 13 was approved by the Member Secretary, Salem Local Planning Authority, is improper.

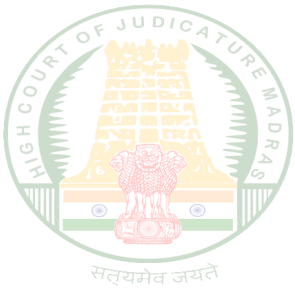


8. A perusal of the records further indicates that the petitioner was not afforded a sufficient opportunity to put forth their defense, especially when time had been sought to file a detailed reply.

9. Taking into consideration the facts and circumstances of the case, and noting the petitioner's willingness to deposit a sum of Rs. 50,00,000/- (Rupees Fifty Lakhs Only) to show their *bona fides*, this Court is inclined to set aside the impugned order on conditions. Accordingly, this Court passes the following order:-

(i) The impugned order dated 27.03.2026 passed by the first respondent is set aside and the matter is remanded to the first respondent for fresh consideration, on the condition that the petitioner deposits a sum of **Rs. 50,00,000/- (Rupees Fifty Lakhs Only)** with the first respondent within a period of four (4) weeks from the date of receipt of a copy of this order. The setting aside of the impugned order shall take effect upon the date of such payment.

(ii) The petitioner shall file their reply/objections along with supporting documents, if any, within a period of four (4) weeks from the date of the aforementioned payment.



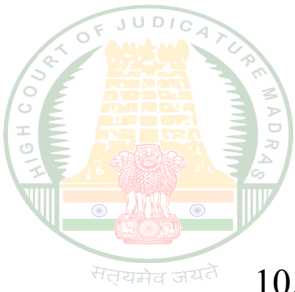
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(iii) On receipt of such reply/objections, the respondent shall consider the same and pass appropriate orders on merits and in accordance with law, after affording a personal hearing to the petitioner, as expeditiously as possible.

(iv) Upon production of proof of the said payment, the attachment made on the bank accounts of the petitioner as well as its erstwhile Director shall be lifted within a period of one (1) week from the date of receipt of such proof. Consecutively, the first respondent is directed to issue necessary instructions to the concerned Banks to lift the attachment and de-freeze the bank accounts immediately upon production of proof of the said payment.

(v) In the event that the first respondent fails to communicate the lifting of the attachment within the stipulated time, liberty is granted to the petitioner to produce proof of the deposit of Rs.50,00,000/- along with a copy of this order directly to the concerned Banks. Upon production of the same, the Bank is directed to de-freeze the bank accounts of both the petitioner and its erstwhile Director, and permit them to operate the accounts normally.



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10. With the above directions, this Writ Petition is disposed of. No costs.
W.M.P.No.43055 of 2026 filed to dispense with the production of the original
impugned order dated 27.03.2026 is allowed. Consequently, the connected
W.M.P.No.43057 of 2026 is also closed.

05-10-2026

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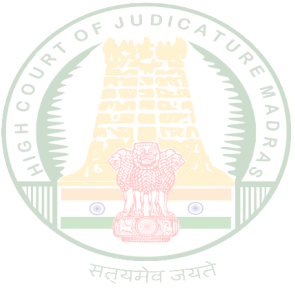
To

1. State Tax officer (ST)
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