



W.P.No.4510 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 26.02.2024

CORAM

THE HONOURABLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

W.P.No.4510 of 2024
and W.M.P.Nos.4872 & 4875 of 2024

M/s.Rainbow Stones Private Limited,
Represented by its Managing Director
V.Edukondalu
Sy.No.227/2M1, 297/2A, 296/1A1 & 296/2A1
Nallaganakothapalli Village,
Hosur Taluk, Krishnagiri District 635 117.

... Petitioner

-vs-

The Assistant Commissioner (ST)(FAC),
Hosur (North -2) Circle,
Hosur.

... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorarified Mandamus, calling for the records of the respondent order 31.12.2023 in GSTIN/33AADCR7947K1ZY/2017-18 and quash the same and



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further direct the respondent to refrain from taking any action against the Petitioner for determination of liability for the years 2017-18 under Section 73 of Central Goods & Services Tax Act / State Goods & Services Tax Act.

For Petitioner : Mr.Adithya Reddy

For Respondent : Mrs.K.Vasanthamala, GA (T)

ORDER

An assessment order dated 31.12.2023 is assailed primarily on that ground such order is unreasoned. The petitioner is a registered person under applicable GST laws. Pursuant to an audit by a State GST officials, an audit report was issued on 29.09.2023. Thereafter, upon receipt of a show cause notice on 29.09.2023, the petitioner issued a reply dated 21.12.2023. The order impugned herein came to be issued thereafter on 31.12.2023.



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2. Learned counsel for the petitioner invited my attention to the impugned order. With specific reference to the discussion therein on the claim arising out of alleged difference between the Input Tax Credit (ITC) claimed under GSTR 3B and that reflected in GSTR 2A, he pointed out that the assessing officer merely recorded that such reply is not acceptable. By also referring to the conclusion with regard to the alleged difference between ITC declared in GSTR 9 and that reported in GSTR 3B, learned counsel submits that similar unreasoned findings were recorded.

3. Mrs.K.Vasanthamala, learned Government Advocate, appears on behalf of the respondent. She submits that the impugned order was issued after adhering to principles of natural justice in as much as it was preceded by a show cause notice and the petitioner's reply thereto was considered.



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4. The findings in respect of at least four issues, namely issue no.1, issue no.3, issue no.4 and issue no.5 are identical. By way of illustration, the findings recorded in respect of issue no.1 are set out below:

"The dealers reply and conclusion of the proper officer:

The dealer had given the detailed reply on: 21.12.2023 against SCN issued in DRC-01 regarding this aspect, thus the dealer have refused the defects raised by the proper officer and is not acceptable. Hence, the proposed levy of tax, interest, and penalty is confirmed."

5. The above extract reveals that the assessing officer merely referred to the reply dated 21.12.2023 to the show cause notice and recorded that the reply is not acceptable. On that basis, the proposed levy of tax, interest and penalty was confirmed. The said findings clearly do not contain any reasons for rejecting the petitioner's reply and for confirming the proposed levy of tax, interest and penalty



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notwithstanding such reply. Therefore, the impugned order, which is completely unreasoned, calls for interference.

6. For reasons set out above, W.P.No.4510 of 2024 is allowed by quashing the impugned assessment order dated 31.12.2023. As a corollary, the matter is remanded for re-consideration. The respondent is directed to provide a reasonable opportunity to the petitioner, including a personal hearing, and thereafter issue a fresh reasoned order within a maximum period of *two months* from the date of receipt of a copy of this order. No costs. Consequently, W.M.P.Nos.4872 and 4875 of 2024 are closed.

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Index : Yes / No

Internet : Yes / No

Neutral Citation: Yes / No

To

The Assistant Commissioner (ST)(FAC),
Hosur (North -2) Circle, Hosur.

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