IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **21.06.2024**

CORAM

THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

W.P.No.15488 of 2024
and W.M.P.Nos.16832 & 16833 of 2024

Tvl. Sound Image Systems,
Represented by its Proprietor,
Mr.Aman Deepsingh (M/A 46 years),
No.20/2, Narasingapuram Street,
Chintadripet, Chennai 600 002. ... Petitioner

-vs-

The State Tax Officer,
Chintadripet Assessment Circle,
Greams Road, Chennai 600 006. ... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorari, calling for the recores on the file of the respondent and to quash the impugned order dated 26.04.2024 bearing GSTIN: 33AAHPA6225G1Z8/2018-19 passed by the respondent as arbitrary.

For Petitioner : Mr.J.Ashish

For Respondent : Mr.C.Harsha Raj, AGP (T)

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ORDER

An assessment order dated 26.04.2024 is assailed on the ground of breach of principles of natural justice. The petitioner states that he is enrolled as a composition taxpayer undere applicable GST statutes. As a consequence, it is stated that the petitioner cannot avail of Input Tax Credit and is only required to file returns on quarterly basis.

2. Learned counsel for the petitioner submits that the impugned order was issued merely on the basis that the value of purchases by the petitioner is much higher than the value of outward supply. He further submits that such findings were recorded without taking into

consideration the fact that the petitioner is a composition taxpayer. He also submits that no details were provided in the show cause notice. Without prejudice, he submits on instructions that the petitioner agrees to remit 10% of the disputed tax demand as a condition for remand.

3. Mr.C.Harsha Raj, learned Additional Government Pleader, accepts notice for the respondent. He points out that the petitioner has shown sales turnover of Rs.97,70,174/- as per the profit and loss account for the year ended 31.03.2019. Learned Additional Government Pleader contends that this establishes that the petitioner does not fall within the definition of a composition taxpayer. In any event, he submits that principles of natural justice were complied with before the impugned order was issued.

4. On perusal of the impugned order, it is evident that the tax proposal was confirmed because the taxpayer failed to reply to the

show cause notice in spite of the issuance of two reminder notices. Since the petitioner asserts that the show cause notice and impugned order were uploaded on the "view additional notices and orders" tab of the GST portal and that the petitioner was unaware of these proceedings, the interest of justice warrants that the petitioner be provided an opportunity to contest the tax demand on merits by putting the petitioner on terms.

5. For reasons set out above, impugned order dated 26.04.2024 is set aside on condition that the petitioner remits 10% of the disputed tax demand within ***fifteen days*** from the date of receipt of a copy of this order. Within the said period, the petitioner is permitted to submit a reply to the show cause notice. Upon receipt thereof and on being satisfied that 10% of the disputed tax demand was received, the respondent is directed to provide a reasonable opportunity to the petitioner, including a personal hearing, and thereafter issue a fresh order within ***three months*** from the date of receipt of the petitioner's

reply.

6. W.P.No.15488 of 2024 is disposed of on the above terms. No costs. Consequently, W.M.P.Nos.16832 and 16833 of 2024 are closed.

21.06.2024

rna
Index : Yes / No
Internet : Yes / No
Neutral Citation: Yes / No

To

The State Tax Officer,
Chintadripet Assessment Circle,
Greams Road,
Chennai 600 006.

SENTHILKUMAR RAMAMOORTHY,J

rna

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