IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **04.07.2024**

CORAM

THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

**W.P.No.16370 of 2024**
**and W.M.P.Nos.17931 & 17933 of 2024**

Chrysalis Home Needs Private Limited,
Represented by its Director,
Having its Registered Office at
1/56, Off Kelambakkam To Vandalur Road,
Behind Hanuman Temple,
Pudupakkam, Kancheepuram,
Tamil Nadu – 603 103. ... Petitioner

-vs-

1. The Assistant Commissioner (ST),
Commercial Taxes Department,
Kelambakkam Assessment Circle,
2nd floor, Room No.220,
Integrated Building for Commercial
Taxes and Registration Department,
Nandanam, Chennai-600 035.

2. The Deputy Commissioner (ST),
Commercial Taxes Department,
Chengalpattu Zone,
No.26, 2nd floor, Abirami Complex,
Mahalakshmi Nagar, Thimmavaram,
Kanchipuram Main Road,
Chengalpattu – 603 101.

3. HDFC Bank Limited,
Having its Registered Office,

T-31, 7th Avenue,
MG Road, Besant Nagar,
Chennai-600 090. ... Respondents

**PRAYER**: Writ Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus quashing the Impugned Order dated 26.12.2023 bearing Reference No. ZD331223196090R passed by the Respondent No. 1 and consequently lifting the Order of Attachment in Notice No.GSTIN/33AAFCC1518H1Z3/2017-18 dated 27.05.2024 passed by the Respondent No. 2 attaching the Account Nos. 50200000642092 and 50200028426640 held with Respondent No. 3.

For Petitioner : Ms.Vardini Karthik

For R1 & R2 : Mr.G.Nanmaran, Spl. G.P.

**ORDER**

An order in original dated 26.12.2023 is assailed on the ground that the petitioner did not have a reasonable opportunity to contest the tax demand on merits. By asserting that the petitioner was not aware of the impugned proceedings until receipt of a notice from the bank with regard to the attachment of the petitioner's bank account, the present writ petition was filed.

2. Learned counsel for the petitioner submits that the total amount demanded under the impugned order comprising tax, interest and penalty was recovered from the petitioner's bank account. If provided an opportunity, she submits that the petitioner would be in a position to explain the mismatch between the petitioner's GSTR 1 and 3B returns.

3. Mr.G.Nanmaran, learned Special Government Pleader, accepts notice for respondents 1 and 2. He submits that principles of natural justice were complied with by issuing show cause notice dated 23.09.2023 and by offering a personal hearing by communications dated 01.11.2023, 12.12.2023 and 19.12.2023.

4. On perusal of the impugned order, it is evident that the tax proposal was confirmed on the ground that the petitioner did not file a reply to the show cause notice or appear for a personal hearing. In the affidavit, the petitioner asserts that it was unable to participate in proceedings because of being unaware of such proceedings until information was received from the

3rd respondent bank. In these circumstances, the interest of justice warrants reconsideration especially by taking into account the fact that the entire demand under the impugned order was recovered by appropriating the same from the bank account of the petitioner.

5. For reasons set out above, the impugned order dated 26.12.2023 is set aside and the matter is remanded for reconsideration. The petitioner is permitted to submit a reply to the show cause notice within a period of 15 days from the date of receipt of a copy of this order. Upon receipt thereof, the 1st respondent is directed to provide a reasonable opportunity to the petitioner, including a personal hearing, and thereafter issue a fresh order within a period of three months from the date of receipt of the petitioner's reply. For the avoidance of doubt, it is made clear that amounts appropriated pursuant to the impugned order shall abide by the outcome of the remanded proceedings.

6. The writ petition is disposed of on the above terms without any order as to costs. Consequently, connected miscellaneous petitions are

closed.

**04.07.2024**

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

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To

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**SENTHILKUMAR RAMAMOORTHY,J**

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