



WEB COPY



W.P.No.16469 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08.07.2024

CORAM

THE HONOURABLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

W.P.No.16469 of 2024
and W.M.P.Nos.18026 & 18027 of 2024

Capstone Industries,
Represented by Pradeep Kumar.B, Partner,
No.4, Om Sakthi Nagar, Bharathi Street,
Chinnavedampatti,
Coimbatore, Tamil Nadu 641 049.

... Petitioner

-vs-

The Assistant Commissioner (ST)(FAC),
Ganapathy Circle,
Third Floor, Commercial Taxes Buildings,
Dr.Balasundaram Road,
Coimbatore, Tamil Nadu 641 018.

... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorari, calling for the records relating to the impugned order dated 19.03.2024 with the reference no. ZD330324118728F on the file of the respondent, quash the same.



W.P.No.16469 of 2024

WEB COPY For Petitioner : Mr.G.Natarajan

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

ORDER

By this writ petition, an order dated 19.03.2024 imposing penalty on the petitioner is challenged. The petitioner originally carried on business from Door No.3, Om Sakthi Nagar, Bharathi Street. Since the petitioner had shifted to a new address on the date of inspection on 26.07.2022, the petitioner asserts that the GST registration was cancelled by order dated 01.09.2022. After the application for revocation thereof was rejected, the petitioner filed an appeal and also applied under the amnesty scheme for revocation. Pursuant thereto, by order dated 25.08.2023, the cancellation of GST registration was revoked. These proceedings were initiated thereafter in respect of the mismatch between the petitioner's GSTR 3B returns and the auto populated GSTR 2A as also between the



W.P.No.16469 of 2024

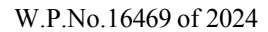
petitioner's GSTR 1 and GSTR 3B returns.

WEB COPY

2. Learned counsel for the petitioner referred to the above mentioned sequence of dates and events and thereafter referred to the petitioner's reply to the show cause notice. In spite of the petitioner accepting that the cancellation of the GST registration was revoked upon explaining the petitioner's explanation with regard to the change of address, learned counsel contends that a completely unreasoned order was issued confirming the proposal for imposition of penalty.

3. Mr.C.Harsha Raj, learned Additional Government Pleader, accepts notice for the respondent. He submits that principles of natural justice were complied and that the petitioner's reply was taken into consideration. He further submits that no case is made out for interference under Article 226.

4. On examining the order, it follows that the petitioner's reply



recorded as follows:

The tax payers reply has been examined and it has been found that they are all after thought replies and not based on any factual grounds. Their reply do not prove that the tax payer was existent at the registered place of business at the time of inspection by intelligence wing officials. Hence the demand proposed in the Show Cause Notice is confirmed as follows.

5. On examining the above extract, it is evident that no reasons are recorded for the conclusion that the petitioner's reply is an after thought and that such reply does not establish existence at the registered place of business at the time of inspection. Such conclusions disclose that the explanation of the petitioner with regard to shifting the place of business was not taken into consideration. Since findings were recorded without assigning reasons in support



W.P.No.16469 of 2024

thereof, the impugned order cannot be sustained.

WEB COPY

6. For reasons aforesaid, impugned order dated 19.03.2024 is set aside and the matter is remanded for re-consideration. After providing a reasonable opportunity to the petitioner, including a personal hearing, the respondent is directed to issue a fresh order within *three months* from the date of receipt of a copy of this order.

7. W.P.No.16469 of 2024 is disposed of on the above terms. No costs. Consequently, W.M.P.Nos.18026 and 18027 of 2024 are closed.

08.07.2024
(1/6)

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

SENTHILKUMAR RAMAMOORTHY,J



W.P.No.16469 of 2024

rna

WEB COPY **To**

The Assistant Commissioner (ST)(FAC),
Ganapathy Circle,
Third Floor, Commercial Taxes Buildings,
Dr.Balasundaram Road,
Coimbatore, Tamil Nadu 641 018.

W.P.No.16469 of 2024
and W.M.P.Nos.18026 & 18027 of 2024

08.07.2024
(1/6)