



WEB COPY



W.P.No.16961 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12.07.2024

CORAM

THE HONOURABLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

W.P.No.16961 of 2024
and W.M.P.Nos.18674, 18676 & 18678 of 2024

Sri Sakthi Industries
Represented by its Proprietor
Mrs.S.Deepaa,
5/246, Near Sakthi Foundary
Koonampatti Village
Pallagoundanpalayam
Uthukuli Taluk
Tirupur - 638 046.

... Petitioner

-VS-

- 1.The Deputy State Tax Officer-I,
Chennimalai Circle,
Perundurai.
- 2.The Deputy Commissioner (ST),
Erode - 638 001.
- 3.The Bank Manager,
Indian Overseas Bank, 486 BY 487,
Sri Kumar Complex, Uthukuli Road,
Vijayamangalam,
Erode - 638 056.

... Respondents



W.P.No.16961 of 2024

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorari, calling for the records on the files of the 1st respondent herein, in GSTIN: 33BBYPD6083Q1ZS / 2017-18 dated 27.12.2023 along with Form GST DRC - 07 in Ref. No. ZD3312232269879 dated 27.12.2023 and quash the same.

For Petitioner : Ms.P.Vishnupriya
for Mr.N.Prasad

For Respondents : Mrs.K.Vasanthamala, GA (T)
1, 2

ORDER

An order in original dated 27.12.2023 is challenged in this writ petition on the ground of breach of principles of natural justice. The petitioner asserts that she is engaged *inter alia* in the business of providing job work services to Sakthi Auto Component Limited. In relation thereto, it is stated that capital goods were procured in



W.P.No.16961 of 2024

financial year 2017-18 and that such goods were deployed in undertaking job work in the following financial year. Therefore, on receipt of show cause notice dated 25.09.2023, by reply dated 21.12.2023, the petitioner stated that the capital goods were purchased in financial year 2017-18 and that outward supply during the said year was lower than inward supply.

2. By referring to the aforesaid reply, learned counsel submits that such reply was not taken into consideration while issuing the impugned order. Without prejudice, she submits that the petitioner agrees to remit 10% of the disputed tax demand as a condition for remand.

3. Mrs.K.Vasanthamala, learned Government Advocate, accepts notice for respondents 1 and 2. She submits that principles of natural justice were complied with by issuing intimation dated 14.09.2023, show cause notice dated 25.09.2023 and by offering a personal hearing. She also submits that the petitioner's reply



W.P.No.16961 of 2024

contains no details.

WEB COPY

4. In the petitioner's reply, it is stated as under:

*"We purchases capital during
current year 2017-18. Hence
outward is less than inward supply."*

5. The above reply is terse and cannot be construed as self-explanatory. It is, however, noticeable that such reply does not find mention in the impugned order. In these circumstances, by balancing revenue interest, a remand is warranted subject to putting the petitioner on terms.

6. For reasons aforesaid, impugned order dated 27.12.2023 is set aside on condition that the petitioner remits 10% of the disputed tax demand, as agreed to, within *fifteen days* from the date of receipt of a copy of this order. Within the said period, the petitioner is permitted to submit an additional reply and enclose relevant documents. Upon receipt of the petitioner's reply and on being



W.P.No.16961 of 2024

satisfied that 10% of the disputed tax demand was received, the first respondent is directed to provide a reasonable opportunity to the petitioner, including a personal hearing, and thereafter issue a fresh assessment order within *three months* from the date of receipt of the petitioner's additional reply. On account of the assessment order being set aside, the bank attachment is raised.

7. W.P.No.16961 of 2024 is disposed of on the above terms. No costs. Consequently, W.M.P.Nos.18674, 18676 and 18678 of 2024 are closed.

12.07.2024

rna

Index : Yes / No

Internet : Yes / No

Neutral Citation: Yes / No



WEB COPY



W.P.No.16961 of 2024

SENTHILKUMAR RAMAMOORTHY,J

rna

To

- 1.The Deputy State Tax Officer-I,
Chennimalai Circle,
Perundurai.
- 2.The Deputy Commissioner (ST),
Erode - 638 001.
- 3.The Bank Manager,
Indian Overseas Bank, 486 BY 487,
Sri Kumar Complex, Uthukuli Road,
Vijayamangalam,
Erode - 638 056.

W.P.No.16961 of 2024
and W.M.P.Nos.18674, 18676 & 18678 of 2024

12.07.2024