IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02.08.2024

CORAM:

THE HONOURABLE MR. JUSTICE SENTHILKUMAR RAMAMOORTHY

W.P.No.18470 of 2024 and
W.M.P.Nos.20258 & 20259 of 2024

Tvl. Sri Renkanna Steels,
Represented by its Proprietor,
Mr.Prakash Babu,
No.26/703, Thiruvottiyur High Road,
Tondiarpet, Chennai-600 081. ...Petitioner

Vs.

The Assistant Commissioner (ST),
Tondiarpet Assessment Circle,
Integrated Commercial Taxes Building,
Chennai. ...Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorari calling for the records on the file of the respondent and to quash the impugned order dated 10.11.2023 bearing 33AHKPP2007M1ZB/2017-2018 passed by the respondent as arbitrary.

For Petitioner : Mr.J.Ashish

For Respondent : Mr.G.Nanmaran, Special Govt. Pleader

O R D E R

An order in original dated 10.11.2023 is assailed in this writ petition on the ground that the petitioner did not have a reasonable opportunity to contest the tax demand on merits. The petitioner asserts that the show cause notice and other communications were uploaded in the “View Additional Notices” tab on the GST portal and, therefore, the petitioner was unaware of these proceedings until recently.

2. Learned counsel for the petitioner submits that the confirmed tax proposal proceeds on the basis that the outward supply turnover of the petitioner was Rs.1,20,27,343/- during the relevant financial year, whereas, he submits that the outward supply value was more than Rs.6 crores. He seeks an opportunity to place the relevant documents before the assessing officer. On instructions, learned counsel submits that the petitioner agrees to remit 10% of the disputed tax demand as a condition for remand.

3. Mr.G.Nanmaran, learned Special Government Pleader, accepts notice for the respondent. He submits that principles of natural justice

were complied with by issuing show cause notice dated 26.09.2023 and by offering a personal hearing to the petitioner.

4. On examining the impugned order, it is clear that tax liability was imposed on the difference between the purchase value, as reflected in the auto-populated GSTR 2A, and the purported outward supply value as per the petitioner's GSTR 3B returns. The petitioner asserts that the outward supply value was more than Rs.6 crores and not Rs.1.2 crore. Given that liability was imposed on deemed sales basis without the petitioner being heard, it is just and necessary to provide an opportunity to the petitioner to contest the tax demand on merits by putting the petitioner on terms.

5. For reasons aforesaid, the impugned order dated 10.11.2023 is set aside on condition that the petitioner remits 10% of the disputed tax demand as agreed to within a period of two weeks from the date of receipt of a copy of this order. The petitioner is permitted to submit a reply to the show cause notice within the aforesaid period. Upon receipt of the petitioner's reply and upon 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 a period of three months from the date of receipt of the petitioner's reply.

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

02.08.2024

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

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To

The Assistant Commissioner (ST),
Tondiarpet Assessment Circle,
Integrated Commercial Taxes Building,
Chennai.

SENTHILKUMAR RAMAMOORTHY,J.

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