



W.P.No. 33204 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 19.11.2024

CORAM:

THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P.No. 33204 of 2024

and

W.M.P.No. 35989 & 35990 of 2024

Tvl. Jade Bllue
Represented by its Proprietor,
Radha Kanwar
Plot 1, 2, Kennady Garden
Main Road, Karuvadikuppam,
Lawspet
Puducherry.

...Petitioner

Versus

1.The Deputy Commercial Tax Officer,
Goods Division – I, Commercial Taxes Department
100 Feet Road, Ellaipillaichavadi, Puducherry-605 008.

2.The Commercial Tax Officer (Enf & TW)
Commercial Taxes Department
100 Feet Road, Ellaipillaichavadi, Puducherry-605 008.

... Respondents



W.P.No. 33204 of 2024

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Prayer: Writ Petition is filed under Article 226 of the Constitution of India, praying for the issuance of Writ of Certiorari dated 18.12.2023 in No: 34BVSPK365SF128/DCTO-GD-1/2017-18 and quash the same to the extent of the penalty levied under Section 74.

For Petitioner : Mr.Theertha Narayanan
For Mr.J.Adithya Reddy

For Respondents : Ms.V.Usha
Additional Government Pleader
[Pondicherry]

ORDER

The present Writ Petition is filed challenging the impugned order passed by the respondent dated 18.12.2023 relating to the financial year 2017-18.



W.P.No. 33204 of 2024

2. The petitioner is engaged in the business of Textile and Readymade Garments. The petitioner is a registered dealer under Goods and Services Act, 2017. During the relevant period, the petitioner had filed its return and paid appropriate taxes. However, on examination of the information furnished in the return under various heads and also the information furnished in GSTR-01, GSTR2A, GSTR-3B and other records, the following defects were noticed:

- i) The tax on outward supplies under declared on reconciliation of date in GSTR-09
- ii) Input tax credit to be recovered on non-business transactions and exempt supplies
- iii) Ineligible Input tax credit

2.1. Pursuant thereto, a show notice was issued in DRC 01 to the petitioner on 08.12.2023. However, the petitioner had neither filed its



W.P.No. 33204 of 2024

reply nor paid the appropriate taxes. Hence, the impugned order came to be passed, confirming the proposal.

3. It is submitted by the learned counsel for the petitioner that neither the show cause notice nor the impugned order of assessment has been served on the petitioner by tender or sending it by RPAD, instead it had been uploaded in the GST Portal, thereby, the petitioner was unaware of the initiated proceedings and was thus unable to participate in the adjudication proceedings. It is further submitted by the learned counsel for the petitioner that if the petitioner is provided with an opportunity, they would be able to explain the alleged discrepancies.

4. The learned counsel for the petitioner would place reliance upon the recent judgment of this Court in the case of ***M/s.K.Balakrishnan, Balu Cables vs. O/o. the Assistant Commissioner of GST & Central Excise in W.P.(MD)No.11924 of 2024 dated 10.06.2024***. It was further submitted



W.P.No. 33204 of 2024

that the petitioner is ready and willing to pay 25% of the disputed tax and that he may be granted one final opportunity before the adjudicating authority to put forth their objections to the proposal, to which, the **learned Additional Government Pleader** appearing for the respondent does not have any serious objection.

5. By consent of parties, the writ petition stands disposed of on the following terms:

- a) The impugned order dated 18.12.2023 is set aside
- b) The petitioner shall deposit 25% of the disputed taxes as admitted by the learned counsel for the petitioner and the respondent, within a period of four weeks from the date of receipt of a copy of this order.
- c) If any amount has been recovered or paid out of the disputed taxes, including by way of pre-deposit in appeal, the same would be reduced/adjusted, from/towards the 25% of disputed taxes directed to be paid. The assessing authority shall then intimate the balance amount out of



W.P.No. 33204 of 2024

25 % of disputed taxes to be paid, if any, within a period of one week from the date of receipt of a copy of this order. The petitioner shall deposit such remaining sum within a period of three weeks from such intimation.

d) The entire exercise of verification of payment, if any, intimation of the balance sums, if any, to be paid for compliance with the direction of payment of 25% of the disputed taxes, after deducting the sums already paid and payment by the petitioner of the balance amount, if any, on intimation in compliance of the above direction, shall be completed within a period of four weeks from the date of receipt of copy of this order.

e) Failure to comply with the above condition viz., payment of 25% of disputed taxes within the stipulated period i.e., four weeks from the date of receipt of a copy of this order shall result in restoration of the impugned order.

f) If there is any recovery by way of attachment of Bank account or garnishee proceedings, the same shall be lifted /withdrawn on complying with the above condition viz., payment of 25 % of the disputed taxes.



W.P.No. 33204 of 2024

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g) On complying with the above condition, the impugned order of assessment shall be treated as show cause notice and the petitioner shall submit its objections within a period of four (4) weeks from the date of receipt of a copy of this order along with supporting documents/material. If any such objections are filed, the same shall be considered by the respondent and orders shall be passed in accordance with law after affording a reasonable opportunity of hearing to the petitioner. It is made clear that if the above conditions viz., 25% of disputed taxes is not complied or objections are not filed within the stipulated period, four weeks respectively from the date of receipt of a copy of this order, the impugned order of assessment shall stand restored.

6. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

19.11.2024

Speaking Order : Yes/No

Neutral Citation : Yes/No

MSM



W.P.No. 33204 of 2024

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To

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W.P.No. 33204 of 2024

MOHAMMED SHAFFIQ, J

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W.P.No. 33204 of 2024

19.11.2024