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W.P. No.36600 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.12.2024

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THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P. No.36600 of 2024
and
WMP Nos.39469 and 39471 of 2024

Srishti Consultancy and Services Pvt Ltd
(rep. By its Director R.Gomathy Thamaraiselvi)
No.20, 62/A, NA, A.A.Block,
Anna Nagar,
Chennai 600 040

: Petitioner

versus

The Deputy State Tax Officer I,
Amaindakarai Assessment Circle,
Station No.F-50, 2nd Floor,
1st Avenue, Anna Nagar East,
Chennai 600 102

: Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India seeking for a Writ of Certiorari calling for the records on the files of the respondent in the order Ref.No. GSTIN 33AALCS3295D1ZB/2019-20 dated 24 June 2024 along with the summary of the order in form GST-DRC-07 vide Ref.No.ZD330624276242I dated 24 June 2024 for the tax period April 2019 to March 2020, quash the same.

For Petitioner

: Ms.S.Vishnupriya

For Respondent

:Mr.C.Harsha Raj,
Additional Government Pleader



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ORDER

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The present Writ Petition is filed challenging the impugned order passed by the respondent dated 24.06.2024 relating to the assessment year 2019-20.

2. The petitioner is engaged in software consultancy services and 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 scrutiny of the petitioner's monthly returns, the following discrepancies were noticed:

- i) Mismatch between GSTR 3B and GSTR 1
- ii) Mismatch between GSTR 3B and GSTR 2A
- iii) Interest Due
- iv) E-Waybill verification

2.1. Pursuant thereto, a notice was issued in ASMT 10 on 09.06.2022, followed by a notice in DRC 01A to the petitioner on 15.07.2022. A show cause was issued in DRC 01 to the petitioner on 02.10.2022. Further, personal hearings were offered on 02.10.2022, 15.11.2022, 24.11.2022 and 09.12.2022 and reminders on 09.11.2022, 17.11.2022 and 02.12.2022. However, the petitioner had neither filed its reply nor paid the appropriate taxes. Hence, the impugned order came to be passed, confirming the proposal.



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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 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 24.06.2024 is set aside



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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 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



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garnishee proceedings, the same shall be lifted /withdrawn on complying with the above condition viz., payment of 25 % of the disputed taxes.

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.

02.12.2024

Speaking (or) Non Speaking Order

Index : Yes/ No

Neutral Citation: Yes/No

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MOHAMMED SHAFFIQ, J.

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