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W.P. No.38974 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.12.2024

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THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P. No.38974 of 2024

and

W.M.P. Nos.42210, 42214 and 42215 of 2024

T.B.Sabrish

Represented by its Proprietor,
Mr.Thodoon Balaji Sabrish,
37/1, NA, Gundu Podu Street,
Salem-636 001.

... Petitioner

Vs.

1.Assistant Commissioner (ST),
Sevapet Assessment Circle,
3rd Floor, Commercial Taxes Office Building,
Pitchards Road, Hasthampathy,
Salem-636 007.

2.Axis Bank Limited,
388, Trichy Main Road,
59, Pulikuthi Main Road,
Salem-636 006.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorari calling for the records relating to the impugned order No.ZD3307242166991 dated 18.07.2024 passed by the 1st Respondent under Section 74 of the Central Goods and Services Tax Act, 2017



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read with the corresponding provision under the Tamil Nadu Goods and Services Tax Act, 2017 for the tax periods April 2023 to July 2023, and quash the same.

For Petitioner : Mr.V.Srinivasan

For Respondents : Mr.G.Nanmaran
Special Government Pleader (for R1)

ORDER

The present writ petition is filed challenging the impugned order dated 18.07.2024 for the period 2023-24 on the premise that there is violation of principles of natural justice.

2. It is submitted by the learned counsel for the petitioner that the petitioner is engaged in trading of silver and related products and is registered under the Goods and Services Tax Act, 2017. During the relevant period 2023-24, the petitioner filed its returns and paid the appropriate taxes. On verification of GSTR returns, it was found that the petitioner has supplied goods and services without issuing any invoices thereby warranting penalty.

3. It is submitted by the learned counsel for the petitioner that a notice in DRC-01A was issued on 05.02.2024 and another notice in DRC-01 was issued on 19.02.2024. Further, personal hearing was fixed on 28.02.2024. However,



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the petitioner had neither filed its reply nor availed the opportunity for a personal hearing. It is submitted by the learned counsel for the petitioner that 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 “view additional notices and orders” tab on the GST Portal, thereby, the petitioner was unaware of the initiated proceedings and was thus unable to participate in the adjudication proceedings. It is 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*, to submit that this court has remanded the matter back in similar circumstances subject to payment of 25% of the disputed taxes.

5. It was further submitted that the petitioner is ready and willing to pay 25% of the disputed tax and that they may be granted one final opportunity before the adjudicating authority to put forth their objections to the proposal, to



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which the learned Government Advocate appearing for the respondent does not have any serious objection.

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

- a) The impugned order dated 18.07.2024 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 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 with the



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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.

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.



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

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Speaking (or) Non Speaking Order

Index : Yes/ No

Neutral Citation: Yes/No

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To:

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MOHAMMED SHAFFIQ, J.

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