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W.No.15549 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.04.2025

Coram

The Honourable **Mr.Justice Krishnan Ramasamy**

W.P.No.15549 of 2025

and

W.M.P.Nos.17572 & 17574 of 2025

M/s.Sri Jayamalar Spinning Mills Pvt.Ltd.,
rep. By its Managing Director, K.Krishnasamy
SF.No.1113/3, Pollachi Road, Sakthivinayagapuram
Koduvai, Tirupur – 638 660.

...Petitioner

Vs.

The Assistant Commissioner (ST)
Kangeyam Assessment Circle
No.260-261 Tiruppur Main Road, Kangeyam – 638 701.

...Respondent

Prayer

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus to call for records relating to the impugned order bearing Ref.No.ZD330424234804K dated 29.04.2024 along with detailed order passed by the respondent and to quash the same and consequently, to direct the respondent to release the bank accounts of the petitioner.

For Petitioner : Mr.A.N.R.Jayaprathap
for Mr.K.Aarthi
For Respondent : Mr.T.N.C.Kaushik
Additional Government Pleader (T)



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Order

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Heard Mr.A.N.R.Jayaprathap, learned counsel for the petitioner and Mr.T.N.C.Kaushik, learned Additional Government Pleader (T) who takes notice on behalf of the respondent. With consent, the main Writ Petition is taken up for final disposal at the stage of admission itself.

2. The challenge in this Writ Petition is to the order passed by the respondent dated 29.04.2024 along with detailed order and to quash the same and consequently, to direct the respondent to release the bank accounts of the petitioner.

3. Mr.A.N.R.Jayaprathap, learned counsel appearing for the petitioner would submit that though the petitioner has filed a reply to the show cause notice issued by the respondent, the respondent, instead of going-through the same in a thorough manner, has passed the impugned order, confirming the demand without rendering any valid findings, and without giving an opportunity of personal hearing, and hence, the petitioner filed a Rectification of Mistake Application against the impugned order,



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however, the same came to be rejected by the respondent mechanically, without any findings, vide order dated 27.02.2025. Therefore, the learned counsel contended that the impugned order is arbitrary and illegal and liable to be set aside, as the same suffers from violation of principles of natural justice.

3.1 The learned counsel for the petitioner also relied on a decision rendered by this Court in a batch of Writ Petitions, viz., in W.P.No.25081 of 2024, etc dated 17.10.2024 and submitted that in view of the said order, the impugned order pertaining to the issue of 16 (4) of the CGST Act, 2017 is liable to quashed and insofar as other issues are concerned, prays that the matter may be set aside and remanded back for re-consideration, and hence, seeks for appropriate orders in that regard.

4. Mr.T.N.C.Kaushik, learned Additional Government Pleader for the respondent would fairly submit that insofar as the issue pertaining to the 16 (4) of the CGST Act, 2017 is concerned, the impugned order may be quashed, however, insofar as the impugned order related to other issues are



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concerned, the matter may be remanded back to the respondent for fresh consideration.

5. I have given due consideration to the submissions on either side and perused the materials available on record.

6. In the present case, it is seen that the petitioner, on receipt of the show cause notice sent by the respondent, filed a detailed reply, clearly setting out the facts in support of their claim. However, the respondent without considering the said reply in a proper perspective, and without even giving an opportunity of personal hearing to the petitioner, proceeded to confirm the proposals contained in the show cause notice, that too, without rendering any valid findings as regards such confirmation.

6.1 It is the further grievance of the petitioner that though the petitioner has filed a Rectification Application seeking to rectify the impugned order on the ground that the detailed reply was not considered by the respondent, as no findings has been recorded with regard to the reply,



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the respondent rejected the Rectification Petition as well in a mechanical manner.

6.2 Thus, it is clear that impugned order passed by the respondent is arbitrary, illegal and suffers from violation of principles of natural justice, as the petitioner has been deprived of fair adjudication process, to which, they are entitled to. It would not be out of place to mention here that fair adjudication process requires the respondent-Department to render findings for confirmation of the demand and reasons for disagreeing with the petitioner's reply, whereas, in the impugned order, the respondent assigned no reasons either for confirmation of the impugned demand or for rejection of the petitioner's reply.

6.3 Therefore, this Court, in the light of the above facts and taking into consideration of the submission made on either side, is inclined to quash the impugned order insofar as it relates to 16 (4) of the CGST Act. So far as the impugned order pertaining to other issues are concerned, the matter is remanded for reconsideration.



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6.4 Accordingly, this Court pass the following orders/directions:-

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i) The impugned order passed by the respondent insofar as it relates to the issue of Section 16(4) of CGST Act, 2017 is concerned, the order stands quashed, in the light of the earlier decision of this Court in viz., in W.P.No.25081 of 2024, etc dated 17.10.2024 .

ii) So far as the impugned order pertaining to other issues are concerned, the impugned order is set aside, the matter is remanded back to the respondent for reconsideration. The petitioner is directed to file a reply along with supportive documents within a period of two weeks from the date of receipt of a copy of this order. Thereupon, the respondent is directed to consider the reply and shall issue a 14 clear days notice affording an opportunity of personal hearing to the petitioner and shall decide the matter in accordance with law.

iii) So far as the bank attachment order is concerned, respondent-Department is directed to issue appropriate direction on the petitioner's banker towards de-freezure of the petitioner's bank account forthwith and permit the petitioner to operate the bank account.



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7. In the result, the Writ Petition is allowed on the aforesaid terms.

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No costs. Consequently, connected Miscellaneous Petitions are closed.

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Index : yes/no

Neutral Citation : yes/no

To

The Assistant Commissioner (ST)
Kangeyam Assessment Circle
No.260-261 Tiruppur Main Road,
Kangeyam – 638 701.



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Krishnan Ramasamy,J.,

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