

IMPORTANT GST UPDATES



Issued in case of M/s. Tvl. Diamond Shipping Agencies Pvt. Ltd by Madras High Court
W.P.(MD). No. 6874 of 2023 | Date: 29-08-2023

Ruling

An Assessment Order Cannot Be Issued Without Serving Proper GST Notice as per the Conditions Outlined in Section 169(1)(B) of the CGST Act 2017

Observations & Findings

The Petitioner, M/s. Tvl. Diamond Shipping Agencies Pvt. Ltd. operates three distinct business verticals under the same PAN. The Revenue Department issued an order on August 17, 2022, under the CGST Act, demanding GST payment from the Petitioner via GST DRC-07 dated August 17, 2022.

Dissatisfied with the Impugned Order, the Petitioner filed a writ petition in the Madras High Court (Madurai Bench), seeking its cancellation and requesting a reassessment of the case. The Petitioner argued that the Impugned Order failed to consider their Annual Returns in GSTR-9 and the Audit Statement filed in GSTR-9C. Additionally, the Petitioner claimed they were not given an opportunity to submit the required documents. They highlighted the absence of a physical notice or order served under Section 169(1)(b) of the CGST Act, stating that it violated the principle of natural justice.

The main question before the court was whether an assessment order could be issued without serving the necessary notice as per the conditions stipulated in Section 169(1)(b) of the CGST Act.

The Madras High Court (Madurai Bench) ruled that the Impugned Order was issued without serving the required notice as per Section 169(1)(b) of the CGST Act and without considering the Petitioner's distinct business verticals. Consequently, the court quashed the Impugned Order and directed the Respondent to provide the Petitioner with an opportunity for a personal hearing. The Petitioner was instructed to present the necessary evidence, and the Respondent officers were ordered to issue the required orders. The court also directed the Respondent to complete the assessment proceedings within eight weeks from the date of receiving the court's order.

This ruling underscores the importance of serving proper notice and upholding the principles of natural justice in assessment proceedings under the CGST Act.