

## HC: No Penalty Under Sec. 125 When SCN Complied With

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REFER THE DECISION OF THE HON'BLE ALLAHABAD HIGH COURT IN THE CASE OF

Rathore Building Material v. State of Uttar Pradesh *Citation: (2023) 13 Centax 185*

Rathore Building Material received a show cause notice (SCN) from the GST department.

The notice directed the petitioner to submit GST returns within a specified time.

The trader promptly complied with the notice and filed the returns as instructed.

Yet, surprisingly, the department still went ahead and imposed a penalty under Section 125.

The assessee challenged it in court.

The High Court held:

- Once the assessee has complied with the SCN, there is no contravention left to justify penalty.
- Section 125 cannot be used to punish taxpayers who have actually followed directions.
- The penalty order was therefore unjustified.

### Conclusion

⚖️ **Result: The penalty order was set aside.**

🕯️ दीपावली के इस पावन अवसर पर आपको और आपके परिवार को हार्दिक शुभकामनाएँ! 🕯️

माँ लक्ष्मी और भगवान गणेश जी के आशीर्वाद से आपके जीवन में सुख, समृद्धि,  
स्वास्थ्य और सफलता का प्रकाश बना रहे।

आपका घर दीपों की रौशनी से जगमगाता रहे और हर दिन खुशियों से भरा हो।

🕯️ शुभ दीपावली! 🕯️