

ORDER UNDER SECTION 73 OF GST ACT WAS QUASHED BY HIGH COURT FOR NOT CONSIDERING THE TAXPAYER'S REPLY

CA Prakash Chandra Jain

P.O. Brajrajnagar

Odisha- 768216

Cell: 94375-41690 / 70087-12242



The High Court addressed a significant issue of ignoring the reply of the taxpayer while issuing order under section 73 of GST Act.

Case Background:

On May 21, 2024, the Assessing Officer issued a Show Cause Notice (SCN) to the petitioner, with a deadline for a response set for June 21, 2024. However, the petitioner failed to submit a reply within the initial deadline, leading to further developments.

Subsequent Notice and Reply:

On July 23, 2024, the Sales Tax Officer issued a reminder and extended the deadline for the reply to August 1, 2024. The petitioner responded by submitting a detailed reply on July 26, 2024. However, the final order issued on August 9, 2024, stated that no reply had been filed, which became the basis for the petitioner's grievance.

Action of the Taxpayer:

In response, the taxpayer filed a writ petition before the High Court challenging the order passed under Section 73.

High Court Order:

The High Court observed that the impugned order had been passed without considering the reply submitted by the petitioner on July 26, 2024. The court deemed this procedural oversight significant, as it compromised the fairness of the adjudication process. It concluded that any order made without considering the petitioner's reply could not be upheld by law.

Judgment and Directions:

The High Court quashed the impugned order dated August 9, 2024, and directed the Sales Tax Officer to reconsider the matter. The officer was instructed to take the petitioner's reply into account and proceed in accordance with the law. Additionally, the court clarified that the rights and contentions of both parties on the merits of the case remained open, allowing for a fresh adjudication based on proper consideration.

This may be handy for the taxpayer(s) whose reply was not considered before passing the order by the Sales Tax officer.