

## Tvl. Sam Enterprises v. State Tax Officer,

*Validity of GST demand order passed under Section 73 of the CGST/TNGST Act, 2017 without affording personal hearing to the taxpayer — violation of principles of natural justice*

**Date of Order:** March 18, 2025  
**Case Law No:** GIB-MHC-2025-49  
**Source:** GST INDIA Biz (www.gstindia.biz)

### CASE DESCRIPTION / SUMMARY

#### BACKGROUND

The petitioner, a proprietary firm, was subjected to GST proceedings for the tax period 2019-20 by the State Tax Officer, Arumbakkam Assessment Circle, Chennai. The respondent-authority uploaded all notices and communications solely on the GST online portal. The petitioner remained unaware of these notices and consequently could not file a reply within the stipulated time. Taking advantage of this lapse, the respondent passed a demand order dated 27.08.2024 under Section 73, along with a summary in [Form GST DRC-07](#), without granting any opportunity of personal hearing. Further, the tax authority had already recovered more than 80% of the total disputed tax demand of Rs. 2,12,546/- from the petitioner's bank account through attachment. Aggrieved, the petitioner filed the present writ petition under Article 226 of the Constitution of India before the Madras High Court, challenging the impugned order on twin grounds: (i) contravention of the CGST/TNGST Act, 2017, and (ii) violation of principles of natural justice.

#### COURT OBSERVATIONS (Verbatim)

*Para 7:* "In the cases on hand, it is clear that no opportunity of personal hearing was provided to the petitioner prior to the passing of impugned order. Hence, this Court is of the view that the impugned order was passed in violation of principles of natural justice since it is just and necessary to provide an opportunity to the petitioner to establish their case on merits."

#### FINAL VERDICT

The impugned order dated 27.08.2024 was set aside and the matter was remanded to the State Tax

Officer for fresh consideration. The petitioner was directed to file reply/objections with supporting documents within three weeks from receipt of the order. The respondent was directed to thereafter issue a 14-day clear notice fixing a personal hearing date and pass appropriate orders on merits, in accordance with law, as expeditiously as possible. No costs were awarded.

□ **In favour of the Assessee**

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