

GIB/JK/Godavari/03-12-2019/HC-5**High Court Category :** Others**State :** Jharkhand**Order No.:** GIB/JK/Godavari/03-12-2019/HC-5**Name of Entry :**

Godavari Commodities Ltd

Date : 03-12-2019**Breif Issue :**Issues Involved :

Whether SCN u/s 73(1) is required for arrear of interest due to not depositing of tax within time to Government Account.

Fact of the Case:

Petitioners had issued a letter of intimation for payment of interest on delayed payment of GST. The petitioner was also asked to make the payment within 3 days of the receipts of the letter. Pursuant to the issuance of this demand, the bank account of petitioner company was frozen and upon the payment of the aforesaid amount, the account had been defreezed. The Petitioner company had credited the amount of tax and interest thereon in their electronic credit ledger beyond the prescribed date of payment, but the actual payment in the Government Account was made even later, and the interest had been paid by the petitioner company, only till the date and the amount was credited in their electronic credit ledger.

Decision of Advance Ruling Authority :Consideration and Decision by High Court:

The petitioner company has submitted that the impugned action of the respondent authority is absolutely illegal and is in teeth of the Section 73(1) of the CGST Act, which requires a show-cause notice to be given to the petitioner before issuing any such letter??

High Court observed that in the present case the tax was not paid by the petitioner company in the Government Account within the due date, and accordingly it is a case of tax not being paid within the prescribed time limit and accordingly stated that we are unable to accept the contention of learned counsel for CGST that no SCN u/s 73 (1) was required to be given in this case. High Court also directed that even otherwise, if any penal action is taken against the petitioner, irrespective of the fact whether there is provision under the Act or not, the minimum requirement is that the principles of

natural justice must be followed.