

GIB/TN/DAEJUNG/19-12-2019/HC-75

High Court Category : Input Tax Credit

State : Tamil Nadu

Order No.: GIB/TN/DAEJUNG/19-12-2019/HC-75

Name of Entry :
DAEJUNG MOPARTS PVT LTD

Date : 12-03-2020

Breif Issue :

Issue & Fact of the Case:

Daejung Moparts (P.) Ltd. (“the Petitioner” or “assessee”) has received a notice issued by Competent Authority for payment of a certain amount as interest under Section 50 of Central Goods and Services Tax Act, 2017 (“CGST Act”) for delayed payment of tax and as per communication dated May 21, 2019, The Madras HC directed assessee’s banker (Indian Overseas Bank, Maraimalai Nagar) under Section 79 of CGST Act, to make payment in pursuance of aforesaid demand of interest, In effect it is a bank attachment proceedings.

Whether the HC can direct the assessee’s banker to make payment of his admitted interest liability of Rs. 9.15 lakhs out of aforesaid balance of Rs. 33.77 lakhs to department on or before June 20, 2019?

Decision of Advance Ruling Authority :

Decision:

The Hon’ble High Court of Madras under W.P.No. 15978 of 2019 and W.M.P.Nos.15752 and 15753 of 2019 noted and directed as under:

- Out of the aforesaid balance of Rs. 33.77 lakhs, the bank shall pay out the assessee’s admitted interest liability of Rs. 9.15 lakhs to the department.
- *On payment of the aforesaid interest amount by the assessee's banker to the department on or before June 20, 2019, the impugned communication dated May 21, 2019 under Section 79 will stand set aside and the assessee can operate the bank account with the exception of aforementioned admitted interest amount.*
- Competent Authority shall consider all the points raised in assessee's reply and pass an order in a manner known to law and communicate the same to the assessee.
- If the decision taken by the Competent Authority is in favour of the assessee, it is the end of the matter. If that be not so, the assessee shall avail alternate remedy of preferring a statutory appeal to the Appellate Authority under Section 107 of CGST Act.