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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Judgment delivered on: 30.04.2024

+ **W.P.(C) 6062/2024 & CM APPL. 25195/2024**

MUDITA EXPRESS CARGO PRIVATE LIMITED Petitioner

Versus

COMMISSIONER, STATE GOODS AND SERVICES TAX DELHI
& ANR. Respondents

Advocates who appeared in this case:

For the Petitioner: Mr. Ruchir Bhatia and Ms. Deeksha Gupta, Advocates.

For the Respondents: Mr. Rajeev Aggarwal, ASC with Ms. Shaguftha H. Badhwar, Mr. Prateek Badhwar and Ms. Samridhi Vats, Advocates.

CORAM:-

HON'BLE MR. JUSTICE SANJEEV SACHDEVA

HON'BLE MR. JUSTICE RAVINDER DUDEJA

JUDGMENT

SANJEEV SACHDEVA, J. (ORAL)

1. Petitioner impugns order dated 30.12.2023 whereby the impugned Show Cause Notice dated 25.09.2023 proposing a demand of Rs 2,40,37,812/- against the petitioner had been disposed of and demand including penalty has been raised against the petitioner. The order has been



passed under Section 73 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Act).

2. Issue notice. Notice is accepted by learned counsel appearing for respondent. With the consent of the parties, petition is taken up for final disposal today.

3. Learned counsel for Petitioner submits that Petitioner had filed a detailed replies dated 25.10.2023, 02.11.2023 and 14.11.2023 however, the impugned order dated 30.12.2023 does not take into consideration the replies submitted by the Petitioner and is a cryptic order.

4. Perusal of the Show Cause Notice dated 25.09.2023 shows that the Department has given reasons under separate headings i.e., under declaration of output tax; excess claim of Input Tax Credit [“ITC”] and under declaration of ineligible ITC. To the said Show Cause Notice, a detailed reply was furnished by the petitioner giving response under each of the heads with supporting documents.

5. The impugned order, however, after recording the narration records that the reply uploaded by the taxpayer is incomplete, not duly supported by adequate documents and unable to clarify the issue. It states that “*And whereas, the taxpayer had filed their objections/reply in DRC-06 and appeared personally. However, during the personal hearing, the taxpayer reiterated the contents of the reply filed in form DRC-06. On scrutiny of the same, it has been observed that the same is incomplete, not duly supported by adequate documents and unable to clarify the issue. Since, the reply filed*



is not clear and satisfactory, the demand of tax and interest conveyed via DRC-01 is confirmed.” The Proper Officer has opined that the reply is unsatisfactory, incomplete, not duly supported by adequate documents and unable to clarify the issue.

6. The observation in the impugned order dated 30.12.2023 is not sustainable for the reasons that the replies dated 25.10.2023, 02.11.2023 and 14.11.2023 filed by the Petitioner are detailed replies with supporting documents. Proper Officer had to at least consider the reply on merits and then form an opinion. He merely held that the reply is unsatisfactory, incomplete, not duly supported by adequate documents and unable to clarify the issue which ex-facie shows that Proper Officer has not applied his mind to the reply submitted by the petitioner.

7. Further, if the Proper Officer was of the view that any further details were required, the same could have been specifically sought from the Petitioner. However, the record does not reflect that any such opportunity was given to the Petitioner to clarify its replies or furnish further documents/details.

8. In view of the above, the impugned order dated 30.12.2023 cannot be sustained and is set aside. The show cause notice is remitted to the Proper Officer for re-adjudication.

9. Petitioner may file a further reply to the Show Cause Notice within a period of 30 days from today. Thereafter, the Proper Officer shall re-adjudicate the Show Cause Notice after giving an opportunity of personal



hearing and shall pass a fresh speaking order in accordance with law within the period prescribed under Section 75 (3) of the Act.

10. It is clarified that this Court has neither considered nor commented upon the merits of the contentions of either party. All rights and contentions of parties are reserved.

11. Petition is disposed of in the above terms.

SANJEEV SACHDEVA, J

RAVINDER DUDEJA, J

APRIL 30, 2024

NA

