IN THE HIGH COURT OF ORISSA AT CUTTACK
W.P.(C) No. 26263 of 2021

M/s. Scan Steels Ltd. & Another .... ***Petitioners***
Mr. Kishore K. Acharya, Advocate

-versus-

Union of India & Others .... ***Opposite Parties***
Mr. Ch. Satyajit Misra, Sr. S.C for CGST

CORAM:
JUSTICE JASWANT SINGH
JUSTICE M.S. RAMAN

ORDER (Oral)
05.08.2022

Order No.

01. **1.** This matter is taken up by virtual/physical mode.

2. Questioning the propriety of demand-cum-show cause notice dated 21st/25th June, 2021 issued by the Additional Commissioner of Central Tax GST and CX Commissionerate, Rourkela under Section 73 of the CGST/OGST Act, 2017 read with Rule 142 of the CGST/OGST Rules pertaining to the periods from July, 2017 to May, 2020 on the ground of availing Input Tax Credit of Rs.4,76,26,148/- on the GST paid on Goods Transport Agency (GTA) Service under Reverse Charge Mechanism (RCM), in the month prior to the month of deposit of tax into the Government account, the Petitioner has prayed to quash the said notice by invoking power under Article 226 of the Constitution of India.

3. This Court vide order dated 11th July, 2022 has directed as follows:-

" Let the authority, who has issued a show cause explain as to how the Petitioner can be held to have utilized the accrued ITC before filing of the return or mere availment of ITC in

the electronic credit ledger amounts to premature utilization, so as to sustain the present show cause for demand."

4. At the time of hearing today, Mr. Ch. Satyajit Misra, Senior Standing Counsel, GST and Central Excise submitted that vide order dated 3rd August, 2022, the Joint Commissioner of Central Excise, GST and CX Commissionerate, Rourkela has passed the following order:-

> ***"(i)*** *The proceeding initiated in the Show Cause issued under C. No. V(15)14/Adjn/GST/ADC-JC/RKL/2020/7323-A dated 21.06.2021 is hereby dropped.*
>
> ***(ii)*** *As the proceedings contemplated in the above mentioned Show Cause Notice is dropped, the question of recovery of interest and imposing penalty on the Notices as proposed in the above show cause notice does not arise."*

5. Since the proceeding initiated by virtue of the demand-cum-show cause notice has been dropped, the writ petition has been rendered infructuous. Hence, the writ petition is disposed of as infructuous.

(Jaswant Singh)
Judge

(M.S. Raman)
Judge

Laxmikant August 5, 2022
Cuttack