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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Judgment delivered on: 20.03.2024

+ W.P.(C) 4250/2024 & CM APPL. 16203/2024

JAMNA AUTO INDUSTRIES LIMITED Petitioner

versus

GOVERNMENT OF NCT OF DELHI AND ORS. Respondents

Advocates who appeared in this case:For the Petitioner: Mr. Saurabh Kumar and Ms. Srishti Yadav,
AdvocatesFor the Respondents: Mr. Rajeev Aggarwal, ASC with Ms. Samridhi
Vats, Advocate**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 30.11.2023, proposing a demand of Rs. 3,40,75,064.00 against the Petitioner has been disposed of and a 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. Learned counsel for Petitioner submits that Petitioner had filed a detailed reply dated 29.12.2023, however, the impugned order dated 30.12.2023 does not take into consideration the reply submitted by the Petitioner and is a cryptic order.

3. Perusal of the Show Cause Notice shows that the Department has given separate headings i.e., excess claim Input Tax Credit [“ITC”]; ITC to be reversed on non-business transaction and exempt supplies; under declaration of ineligible ITC and ITC claimed from cancelled dealers, return defaulters and tax nonpayers. To the said Show Cause Notice, a detailed reply was furnished by the petitioner giving full disclosures under each of the heads.

4. The impugned order, however, after recording the narration, records that the reply uploaded by the tax payer is incomplete. It merely states that *“And whereas, the taxpayer file their objections/reply in DRC-06 on 30/12/2023 which was incomplete in nature due to lack of supporting documents to substantiate their claim and no one appeared on the date of personal hearing. In view of the above the taxpayer is liable for pending payment of tax and interest as per notice DRC-01 issued to the taxpayer u/s 73 of DGST Act, 2017.”* The Proper Officer has opined that the reply is incomplete and lacks



supporting documents.

5. The observation in the impugned order dated 30.12.2023 is not sustainable for the reasons that the reply filed by the Petitioner is a detailed reply. Proper Officer had to at least consider the reply on merits and then form an opinion whether the reply was incomplete. He merely held that the reply is incomplete and lacks supporting documents which *ex-facie* shows that Proper Officer has not applied his mind to the reply submitted by the petitioner.

6. 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 reply or furnish further documents/details.

7. In view of the above, the order cannot be sustained, and the matter is liable to be remitted to the Proper Officer for re-adjudication. Accordingly, the impugned order dated 30.12.2023 is set aside. The matter is remitted to the Proper Officer for re-adjudication.

8. As noticed hereinabove, the impugned order records the reply furnished by the Petitioner is incomplete, lacks supporting documents and that the taxpayer did not appear for personal hearing. Proper Officer is directed to intimate to the petitioner details/documents, as



maybe required to be furnished by the petitioner. Pursuant to the intimation being given, petitioner shall furnish the requisite explanation and documents. 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.

9. 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.

10. Petition is disposed of in the above terms.

SANJEEV SACHDEVA, J

RAVINDER DUDEJA, J

MARCH 20, 2024

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