**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

124 **CWP-2247-2025**
Date of Decision: 07.04.2025

M/s Mittal Steel Industries ......Petitioner

Vs.

State of Punjab and others ......Respondents

CORAM: HON'BLE MR. JUSTICE ARUN PALLI
HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Saurabh Kaushik, Advocate,
for the petitioner.

Mr. Saurabh Kapoor, Additional Advocate General, Punjab,
for the respondents.

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SUDEEPTI SHARMA, J.

1. The challenge in the present writ petition is to the show cause notice dated 01.03.2021 (Annexure P-1), order dated 06.08.2021 (Annexure P-3) passed by respondent No.5 (Excise and Texation Officer-cum-State Tax Officer, Patiala) and order dated 08.05.2024 (Annexure P-4) passed by respondent No.4 (Deputy Commissioner, State Tax (Appeals), Patiala Division, Patiala), whereby the total demand of Rs.21,67,082/- as recovery of Input Tax Credit (ITC), including demand for recovery of interest and penalty, has been imposed upon the petitioner.

2. Admittedly order dated 08.05.2024 (Annexure P-4) passed by respondent No.4 (Deputy Commissioner, State Tax (Appeals), Patiala

Division, Patiala), is appealable and since, the Goods & Services Tax Tribunal is not constituted, therefore, the petitioner has challenged the same before this Court.

2. Upon notice, reply by way of affidavit of Kanu Garg, PCS, Assistant Commissioner, State Tax, Patiala, on behalf of respondents No.1, 4 and 5, dated 05.03.2025 was filed. The relevant paragraphs No.6, 7 and 8 of the same are reproduced as under:-

> *"6. That in the absence of constitution of GST Tribunal and as clarified by the Government of India vide Circular No.224/18/2024 dated 11.07.2024, which states that in terms of Section 112(8) of the Act ibid petitioner was required to deposit further 20% of the remaining tax in dispute. It is also mentioned here that the above circular has been adopted by the State Government Notification No.2314-2371 dated 26.07.2024 by circulating to all concerned directing the field formation and registered dealer to comply the guidelines and clarifications as laid down in the said circular.*
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> *7. That the present case, no further deposit has been made by the petitioner, except already deposited (10% of the tax) while filing the first appeal resulting in non-compliance of circular dated 11.07.2024 which provides the deposit of further 20% of the remaining tax.*
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> *8. That in the event the petitioner is ready and willing to comply with the directions of pre-deposit as mentioned in Circular No.224/18/2024 dated 11.07.2024, the respondent undertake to keep the recovery notice in abeyance till the constitution of GST Tribunal."*

3. As per reply filed by the respondent-State, the petitioner has deposited 10% of the tax and as per requirement of Section 112(8) of the CGST Act, the petitioner was required to deposit 20% of the amount of tax in dispute.

4. Learned counsel for the petitioner submits that the petitioner is ready and willing to deposit 10% more as pre-deposit of the amount of tax in dispute.

5. In view of the statement made by learned counsel for the petitioner, petitioner is directed to deposit 10% of the remaining amount of 20%, as per requirement of Section 112(8) of the CGST Act. Further, as per the stand taken by the respondent-State in its reply, as referred to above, the respondents shall keep the recovery notice in abeyance till the constitution of the GST Tribunal.

6. Disposed of accordingly.

(ARUN PALLI)
JUDGE

(SUDEEPTI SHARMA)
JUDGE

07.04.2025
Virrendra

Whether speaking/reasoned: Yes / No
Whether reportable: Yes / No