

## HC: Once Dropped, Tax Proceedings Cannot Be Revived

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**REFER THE DECISION OF THE HON'BLE PUNJAB AND HARYANA HIGH COURT IN THE CASE OF**

J.S.B. Trading Co vs. State of Punjab Dated: 4th November, 2024

### **FACTS:**

A notice under Section 61 of the Punjab GST Act, 2017 was issued to the petitioner for scrutiny of returns, seeking an explanation regarding Input Tax Credit (ITC) claimed on purchases from four firms whose registrations had been cancelled. The petitioner submitted a detailed reply, which was accepted by the Proper Officer, and the proceedings were concluded vide Form GST ASMT-12, stating that no further action was required. However, subsequently, an intimation under Rule 142(1)(A) in Form GST DRC-01A was issued, alleging that the reply to ASMT-10 was unsatisfactory and a demand was proposed. Aggrieved by this action, the petitioner filed the present writ petition.

### **Hon'ble High Court Judgement:**

Hon'ble Court observed that the same officer has expressed two different views; one dropping the proceedings under section 61(2) and the other intimating liability. The Court held that once the authority reaches the conclusion that no additional demand was payable, dropping the proceedings, **the fresh proceeding after passing of such order, stands vitiated in law and therefore, same is liable to be set aside.**

**Section 61 and 73 of Central Goods and Services Tax Act, 2017**