IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.24191 of 2024

M/s. Vedanta Ltd., Jharsuguda .... **Petitioner**

Represented By Adv. –

Mr. V. Sridharan, Sr. Advocate
Mr. Prashanta Kumar Nayak, Advocate

-versus-

Union of India and others .... **Opposite Parties**

Represented By Adv. –

Mr. Satyanarayan Pattanayak, Advocate
(Central Government Counsel for O.P. no.1)

Mr. T.K. Satapathy, Advocate
(Sr. Standing Counsel for O.P. nos.2 to 4)

CORAM:

THE HON'BLE MR. JUSTICE ARINDAM SINHA,
ACTING CHIEF JUSTICE
AND

THE HON'BLE MR. JUSTICE M.S. SAHOO

ORDER
21.01.2025

Order No.
01.

1. Mr. Sridharan, learned senior advocate appears on behalf of petitioner and submits, in respect of tax period July, 2017 to March, 2018 there happened discrepancy between his client's account and goods and services tax (GST) annual return. It was a discrepancy, of which his client became aware and pointed out to the taxing authorities. The discrepancy was also noticed in the audit directed by the Comptroller and Auditor General.

2. The jurisdictional officer sought for explanation, pursuant to the audit report. His client furnished explanation to satisfaction of the officer. It was duly reported. However, the audit case was not closed but kept pending. In those facts, the authority invoked the extended period of limitation on bare allegations, to issue impugned show-cause notice dated 5th August, 2024 on the last date of the extended prescribed time. His further submission is, the authority might continue the proceeding as his client will then reply to impugned notice, for order to be made by 5th February, 2025. The writ petition be kept pending for adjudication on the order to be made, with appropriate interim protection. He seeks interference

3. Mr. Pattanayak, learned advocate, Central Government Counsel appears on behalf of opposite party no.1 (Union of India). Mr. Satapathy, learned advocate, Senior Standing Counsel appears on behalf of revenue (opposite party nos.2 to 4).

4. Mr. Satapathy relies on impugned show-cause notice to submit, discrepancies reported on the audit were not satisfactorily explained. It is only a show-cause notice. By it petitioner has further opportunity to explain. On consideration of the explanation order will duly be made. No interference is warranted.

5. It appears from impugned show-cause notice that in respect of a sum of ₹8,02,84,232/- there is an issue between petitioner-assessee and revenue. Petitioner says it is a discrepancy while revenue says petitioner wrongly availed input tax credit (ITC). Impugned show-cause notice bears record of explanation sought for by the jurisdictional officer, furnished and satisfaction recorded. All the above in respect of said sum of ₹8,02,84,232/-.

6. In view of last preceding paragraph petitioner will reply to impugned show-cause notice. In it, petitioner will be at liberty to take all points, including the point of limitation. The authority says and will pass order by 5th February, 2025. On communication of the order to petitioner, it will obtain advise on next course of action.

7. With above observations the writ petition is disposed of.

(Arindam Sinha)
Acting Chief Justice

(M.S. Sahoo)
Judge

Prasant