



## MAJESTY LEGAL

Advocates & Solicitors

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### **MADRAS HIGH COURT:- PAYMENT OF TAX AND OTHER AMOUNT IN INSTALMENTS**

***( M/S K.L. INTERRNATIONAL LTD v. THE PRINCIPAL SECRETARY,<sup>1</sup>)***

In the above Writ Petition, the Hon'ble Madras High Court concluded that the argument that GSTR<sup>2</sup> 1 only deals with details and hence would not constitute a statutory return is unacceptable and contrary to the scheme of the Act<sup>3</sup>.

#### **HIGHLIGHTS OF THE CASE:**

- In this Writ Petitioner, there was a confusion between the tax liability declared by the petitioner in GSTR 1 and GSTR 3B filed for the period in question, with the tax liability declare din GSTR 3B being lesser than that declared in GSTR 1. Thereafter a notice was issued to the petitioner to pay the differential tax liability along with the interest and penalty.
- Thereafter, an application was filled by the petition before the commissioner to allow him to pay the differential tax in installments under Section 80 of the Act and it was rejected on the ground that the differential tax payable by the petitioner was a self-assessed tax the same being declare in GSTR 1 filed by the petitioner and hence the facility to pay in installments could not be granted.
- The rejected application was challenged before the Hon'ble Madras High Court and it was observed that Hon'ble Court that inter alia to Section 39 refers to a return of inward and outward supplies of goods or services or both and that the return of outward supplies is in Form GSTR 1. The above Judgement while reaffirming that facility to pay any amount due under the Act is not available in respect of self-assessed tax in returns, also puts to rest any doubts as to whether GSTR 1 is a return under the GST Law or not.

#### **TEAM MAJESTY LEGAL<sup>4</sup>**

OFFICE : B-87, Alaknanda Apartment, G-1, Ganesh Marg/Moti Marg, Bapu Nagar, Jaipur, Rajasthan-302015. [https://maps.app.goo.gl/BsUvY9RWyvUt6JcB9?g\\_st=iw](https://maps.app.goo.gl/BsUvY9RWyvUt6JcB9?g_st=iw)

CHAMBER: 204, E-Block, Rajasthan High Court, Jaipur.

MOBILE No. : 9785461395

E-MAIL : [mahi@majestylegal.in](mailto:mahi@majestylegal.in)

WEBSITE : [www.majestylegal.in](http://www.majestylegal.in)

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<sup>1</sup> W.P. No. 10379 of 2020)

<sup>2</sup> Goods and Services Tax Return