



MAJESTY LEGAL
Advocates & Solicitors

GST DEMAND ORDER SET ASIDE FOR NON-CONSIDERATION OF ASMT-10 REPLY

“M/S. VE COMMERCIAL VEHICLES LTD. V. UNION OF INDIA & ORS.”

Hon’ble Jharkhand High Court in case of *M/s. VE Commercial Vehicles Ltd. v. Union of India & Ors.*¹, emphasized the principle that tax authorities must adhere to procedural fairness and provide a reasoned justification for their decisions. Primary legal issue raised was the validity of the assessment order, which allegedly failed to consider petitioner’s response to ASMT-10 notice issued under Rule 99. The petitioner argued that the tax demand was based on a flawed comparison of GSTR-3B filings with e-way bill data, as the two sets of records were fundamentally different and not directly comparable. Despite these objections, the tax officer dismissed the reply as "not satisfactory" without addressing the specific concerns raised.

Hon’ble Jharkhand High Court found procedural lapses in the assessment order. It held that the tax officer failed to provide a reasoned order by disregarding the petitioner’s explanation and not substantiating how the tax liability was determined. Hon’ble Court emphasized that issuing ASMT-10 requires a meaningful consideration of the taxpayer’s response, which was absent in this case.

Consequently, Hon’ble Court set aside the impugned order and remitted the matter back to the tax officer with directions to furnish a detailed breakup of the tax demand, allow the petitioner an opportunity to respond, conduct a personal hearing, and pass a reasoned order.

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¹ W.P.(T) No. 25 of 2025

² Majesty legal is a LAW FIRM established in 2013 by Ms. Mahi Yadav. Objective of this legal update is to provide insights on law, statutes and is personal in nature, not to be deemed as legal advice.

**IN THE HIGH COURT OF JHARKHAND AT RANCHI
W.P.(T) No. 25 of 2025**

M/s. VE Commercial Vehicles Ltd., a limited company incorporated under the companies Act, 1956, registered under Goods and Services Tax Laws vide Goods and Service Tax Identification Number ('GSTIN') 20AABCE9378F1ZQ and inter alia having its registered office at Tilakraidih, Govindpur, P.O. & P.S. K G Ashram, Dhanbad, Jharkhand-826001, through it's Authorized Signatory Nitin Nagda, S/o Shri Ramesh Chandra Nagda, Age about 57 years R/o 168 Vidhya Nagar Behind INOX Cinema P.O. G.P.O., Radio Colony, P.S. Bhanwar Kuwa District-Indore (Madhya Pradesh)-452001. Petitioner

Versus

1. Union of India represented through the Secretary, Ministry of Finance, Department of Revenue, P.O North Delhi and P.S North Delhi, New Delhi-110001

2. State of Jharkhand, serviced through the Principal Secretary, Revenue Department, Ranchi Secretariat, having its office at Dhurwa P.O. Dhurwa, P.S. Dhurwa Jharkhand-834004.

3. Commissioner of State Tax, Dhanbad Circle, Dhanbad, Ground Floor, Vanijyakar Bhawan, Near Randhir Verma Chowk, Hirapur, P.O. Dhanbad, P.O., P.S. Kasturba Nagar, Dist: Dhanbad, Jharkhand-826 001.

4. Joint Commissioner of State Tax, Dhanbad Circle, Dhanbad, Ground Floor, Vanijyakar Bhawan, Near Randhir Verma Chowk, Hirapur, P.O. Dhanbad, P.S. Kasturba Nagar. Dist: Dhanbad, Jharkhand-826 001.

5. State Tax Officer, Dhanbad Circle, Dhanbad, Ground Floor, Vanijyakar Bhawan, Near Randhir Verma Chowk, Hirapur, P.O. Dhanbad, P.S. Kasturba Nagar, Dist: Dhanbad, Jharkhand-826 001 Respondents

**CORAM: HON'BLE THE CHIEF JUSTICE
 HON'BLE MR. JUSTICE DEEPAK ROSHAN**

For the Petitioner : Mr. Rajesh Ostwal, Adv
 Mr. Pratyush Kr. Jha, Adv
For the Respondents : Mr. A.K.Yadav, Sr. S.C.-I
 Mr. Aditya Kumar, A.C. to Sr. S.C.I

02/20.01.2025

Heard both sides.

2. Petitioner in this writ petition has challenged order dated 31.08.2024 passed by the 5th respondent under section 73 of the JGST Act, 2017 for the financial year 2019-20.

3. No doubt the 5th respondent had issued ASMT-10 under Rule 99 to which there was a reply submitted on 24.05.2024 (Annexure-4). In the reply the petitioner specifically raised a plea that it has not understood the basis of comparing taxes paid in GSTR3B with e-way bill data as technically the base information of both the statements is different. It is also contended that comparison of GSTR3B and e-way bill, document, taxes is not possible for certain reasons enumerated therein.

4. In the impugned order passed by the 5th respondent there is no reference to this contention raised by the petitioner at all and it is simply stated that the reply of the petitioner is not satisfactory.

5. Since the purpose of issuing ASMT-10 is to invite a reply and then consider the said reply. We fail to understand why the 5th respondent did not aver to the contention raised in the reply filed by the petitioner and brushed it aside by simply saying it is not satisfactory.

6. Therefore, the impugned order dt. 31.08.2024 is set aside, and the matter is remitted to the 5th respondent who shall furnish to the petitioner the basis of making the demand i.e. breakup as to how the difference amount was arrived at; such information be furnished within two weeks from today; petitioner is permitted to file a reply thereto within four weeks from the date of furnishing of the said information by the 5th respondent; personal hearing shall be afforded to the petitioner; and then a reasoned order be passed after considering the reply of the petitioner and the same shall be communicated to the petitioner.

7. Accordingly, the same stands allowed.

(M.S. Ramachandra Rao, C.J.)

(Deepak Roshan, J.)