

GIB/DL/Amadeus India/08-05-2019/HC-18**High Court Category :** Others**State :** Delhi**Order No.:** GIB/DL/Amadeus India/08-05-2019/HC-18**Name of Entry :**

M/s Amadeus India Pvt Ltd

Date : 08-05-2019**Breif Issue :****Issues Involved:**

Whether prior to issuing the SCN demand exceeding Rs. 50 Lakh ought to have a pre-notice consultation with the petitioner in terms of para 5.0 of “Master Circular” dated 10th March 2017 issued by CBEC.

Fact of the Case:

The Petitioner provides computer data processing software, which is used by travel agents and ticket booking entities in the Airline industry. The Anti-evasion Unit of the Service Tax Commissionerate undertook a search of the registered premises of the Petitioner. During search statement of petitioner had been recorded and the petitioner had also submitted response of the queries raised by Tax Authority. After nearly 2 years, fresh summons was issued to the Petitioner seeking the audited balance sheets, reconciliation statements of taxable value declared in ST-3 returns, month wise invoices copies of agreements between the Amadeus IT Group etc. According to the Petitioner, it submitted the requisite information on various dates. Thereafter SCN was issued by the Tax Authority to the Petitioner alleging that tax was not paid on taxable services rendered by the Petitioner. The Petitioner was also asked to show cause why penalty under Section 76 of the Finance Act, 1994 read with Section 174 of the Central Goods & Services Tax Act, 2017 (CGST Act) should not be levied, in addition to the recovery of interest under Section 75 of the Finance Act, 1994. The Petitioner drew the attention of the Respondent to the Master Circular dated 10th March 2017 read with an instruction dated 21st December 2015 issued by the CBEC in terms of which a pre-show cause notice consultation was mandatory in cases involving demand of duty above Rs. 50 Lakhs.

Decision of Advance Ruling Authority :**Consideration and Decision by High Court:**

The High Court appears that the Respondent completely ignored the Master Circular before proceeding to issue the impugned SCN. The master circular is mandatory in nature. Accordingly,

Delhi High Court quashed the SCN which was issued without pre-consultation.