

**Assessment Order quashed when Assessee incorrectly reported turnover in GSTR-1 but correctly in GSTR-3B**

The Hon'ble Madras High Court in the case of ***Southern Engineering Services v. Deputy State Tax Officer-1 [WP No. 6523 of 2024 dated March 14, 2024]*** allowed the writ petition and set aside the Assessment Order thereby holding that, the Assessment Order is liable to be quashed in case where Assessee incorrectly reported turnover in GSTR-1 but correctly in GSTR-3B.

**Facts:**

Southern Engineering Services ("**the Petitioner**") supplied services Dell International Services Private Limited, which is a SEZ unit without charging any GST as the said supply was zero rated supply. The Petitioner reported the turnover under the column taxable value in Form GSTR-1 but correctly reported the zero-rated supply in Form GSTR-3B. Also, the Petitioner could not file a proper reply to the proceedings initiated as the said notices were uploaded in the column 'View Additional Notices and Orders' tab on GST Portal.

However, the Revenue Department ("**the Respondent**") passed Assessment Order dated November 21, 2023 ("**the Impugned Order**") against the Petitioner. Aggrieved by the Impugned Order passed by the Respondent, the Petitioner filed a writ petition before the Hon'ble High Court.

**Issue:**

Whether Assessment Order is to be quashed when Assessee incorrectly reported turnover in GST-1 but correctly in GSTR-3B?

**Held:**

The Hon'ble Madras High Court in the case of ***WP No. 6523 of 2024*** held as under:

- Noted that, as per the invoice placed on the record by the Petitioner, the supply was made to the SEZ unit and therefore, the said supply would fall within the purview of zero-rated supply and the error in return was at the time of introduction of GST.
- Opined that, the Petitioner is entitled to an opportunity for hearing as per the facts and circumstances of the case.
- Held that, the Impugned Order is quashed and matter is remitted back for reconsideration.
- Directed that, the Petitioner be permitted by the Respondent to file the reply to Show Cause Notice and proper opportunity be granted to the Petitioner including personal hearing.

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