



/833

31/05/24

	<p>आयुक्त का कार्यालय, केंद्रीय कर, माल एवं सेवा कर, दिल्ली पूर्व, <b>OFFICE OF THE COMMISSIONER OF CGST- DELHI EAST</b> सी.आर. बिल्डिंग, आई.पी. इस्टेट, नई दिल्ली, 110002 <b>C.R. BUILDING, I.P. ESTATE, NEW DELHI- 110002</b></p>	
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DIN:20240551ZK000051085A

**FORM GST DRC-01**

[See rule 142(1)]

To

**M/s Lagrowth Associates Private Limited****GSTIN: 07AAMCM9016D1ZG****Ground floor, G-242, Ghazipur Road, New Delhi,  
Delhi, Delhi, 110096****Tax Period** – April, 2019 to March, 2020**F.Y. 2019-20**

**Act-** CGST Act, 2017, Section/ Sub-Section under which SCN is being issued. Section 73 of CGST, Act 2017 read with Rule 99 of CGST Rules, 2017.

SCN Reference No. ASMT -10 Dated – 13.03.2024

**SHOW CAUSE NOTICE NO- 10/R-144/SHDR/2024-25**

**M/s Lagrowth Associates Private Limited (Legal Name: Lagrowth Associates Private Limited)**, having its registered office at Ground floor, G-242, Ghazipur Road, New Delhi, East Delhi, Delhi, 110096 (hereinafter referred to as the "Noticee/taxpayer/assessee") registered in GST department vide **GSTIN: 07AAMCM9016D1ZG** under the jurisdiction of Range-144, Division- Shahdara, CGST Delhi (East) Commissionerate and are inter-alia engaged in supplying of goods falling under HSN Code 3920, 4823, 7607 & 3923 of the GST Tariff of India. The effective date of GST registration is 20.09.2019.

**2.** Section 61 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") read with Rule 99 of Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "the CGST Rules") provides for scrutiny of returns and related particulars furnished by the registered person. The relevant statutory provisions for scrutiny of GST Returns are as under:

**2.1** Section 61 of the CGST Act, read with rule 99 of the CGST Rules, provides for scrutiny of returns. The same are reproduced below for

reference:

**Section 61. Scrutiny of returns: -**

"(1) The proper officer may scrutinize the returns and related particulars furnished by the registered person to verify the correctness of the return and inform him of the discrepancies noticed, if any, in such manner as may be prescribed and seek his explanation thereto.

(2) In case the explanation is found acceptable, the registered person shall be informed accordingly and no further action shall be taken in this regard.

(3) In case no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period as may be permitted by him or where the registered person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action including those under section 65 or section 66 or section 67, or proceed to determine the tax and other dues under section 73 or section 74."

**Rule 99. Scrutiny of returns:**

"(1) Where any return furnished by a registered person is selected for scrutiny, the proper officer shall scrutinize the same in accordance with the provisions of section 61 with reference to the information available with him, and in case of any discrepancy, he shall issue a notice to the said person in FORM GST ASMT-10, informing him of such discrepancy and seeking his explanation thereto within such time, not exceeding thirty days from the date of service of the notice or such further period as may be permitted by him and also, where possible, quantifying the amount of tax, interest and any other amount payable in relation to such discrepancy.

(2) The registered person may accept the discrepancy mentioned in the notice issued under sub-rule (1), and pay the tax, interest and any other amount arising from such discrepancy and inform the same or furnish an explanation for the discrepancy in FORM GST ASMT-11 to the proper officer.

(3) Where the explanation furnished by the registered person or the information submitted under sub-rule (2) is found to be acceptable, the proper officer shall inform him accordingly in FORM GST ASMT-12.

3. Whereas a Standard Operating Procedure (SOP) for Scrutiny of GST returns for F.Y 2019-20, issued by the Central Board of Indirect Taxes and Customs (GST Policy Wing) New Delhi vide letter No. CBIC-20006/4/2022-GST dated 26th May, 2023 (Instruction No. 02/2023-GST) read with instructions issued vide letter No. CBIC-20006/4/2022-GST dated 22nd March, 2022 (Instruction No. 02/2022-GST) has been followed. During the course of scrutiny of the GST returns under section 61 of the CGST Act, 2017 for the tax period 2019-20 following discrepancies were noticed:

- i. It is noticed that Tax liability on account of "Outward taxable supplies (other than zero rated, nil rated and exempted)" and "Outward taxable supplies (zero rated)" is shown as Rs. 45,46,11,627/- in GSTR-3B returns whereas the same is shown as Rs. 45,60,60,119/- in E-Way Bill portal for the aforesaid period, resulting in short

payment of tax amounting to **Rs. 14,48,492/-**.

- ii. It is noticed that Input Tax Credit amounting Rs. 7,17,30,134/- in respect of 'Inward Supplies from ISD' has been availed in Table 4(A)(4) of FORM GSTR-3B returns of the aforesaid tax period. However, ITC available as per Table-7 of GSTR-2A is Rs. 0/-. Hence, there is Excess availment of Input Tax Credit of Rs. 7,17,30,134/-.
- iii. It is noticed that taxpayer has availed input tax credit on the basis of tax invoices issued by taxpayer whose GST registration has been cancelled retrospectively. Details of such taxpayer alongwith other relevant information is as under:

(Amount in Rupees)

Amount in Rupee							
GSTIN	Name	Invoice No	Invoice Date	Invoice Value	Taxable Value	CGST	SGST
07CLMPP09 29C1Z3	Satyanarayan Pradhan (cancelled wef 31.08.2019)	1	20-10-2019	2245516	1902980	171268	171268
		REJ-01	20-12-2019	81962.8	69460	6252	6252
07EFTPR24 72K1ZM	Rajkishore Rout (cancelled wef 09.12.2019)	11	29-01-2020	1133983	961003	86490	86490
		13	15-02-2020	238152	201824	18164	18164
Total						5,64,348/-	

As, the GST registration of aforementioned suppliers of M/s Lagrowth Associates Private Limited have been cancelled retrospectively, it appears that the tax invoice(s) issued after cancellation of their registration (*effective dates of cancellation is mentioned in the aforesaid table*), are not valid document for availment of input tax credit in terms of Section 16 (2) of the CGST Act, 2017 and the input tax credit of CGST/SGST so availed by you on the basis of aforementioned tax invoice is ineligible and the same is liable for recovery along with interest under the provisions of CGST Act, 2017 read with the CGST Rules, 2017 as amended.

- iv. It is noticed that taxpayer has not paid interest of Rs. 3061/- on cash payment of tax due to delayed filing of GSTR3B returns.
  - v. It is noticed that taxpayer has not paid Late fee of Rs. 50 under Section 47 for delayed filing of returns.
4. Therefore, a Notice in form GST ASMT-10 dated 13.03.2024 (**RUD-1**) was issued to **M/s Lagrowth Associates Private Limited (Legal Name: M/s Lagrowth Associates Private Limited)** through GST AIO Portal and vide letter dated 13.03.2024 intimating discrepancies, as mentioned below

under Rule 99(1) of the CGST Rules, 2017 to explain the reasons within 30 days from the date of receipt of the above said ASMT-10.

- i. Short payment of tax of Rs. **14,48,492/-** in GSTR3B against the tax liability declared in EWB01.
- ii. Excess ITC of Rs. **7,17,30,134/-** has claimed in Table 4(A)(4) of GSTR-3B returns as ITC available in Table-7 of GSTR-2A returns during the F.Y 2019-20.
- iii. Ineligible ITC amounting to Rs. **5,64,348/-** availed (violation of Section 16(2) of CGST Act'17) on account of Suo-moto retrospective cancellation of suppliers' GST registration.
- iv. Interest of Rs. **3,061/-** u/s 50 for delayed filing of GSTR-3B.
- v. Late fee of Rs. **50/-** under Section 47 for delayed filing.

5. Whereas in response to the above-mentioned letter, the liquidator of the Corporate debtor i.e. M/s Lagrowth Associates Private Limited, vide its letter no. nil dated 21.05.2024 received through mail submitted inter-alia that –

*"This is with reference to your notice dated 18.03.2024 (received on 02.05.2024) having DIN 20240351ZK0000823189 issued in Form GST ASMT-10 for intimation of discrepancies in the return after scrutiny in the matter of Lagrowth Associates Private Limited.*

1. *The committee in its 3rd COC Meeting held on 02.05.2023 unanimously decided to liquidate the corporate debtor and in its 4th COC meeting decided to appoint Ms. Soniya Gupta, as the liquidator of the Corporate Debtor. Accordingly, an application for initiation of liquidation has been filed by the ex-Resolution Professional before Hon'ble NCLT.*
2. *Further, the Hon'ble NCLT, New Delhi Bench- IV vide its order dated 12.03.2024 has passed an order for Liquidation of M/s Lagrowth Associates Private Limited in C.A. No. IA/3484/ND/2023 in C.P. No. (IB)- 796/ND/2022 issued under section 33(2) of Insolvency and Bankruptcy Code, 2016 and appointed Ms. Soniya Gupta to act as liquidator in the matter. A copy of the Liquidation Order dated 12.03.2024 passed by the Hon'ble NCLT is attached herewith for your reference.*
3. *Further, please be informed that upon admission of the application by Adjudicating Authority for initiation of Liquidation proceedings against M/s Lagrowth Associates Private Limited on 12.03.2024, the "moratorium" under Section 33(5) of the Insolvency and Bankruptcy Code, 2016 comes into effect in pursuance to the said order dated 12.03.2024 and that as per Section 33(5) of Insolvency and Bankruptcy Code, 2016, the Adjudicating Authority had by order in the matter declared "moratorium" during the liquidation proceedings for prohibiting the institution of suits or legal proceeding against the*

corporate debtor.

Accordingly, it is felt necessary to reproduce the relevant portion of sub section 5 of Section 33 of Insolvency and Bankruptcy Code, 2016 as under:

*"33. Initiation of Liquidation- (5) Subject to section 52, when a liquidation order has been passed, no suit or other legal proceeding shall be instituted by or against the corporate debtor."*

4. It is to be further noted that the all the records pertaining to the notice is not available with the Liquidator. In this regard, liquidator sent a mail to the directors of the suspended board of M/s Lagrowth Associates Private Limited on May 03, 2024 to provide all the records pertaining to this notice. However, no reply/response has been received from the Corporate Debtor/ directors of the suspended board of M/s Lagrowth Associates Private Limited till date.

Since the information required by you pertains to the period April 2019 to March 2020 which is prior to CIRP/ Liquidation commencement date the ex-directors of the company are responsible to provide the information to you.

5. Therefore, Liquidator is not in the position to reply to your notice. You are requested to kindly grant us some time to enable us to submit the reply of the show cause notice."

6. In view of the aforesaid, since the taxpayer has not furnished any satisfactory reply in response to the ASMT-10 dated 13.03.2024 and the liquidator has also shown the inability to file reply to ASMT-10 dated 13.03.2024 and stated that no reply/response had been received from the Corporate Debtor/ directors of the suspended board of M/s Lagrowth Associates Private Limited, the Noticee has failed to discharge the *Burden of Proof* cast upon them by virtue of Section 155 of the Act. Therefore, it appears that the short payment of Tax, Excess ITC and inadmissible ITC of Suo-moto cancelled suppliers, availed by the Noticee, interest for delayed payment of duty and penalty for late filing of GST returns as elaborated above, is liable to be recovered under various provisions of the CGST Act, 2017.

**7. Legal Provisions, Relevant Section and Rules:**

**Section 16. Eligibility and conditions for taking input tax credit:**

(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the

electronic credit ledger of such person.

(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,—

(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other taxpaying documents as may be prescribed;

(b) he has received the goods or services or both. *Explanation.*—For the purposes of this clause, it shall be deemed that the registered person has received the goods where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;

(c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilization of input tax credit admissible in respect of the said supply; and

(d) he has furnished the return under section 39: Provided that where the goods against an invoice are received in lots or installments, the registered person shall be entitled to take credit upon receipt of the last lot or installment:

Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed: Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon.

**Section 73 of the CGST Act 2017 reads as under:**

“73.(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder.”

**Section 50 of the CGST Act, 2017: Interest on delayed payment of tax**

Every person who is liable to pay tax in accordance with the provisions of

this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council.

[Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger(as amended)

(3) Where the input tax credit has been wrongly availed and utilized, the registered person shall pay interest on such input tax credit wrongly availed and utilized, at such rate not exceeding twenty-four per cent as may be notified by the Government, on the recommendations of the Council, and the interest shall be calculated, in such manner as may be prescribed.

### **Section 122 of the CGST Act, 2017:Penalty for Certain**

(2) Any registered person who supplies any goods or services or both on which any tax has not been paid or short-paid or erroneously refunded, or **where the input tax credit has been wrongly availed or utilized—**

(a) for any reason, other than the reason of fraud or any willful misstatement or suppression of facts to evade tax, shall be liable to a penalty of ten thousand rupees or ten percent of the tax due from such person, whichever is higher;

### **Section 73(9) of the CGST Act, 2017: Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized for any reason other than fraud or any willful misstatement or suppression of facts**

(9) The proper officer shall, after considering the representation, if any, made by person chargeable with tax, determine the amount of tax, interest and a penalty equivalent to ten per cent of tax or ten thousand rupees, whichever is higher, due from such person and issue an order.

### **Section 155 of the CGST Act, 2017: Burden of proof.**

Where any person claims that he is eligible for input tax credit under this Act, the burden of proving such claim shall lie on such person

### **Section 20 of IGST Act, 2017-**

provides for application of provisions of CGSTA including those relating to scope of supply, input tax credit, tax invoice, accounts and records, returns,

*payment of tax, demand and recovery, miscellaneous provisions including the provisions relating to the imposition of interest and penalty. It also provides that in case where the penalty is leviable under CGSTA shall, DGSTA/ UT GST Act, the penalty leviable under this act shall be the sum total of said penalties.*

8. Now, therefore, the Noticee, **M/s Lagrowth Associates Private Limited**, having its registered office at Ground floor, G-242, Ghazipur Road, New Delhi, East Delhi, Delhi, 110096 having GSTIN: **07AAMCM9016D1ZG** is hereby called upon to Show Cause to the Joint Commissioner, CGST Delhi East, C.R.Building, I.P.Estate, Delhi-110002 as to why:-

- i. Short payment of tax amounting **Rs. 14,48,492/-** (Rupees Fourteen Lakh Forty-Eight Thousand Four Hundred and Ninety-Two only) should not be demanded and recovered from them under Section 73(1) of the CGST/DGST Act, 2017 (as amended).
- ii. Interest as applicable on short payment of tax amounting **Rs. 14,48,492/-** (Rupees Fourteen Lakh Forty-Eight Thousand Four Hundred and Ninety-Two only) should not be demanded and recovered from them under provisions of Section 50 of the CGST/DGST Act, 2017 (as amended).
- iii. Inadmissible Input Tax Credit amounting to **Rs. 7,17,30,134/-** (Rupees Seven Crore Seventeen Lakh Thirty Thousand One Hundred and Thirty-Four only) (IGST: Rs. 7,07,75,616/-, CGST: Rs. 4,77,259 & SGST: Rs. 4,77,259) should not be demanded and recovered from them under Section 73(1) of the CGST/DGST Act, 2017 (as amended).
- iv. Interest as applicable on inadmissible Input Tax Credit of **Rs. 7,17,30,134/-** (Rupees Seven Crore Seventeen Lakh Thirty Thousand One Hundred and Thirty-Four only) should not be demanded and recovered from them under provisions of Section 50 of the CGST/DGST Act, 2017 (as amended).
- v. Inadmissible Input Tax Credit amounting to **Rs. 5,64,348/-** (Rupees Five Lakh Sixty-Four Thousand Three Hundred and Forty-Eight only) (CGST: **Rs. 2,82,174/-** & SGST: **Rs. 2,82,174/-**) should not be demanded and recovered from them under Section 73(1) of the CGST/DGST Act, 2017 (as amended).
- vi. Interest as applicable on inadmissible Input Tax Credit of **Rs. 5,64,348/-** (Rupees Five Lakh Sixty-Four Thousand Three Hundred and Forty-Eight only) should not be demanded and recovered from them under provisions of Section 50 of the CGST/DGST Act, 2017 (as amended).
- vii. Interest of Rs. 3061/- (Rupees Three Thousand and Sixty-One only) due to delayed filing of GSTR-3B return should not be demanded and recovered from them under provisions of Section 50 of the CGST/DGST Act, 2017 (as amended).



- viii. Late fee of Rs. 50 (Rupees Fifty only) under Section 47 for delayed filing should not be demanded and recovered from them for failure to file GSTR-3B returns within stipulated time.
- ix. Penalty should not be imposed upon them Section 73(9) of the CGST/DGST Act (as amended) for the aforesaid contravention.
- x. Penalty should not be imposed upon them under Section 122(2)(a) of the CGST/DGST Act (as amended) for the aforesaid contravention.

9. The Noticee is further directed to submit a written reply incorporating all the evidence upon which they intend to rely upon in their defence within 30 days of the receipt of this notice. They must also indicate whether or not they would like to be heard in person or through their legal representative before the case is finally adjudicated. If no such mention is made in their written explanation, it will be presumed that they do not wish to be heard in person.

10. The Noticee is further informed that if no cause is shown against the action proposed to be taken within the stipulated period of 30 days of the receipt of the notice and they do not appear for personal hearing on the date and time fixed for personal hearing, the case will be decided ex-parte, on the basis of the evidence(s) on records without any further reference.

11. The department reserves the right to supplement/ modify/ amend this notice by issuing supplementary SCN/ Addendum to this show cause notice at any time before adjudication of this SCN, if any new fact(s)/ documentary evidence(s) is received whether or not from the taxpayer.

12. The demand-cum-show notice is issued on the basis of records available and without prejudice to any other order or further action that may be taken against the Noticee or any other entity relevant either in this case or any other case under the provisions of CGST Act, 2017 read DGST Act, 2017 and Rules made there under or any other law for the time being in force.

**Signed by**

**DEVVRANJAN MISHRA**

**Date: 30-05-2024 15:06:48**

Joint Commissioner  
CGST Delhi East Commissionerate

**Regd. AD:**

**M/s Lagrowth Associates Private Limited**

**GSTIN: 07AAMCM9016D1ZG**

**Ground floor, G-242, Ghazipur Road, New Delhi,  
Delhi, Delhi, 110096**

**Encl: The list of Relied upon documents is enclosed as Annexure 'A'.**

**Annexure-A to SCN**

<b>Sr. No.</b>	<b>RUD</b>	<b>Description</b>
1	RUD-1	Notice in Form GST ASMT-10 dated 13.03.2024
2	RUD-2	Reply letter dated 21.05.2024


**Copy to:**

1. The Joint Commissioner, CGST Delhi East, C.R.Building, I.P. Estate, Delhi-110002 for adjudication.
2. The Assistant Commissioner, Shahdara Division, Central Tax, GST Delhi East, Core-4, First Floor, Scope Minar, New Delhi-110092 for information.
3. The Superintendent (Range-144), Shahdara Division, Central Tax, GST Delhi East, Core-4, First Floor, Scope Minar, New Delhi-110092 for information
4. Guard File.
5. Notice Board

Superintendent (Range-144)  
CGST Shahdara Division

RUD-I

GEXCOM/SoR/4726/2024-CGST-RANGE-144-DIV-2-SHDR-COMMRTE-DELHI(E)

	<p>सहायक आयुक्त का कार्यालय (केंद्रीय कर) माल एवं सेवा कर- दिल्ली पूर्व डिविजन शाहदरा, कोर-4 प्रथम तल, स्कोप मीनार लक्ष्मीनगर, दिल्ली-110092 Email- gstdelhicastdivshahdara@gmail.com</p>	<p><b>G20</b></p>
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DIN-202403512-K0000823183

FORM GST ASMT - 10  
[See rule 99(1)]

Date: 13.03.2024

सेवा में,

M/s Lagrowth Associates Private Limited  
GSTIN: 07AAMCM9016D1ZG  
Ground floor, G-242, Ghazipur Road, New Delhi,  
East Delhi, Delhi, 110096

महोदय,

Tax Period: FY 2019-20

Subject: Notice for intimating discrepancies in the returns after scrutiny- reg.

This is to inform that during the scrutiny of the returns for the tax period referred to above, the following discrepancies have been noticed:

1. Tax liability on account of Outward taxable supplies (other than zero rated, nil rated and exempted) and Outward taxable supplies (zero rated) as per GSTR-3B and in e-Way bills.

GSTR-3B: Table 3.1(a) + 3.1(b)	EWB-01: Tax amount	(Amount in Rs.) Difference
45,46,11,627	45,60,60,119	14,48,492

2. ITC availed in respect of "All other ITC"

You have availed ITC in respect of 'Inward supplies from ISD' in Table 4(A)(4) of FORM GSTR-3B is Rs. 7,17,30,134/-. However, ITC available as per Table-7 of GSTR-2A (with amendments) is Rs. 0/-. You have availed excess ITC by Rs. 7,17,30,134/-.

3. Claim of ITC in respect of supplies from taxpayers whose registrations have been cancelled retrospectively:

It is noticed that you have availed input tax credit on the basis of tax invoices issued by taxpayer whose GST registration has been cancelled retrospectively of Rs. 5,64,348/-.

4. Interest u/s 50 for delayed filing of GSTR-3B Return is Rs. 3061/-.
5. Late Fee under section 50 for delayed filing is Rs. 50/-.

You are hereby directed to explain the reasons for the aforesaid discrepancies within 30 days of receipt of this letter. If no explanation is received by the aforesaid date, it will be presumed that you have nothing to say in the matter and proceedings in accordance with law may be initiated against you without making any further reference to you in this regard.

भवदीय,  
13/03/2024  
अधीक्षक (रेज-144)  
सीजीएसटी डिवीज़न साहदरा  
सीजीएसटी दिल्ली पूर्व



RUD-2

shahdara gsteast &lt;gstdelhieastdivshahdara@gmail.com&gt;

Reply in response to notice GST dated 13.03.2024 (received on 02.05.2024) having  
DIN 20240351ZK0000823189 issued via Form GST ASMT-10

1 message

Liquidator\_Lagrowth Associates Private Limited <cirp.lagrowthapl@gmail.com>  
To: "gstdelhieastdivshahdara@gmail.com" <gstdelhieastdivshahdara@gmail.com>  
Cc: ipsoniyag@gmail.com

Tue, May 21, 2024 at 6:01  
PM

Dear Sir,

This is with reference to your notice dated 18.03.2024 (received on 02.05.2024) having DIN 20240351ZK0000823189 issued in Form GST ASMT-10 for intimation of discrepancies in the return after scrutiny in the matter of Lagrowth Associates Private Limited.

In this regard, we would like to inform you that the Hon'ble NCLT, New Delhi Bench- IV vide its order dated 12.03.2024 has passed an order for Liquidation of M/s Lagrowth Associates Private Limited in C.A. No. IA/3484/ND/2023 in C.P. No. (IB)- 796/ND/2022 issued under section 33(2) of Insolvency and Bankruptcy Code, 2016 and appointed Ms. Soniya Gupta to act as liquidator in the matter. A copy of the Liquidation Order dated 12.03.2024 passed by the Hon'ble NCLT is attached herewith for your reference.

Detailed reply in this regard is attached for your reference.

With Regards

**SONIYA GUPTA**

Liquidator

In the matter of Lagrowth Associates Private Limited (Montage Sales Private Limited)

Reg. No. IBB/PA-002/IP-N01155/2021-2022/13863

Validity of AFA till 30th June, 2025

Res. Address: C-501, Shree Balaji CGHS Ltd, Plot No. 37, Sector-6, Dwarka, New Delhi-110075

E-mail: cirp.lagrowthapl@gmail.com / ipsoniyag@gmail.com

Office Address: 135, LGF, SS Plaza, Mahavir Enclave, Palam Dabri Road, ND-110045

Ph: +91 9811287070, Tele: 011-49324645

2 attachments

Reply to GST Dept\_Lagrowth.pdf  
765K

NCLT-Lagrowth order 12.03.2024.pdf  
564K

**LAGROWTH ASSOCIATES PRIVATE LIMITED**  
**(Formerly known as Montage Sales Private Limited)**  
Regd. Add: CB-26, B-BLOCK JHILMIL INDUSTRIAL AREA, DELHI-110095  
CIN: U51909DL2019PTC354266, Email: [cirp.lagrowthapl@gmail.com](mailto:cirp.lagrowthapl@gmail.com)

To,

Dated: May 21, 2024

The Superintendent

Range 144, Division 2

GST Division Shahdara

**Subject: Reply of notice dated 13.03.2024 (received on 02.05.2024) having DIN 20240351ZK0000823189 issued via Form GST ASMT-10 for intimation of discrepancies in the return after scrutiny in the matter of Lagrowth Associates Private Limited**

Dear Sir,

This is with reference to your notice dated 18.03.2024 (received on 02.05.2024) having DIN 20240351ZK0000823189 issued in Form GST ASMT-10 for intimation of discrepancies in the return after scrutiny in the matter of Lagrowth Associates Private Limited.

1. The committee in its 3<sup>rd</sup> COC Meeting held on 02.05.2023 unanimously decided to liquidate the corporate debtor and in its 4<sup>th</sup> COC meeting decided to appoint Ms. Soniya Gupta, as the liquidator of the Corporate Debtor. Accordingly, an application for initiation of liquidation has been filed by the ex-Resolution Professional before Hon'ble NCLT.
2. Further, the Hon'ble NCLT, New Delhi Bench- IV vide its order dated 12.03.2024 has passed an order for Liquidation of M/s Lagrowth Associates Private Limited in **C.A. No. IA/3484/ND/2023 in C.P. No. (IB)- 796/ND/2022** issued under section 33(2) of Insolvency and Bankruptcy Code, 2016 and appointed Ms. Soniya Gupta to act as liquidator in the matter. A copy of the Liquidation Order dated 12.03.2024 passed by the Hon'ble NCLT is attached herewith for your reference.
3. Further, please be informed that upon admission of the application by Adjudicating Authority for initiation of Liquidation proceedings against M/s Lagrowth Associates Private Limited on 12.03.2024, the "**moratorium**" under Section 33(5) of the Insolvency and Bankruptcy Code, 2016 comes into effect in pursuance to the said order dated 12.03.2024 and that as per Section 33(5) of Insolvency and Bankruptcy Code, 2016, the Adjudicating Authority had by order in the matter declared "**moratorium**" during the liquidation proceedings for prohibiting the institution of suits or legal proceeding against the corporate debtor.

Accordingly, it is felt necessary to reproduce the relevant portion of sub section 5 of Section 33 of Insolvency and Bankruptcy Code, 2016 as under:

***"33. Initiation of Liquidation- (5) Subject to section 52, when a liquidation order has been passed, no suit or other legal proceeding shall be instituted by or against the corporate debtor:"***

4. It is to be further noted that the all the records pertaining to the notice is not available with the Liquidator. In this regard, liquidator sent a mail to the directors of the suspended board of M/s Lagrowth Associates Private Limited on May 03, 2024 to provide all the records pertaining to this notice. However, no reply/response has been received from the Corporate Debtor/ directors of the suspended board of M/s Lagrowth Associates Private Limited till date.

Since the information required by you pertains to the period April 2019 to March 2020 which is prior to CIRP/ Liquidation commencement date the ex-directors of the company are responsible to provide the information to you. Following were the directors of the Company during the relevant time when the transactions took place:

1. Mr. Ashish Kumar Singh, Email ID: [ashishsingh5691@gmail.com](mailto:ashishsingh5691@gmail.com)
2. Mr. Subodh Kumar Sharma, Email ID: [subodhsharma000@yahoo.co.in](mailto:subodhsharma000@yahoo.co.in)

5. Therefore, Liquidator is not in the position to reply to your notice. You are requested to kindly grant us some time to enable us to submit the reply of the show cause notice.

For any further communication in the matter, you may please contact the Liquidator as per following contact details:

**Liquidator of Lagrowth Associates Private Limited**

**E-mail:** [cirp.lagrowthapl@gmail.com](mailto:cirp.lagrowthapl@gmail.com)

**Mobile:** 9811287070

**Address for correspondence:** 135, LGF, SS Plaza, Mahavir Enclave, Palam Dabri Road, New Delhi-110045, India

Aforesaid is for your kind information.

Yours truly,

Soniya  
Gupta

Digitally signed by  
Soniya Gupta  
Date: 2024.05.21  
18:21:51 +05'30'

**Soniya Gupta**

Liquidator

In the matter of Lagrowth Associates Private Limited

Registration No: **IBBI/IPA-002/IPN01155/2021-2022/13863**

**Enclosure:** Liquidation Order dated 12.03.2024



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH**

**COURT-IV**

**I.A.(IBC)/3484/2023**  
**IN**  
**C.P.(IB)No.796/ND/2022**

**[Under Section 33 of the Insolvency and Bankruptcy Code, 2016 for initiating liquidation process of Corporate Debtor and to pass other necessary directions]**

**IN THE MATTER OF:**

**Mr. Mohan Lal Jain**  
**Resolution Professional**  
**M/s. Lagrowth Associates Private Limited**

**... Applicant**

**IN THE MATTER OF:**

**M/s. Montage Enterprises Private Limited**

**...Operational Creditor**

**Versus**

**M/s. Lagrowth Associates Private Limited**

**...Corporate Debtor**

**CORAM:**

**SH. MANNI SANKARIAH SHANMUGA SUNDARAM,**  
**HON'BLE MEMBER (JUDICIAL)**

**DR. SANJEEV RANJAN,**  
**HON'BLE MEMBER (TECHNICAL)**

**For the RP**

**: Ms. Prachi Darji, Ms. Saloni Singh, Ms.  
Kanishka Lunia, Advs**

**Order Delivered on: 12.03.2024**





## **ORDER**

**PER: DR.SANJEEV RANJAN, MEMBER (TECHNICAL)**

The instant application i.e., I.A./3848/ND/2023 is filed by Mr. Mohan Lal Jain ('Applicant') Resolution Professional of M/s. Lagrowth Associates Private Limited ('Corporate Debtor') seeking liquidation of M/s. Lagrowth Associates Private Limited ('Corporate Debtor') under Section 33 of the Insolvency and Bankruptcy Code, 2016 ('Code') praying for the following relief(s):-

- a) To allow the present Application and initiate the Liquidation Proceedings of the Corporate Debtor in exercise of its power under Section 33 of the Code, 2016 and;
  - b) Take on record the 'Form-AA', i.e., Written consent to act as Liquidator for Corporate Debtor and allow Ms. Soniya Gupta, the Insolvency Professional, having IP Registration number IBBI/IPA-002/IP-N01155/2021-2022/13863 to act as Liquidator upon initiation of Liquidation Proceedings;
  - c) Pass such other and further order(s) as deem fit in the facts and circumstances of the case and in the interest of justice."
2. The brief facts of the case leading to filing of this application as averred by the applicant are as follows:
- i) The applicant submits that the Corporate Insolvency Resolution Process was initiated against M/s. Lagrowth Associates Private Limited ('Corporate Debtor') vide this Adjudicating Authority's order dated 10.02.2023 in an application C.P.(IB)/796/ND/2022 under Section 9 of the Code, 2016 filed by M/s. Montage Enterprise Private Limited ('Operational Creditor') and Mr. Mohan Lal Jain ('applicant') was appointed as the Interim Resolution Professional of the Corporate Debtor and was later confirmed as the Resolution Professional.



- ii) The applicant submits that the public announcement in terms of Regulation 6(1) of the CIRP Regulations, 2016 was made in Form - A inviting the claims from public, consequent to which, total amount of claim(s) filed by the Creditors of the Corporate Debtor was Rs. 5,548,894,974/- (Rupees Five Hundred Fifty- Four Crore Eighty-Eight Lakhs Ninety-Four Thousand Nine Hundred Seventy-Four only) out of which claim of Rs.4,655,917,277/- (Rupees Four Hundred Sixty-Five Crore Fifty-Nine Lakhs Seventeen Thousand and Two Hundred and Seventy-Seven only) was provisionally admitted by the Resolution Professional.
- iii) The invitation for expression of Interest in Form-G was published on 06.04.2023 as approved by CoC in the 2<sup>nd</sup> CoC Meeting held on 28.03.2023. Pursuant to publication in Form-G, no expression of interest had been received till the last date of submission of Expression of Interest.
- iv) Further, the CoC was of the opinion that as there is no operational activity going on at present in the Corporate Debtor and the asset base is very low, therefore, the chances of receiving a Resolution plan of the Corporate Debtor are very low. Accordingly, the CoC opined that the re-issuance of EOI will only incur unnecessary cost together with futile effort to expect any Resolution Plan in the matter.
- v) The CoC in its CoC Meeting had observed the following factors while considering the initiation of liquidation of the Corporate Debtor:-
- a) The Corporate Debtor is not in operation.
  - b) There is no immovable asset or tangible Current Asset available with the Corporate Debtor. However, there are certain Fixed Assets like some furniture items and Laptops which are not usable. Further, in Current Asset, no



inventory is available except outstanding Book debts recovery of which is difficult.

- c) The Corporate Debtor has one intangible asset i.e., Software-MS Office under the head Intangible Assets.
- d) The Corporate Debtor has made no investments as per the Audited Balance Sheet as of 31 March 2022.
- vi) The CoC in its 3<sup>rd</sup> CoC Meeting held on 02.05.2023 with 100% voting in favor had resolved to proceed with the Liquidation of the Corporate Debtor under Section 33 of the Code, 2016. The relevant extract of the said resolution is extracted below:-

**"RESOLVED THAT** pursuant to the provision of Section 33(2) of the Insolvency and Bankruptcy Code, 2016 (including all the amendments and modifications for the time being in force) and rules and regulations made thereunder, approval of committee of creditors be and is hereby accorded to initiate liquidation proceedings of Lagrowth Associates Private Limited ("Corporate Debtor") and authorise Mr. Mohan Lal Jain, Resolution Professional to file an application for initiation of the liquidation proceedings with the Adjudicating Authority.

**RESOLVED FURTHER THAT** the committee be and are hereby authorise, Mr. Mohan Lal Jain, Resolution Professional to continue to manage the affairs of the corporate debtor including defending the legal cases filed or that may be filed against the Corporate Debtor, until an order of liquidation of the corporate debtor is passed by the Adjudicating Authority.

**RESOLVED FURTHER THAT** the committee be and are hereby approve the expenses to be incurred for managing the affairs of the Corporate Debtor and for defending such legal cases filed or that may be filed in any court against the Corporate Debtor by any party in relation to the CIRP process of the corporate debtor. The said expenses to be incurred shall be treated, constituted and form part as Corporate Insolvency Resolution Process (CIRP) Cost of Lagrowth Associates Private Limited.

**RESOLVED FURTHER THAT** the Committee hereby authorizes Mohan Lal Jain, Resolution Professional to undertake debit transactions of the said expenses and to do all acts, deeds and matters as may be necessary to give effect to this resolution."

Since 100% vote in favour of the Resolution was obtained, the proposed Resolution was declared as PASSED.

(Extract of the Resolution No.1 passed in the 3<sup>rd</sup> CoC Meeting)



- vii) The Committee of Creditor in 4<sup>th</sup> CoC meeting had resolved to appoint Ms. Soniya Gupta, Insolvency Professional having IP registration number IBBI/IPA-002/IP-N01155/2021-2022/13863 to act as the Liquidator for the purpose of Liquidation proceedings of the Corporate Debtor. In pursuance to the same, Ms. Soniya Gupta, had given her consent to act as the Liquidator of the Corporate Debtor.
3. We have considered the submissions made by the Learned Counsel on behalf of the applicant/Resolution Professional and upon perusing the material available on record, it is observed that the CoC in its commercial wisdom has decided to liquidate the Corporate Debtor. Further, it was noted that in the event of cessation of the Corporate Debtor's operation and in absence of the assets of the Corporate Debtor, the process of inviting the resolution plan and publishing for Form G will not be fruitful and CoC felt the best option is to initiate the liquidation of the Corporate Debtor.
4. From the minutes of the 3<sup>rd</sup> CoC meeting held on 02.05.2023, it is observed that the CoC has unanimously decided to liquidate the Corporate Debtor and further in the 4<sup>th</sup> CoC Meeting decided to appoint Ms. Soniya Gupta, as the liquidator of the Corporate Debtor.
5. At this juncture, it is relevant to refer the judgment of the Hon'ble NCLAT in the matter of **Sreedhar Tripathy vs. Gujarat State Financial Corporation and ors. [MANU/NL/0788/2022]** wherein at para 7, the Hon'ble NCLAT observed as follows:-
- The Explanation under Section 33(2) has been inserted by Act of 26 of 2019 contains the legislative declaration and intention. **The CoC in the Legislative Scheme has been empowered to take decision to***



*liquidate the Corporate Debtor, any time after its constitution and before confirmation of the resolution plan. The power given to the CoC to take decision for liquidation is very wide power which can be exercised immediately after constitution of the CoC. The reasons which has been given in Agenda Item 1, it is made clear by the CoC that the Corporate Debtor is not functioning for last 19 years and all machinery has become scrap, even the building is in dilapidated condition and the CIRP will involve huge costs. We are not convinced with the submission of learned counsel for the Appellant that the CoC's decision is an arbitrary decision. CoC is empowered to take decision under the statutory scheme and when in the present case the decision of the CoC for liquidation has been approved by the Adjudicating Authority, we see not good ground to interfere at the instance of the Appellant. However, we make it clear that the decision taken by the CoC was in the facts of the present case and it cannot be said that whenever decision is taken for liquidation the same is not open to judicial review by the Adjudicating Authority and this Appellate Tribunal. It depends on the facts of each case as to whether the decision to liquidate the Corporate Debtor is in accordance with the I & B Code or not. With these observations, the Appeal is dismissed.*

6. It also seen from the record that the Ms. Soniya Gupta, proposed liquidator of the Corporate Debtor has accorded her written consent in Form AA to act as the Liquidator of the Corporate Debtor along with the IBBI registration certificate and Form -FA as Annexure A-8 to the present application. Further, in light of the above submissions, this Adjudicating Authority has not received any application for approval of Resolution Plan within the timeline prescribed under Section 12 of the Code, 2016 and the Resolution Professional under Section 33(2) of the Code, 2016 had intimated this Adjudicating Authority of the decision of the committee of creditors to liquidate the Corporate Debtor being approved with 100% votes in favor in the 3<sup>rd</sup> CoC Meeting held on 02.05.2023.

7. Accordingly, the instant application **I.A./3484/ND/2023** is **allowed** and M/s. Lagrowth Associates Private Limited ('Corporate Debtor') is ordered to be liquidated with the following directions:

- a. Ms. Soniya Gupta, having IBBI Registration No. IBBI/IPA-002/IP-N01155/2021-2022/13863, and having E-Mail id: ipsoniyag@gmail.com is hereby appointed as the Liquidator as provided under Section 34(1) of the Code, 2016.
- b. The Liquidator appointed in this case to initiate liquidation process as envisaged under Chapter-III of the Code by following the liquidation process given in the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- c. The Order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and a fresh Moratorium under Section 33(5) of the Insolvency and Bankruptcy Code shall commence;
- d. All the powers of the Board of Directors, key managerial persons, the partners of the Corporate Debtor hereafter ceased to exist. All these powers henceforth vest with the Liquidator appointed under Section 34(1) of the Code, 2016.
- e. That the personnel of the Corporate Debtor are directed to extend all co-operation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor.
- f. This liquidation order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor except to the extent of the business of the Corporate Debtor continued during the liquidation process by the Liquidator.
- g. On having liquidation process initiated, subject to Section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor save and except the liberty to the liquidator to institute suit or other legal proceeding on behalf of the Corporate Debtor with prior approval of this Adjudicating Authority
- h. The liquidator shall also follow up the pending applications for their disposal during the process of liquidation including initiation of steps for recovery of dues of the Corporate Debtor as per law.
- i. The Liquidator shall submit Preliminary Report to the Adjudicating Authority within seventy-five days from the liquidation commencement date as per Regulation 13 of the Insolvency and Bankruptcy



(Liquidation Process) Regulations, 2016;

- j. Copy of this order be sent to the Corporate Debtor, CoC members, Liquidator and RoC, NCT of Delhi & Haryana for taking necessary steps.

With the above directions, this application i.e., **I.A./3484/ND/2023** in **Company Petition No. (IB)-796/ND/2022** is hereby allowed and disposed of.

**Sd/-**

**(DR. SANJEEV RANJAN)**  
**MEMBER (T)**

**Sd/-**

**(MANNI SANKARIAH SHANMUGA SUNDARAM)**  
**MEMBER (J)**