



W.P.No.13272 of 2022 and
WMP.Nos.12569 & 12571 of 2022

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 16.06.2022

CORAM

THE HONOURABLE DR. JUSTICE ANITA SUMANTH

W.P.No.13272 of 2022 and
WMP.Nos.12569 & 12571 of 2022

B.C.Mohankumar
Sole Proprietor of BCVM Traders,
64/142, Bharathiyar Vaisiyal Street,
Boganapalli Village,
Krishnagiri – 635 001.

... Petitioner

Vs

Superintendent of Central Goods & Service Tax,
Krishnagiri-1 Circle,
Krishnagiri – 635 115.

... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, calling for the records leading to the issuance of order for rejection of application for registration bearing reference number ZA330522054462W dated 13.05.2022 by the Respondent herein, and quash the same, and direct the Respondent herein to grant registration under the GST enactments to the Petitioner.

For Petitioner : Mr.Adithya Reddy
For Respondent : Mr.Prakash
for Mr.Rajendran Raghavan,
Senior Standing Counsel



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ORDER

Heard Mr.Adithya Reddy, learned counsel for the petitioner and Mr.Prakash, learned counsel for Mr.Rajendran Raghavan, learned Senior Standing Counsel for the respondent.

2.Though the respondent has not filed a counter, the learned counsel for the respondent is in possession of necessary particulars and is ready to argue the matter and hence present orders are passed after hearing both the learned counsel.

3.The petitioner assails an order dated 13.05.2022 rejecting his application for registration under the provisions of the Central Goods and Service Tax Act, 2017 (in short 'CGST Act'). The main ground upon which the order is assailed is that it is cryptic and entirely non-speaking.

4.The petitioner had made an application seeking registration in accordance with Section 22 r/w Section 25 of the CGST Act and Rule 8 of the CGST Rules. The registration sought was in respect of a rice mandi, the receipt of the application is duly acknowledged and physical verification (pv) was also duly undertaken.



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4. Thereafter, a notice came to be issued by the respondent officer seeking a clarification with respect to the application for registration. The clarification sought was that the application did not enclose the details of principal place of business of the petitioner. The application in which the additional information has sought is as follows:

'1. Principal Place of Business – Address – Others (Please specify) – P.V. officer reported that PV is verified and found in order (except proof of PPOB not uploaded) please clarify'

5. The petitioner duly responded uploading a copy of the rental / lease deed duly registered in the office of the Sub-Registrar, Krishnagiri as proof of principal place of business. Proof of uploading of the aforesaid document is placed on file at page No.34. The impugned order has, however, come to be passed rejecting the application by way of a monosyllabic order dating 13.05.2022 simply 'rejected' without assigning any reasons or explanation for rejection thereof.

6. In my considered view, an order of this nature is indefensive insofar as it is non-speaking, arbitrary and evidently has not taken into account the explanation furnished by the petitioner. Learned counsel for the respondent refers to Rule 9(4), particularly the deployment of the word 'may' herein, that according to him, grants discretion to the authority to assign reasons. This



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submission is only stated to be rejected. Rule 9(4) of the Central Goods and Services Tax Rules, 2017 is extracted below:

'9. Verification of the application and approval

.....

(4) Where no reply is furnished by the applicant in response to the notice issued under sub-rule (2) or where the proper officer is not satisfied with the clarification, information or documents furnished, he [may], for reasons to be recorded in writing, reject such application and inform the applicant electronically in FORM GST REG-05.'

7.As the evident, the word 'may' only refers to the discretion to reject and not to blatantly violate the principles of natural justice. If the assessing authority is inclined to reject the application, which he is entitled to, he must assign reasons for such objection and adhere to proper procedure, including due process.

8.In light of the above discussion, the impugned order is set aside. Let the petitioner be heard on the objection raised and orders be passed on the application for registration dated 13.05.2022 within a period of four (4) weeks from today. This writ petition is allowed. No costs. Consequently, connected miscellaneous petitions are closed.

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16.06.2022

Index : Yes
Speaking Order



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To

Superintendent of Central Goods & Service Tax,
Krishnagiri-1 Circle,
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Dr.ANITA SUMANTH, J.

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