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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Date of Decision: 13.08.2024*

\+ **<u>W.P.(C) 7455/2024</u>**

NUTECH APPLIANCES .....Petitioner
Through: Mr Nitin Gulati and Ms Reena Gulati Advocates.

versus

SUPERINTENDENT RANGE-35, CENTRAL GOODS AND SERVICES TAX & ANR. .....Respondents
Through: Mr Arnav Kumar, SCC and Mr Chetanya Kapoor, Advocates.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE SACHIN DATTA

<u>VIBHU BAKHRU, J.</u> (*ORAL*)

1. The petitioner has filed the present petition, *inter alia,* impugning the order dated 27.05.2023 (hereafter *the impugned order*), whereby the petitioner's Goods and Services Tax (GST) registration was cancelled with retrospective effect from 22.04.2018.

2. The impugned order was issued pursuant to the Show Cause Notice dated 25.04.2023 (hereafter *the SCN*). The only reason set out in the SCN proposing to cancel the petitioner's GST registration reads as under:-

> "1 In case, Registration has been obtained by means of fraud, wilful misstatement or suppression of facts."

3. The petitioner was called upon to reply to the SCN within seven working days from the date of the service of the SCN and was also directed

to appear before the proper officer on 01.05.2023 at 03:00 PM. Additionally, the petitioner's GST registration was suspended with effect from the date of issuance of the SCN, that is, with effect from 25.04.2023.

4. The petitioner, thereafter, applied for revocation of the petitioner's GST registration in terms of an application dated 08.02.2024 and also sought condonation of delay in filing the same. The proper officer condoned the delay in filing the said application by an order dated 14.02.2024, however, thereafter, issued the Show Cause Notice dated 22.02.2024 stating that he has examined the application of the petitioner and found that the same was liable to be rejected. The reason set out for proposing to reject the said application of the petitioner reads as under:-

> "1.Reason for revocation of cancellation - Others (Please specify) - plz upload your KYC documents and join investigation with Anti Evasion branch of CGST Delhi North and get NOC from them."

5. Thereafter, the petitioner's application seeking revocation of the cancellation of the GST registration was rejected by an order dated 16.04.2024.

6. The learned counsel for the petitioner states that he has no objection to submitting his KYC documents and has done so before. However, he has not received the notice in respect of any other proceedings and the requirement to obtain a 'No Objection Certificate' (NOC) is not supported by any statutory provision.

7. It is apparent from the facts as noted above that the SCN did not specify any intelligible reason for proposing to cancel the petitioner's GST

registration. Although, it is stated that the registration has been obtained by means of fraud, wilful misstatement or suppression of facts, it did not set out any particulars regarding fraud or indicate any statement, which was alleged to be a misstatement or provide any details of the facts, which were allegedly suppressed.

8. The purpose of a show cause notice is to enable the noticee to respond to the allegations. In the present case, since the SCN did not contain any specific details, it was incapable of eliciting any meaningful response. The SCN was cryptic and fails to meet the standards of a show cause notice.

9. The impugned order is also bereft of any details. It merely mentions that it is in reference to the SCN. It is important to note that the SCN did not propose cancellation of the petitioner's GST registration with retrospective effect. However, the impugned order proceeded to cancel the petitioner's GST registration with retrospective effect from 22.04.2018.

10. In view of the above, neither the SCN nor the impugned order cancelling the petitioner's GST registration can be sustained. As is apparent from the above, the impugned order has been passed in violation of the principles of natural justice.

11. We, accordingly, set aside the SCN and the impugned order. The respondents are directed to restore the petitioner's GST registration forthwith.

12. We clarify that this order will not preclude the respondents from initiating any proceedings against the petitioner including the proceedings

for cancelling the petitioner's GST registration with retrospective effect or for any statutory violations, *albeit,* in accordance with law.

13. The petition is disposed of in the aforesaid terms.

VIBHU BAKHRU, J

SACHIN DATTA, J

AUGUST 13, 2024
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Click here to check corrigendum, if any