



\$~122

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

%

Date of Decision : 08.08.2024

+ **W.P.(C) 10984/2024 & CM APPL. 45323/2024**

ANUP SHARMA

.....Petitioner

Through: Mr Anurag Rajput, Mr Sahib Rajput,
Mr Dhruv Bhardwaj, Ms Parul Bisht,
Ms Priyavansh Kaushik, Mr Alekh,
Ms Varsha and Ms Jadkirat Kaur,
Advocates..

versus

AVATO WARD 63 STATE GOODS
AND SERVICE TAX & ANR.

.....Respondents

Through: Mr.Rajeev Aggarwal, ASC and
Mr.Shubham Goel, Advocate.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE SACHIN DATTA

VIBHU BAKHRU, J. (ORAL)

1. Issue notice.
2. The learned counsel for the respondents accept notice.
3. The petitioner has filed the present petition impugning the show cause notice dated 04.07.2024 (hereafter the *impugned SCN*) issued by the proper officer calling upon the petitioner to show cause as to why his Goods and Service Tax (GST) registration not be cancelled.
4. The only reason set out in the impugned SCN for proposing to cancel the petitioner's GST registration reads as under:-

“1. Rule 21 (b)- person issues invoice or bill
without supply of goods or services or both in



violation of the provisions of the Act, or the rules made thereunder.”

5. The petitioner was also called upon to file a reply to the impugned SCN within seven working days from the date of service of the notice and was also directed to appear before the proper officer on 11.07.2024. Additionally, the petitioner’s GST registration was suspended with effect from 04.07.2024, being the date of the impugned SCN.
6. The petitioner submitted his reply to the impugned SCN on 05.07.2024 stating that the impugned SCN is cryptic and no specific allegations as to which bill or invoice was issued without the supply of goods or services or both have been mentioned. The petitioner has also raised an objection to the impugned SCN on the ground that no name and designation of the officer is mentioned in the impugned SCN.
7. It is contended that one month has elapsed after the reply was submitted by the petitioner, yet no decision has been taken on the impugned SCN. In the meanwhile, by virtue of the impugned SCN, the petitioner’s GST registration remain suspended. The petitioner is essentially aggrieved by the same.
8. It is apparent from the impugned SCN that the same does not provide any specific reason for proposing to cancel the petitioner’s GST registration. The impugned SCN has merely reproduced Rule 21(b) of the Central Goods and Services Tax Rules, 2017 (hereafter *the CGST Rules*). The impugned SCN also does not indicate as to which bill or transaction is alleged to be in non-compliance of the statutory provisions.
9. Although, Rule 21(b) of the CGST Rules provides for the cancellation



of the GST registration in case the tax payer issues the invoice or bill without the supply of goods or services in violation of the provisions of the CGST Act. However, the Proper Officer has failed to specify as to which invoice / bill has been allegedly issued by the petitioner without the supply of goods or services. No document is annexed with the impugned SCN which provides any clue as to which allegation is sought to be raised.

10. The purpose of issuance of the show cause notice is to enable the noticee to respond to the allegations on the basis of which an adverse action is premised. Absent of any specific allegations, the issuance of the show cause notice remains meaningless.

11. In the present case, the impugned SCN fails to meet the requisite standards of the show cause notice. Thus, the impugned SCN is liable to be set aside.

12. Accordingly, the present petition is allowed. The impugned SCN is set aside. The respondents are directed to restore the petitioner's GST registration forthwith. It is clarified that this order will not preclude the proper officer from initiating any fresh proceedings, if warranted, in accordance with law.

13. Pending application also stands disposed of.

VIBHU BAKHRU, J

SACHIN DATTA, J

AUGUST 08, 2024

M

Click here to check corrigendum, if any