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

\+ W.P.(C) 12696/2024 & CM No.52864/2024

HEERA LAL PROP UTKARSH TRADERS .....Petitioner

Through: Mr. Himanshu Jain, Adv.

Versus

COMMISSIONER OF CENTRAL GOODS AND SERVICES TAX AND ANR .....Respondents

Through: Mr. Gibran Naushad, Adv.

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

O R D E R

% 19.09.2024

1. The petitioner has filed the present petition impugning the Show Cause Notice dated 21.08.2023 (hereafter *the impugned SCN*) issued by the proper officer proposing to cancel the petitioner's GST registration. The only reason set out in the impugned SCN for proposing to cancel the petitioner's GST registration reads as under:

> "1. Section 29(2)(e)-registration obtained by means of fraud, wilful misstatement or suppression of facts."

2. The petitioner was called upon to furnish a reply to the impugned SCN within a period of seven working days from the date of service of the impugned SCN and to appear before the concerned proper officer on 28.08.2023 at 04:33 PM. Additionally, the petitioner's GST registration was suspended with effect from 21.08.2023.

3. The petitioner filed a response to the impugned SCN stating that he had not obtained the registration by means of fraud, wilful misstatement or suppression of facts. He submitted that the same was obtained on the basis of valid legal documents attached along with the said response. The petitioner also submitted copies of his Aadhar card; PAN card; Rent Agreement

pertaining to his principal place of business and electricity bill. Admittedly, the impugned SCN has not been adjudicated till date. Consequently, the petitioner's GST registration remains suspended without any adjudication.

4. The learned counsel appearing for the respondent submits that there are several discrepancies in the documents submitted by the petitioner in response to the impugned SCN and the matter has been referred to Anti-Evasion Branch.

5. It is at once clear from the impugned SCN that the same fails to satisfy the minimum standard requirements of a show cause notice. The proper officer has merely reproduced Clause (e) of Section 29(2) of the Central Goods & Services Tax Act, 2017 which enables the proper officer to cancel a taxpayer's GST registration if the same has been obtained by means of fraud, wilful misstatement or suppression of facts. The impugned SCN is bereft of any specific allegation. The impugned SCN neither indicates the alleged fraud nor the statement alleged to be a wilful misstatement. It provides no clue as to the facts alleged to have been suppressed.

6. The object of a show cause notice is to enable a noticee to respond to the allegations on the basis of which adverse action is proposed. Tested on the said anvil, the SCN is incapable of eliciting a meaningful response except a bare denial.

7. In view of the above, the impugned SCN is set aside. The respondents are directed to forthwith restore the petitioner's GST registration. We clarify that this would not preclude the respondents from initiating any action for any statutory non-compliance or for recovery of dues in accordance with law.

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

VIBHU BAKHRU, J

SACHIN DATTA, J

SEPTEMBER 19, 2024
'gsr'