



\$~26

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

% *Date of Decision: 09.08.2023*

+ **W.P.(C) 2732/2023 and CM APPL. 10537/2023**

SINGLA EXPORTS

..... Petitioner

Through: Mr Puneet Agrawal, Mr
Kashish Gupta, Ms Mansi
Khurana and Mr Chetan Kumar
Shukla, Advocates.

versus

CENTRAL BOARD OF INDIRECT
TAXES AND CUSTOMS & ORS.

..... Respondents

Through: Ms Anushree Narain, Standing
Counsel.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE AMIT MAHAJAN

VIBHU BAKHRU, J.

1. The petitioner has filed the present petition, *inter alia*, impugning an order dated 22.06.2022 (hereafter '**the impugned order**'), whereby the petitioner's GST Registration was cancelled with retrospective effect from 02.07.2017.

2. It is contended on behalf of the petitioner that the impugned order was passed pursuant to a Show Cause Notice dated 10.06.2022 (hereafter '**the impugned Show Cause Notice**') that did not disclose the specific reasons for proposing the cancellation of the petitioner's



GST Registration. The petitioner had also applied for cancellation of its GST Registration with effect from 30.04.2022 on the ground that it had discontinued its business operations. However, the said application was not processed on the ground that the petitioner had failed to respond to the said impugned Show Cause Notice seeking further documents and details.

3. The impugned order was issued pursuant to the impugned Show Cause Notice, whereby the Adjudicating Officer had proposed to cancel the petitioner's GST Registration for the following reasons:

“1 Non compliance of any specified provisions in the GST Act or the Rules made thereunder as may be prescribed.”

4. As is apparent from the above, there is merit in the contention that the impugned Show Cause Notice did not contain any specific ground for proposing the cancellation of the petitioner's GST Registration.

5. It is settled law that a Show Cause Notice must specify the reasons for the proposed action so as to enable the noticee to respond to the same. In the present case, the impugned Show Cause Notice did not provide any clue as to which provisions of the GST Act or the GST Rules were allegedly violated by the petitioner.

6. We accept the contention that the impugned Show Cause Notice was incapable of eliciting any meaningful response. Plainly, the impugned order passed pursuant to the impugned Show Cause Notice cannot be sustained for the same reason. It is relevant to note that the



only reason provided in the impugned order for cancelling the petitioner's GST registration is that the petitioner had not submitted any response to the impugned Show Cause Notice and had not appeared for a personal hearing. The impugned order does not indicate the alleged statutory violations on account of which the petitioner's GST registration was cancelled.

7. The petitioner neither responded to the impugned Show Cause Notice nor appeared before the concerned Officer on 17.06.2022 for a personal hearing. Notwithstanding the same, for the reasons as aforesaid, neither the impugned Show Cause Notice nor the impugned order can be sustained. The same are, accordingly, set aside.

8. Insofar as the petitioner's application for cancellation of the GST Registration with effect from 30.04.2022 is concerned, the said application was rejected by an order dated 10.06.2022 on the ground that the petitioner had not responded to the notice dated 17.05.2022 calling upon the petitioner to submit certain documents including the bank statements, sale and purchase ledger etc. The reasons for rejecting the petitioner's application for cancellation as reflected in the order dated 10.06.2022 is that the petitioner had not responded to the reply or appeared for the personal hearing. However, it is not disputed that no notice of personal hearing was communicated to the petitioner.

9. Curiously, the order dated 10.06.2022 while rejecting the petitioner's application on the ground that no reply had been received, also stated that the petitioner's reply was examined. It appears that the order is auto-generated. It is also noticed that the order dated



10.06.2022 rejecting the petitioner's application is not signed by the concerned person.

10. In view of the above, we consider it apposite to set aside the order dated 10.06.2022 rejecting the petitioner's application and remand the matter to the concerned officer to consider afresh.

11. The petitioner has filed certain documents in these proceedings. The petitioner is also at liberty to file further documents in response to the Show Cause Notice dated 17.05.2022 within a period of two weeks from today. Needless to state that the Adjudicating Authority shall pass an order informed by reason, after affording the petitioner an opportunity to be heard.

12. The petition is disposed of in the aforesaid terms. The pending application is also disposed of.



VIBHU BAKHRU, J

AMIT MAHAJAN, J

AUGUST 9, 2023
RK