

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION**

**WRIT PETITION NO.3643 OF 2022**

SAT Industries Limited, Through  
Mr. Harikant Turgalia

... Petitioner

Vs.

Union of India, Through The Secretary,  
Department of Revenue, Ministry of Finance  
& Anr.

... Respondents

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Mr. Vineet Kothari, Senior Advocate, Mr. Mehul Kothari, Advocate i/by Mr.  
Nikhil Rungta for Petitioner.

Ms. Jyoti Chavan, AGP for Respondent No.2.

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**CORAM : K.R. SHRIRAM &  
A.S. DOCTOR, JJ.**

**DATED : 29<sup>th</sup> AUGUST 2022**

**PC. :**

1. Petitioner has been issued a show cause notice for cancellation of Registration dated 8<sup>th</sup> August, 2022 and in show cause notice itself it is provided that “Please note that your registration stands suspended with effect from 08/08/2022”.

2. It is Petitioner’s case that this order has been issued in the show cause notice itself without affording any opportunity to Petitioner of being heard.

3. Mr. Kothari appearing for Petitioner submitted that the original Sub-Rule (2) of Rule 21A of the Central Goods and Service Tax Rules, 2017 (“CGST Rules”) provided that a party shall be given a reasonable opportunity of being heard before passing of a suspension order, which portion has been deleted by a Notification dated 22<sup>nd</sup> December, 2020. Mr. Kothari submitted that this goes against the principle of natural justice because implication of such a suspension is drastic. A registered person whose registration has been suspended cannot make any taxable supply during the period of suspension and shall not be granted any refund during the period of suspension. Therefore, Petitioner is challenging the omission of the words “after affording the said person a reasonable opportunity of being heard” in Sub-Rule (2) of Rule 21A of the CGST Rules, 2017.

4. Petitioner is challenging both CGST as well as MGST Rules in this regard. Therefore, notice has to be issued to the learned Attorney General of India as well as the Advocate General.

5. Registry to issue notice.

6. As regards the Advocate General, Ms. Chavan states that she will accept the notice and no formal notice is required to be given.

7. Affidavit-in-Reply to be filed within three weeks from receiving of notice. Rejoinder, if any, to be filed within two weeks thereafter.

8. Petition to be listed on 10/10/2022.

9. In the meanwhile, there shall be ad-interim stay in terms of prayer clause (c), which reads as under :-

*“(c) that pending the hearing and final disposal of the petition, this Hon’ble Court may be pleased to :-*

*(i) this Hon’ble Court may be pleased to stay the effect and operation of the impugned show cause notice dated 08.08.2022 (Annexure-1) vide which, the registration certificate of the petitioner under the GST Act has been suspended;*

*(ii) direct the Respondents to revoke the suspension of the Petitioner’s GST registration immediately and restore the same.”*

**(A.S. DOCTOR, J.)**

**( K.R. SHRIRAM, J.)**