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

+ W.P.(C) 519/2023 & CM APPLs. 2075/2023, 2077/2023
MS KOENIG SOLUTIONS PVT LIMITED

..... Petitioner

Through: Ms. Aashna Suri & Mr.
Vashu P. Jain, Advocates.

versus

UNION OF INDIA & ORS. Respondents

Through: Mr. Raj Kumar, SPC for
R-1, UOI.
Mr. Unmukt Gera, Adv.
for Mr. Satyakam, Adv.
ASC, for R-2 & 3.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE AMIT MAHAJAN

ORDER

23.02.2023

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1. The petitioner has filed the present petition, *inter-alia*, impugning the Show Cause Notice dated 13.01.2023 as well as the suspension of its registration under the Central Goods and Services Tax Act, 2017 (hereafter "the Act").

2. The petitioner has also challenged the provisions of Sub-Section (2) of Section 29 of Act and Rule 21 & Rule 21A of the Central Goods and Services Tax Rules, 2017.

3. The petitioner is essentially aggrieved by cancellation of its GST registration.

4. The respondent no. 3 had issued a Show Cause Notice dated 13.01.2023, calling upon the petitioner to furnish a reply to the notice within seven working days from the date of service of the notice. The Show Cause Notice indicated that the concerned Authority proposed to cancel the petitioner's registration for the

following reason:

“Letter from Dy. Comm.(AE-II) CGST, suspicious transaction through Innovation Software Exports Ltd.”

5. The said Show Cause Notice also stated that the petitioner’s GST registration was suspended w.e.f. 13.01.2023.

6. The petitioner has challenged the said Show Cause Notice as *ex facie* illegal and without application of mind. Undisputedly, the implication of the suspending the petitioner’s registration has a cascading adverse effect on its business as well as business of other persons who had transacted with the petitioner.

7. The present petition was first listed on 17.01.2023 and this court had passed the following order:

“3. Issue notice.

4. Mr. Satyakam accepts notice.

5. The petitioner shall file a reply to the show cause notice within a period of two working days from today. He shall appear before Mr. Chhotey Singh, GST Officer, Ward 55 on 20.01.2023 at 10.30 a.m. The concerned officer shall pass the speaking order after affording the petitioner an opportunity to be heard within a period of two working days thereafter.

6. Counter affidavit be filed within a period of one week from today. Rejoinder, if any, be filed before the next date of hearing.

7. List on 23.02.2023.”

8. Counter affidavit has been filed. The same indicates that in compliance with the order dated 17.01.2023, the representative of the petitioner had filed a reply and was also afforded an opportunity to be heard. The respondent has since revoked the suspension of the petitioner’s registration and the same is active.

9. It is also stated that the respondent has issued a demand notice dated 15.02.2023 under Section 73(5) raising a demand of ₹6,37,916.00/-. The said demand notice also states that in the event the demand is not paid, a Show Cause Notice under Section

73(1) would be issued.

10. The petitioner's grievance insofar as suspension / cancellation of its registration is concerned, stands addressed.

11. We also note that the question whether the petitioner is liable to pay the amount as demanded appears to be a contentious one. However, we do not consider it apposite to examine that issue in this petition. Needless to state that the petitioner is at liberty to avail of such remedies in respect to the said demand notice as available in accordance with law.

12. The petitioner's challenge to Sub-Section (2) of Section 29 of Act and Rule 21 & Rule 21A of the GST Rules is also founded on the respondent's action suspending and cancelling the petitioner's GST registration. Since the said grievances are addressed, we do not consider it apposite to consider the challenge to Sub-Section (2) of Section 29 of Act and Rule 21 & Rule 21A of the GST Rules.

13. The petition is disposed of.

14. All rights and contentions of the petitioner are reserved.

VIBHU BAKHRU, J

AMIT MAHAJAN, J

FEBRUARY 23, 2023/ "SK"