



\$~29

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

% *Date of Decision: 01.09.2023*

+ W.P.(C) 11610/2023 & CM APPL. 45296/2023

GREEN POLYMERS

..... Petitioner

Through: Mr. Sunil Dalal, Sr. Adv. with Ms. Manisha Saroha, Mr. Mahabir Singh, Mr. Navish Bhati, Mr. Nikhil Beniwal, Mr. Suresh Chaudhary, Mr. Gagan Kumar Singhal & Mr. Rahul Dev, Advs.

versus

UNION OF INDIA & ORS.

..... Respondents

Through: Mr. Jitesh Vikram Srivastava & Mr. Ravindra Vikram Singh, Advs. for R1.
Mr. Harpreet Singh, SSC with Ms. Suhani Mathur, Adv.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE AMIT MAHAJAN

VIBHU BAKHRU, J.

1. Issue notice.
2. The learned counsel for the respondents accepts notice.
3. The petitioner has filed the present petition, *inter alia*, impugning the show cause notice dated 30.06.2023 (hereafter '**the impugned SCN**') proposing to cancel the petitioner's GST registration for the following reasons.



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

4. The petitioner also impugns the order dated 08.08.2023 (hereafter ‘**the impugned order**’) cancelling the petitioner’s GST registration with effect from 20.07.2022. The impugned order is set out below:-

“Reference Number: ZA0708230446693

Date 08/08/2023

To

AMIT GOYAL

HOUSE NO.A-34, KHASRA N0.40/31.GROUND FLOOR,KHERA

GARHI STREET N0.-4,New Delhi. North

Delhi, Delhi,110082

GSTIN/ UIN :07DCOPG1543MIZB

Application Reference Number(ARN): AA0706230935508

Date

07/07/2023

Order for Cancellation of Registration

This has reference to show cause notice issued dated 30/06/2023.

The effective date of cancellation of your registration is 20/07/2022

3. It may be noted that a registered person furnishing return under sub-section (1) of section 39 of the CGST Act, 2017 is required to furnish a final return in FORM GSTR-10 within three months of the date of this order.
4. You are required to furnish all your pending returns.
5. It may be noted that the cancellation of registration shall not affect the liability to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.

Place: RANGE – 44

Date: 08/08/2023

Naveen Kumar Manchanda
Superintendent
Ward 71”



5. It is apparent from the above that the impugned order cancelling the petitioner's GST registration is not informed by reason, does not provide any clue as to why the petitioner's GST registration has been cancelled.

6. The petitioner is an individual (holds GST No.07DCOPG1543MIZB) and carries on the business under a sole proprietorship concern named M/s Green Polymers. The petitioner claims that his principal place of business was located at H. No. A-34, Khasra No. 40/31, Ground Floor, Khera Garhi, Street No.4, New Delhi, 110082. On 16.05.2023, he had requested respondent no.2&3 to update his address in the records.

7. Thereafter on 19.05.2023, the petitioner was issued a show cause notice, *inter alia*, proposing to cancel its GST registration on the ground that it was obtained by 'fraud, wilful misstatement or suppression of facts'. The petitioner contested the said show cause notice. However, without referring to any of the material, as provided by the petitioner, the respondents cancelled the petitioner's GST registration by an order dated 15.06.2023. The petitioner immediately applied for revocation of the cancellation of the GST registration which was allowed by an order dated 26.06.2023, and the petitioner's GST registration was restored.

8. Notwithstanding that the petitioner's GST registration was restored on 26.06.2023; the respondent issued the impugned SCN on 30.06.2023 and once again cancelled the petitioner's GST registration by the impugned order.

9. It is apparent from the impugned SCN that apart from alleging that the registration was obtain by fraud, wilful misstatement or suppression of facts



– which was also the ground on which the petitioners’ GST registration was cancelled in the earlier round – it does not indicate any specific reason(s) for proposing cancellation of the petitioner’s GST registration. The impugned SCN is incapable of eliciting any meaningful response as it does not indicate as to what is the fraud allegedly perpetrated by the petitioner or the wilful misstatement allegedly made by the petitioner. It also does not indicate as to which material fact was suppressed by the petitioner. It is also not clear whether the petitioner’s GST registration is proposed to be cancelled on account of fraud or wilful misstatement or suppression of facts as all the three reasons are indicated.

10. In view of the above, the impugned order is set aside as it is not informed by reason. The impugned SCN is also set aside for the reasons stated above.

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

VIBHU BAKHRU, J

AMIT MAHAJAN, J

SEPTEMBER 1, 2023

Ch

Click here to check corrigendum, if any