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

+ W.P.(C) 4125/2023

**RISHIRAJ ALUMINIUM PRIVATE
LIMITED**

..... Petitioner

Through: Counsel (appearance not
given).

versus

GOODS AND SERVICE TAX OFFICER Respondent

Through: Mr Anuj Aggarwal, ASC,
GNCTD with Ms Arshya Singh
and Mr Siddhant Dutt,
Advocates for R-1.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE TUSHAR RAO GADELA

ORDER

17.04.2023

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1. The petitioner impugns a show cause notice dated 13.03.2023, whereby the petitioner's GST Registration was suspended and the petitioner was called upon to show cause why its GST Registration should not be cancelled.

2. The present petition was listed on 13.04.2023 and this Court had passed the following order:

“1. The petitioner has filed the present petition impugning a show cause notice dated 13.03.2023 suspending the petitioner's GST Registration and calling upon the petitioner to show cause as to why its GST Registration should not be cancelled.

2. The only reason stated in the impugned show cause notice for proposing cancellation of the petitioner's GST Registration reads as: “*Ceased to be liable to pay tax*”.

3. The petitioner states that it has been filing its tax returns regularly and also paying the taxes as due. However, the petitioner's GST Registration has been

suspended, in terms of the impugned show cause notice, on account of the cryptic reason, as set out above.

4. *Prima facie*, we are of the view that the impugned show cause notice cannot be sustained. It is bereft of any particulars and does not sufficiently set out the reasons why the petitioner's GST Registration is proposed to be cancelled.

5. Notice in the present petition was issued on 29.03.2023 and the learned counsel appearing for the respondent had sought time to take instructions and, if necessary, file a reply. This Court had acceded to the said request and granted one week's time to the respondent to file a reply. However, no such reply has been filed.

6. The learned counsel appearing for the respondent states that the main counsel, who is to argue the matter, is unwell and seeks an adjournment.

7. At his request, list on 17.04.2023.

8. It is clarified that no further adjournments would be granted."

3. Mr Anuj Aggarwal, the learned counsel appearing for the respondent, has been unable to defend the impugned show cause notice. Clearly, the show cause notice is deficient. It does not sufficiently disclose the reasons why the petitioner's GST Registration was suspended or was proposed to be cancelled. It is well settled that a show cause notice must clearly set out the reasons for proposing an adverse action in order for the noticee to respond to the same.

4. There is merit in the petitioner's contention that in the present case the petitioner was at a loss as to how to respond to the impugned show cause notice as it did not disclose any intelligible reason for proposing cancellation of the petitioner's registration.

5. In view of the above, the impugned show cause notice is set aside. The petitioner's GST Registration is restored.

6. It is clarified that this would not preclude the respondent from issuing a fresh show cause notice, clearly setting out the reasons for proposing to cancel the petitioner's GST Registration, in the event the respondent desires to proceed with the said action.

7. Needless to state, the petitioner would be given full opportunity to address the reasons before any adverse order is passed.

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

VIBHU BAKHRU, J

TUSHAR RAO GADELA, J

APRIL 17, 2023
RK