

# TAX INFO

S. No. 037 Dated 09.06.2023

Latest update on GST Law: **GST Registration cannot be suspended based on vague SCN** as given in judgement by **Delhi High Court**.

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<b>Name of Petitioner</b>	Rishiraj Aluminium Private Limited
<b>Name of Respondent</b>	Goods And Service Tax Officer
<b>Authority</b>	Delhi High Court
<b>Date of Judgement</b>	17.04.2023
<b>Appeal No.</b>	W.P.(C) 4125/2023

## **Brief Facts of the Case Law:**

The petitioner impugns a SCN 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. 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". The petitioner 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 SCN, on account of the cryptic reason.

## **Findings and Decision of the Court:**

Prima facie, 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.

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 same.

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.

In view of the above, the impugned show cause notice was set aside and the petitioner's GST Registration was restored.

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