



# Lawgics

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Judgment No.: 170  
Dt.:27-08-2024



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## Judgment Deals With

Cancellation of GST registration, alleging that assessee has issued invoices or bills without supplying goods or services by merely reproducing Rule 21(b) of the CGST Rules without providing specific details or evidence of the alleged non-compliance is unjustified. The lack of specific allegations in the SCN rendered it meaningless and deficient in meeting the requisite legal standards for a show cause notice, thus, the impugned order was set aside.

Section/Rule	Rule 21
Authority	Delhi High Court
Case Name	Anup Sharma VS Avato Ward 63 State Goods And Service Tax
Dated	08 <sup>th</sup> August, 2024
Citation	W. P. (C) 10984/2024 & CM APPL. 45323/2024

### Brief facts of the case:

The show cause notice (SCN) dated 04.07.2024 was issued calling upon the petitioner to show cause as to why his GST registration not be cancelled for the only reason that the person issues invoice or bill without supply of goods or services or both.

The petitioner's GST registration was suspended with effect from 04.07.2024, being the date of the impugned SCN.

The petitioner submitted his reply to the impugned SCN on 05.07.2024 stating that the impugned SCN is cryptic and no specific allegations as to which bill or invoice was issued without the supply of goods or services or both have been mentioned.

**Contention of the Petitioner:**

One month has elapsed after the reply was submitted by the petitioner, yet no decision has been taken on the impugned SCN and by virtue of the impugned SCN, the petitioner's GST registration remains suspended.

The impugned SCN does not provide any specific reason for proposing to cancel the petitioner's GST registration. The impugned SCN has merely reproduced Rule 21(b) of CGST Rules, 2017. The impugned SCN does not indicate as to which bill or transaction is alleged to be in non-compliance of the statutory provisions.

**Findings & Decision of the Court:**

Although, Rule 21(b) of the CGST Rules provides for the cancellation of the GST registration in case the tax payer issues the invoice or bill without the supply of goods or services in violation of the provisions of the CGST Act.

However, the Proper Officer has failed to specify as to which invoice / bill has been allegedly issued by the petitioner without the supply of goods or services. No document is annexed with the impugned SCN which provides any clue as to which allegation is sought to be raised.

The purpose of issuance of the show cause notice is to enable the noticee to respond to the allegations on the basis of which an adverse action is premised. Absent of any specific allegations, the issuance of the show cause notice remains meaningless.

Thus, the impugned SCN fails to meet the requisite standards of SCN and therefore, impugned SCN was set aside.

The Department was directed to restore the petitioner's GST registration.