

GST Registration cancelled without granting any hearing and proper reasoning not sustainable

The Hon'ble Delhi High Court in the case of *M/s. Att SYS India Pvt. Ltd. Estex Tele Pvt. Ltd. Consortium v. Commissioner of Goods and Service Tax [W.P. (C) 14494/2023 dated November 20, 2023]* allowed the writ petition and directed the Revenue Department to restore Petitioner GST Registration thereby holding that, GST Registration cancelled without granting any hearing and proper reasoning is not sustainable.

Facts:

M/s. Att SYS India Pvt. Ltd. Estex Tele Pvt. Ltd. Consortium (**"the Petitioner"**) is an Association of Person, constituted by ATT SYS India Pvt. Ltd. and Estex Tele Private Limited to execute the contract awarded by Indian Highway Management Company Limited (**"the Company"**) for conducting traffic surveys on National Highway. The Petitioner was registered under the GST Act in the year 2017.

The Contract awarded in favour of the Petitioner was terminated by the Company. Thereafter, the Company referred the dispute to the Arbitration wherein the Arbitral Tribunal directed the Company to make the payment to the Petitioner. The Petitioner was not engaged in other business, thus was filing Nil returns.

The Petitioner, after receiving the amount stated in the award, was required to discharge GST liability. The Petitioner after examining the portal found that the Petitioner's GST registration was cancelled vide order dated December 26, 2020 (**"the Impugned Order"**) by the Revenue Department (**"the Respondent"**) and therefore, the Petitioner is unable to file GST Returns. The Petitioner has also paid GST in excess of Rs. 14.90 Lakhs.

Issue:

Whether GST Registration cancelled without granting any hearing and proper reasoning is sustainable?

Held:

The Hon'ble Delhi High Court in the case of ***W.P. (C) 14494/2023*** held as under:

- Noted that, nowhere the date and time of personal hearing was mentioned the copy of Show Cause Notice (**"the SCN"**). Therefore, the Petitioner was not afforded an opportunity of hearing to contest the SCN.
- Further Noted that, the Impugned Order is not informed by reason and does not set any ground for cancellation of the Petitioner GST registration.
- Opined that, the Impugned Order cancelling the GST Registration is void and has been passed in violation of principles of Natural Justice.
- Held that, the Impugned Order is not sustainable and set aside. Hence, the Writ Petition is allowed.
- Directed that, the Petitioner GST Registration be restored by the Respondent. The Court also, directed the Petitioner to comply with statutory provisions by filing the returns in accordance with law.

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