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

% *Date of Decision: 08.08.2023*

+ W.P.(C) 10421/2023 & CM APPL. 40335/2023

M/S CUTHBERT OCEANS LLP ..... Petitioner

Through: Mr. Tarun Gulati, Sr. Adv. with  
Mr. Tarun Chawla, Adv.

Versus

THE SUPERINTENDENT OF CGST RANGE 109 DIVISION  
ROHINI ..... Respondent

Through: Mr. Harpreet Singh, SSC with Ms.  
Suhani Mathur & Mr. Jatin Kumar  
Gaur, Advs.

**CORAM:**

**HON'BLE MR. JUSTICE VIBHU BAKHRU**

**HON'BLE MR. JUSTICE AMIT MAHAJAN**

**VIBHU BAKHRU, J.**

1. Issue notice.
2. Mr. Harpreet Singh, learned counsel appearing for the respondent accepts notice.
3. The petitioner has filed the present petition, *inter alia*, impugning the show-cause notice dated 09.05.2023 (hereafter '**the impugned show-cause notice**') calling upon the petitioner to show cause as to why its registration should not be cancelled, as well as the order dated 29.05.2023 (hereafter '**the impugned order**') passed pursuant to the impugned show-cause notice.
4. The respondent issued the impugned show-cause notice proposing to cancel the petitioner's registration for the following



reasons:

“Section 29(2)(e)-registration obtained by means of fraud, willful misstatement or suppression of facts”

5. Apart from the aforesaid reason, the impugned show-cause notice did not disclose any other reason or particulars for proposing the adverse action against the petitioner. The petitioner was called upon to furnish a reply to the impugned show-cause within a period of seven days from the date of service of the impugned show-cause notice; it further directed the petitioner to appear before the respondent on 11.05.2023 at 01:00 PM.

6. The petitioner filed a response to the said show-cause notice *albeit* belatedly – after the respondent had passed the impugned order cancelling the petitioner’s GST registration.

7. As is apparent from the above, the impugned show-cause notice was bereft of any particulars and it is difficult to accept that the said show-cause notice could elicit any meaningful response. It is *trite* law that a show-cause notice must set out the allegation in order to enable the noticee to respond to the same. Merely making the bald statement that the registration was obtained by fraud, willful misstatement or suppression of facts without alluding to any such misstatement or the allegedly suppressed facts, provides no clue to the noticee as to the allegation against him.

8. The petitioner’s response to the impugned show-cause notice (although sent belatedly) indicates that the petitioner has referred to the transactions carried out by him and had quizzed the respondent; “So



what is fraud in this transaction?”. This question resonates with us as well.

9. Clearly, the impugned show-cause notice cannot be sustained and is liable to be set aside.

10. The impugned order cancelling the petitioner’s registration is equally cryptic. The said order is set out below: -

**“Form GST REG-19**

*[See Rule 22(3)]*

**Reference Number:** ZA070523228704L

**Date** 29/05/2023

To  
CUTHBERT OCEANS LLP  
Unit No 111, Aggarwal City Square, District Centre Manglam Place, New  
Delhi, North West Delhi, Delhi, 110085  
**GSTIN/UIN:** 07AAPFC1389P1ZO  
**Application Reference Number (ARN):** AA070523029624B

**Order for Cancellation of Registration**

This has reference to show cause notice issued dated 09/05/2023.

The effective date of cancellation of your registration is 07/02/2020

3. It may be noted that a registered person furnishing return under sub-section (1) of section 39 of the CGST, 2017 is require 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 to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.

Place: RANGE – 109

Date: 29/05/2023”

11. Mr. Harpreet Singh, learned counsel appearing for the respondent is also unable to shed any light on the reasons why the petitioner’s registration was cancelled, and that too retrospectively. The impugned order is not informed by reason.

12. Although the impugned order is an appealable order, but considering that this is a clear case of violation of the principles of natural justice, we have considered it apposite to entertain the present petition.

13. In view of the above, the impugned show-cause notice as well as the impugned order are set aside.

14. The petition is allowed in the aforesaid terms.

**VIBHU BAKHRU, J**

**AMIT MAHAJAN, J**

**AUGUST 8, 2023/Ch** [Click here to check corrigendum, if any](#)