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GST Digest

- Recent case laws

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Where no reason had been assigned for cancellation of registration of petitioner-assessee by respondent-department and by various judgments, it was held that reasons are heart and soul of any judicial and administrative order, therefore, cancellation order passed against petitioner-assessee by respondent-department was quashed and matter was remanded-Allahabad HC

Where assessee's GST registration was cancelled but assessee was willing to pay all dues, directed that subject to assessee depositing all taxes, interest, late fees, penalties etc. due and complying with other formalities, assessee's application for revocation of cancellation will be considered in accordance with law-Orissa HC

Where summons were issued by State GST authority for utilization of inadmissible ITC pertaining to two firms had been already investigated by State authorities, Central Authorities had no jurisdiction to investigate, however, investigation relating to ITC from third firm, no other authority except State authority had initiated investigation, State GST should not carry out further investigation in respect of first two firms but investigation pertaining to third firm could be continued-Gauhati HC



Cancellation of GST registration should not be withheld due to pending assessment proceedings or recovery of statutory dues, as cancellation does not absolve liability for past acts-Delhi HC

DGGI has no power to transfer case pending before State GST authority to itself: Punjab and Haryana HC

Adjudicating authority is bound to consider reply to show-cause notice and record reasons as to why reply is not satisfactory; mere rejection of reply by a single line is not sustainable-Calcutta HC

Notice issued in SLP filed against order of HC which directed CGST Authorities to transfer investigation to State Authorities-Supreme Court of India

HC directs authority to refund amount withheld due to transitional ITC mismatch which was later allowed-Patna HC

Where assessee requested adjournments citing medical reasons, impugned assessment order set aside and treated as show cause notice, allowing submission of objections after depositing 25% of disputed tax-Madras HC

Seizure of cash during GST search operations without explicit legal authority is impermissible and subject to return with interest-Delhi HC

Online platform merely connecting supplier and recipient not covered under Section 9(5) of CGST Act: West Bengal AAR

HC allows revenue to upload summary of order as defective Form DRC-07 could not be enforced against assessee-Calcutta HC

1. **Delhi HC in the case of Guruji Enterprises Vs Principal Commissioner Delhi Goods and Services Tax[W.P.(C) 12122 of 2024/CM APPL. 50448 of 2024 Dated 02.09.2024]**

Assessee's GST registration cancelled retrospectively from 01.07.2017 without providing reasons or opportunity to be heard.

Assessee had applied for cancellation w.e.f. 30.11.2020 due to closure of business.

HELD: Cancellation order passed in violation of principles of natural justice and without cogent reasons is liable to be set aside.

Cancellation directed to be effective from 08.02.2021, being date of application for cancellation.

Revenue not precluded from initiating proceedings for any statutory non-compliance or recovery of dues - Writ petition disposed of [Sections 29(2) of Central Goods and Services Tax Act, 2017/Delhi Goods and Services Tax Act, 2017].

2. **Orissa HC in the case of Atulya Minerals Vs Commissioner of State Tax[W.P.(C) No. 22157 of 2024 Dated 10.09.2024]**

Application for unblocking under Rule 86A(2) rejected without reasons.

HELD: Rule 86A(2) provides inbuilt redressal mechanism allowing dealer to satisfy authority during blocking period that there is no reason to continue blocking.

Rejection order set aside for lack of application of mind.

Matter remanded for fresh consideration within 3 weeks.

SWrit petition disposed of [Section 164 of Central Goods and Services Tax Act, 2017/Orissa Goods and Services Tax Act, 2017 - Rule 86A of Central Goods and Services Tax Rules, 2017/Odisha Goods and Services Tax Rules, 2017]