



**SUSPENSION OF GST REGISTRATION
& THE RECENT AMENDMENT
TO RULE 21A (2) OF CGST RULES, 2017.**

AUGUST 29th, 2022

OVERVIEW



- ❖ The CGST Rules vide notification dated 22.12.2020, omitted words "*after affording the said person a reasonable opportunity of being heard*" from Rule 21A sub-rule (2), thereby empowering the department / authority to suspend a GST Registration of a certificate holder without it being heard.
 - ❖ The said amendment in law was challenged by way of a Writ Petition being **CW No.3643/2022** before **Hon'ble Bombay High Court** wherein the petitioner namely **SAT Industries** registration was suspended without any opportunity of hearing to it.
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WHY SUSPENSION OF GST CERTIFICATE IN ABSENCE OF AN OPPURTUNITY IS BAD IN THE EYES OF LAW?



A Writ Petition was filed before the Hon'ble Bombay High Court through its **Advocate Vinay Kothari** mainly on the following grounds: -

- ❖ That the impugned notification dt. 22.12.2020, devoiding the certificate holder, of an opportunity before the suspension of the GST certificate is ultravires the Constitutional values.
 - ❖ That the said amendment is ultravires Art.14 as the same breaches Principles of Natural Justice, as the department had grossly failed to reason out the unnecessary omission of *“after affording the said person a reasonable opportunity of being heard”* without assigning any reasons etc.
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CONSTITUTIONAL VALIDITY OF THE IMPUGNED NOTIFICATION



- ❖ That the amendment being violative of Article 19(1)(g) of the Constitution of India has caused extreme hardship, irreparable loss, prejudice, distress and harassment to the valid GST certificates holder.
 - ❖ That it is a settled legal position of law that reasons are heart and soul of the order and non communication of same itself amounts to denial of reasonable opportunity of hearing, resulting in miscarriage of justice.
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ORDER OF HON'BLE BOMBAY HIGH COURT



- ❖ That the petitioner while challenging impugned show cause notice dated 8.8.2022 vide which its GST Registration was suspended also challenged the said amendment in law.
 - ❖ The petitioner was represented by **Dr. Vineet Kothari, Senior Advocate.**
 - ❖ The Hon'ble Court while speaking through bench comprising of **Hon'ble Mr. Justice K.R. Shriram and Hon'ble Mr. Justice A.S. Doctor** and while appreciating the arguments of the petitioner, directed the learned Advocate General and learned ASG to accept notices looking into the nature and importance of the matter.
 - ❖ The Hon'ble Court while appreciating the entire controversy vide its interim order dtd.29.8.2022 in favour of the petitioner thereby staying the effect and operation of suspension order.
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OUR ORGANIZATION

LAW DIVISION

Dr. Justice Vineet Kothari (Former)
Adv Meena Kothari
Adv Vinay Kothari
Adv Devendra Singh Chouhan
Adv Mehul Kothari
Adv Pradeep Singh Khichi
Adv Ayush Goyal
Adv Lucky Agarwal
Adv Adarsh Kothari
Adv Richa Kothari
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