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**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

CWP-12739-2024 (O&M)

Date of Decision: 17.12.2024

CYLOS CONSULTING PRIVATE LIMITED

. . . . Petitioner

Vs.

UNION TERRITORY OF CHANDIGARH AND OTHERS

. . . . Respondents

**CORAM: HON'BLE MR. JUSTICE SANJEEV PRAKASH SHARMA
HON'BLE MR. JUSTICE SANJAY VASHISTH**

Present: Mr. Ankit Dhiman, Advocate with
Mr. Varun Bansal, Advocate
for the petitioner.

Mr. Sourabh Goel, Sr. Standing Counsel with
Ms. Geetika Sharma, Advocate
Ms. Anju Bansal, Advocate
for the respondents/Revenue.

SANJEEV PRAKASH SHARMA, J.(Oral)

CM-20414-CWP-2024

Application for placing on record short reply on behalf of respondents along with Annexure R-1/1 is allowed, subject to all just exceptions.

Registry to place the same at appropriate place.

Main case

1. The GST registration of the petitioner was cancelled by the respondents vide order dated 20.03.2023 solely on the ground that

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when the Inspector reached the place of office, though the nameplate mentioned the name of his firm, but since he was not present there and no one else identified his office, a presumption was drawn by the Inspector that the firm was not functional. The GST registration was accordingly cancelled.

2. A revocation application was moved by the petitioner which was rejected. Thereafter, he filed an appeal but the same was also rejected.
3. Learned counsel for the petitioner has relied on judgment passed by Coordinate Bench *in CWP-787-2024 titled as 'Gupta Enterprises vs. State of Punjab and others'*, decided on 12.01.2024, to submit that the registration should be restored.
4. In *Gupta Enterprises* (supra), after noticing the provisions of Rule 21(a) and 25 of the CGST Rules, 2017, and after considering that the revocation of registration has resulted in financial loss caused to the concerned businessman, the Court restored the registration of the concerned petitioner with following observations:

"11. Thus, the Appellate Authority has also referred to the Rule 23 to justify the said fact that the petitioner had been duly represented at all points of time. Counsel has also further pointed out that the effect of the revocation has serious ramification in as much as an order of refund of Rs.10,60,000/- has been rejected by Central Goods and Service Tax Division-1, Derabassi vide order dated 15.02.2023 (Annexure P-16) solely on this ground that their PPOB was cancelled on 09.04.2022 w.e.f. 14.03.2022. The civil consequences of the cancellation as

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such, thus, apparently out-weigh the manner in which the respondents have as such proceeded in dealing with the case regarding the physical verification which should have been done and proper opportunity should have been afforded.

12. Thus, we are of the considered opinion that the impugned orders as such have adversely effected the business prospects of the petitioner. Counsel for the petitioner has very fairly not pressed challenge raised to the order of refund rejecting his refund (Annexure P-16) since appeal is already pending. Accordingly, liberty is given to pursue his remedy regarding his appeal against the order rejecting the refund. Resultantly, we quash the order dated 09.04.2022, 29.06.2022 and 27.09.2023 (Annexures P-8, P-12 and P-18). The resultant effect is that the registration of the petitioner would come back into operation.”

5. In the present case, we find that merely on one inspection, if the person is not found to be available at his place of office, a presumption cannot be drawn that the firm is not functional, more so when there have been transactions and the firm has been regularly filing its returns.
6. Keeping in view thereto, we observe that the action taken by the respondents is in haste, and the same is not sustainable in law.
7. Accordingly, we allow this petition and set aside the order dated 20.03.2023, the order dated 28.04.2023 rejecting the revocation application, and the order dated 14.05.2024 passed in appeal; and restore the petitioner's registration number. The petitioner would be required to now proceed according to the law and file his returns.



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8. Writ Petition stands ***allowed*** accordingly.
9. Application No.CM-18487-CWP-2024 stands allowed.
10. All pending applications also stand disposed of.

(SANJEEV PRAKASH SHARMA)
JUDGE

(SANJAY VASHISTH)
JUDGE

December 17, 2024

Mohit goyal

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| 1. Whether speaking/reasoned? | Yes/No |
| 2. Whether reportable? | Yes/No |