



सत्यमेव जयते

**आयुक्त(अपील) का कार्यालय,**  
**Office of the Commissioner (Appeal),**  
**केंद्रीय जीएसटी, अपील आयुक्तालय, अहमदाबाद**  
**Central GST, Appeal Commissionerate, Ahmedabad**

जीएसटी भवन, राजस्वमार्ग, अम्बावाड़ी अहमदाबाद ३८००१५.  
CGST Bhavan, Revenue Marg, Ambawadi, Ahmedabad 380015

☎ 0792630506- टेलीफैक्स 07926305136



**DIN NO. : 20220364SW000000EA5D**

रजिस्टर्ड डाक ए.डी. द्वारा

क फाइल संख्या : File No : GAPPL/ADC/GSTP/1008/2021 / 6617 - 23

ख अपील आदेश संख्या Order-In-Appeal Nos. **AHM-CGST-003-APP-ADC-44/2021-22**  
दिनांक Date : **02-03-2022** जारी करने की तारीख Date of Issue : 02-03-2022

**श्री मिहिर रायका** अपर आयुक्त (अपील) द्वारा पारित

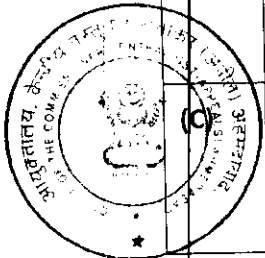
Passed by Shri. Mihir Rayka, Additional Commissioner (Appeals)

ग Arising out of Order-in-Original No **ZA240421197924D** dated **30-04-2021** issued by Assistant Commissioner, Central Goods and Service Tax, Division-Palanpur, Gandhinagar

घ अपीलकर्ता का नाम एवं पता Name & Address of the **Appellant / Respondent**

M/s Abans Agri Warehousing and Logistics Pvt Ltd  
Godown No. 4,5,8,9 to 14, R.S. No. 194,  
Paiki Mouje Jagana, Palanpur,  
Banaskantha, Gujarat-385001

(A)	इस आदेश(अपील) से व्यथित कोई व्यक्ति निम्नलिखित तरीके में उपयुक्त प्राधिकारी / प्राधिकरण के समक्ष अपील दायर कर सकता है। Any person aggrieved by this Order-in-Appeal may file an appeal to the appropriate authority in the following way.
(i)	National Bench or Regional Bench of Appellate Tribunal framed under GST Act/CGST Act in the cases where one of the issues involved relates to place of supply as per Section 109(5) of CGST Act, 2017.
(ii)	State Bench or Area Bench of Appellate Tribunal framed under GST Act/CGST Act other than as mentioned in para- (A)(i) above in terms of Section 109(7) of CGST Act, 2017
(iii)	Appeal to the Appellate Tribunal shall be filed as prescribed under Rule 110 of CGST Rules, 2017 and shall be accompanied with a fee of Rs. One Thousand for every Rs. One Lakh of Tax or Input Tax Credit involved or the difference in Tax or Input Tax Credit involved or the amount of fine, fee or penalty determined in the order appealed against, subject to a maximum of Rs. Twenty-Five Thousand.
(B)	Appeal under Section 112(1) of CGST Act, 2017 to Appellate Tribunal shall be filed along with relevant documents either electronically or as may be notified by the Registrar, Appellate Tribunal in FORM GST APL-05, on common portal as prescribed under Rule 110 of CGST Rules, 2017, and shall be accompanied by a copy of the order appealed against within seven days of filing FORM GST APL-05 online.
(i)	Appeal to be filed before Appellate Tribunal under Section 112(8) of the CGST Act, 2017 after paying - (i) <b>Full amount of Tax, Interest, Fine, Fee and Penalty</b> arising from the impugned order, as is admitted/accepted by the appellant, and (ii) A sum equal to <b>twenty five per cent</b> of the remaining amount of Tax in dispute, in addition to the amount paid under Section 107(6) of CGST Act, 2017, arising from the said order, in relation to which the appeal has been filed.
(ii)	The Central Goods & Service Tax ( Ninth Removal of Difficulties) Order, 2019 dated 03.12.2019 has provided that the appeal to tribunal can be made within three months from the date of communication of Order or date on which the President or the State President, as the case may be, of the Appellate Tribunal enters office, whichever is later.
(C)	उच्च अपीलीय प्राधिकारी को अपील दाखिल करने से संबंधित व्यापक, विस्तृत और नवीनतम प्रावधानों के लिए, अपीलार्थी विभागीय वेबसाइट <a href="http://www.cbic.gov.in">www.cbic.gov.in</a> को देख सकते हैं। For elaborate, detailed and latest provisions relating to filing of appeal to the appellate authority, the appellant may refer to the <a href="http://www.cbic.gov.in">websitewww.cbic.gov.in</a> .



## ORDER-IN-APPEAL

M/s. Abans Agri Warehousing and Logistics Private Limited ., Godown No. 4,5,8,9 to 14, R.S. No. 194 Paiki Mouje Jagana, Jagana, Palanpur, Banaskantha, Gujarat, 385001 (hereinafter referred as '**appellant**') has filed present appeal against Order bearing reference No. ZA240421197924D dated 30.04.2021 for cancellation of Registration (hereinafter referred to as '**impugned order**'), issued by Assistant Commissioner, CGST, Palanpur, Gandhinagar, Commissionerate- (hereinafter referred to as '**adjudicating authority**').

2. The brief facts of the case are that the appellant is registered under GST having registration number 24AAMCA9479L1ZW. They were issued with a show cause notice dated 07/03/2021 and after considering the reply dated 13.03.2021 the SCN was adjudicated vide reference No. ZA240321160287U dated 17.03.2021 by jurisdictional range Superintendent and cancelled registration with the order that instructions have been received from Preventive Section CGST, Gandhinagar that the appellant was violating the provisions of Section 29(2)(e) of CGST Act, 2017 read with Rule 21 of CGST Rules, 2017.

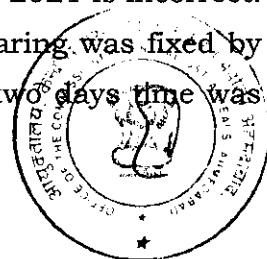
3. Being aggrieved, the appellant filed revocation application to the Assistant Commissioner CGST, Palanpur vide ARN No. AA240421045103Z dated 14.04.2021 for revocation of cancelled registration against the order reference No. ZA240321160287U dated 17.03.2021. In turn the Assistant Commissioner, CGST, Palanpur issued show cause notice reference No. ZA2404211535320 dated 19.04.2021 alleging that is learnt that Search was conducted at the premises by CGST Gandhinagar and it was found that the firm is Non-Operational & no business activity was carried out at their premises. The Assistant Commissioner CGST, Gandhinagar adjudicated the SCN vide reference No. ZA240421197924D dated 30.04.2021 rejected the application for revocation of cancelled registration as per Rule 23(2)(b) of CGST Rules, 2017 as firm is non operational.

### **Submissions and Defense Reply**

4. Being aggrieved with the order dated 30.04.2021 issued by the Assistant Commissioner, CGST, Palanpur, the appellant filed the appeal on 27.05.2021; the ground of appeal filed by the appellant are summarized as given below:-

4.1 that at the outset, it has been submitted that the impugned order is passed in breach of natural justice..

4.2 It has been further submitted that the purporting finding of the Assistant Commissioner that "the applicant did not appear for PH on 22<sup>nd</sup> April 2021 is incorrect. The SCN notice was issued to the Appellant on 19.04.2021. The hearing was fixed by the Assistant Commissioner on 22.04.2021. Thus, admittedly, only two days time was granted to the Appellant to reply to the Show Cause Notice.



4.3 That it is settled law that after a notice is served, a reasonable amount of time should be given to the party to present the case and the evidence. The same was not granted in the present case. Further, it has been submitted that fixing the hearing prior to completion of time for filing reply as provided under Rule 23(3) of Rules is unjust and unreasonable.

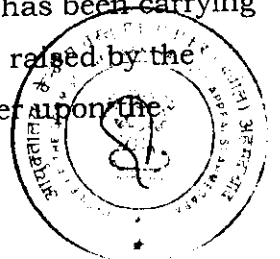
4.4 That Rule 23(3) of the CGST Rules, 2017 provides that seven working days' time should be made available to the Applicant to file reply to the Show Cause Notice issued for rejection of revocation of application. Upon request made by the Appellant, the same was rejected on the ground of functional issue. Further, time and again, various Hon'ble Courts have held that one of the fundamental principles of natural justice is that every judicial, quasi-judicial and administrative body, while carrying out its functions should provide the parties a reasonable opportunity of hearing to present their case properly and violation of this principle leads to a gross injustice.

4.5 Further it has been submitted that when the impugned order is passed in breach of principle of natural justice, the same ought to be quashed and set aside. In any event, the impugned Order rejecting the revocation application under rule 23(2)(b) of the CGST Rules on the ground that the Appellant is not operational is ex-facie untenable and unsustainable. Further, it has been submitted the application for revocation of cancellation of registration filed by the Appellant could not have been rejected in terms of Rule 23(2) of the CGST Rules, on the ground of non-operational.

4.6 The Assistant Commissioner, while purporting to hold that the Appellant is non-operational, purported to rely upon the search proceeding conducted by the Preventive Section, CGST Gandhinagar. Admittedly, nothing has been brought on record by the Assistant Commissioner which could establish that the Appellant was non-operational. In the Show cause notice also issued by the Assistant Commissioner, no evidence /material was produced to show that the Appellant was non-operational; further, the impugned order suffers from the vice of non-application of mind and without considering the documentary evidence produced by the Appellant.

4.7 That the Assistant Commissioner, without considering the reply filed by the Appellant and documentary evidence produced therein, held that the Appellant had filed the reply to show cause notice without any documentary evidence. The said finding is contrary to the records. The Appellant had produced all the relevant material to prove that the Applicant was operational.

4.8 Further it has been submitted that in any event, the Appellant has been carrying on business, since, past 6 years. No allegation of non-operational was raised by the Department during the said 6 years. The Appellant can leave to refer upon the documents in support at the time of hearing.



4.9 That the Appellant was duly registered under Gujarat Value Added Tax Act( GVAT Act) and CST. The Appellant, after implementation of GST had migrated from the said GVAT and CST and obtained registration under the GST Act.

4.10 The Appellant has been discharging its liability as per returns filed under the respective Acts. The Department including the GST Department has time to time accepted the tax liabilities discharged by the Appellant.

4.11 The aforesaid returns filed by the Appellant under the aforesaid Acts were duly produced before the Assistant Commissioner along with reply. However, totally ignoring the said return, the Assistant Commissioner concluded that the no document evidence was produced by the Appellant.

4.12 It is submitted that once, CGST department has accepted the taxes paid by the Appellant, it is not open for the department to now allege that it is non-operational. The GST department cannot take different stand at different occasions.

4.13 Further, the Appellant has been updating its place of business under the GST registration, as when the same is changed, in view of completing the lease period. The said amendment in the GST registration number is only done upon verification of documents submitted by the Appellant on GST portal and after due verification by the officers. No objection whatsoever was raised by the officers at the time of permitting the said amendments. The officers of GST department were aware about the operations of the Appellant and purported finding that the Appellant is non-operational is incorrect and baseless.

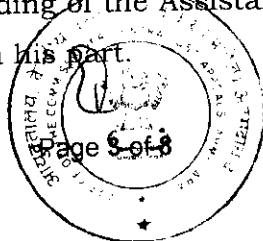
4.14 Further, the Appellant had produced returns filed under the Income Tax Act, Bank statements, and rent agreement to establish that the Appellant was operational. However, the same has also been ignored by the Assistant Commissioner while passing the impugned order.

4.15 The Superintendent, except reproducing the language of section 29(2)(e) of the CGDT Act, did not give reasons in the show cause notice dated 07.03.2021 for cancellation of registration.

4.16 Further, it has been submitted that in the impugned order, the Assistant Commissioner has purported to hold that it appears that the Appellant was passing fake input tax credit by way of fraud.

4.17 The purported finding of the Assistant Commissioner that the Appellant appears to be passing fake input tax credit by way of fraud is ex-facie perverse and based on no documents.

4.18 In any event, the purported finding of the Assistant Commissioner is solely on the basis of surmises and conjectures on his part.



4.19 The Assistant Commissioner has proceeded on an assumption that the Appellant was allegedly passing on fake input credit by way of fraud.

4.20 The Assistant Commissioner could not have held that the Appellant was passing fake input credit by way of fraud.

4.21 Admittedly, no documentary evidence and /or any material whatsoever has been produced /referred to by the Assistant Commissioner to support the purported finding that the Appellant was passing fake input tax credit by way of fraud.

4.22 It is submitted that the rejection of revocation application merely on assumption basis cannot be sustained and impugned order is liable to be quashed.

4.23 In any event, the Appellant is not involved in any activity of passing fake input tax credit by way of fraud.

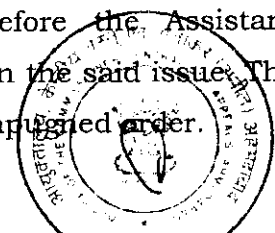
4.24 In any event, without prejudice to the above , the Assistant Commissioner failed to appreciate that the registration of the Appellant was not cancelled on the ground or of non-operational.

4.25 The Superintendent, except reporting the language of section 29(2)(e) of the CGST ACT, did not give any reasons in the show cause notice dated 07.03.2021 for cancellation of registration.

4.26 Subsequently, to learned Superintendent by his order dated 17.03.2021 solely on the basis of instructions received from the Preventative Section, Headquarter, Gandhinagar , without disclosing the alleged instructions and without granting any opportunity to the Appellant to controvert the alleged instructions cancelled the registration on the ground that the Appellant had violated the provisions of Section 29(2)(e) of CGST Act, read with Rule 21 of the CGST Rules 2017 by obtaining the GSTN Registration on the basis of documents obtained from others persons.

4.27 The application for revocation of cancellation is now rejected on an entirely new allegation/ground, which was not raised either in the SCN or order passed by the Superintendent cancelling the registration viz. that the Appellant was not operational at the premises for which registration was granted.

4.28 It has been submitted that the first SCN is the foundation of the department's case and the department authorities under GST is bound to confirm to allegations mentioned therein. The Department authority cannot keep on changing the allegations at the appellate stages and reject the application on an altogether a new ground which was never alleged in the first show cause notice or even order cancelling registration. The Appellant had specifically raised the aforesaid issue before the Assistant Commissioner. However, the impugned order is completely silent on the said issue. The Assistant Commissioner has not considered the said issue in the impugned order.



4.29 Further, the appellant has specifically raised a contention before the Assistant Commissioner that the Superintendent had passed the order purporting to cancel their registration in breach of principles of natural justice in as much as no opportunity of hearing was granted to the Appellant and finding recorded by the Superintendent in the said order that the hearing was held on 13.03.2021 was factually incorrect and contrary to the record; however the Assistant Commissioner has totally ignored the said submission of the Appellant and without considering the said submission pass the impugned order; the Assistant Commissioner failed to appreciate that the Superintendent had mechanically cancelled the registration and cancellation was without independent application of mind.

### **Personal Hearing**

5. Personal Hearing in the matter was held 07.09.2021. Shri Prakash Shah, Shri Jas Sanghavi, Shri Nirbhay, Shri Jignesh Shah, Shri Bhavesh Suthar and Shri Abhishek Bansal attended the Personal Hearing. They have relied on their written submission dated 31<sup>st</sup> May, 2021 and case law compilation submitted at the time of hearing. They have reiterated the grounds of appeals. They have nothing to add to this.

### **Discussions and Finding**

6.1 I have gone through the facts of the case and written submissions made by the appellant. I find that the proper officer issued SCN reference No. ZA2403211203961 dated 07.03.2021 suspended the registration with effect from 07.03.2021 for the reason that the *Registration has been obtained by means of fraud, willful misstatement or suppression of facts*. Further the proper officer vides order reference No. ZA240321160287U dated 17.03.2021 has cancelled the registration with effect from 01.02.2021 for the reason given below:-

1. "Since, this office has been received instruction from Preventive Section Headquarter, Gandhinagar Commissionerate that your Company is violating the provisions of Section 29(2)(e) of the CGST, ACT, 2017 read with Rules 21 of CGST Rules, 2017. Rule 21 of CGST Rules, 2017 provides that, the registration granted to a person is liable to be cancelled, if the said person has violated the provisions of GST Act, 2017. In this case the tax payer has violated the provisions of the Section 29(2)(e) of CGST Act, 2017 in as much as they have obtained registration on the basis of documents of other persons. Section 29(2)(e) of CGST Act, 2017 provides that the registration has been obtained by means of fraud, willful misstatement or suppression of facts. As your firm has violated the provisions of the said Act and Rules, your registration is hereby cancelled. "

6.2 Being aggrieved with order of the dated 17.03.2021 the appellant had filed application for revocation of cancellation of registration before the Adjudicating authority. The Adjudicating authority vides order reference No. ZA240421197924D dated 30.04.2021 had stated that as per search conducted by the Prev. Section, CGST, Gandhinagar, the firm was found to be none-operational & that it appeared the firm was passing on fake ITC by way of fraud hence rejected the application for revocation of cancellation registration as per rule 23(2) (b) of CGST Rules, 2017, as firm is non



operational.

6.3 Further, it has been come to notice from the Preventive, CGST Gandhinagar Commissionerate that no activity was carried out from premises and only banner displaying the name and GSTIN of the unit was found; it has also observed that around 68 units connected to Abans group of companies, directly or indirectly, registered at various commissionerates all over India involved in this circular trading and passed huge amount of ITC without supplying any goods or services across the country.

6.4 I find that in view of the facts comes to the notice at the time of search by the Preventive section of Gandhinagar Commissionerate and to protect the Govt. revenue the proper officer had been directed to cancel the registration. It has been further notice the matter has been referred to 19 CGST Commissionerate for initiates the follow up inquiries /investigation and the case appears to have all India ramification; the investigation in afore subject companies, is in progress.

7. I find that the appellant at the time of hearing the has referred the Hon'ble High Court Tripura's order dated 31.08.2021 WP (C) No. 401/2021 in case of M/s. OPC Assets Solutions Pvt. Lt Vs. The State of Tripura and others. In the order dated 31.08.2021 Hon'ble High Court has observed that Superintendent of Taxes had cancelled the registration without citing any reason. The notice reads as under:

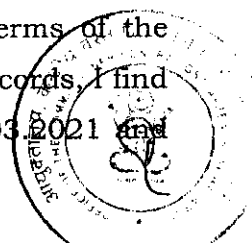
" whereas on the basis of information which has come my notice, it appears that your registration is liable to be cancelled for the following reason:-

- i. **Non compliance of any specified provisions in the GST Act or the Rules made there under as may be prescribed.**

After considering the reply of the appellant on 23.04.2021 the superintendent of Taxes passed the impugned order and cancelled the petitioner's registration effective from 01.07.2017. Consequently, he also computed certain amounts the petitioner would have to pay by way of Central and State GST as well as IGST

8. I find that facts of the both cases are not similar, as in the present case the registration was cancelled on the basis of Fraud, willful misstatement and suppression of the facts that has been corroborated during the search conducted by the Preventive Section of CGST, Gandhinagar Commissinerate and it was found that the firm was not operative which is clear violation of *provisions of the Section 29(2)(e) of CGST Act, 2017*, whereas in the order of Hon'ble High Court of Tripura no reason was cited by the proper authority in the show Cause notice for cancellation of registration. It has also been observed that Order of Superintended also seeks recovery of certain taxes with penalty which was not part of the show-cause notice dated 06.12.2020.

9 Further, the appellant in his grounds of appeal contended that they have not been provided opportunity for personal hearing in the instant case in terms of the provision for following principal of natural justice. On perusal of available records, I find that the appellant has been given opportunity of personal hearing on 13.03.2021 and



against which the appellant has also filed reply to Show Cause Notice. Further, I find that the appellant has filed the application for revocation of cancellation of registration before the higher authority as per Rule 23 (2)(b) of CGST Rules, 2017 and the adjudication authority has followed proper procedure of natural justice as laid down in GST ACT/Rules before the issuance of impugned Order. Hence, the contention of the appellant is not correct and proper.

10. I find that Joint Commissioner, CGST, Gandhinagar vide letter F. No. GEXCOM/AE/MISC/276/2021-AE-O/o COMNR-CGST-GANDHINAGAR dated 22.12.2021 has informed that afore subject tax payer do not hold any ground for revocation of the cancellation of registration.


11. I find that the adjudicating authority has rejected the application for revocation of cancelled registration of the appellant under Rule 23(2) (b) of CGST Rules, 2017 on the ground that during search conducted by the Preventive Section Gandhinagar it was found that the appellant was non operational and was passing fake ITC by way of fraud. I also found that the adjudicating authority has rejected the application for revocation after following the prescribed procedure prescribed under Rule 23 of CGST Rules, 2017. Moreover, Joint Commissioner, CGST, Gandhinagar vide letter F.No. GEXCOM/AE/MISC/276/2020-2021 dated 22.12.2021 has also informed that since the investigation is in progress the appellant do not hold any ground for revocation of the cancelation of registration.

In view of above I find the adjudicating authority has ordered rejection of application for revocation of registration as a deterrent measure so as to prevent further loss to Government exchequer and on the ground of ongoing investigation against the appellant. Therefore, I do not find it appropriate to interfere with the impugned order passed by the adjudicating authority at this stage of proceedings.

12. The subject appeal filed by the appellant is hereby rejected.

13. अपीलकर्ताद्वारा दर्ज की गई अपील का निपटारा उपरोक्त तरीके से किया जाता है।

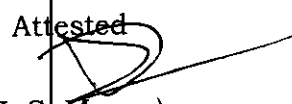
The appeal filed by the appellant stands disposed of in above terms.

  
(Mihir Rayka)

Additional Commissioner (Appeals)

Date: .2.2022

Attested

  
(H. S. Meena)  
Superintendent  
Central Tax (Appeals)  
Ahmedabad





By R.P.A.D.

To,

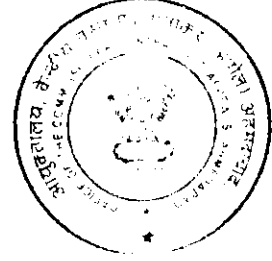
M/s. Abans Agri Warehousing and Logistics Private Limited .,

Godown No. 4,5,8,9 to 14, R.S. No. 194 Paiki Mouje Jagana,

Jagana, Palanpur, Banaskantha, Gujarat, 385001

Copy to:

1. The Principal Chief Commissioner of Central Tax, Ahmedabad Zone.
2. The Commissioner, CGST & C.Excise, Appeals, Ahmedabad
3. The Commissioner, Central GST & C.Ex, Commissionerate-Gandhinagar.
4. The Assistant Commissioner, CGST & C.Ex, Division-Palanpur,  
Commissionerate-Gandhinagar
5. The Superintendent CGST, Range-1, Palanpur, Div. Palanpur, Commissionerate-Gandhinagar
6. The Additional Commissioner, Central Tax (System), Gandhinagar.
- ✓ 7. Guard File.
8. P.A. File



*Recd  
Bhavesh*