

HC: Non-Supply of Verification Report Vitiates Order

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REFER THE DECISION OF THE HON'BLE DELHI HIGH COURT IN THE CASE OF

Sai Services v. Commissioner CGST - [2025] 177 taxmann.com 625 (Delhi)

Sai Services, a GST-registered assessee, faced a **cancellation of registration** order from the GST authorities. The department had conducted a **physical verification of its premises**, but the report was **never supplied** to the assessee.

Despite this, the department proceeded to cancel the registration **before the scheduled date of hearing** and without taking into account the **documents already placed on record by the assessee**.

Sai Services approached the Delhi High Court, challenging the cancellation on the ground that it violated the **principles of natural justice**.

The Court found merit in the assessee's contention:

- The **verification report**, being a material document, should have been supplied to the assessee to enable it to file an effective reply.
- Passing an order **prior to the hearing date** amounts to clear denial of opportunity.
- Failure to consider documents already submitted by the assessee further vitiates the order.

Accordingly, the Delhi High Court **set aside the cancellation of GST registration**, holding that the order suffered from **serious procedural infirmities**.

Key Takeaway

- **Registration cancellation requires strict compliance with natural justice.**
- **Physical verification reports must be supplied to the assessee.**
- **Order passed before hearing date is invalid.**