

LEGAL UPDATES

HC ALLOWED THE LIQUIDATOR'S PETITION CONDEMNING THE "HYPERTECHNICAL APPROACH" AND REVENUE'S HIGH-HANDED GST-REGISTRATION DENIAL

The Hon'ble Division Bench of the Gujarat High Court consisting of Justice Sonia Gokani and Justice Rajendra M. Sareen passed an order; directing the Revenue Department to issue GST registration to a firm undergoing liquidation and granted exemption concerning actions taken after the 6-month window due to the COVID-19 pandemic since the lock-down had rendered every system inoperable;

The Hon'ble Court remarked that *"If the government official appointed by the NCLT gets entangled in the web of proceedings/circulars/clarifications/rules, it leaves much to be desired so far as the common man is concerned."*; authoritatively remarking that *"It is not to be forgotten by the respondent authority that the registration under the GST Act is a must for the liquidator to operate and fulfil the obligations in his capacity as a liquidator as required under the statute."*

It slammed the Department for making the Liquidator run from pillar to post and compelling him to move this Court by adopting *"...highly technical and deprecated complexity in awarding the GST Registration Number."*

It further stated that *"...this non-grant of registration for fulfilling the official duty for the sale of the business of the company-in-liquidation as a going concern/slump sale basis or on standalone basis deserves the indulgence with a specific direction to the highest authority under the GST Regime to stop having hypertechanical approach and instead make it more user friendly"*

In addition, the Hon'ble Court noted that the Petitioner had complied with all requirements for providing the required documents and testimonials as an Official Liquidator; the Hon'ble HC asserts that denial of registration based solely on the fact that he hasn't specified that he's a liquidator—or, for that matter, a very negligible and minor aspect—deserves the Court's disapproval and ordered Revenue to grant GST registration.