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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 4703/2024

M/S. JINDAL TRADING CO. THROUGH ITS PROPRIETOR SH. SURESH JINDAL .....Petitioner

Through: Mr. Vineet Bhatia, Mr. Aamnaya Jagannath Mishra, Mr. Bipin Punia and Mr. Keshav Garg, Advs.

versus

COMMISSIONER, DELHI GST AND ANR. .....Respondents

Through: Mr. Ajay Jain, SPC with Mr. Krishna Sharma, Mr. M.N.Mishra, Mr. Manoj Gautam and Mr. Vikrant Singh and Ms. Shreya Jain, Advs. Mr. Rajeev Aggarwal, ASC with Mr. Shubham Goel and Mr. Mayank Kamra, Adv. for R-2, 3 and 4.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE RAVINDER DUDEJA

<u>O R D E R</u>

% **30.09.2024**

1. This writ petition has been preferred seeking the following reliefs:-

> "a) Issue a writ of mandamus or any other writ, order or direction of like nature, setting aside the Show Cause Notice dated 05.01.2023 for Cancellation of Registration.
> b) Issue a writ of mandamus or any other writ, order or direction of like nature to the respondents, directing them to revoke the suspension of the GST registration certificate of the Petitioner."

2. The petitioner is principally aggrieved by the suspension of its

Goods and Service Tax ["**GST**"] registration which had come into effect pursuant to a Show Cause Notice [**"SCN"**] dated 05 January 2023. The said notice is extracted hereinbelow:-

> "**Show Cause Notice for Cancellation of Registration**
>
> Whereas on the basis of information which has come to my notice, it appears that your registration is liable to be cancelled for the following reasons:
>
> 1. Alert notice no. 18 reg. suspicious purchases
>
> You are hereby directed to furnish a reply to the notice within seven working days from the date of service of this notice.
>
> If you fail to furnish a reply within the stipulated date or fail to appear for personal hearing on the appointed date and time, the case will be decided ex parte on the basis of available records and on merits .
>
> Please note that your registration stands suspended with effect from 05/01/2023."

3. Undisputedly and despite the notice having been issued as far back as on 05 January 2023, no final order has been passed nor have the SCN proceedings been rendered a closure. In view of the aforesaid, we find no justification in the continued suspension of the registration of the writ petitioner.

4. We additionally note that insofar as the SCN itself is concerned, it merely makes the following allegations:-

> "Whereas on the basis of information which has come to my notice, it appears that your registration is liable to be cancelled for the following reasons:
>
> 1. Alert notice no. 18 reg. suspicious purchases"

5. The SCN is neither reasoned nor does it apprise the petitioner of the material on the basis of which opinion was formed that the registration was liable to be cancelled. The notice is also clearly vague and merely make a broad and sweeping allegation of *"suspicious purchases"*. There is thus a conspicuous absence of adequate disclosure of particulars of the so called suspicious transactions and

which may have constituted a foundation for the formation of opinion that the registration merited cancellation. The SCN being wholly vague, is consequently rendered unsustainable.

6. We accordingly, allow the instant writ petition and quash the impugned SCN dated 05 January 2023. We however, leave it open to the respondents to draw proceedings afresh, if otherwise permissible in law.

7. All rights and contentions of respective parties on merits are kept open.

YASHWANT VARMA, J.

RAVINDER DUDEJA, J.

SEPTEMBER 30, 2024/*SK*