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

\+ W.P.(C) 9563/2024 & CM APPL. 39225/2024 (Exemption)

M/S SHRI RANI SATI TRADERS .....Petitioner

Through: Mr. Pranay Jain and Mr. Karan Singh, Advocates.

versus

PRINCIPAL COMMISSIONER OF DEPARTMENT OF TRADE AND TAXES, GOVERNMENT OF NCT OF DELHI.....Respondent

Through: Mr. Udit Malik, Additional Standing Counsel along with Mr. Vishal Chanda, Advocates for R-1.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE SACHIN DATTA

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

% **15.07.2024**

1. Issue notice.

2. Learned counsel for the respondent accepts notice.

3. The petitioner has filed the present petition impugning a show cause notice dated 12.06.2024 (hereafter *the impugned SCN*). The impugned SCN was issued, calling upon the petitioner to show cause why its GST registration not be cancelled. The petitioner is also aggrieved by the suspension of its GST registration with effect from the date of the impugned SCN – 12.06.2024.

4. The only reason provided in the impugned SCN for proposing to cancel the petitioner's GST registration reads as under:-

> '1 As per attached Memo No.751 dated 10.06.2024 received from Deputy comm. of state tax, Jhajjar'

5. It is also noticed that the petitioner was called upon to furnish a reply

within a period of seven working days from the date of issue of the impugned SCN. The petitioner was also put to notice that if it fails to furnish a reply within the stipulated period or fails to appear for personal hearing on the appointed date and time, the case will be decided *ex-parte* on the basis of the available records and on merits.

6. The petitioner states that although the impugned SCN mentions that memo no.751 dated 10.06.2024 is attached, there was no such attachment to the impugned SCN. He submits that the petitioner is unaware of the memo no.751 dated 10.06.2024 or its contents. It is stated that the same is not available on the petitioner's GST portal as well.

7. Although, the impugned SCN mentions memo no.751 dated 10.06.2024, it does not indicate that any softcopy/file was attached to the impugned SCN. Since the only reason for proposing to cancel the petitioner's GST Registration is stated to be the aforesaid memo no.751 dated 10.06.2024, the impugned notice is incapable of eliciting any response, in the absence of a copy of the said memo.

8. It is also material to note that although the petitioner was put to notice that if it does not appear for a personal hearing on the appointed date and time, the matter would be decided *ex-parte*, however, the impugned SCN does not mention any date or time at which the petitioner was required to appear for availing the opportunity of a personal hearing.

9. It is apparent that the impugned SCN was issued without application of mind and fails to meet the standards required of a show cause notice.

10. In view of the above, the impugned SCN is set aside and the petitioner's GST registration is directed to be restored forthwith.

11. It is clarified that this will not preclude the respondent from initiating

any fresh proceedings for cancellation of the petitioner's GST registration in accordance with law.

12. Needless to state that all contentions of the parties in this regard are reserved.

13. The present petition is allowed in the aforesaid terms. Pending application also stands disposed of.

VIBHU BAKHRU, J

SACHIN DATTA, J

JULY 15, 2024/ *r, dn*