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

\+ W.P.(C) 12756/2024

M/S HARI TRADING THROUGH ITS PROPRIETOR HIMANSHU .....Petitioner

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

versus

PRINCIPAL COMMISSIONER OF GOODS AND SERVICES TAX, EAST DELHI & ANR. .....Respondents

Through: Mr. Aditya Singla, Advocate for R-1.
Mr. Dviyam Nandrajog, Advocate (Panel Counsel, GNCTD) along with Ms. Surbhi Soni and Mr. Fateh Singh Bhullar, Advocates for R-2.

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

O R D E R

% 12.09.2024

1. The petitioner has filed the present petition *inter alia* impugning the show cause notice dated 04.07.2024 (hereinafter *the impugned SCN*), whereby the petitioner was called upon to show cause as to why its GST registration not be cancelled. The petitioner's GST registration was also suspended with effect from the date of the impugned SCN, that is, with effect from 04.07.2024. The only reason set out in the impugned show cause notice reads as "Rule 21(g)-person violates the provision of rule 86B".

2. The learned counsel for the petitioner submits that it is fully compliant with Rule 86B of the Central Goods and Services Tax Rules, 2017 (hereinafter *the CGST Rules*). He states that the petitioner has not discharged its entire liabilities by availing input tax credit and has deposited 1% tax on outward supplies.

3. Undisputedly, the impugned SCN does not set out any intelligible reason for cancelling the petitioner's GST registration. It merely notes the statutory provision, which enables the proper officer to cancel the taxpayer's GST registration.

4. The impugned SCN is bereft of any details as to how the petitioner has violated Rule 86B of the CGST Rules.

5. Mr. Singla, the learned counsel appearing for the respondents submits that there is a technical glitch as the portal reflected the proper officer as a State Officer. He submits that a 'ticket' has been raised and as soon as the glitch is resolved, the impugned SCN shall be withdrawn.

6. It is, thus, apparent that the impugned SCN is required to be set aside. It is accordingly so directed. The petitioner's GST registration is directed to be restored forthwith.

7. We clarify that this would not preclude the respondents from initiating any proceedings for statutory violation or for recovery of dues, if warranted, *albeit* in accordance with law.

8. The present petition is disposed of in the aforesaid terms.

VIBHU BAKHRU, J

SACHIN DATTA, J

SEPTEMBER 12, 2024
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