$~31

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

\+ W.P.(C) 15994/2024

M/S S A TRADERS .....Petitioner

Through: Mr. Pranay Jain & Mr. Karan Singh, Advs.

versus

PRINCIPAL COMMISSIONER OF CENTRAL GOODS AND SERVICES TAX, EAST DELHI .....Respondent

Through: Mr. Avijit Dikshit, SC.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE DHARMESH SHARMA

O R D E R

% **26.11.2024**

1. This instant writ petition has been preferred impugning the order dated 21 February 2024 pursuant to which the respondents have proceeded to cancel the **Goods and Services Tax**[1] registration of the writ petitioner, as well as the order dated 29 May 2024 by which its application for revocation of cancellation has come to be rejected.

2. From the record, it would emerge that proceedings for cancellation were commenced pursuant to a **Show Cause Notice**[2] dated 01 February 2024. The said notice reads as follows:-

"Form GST REG-17

[See Rule 22(1)/ sub-rule (24) of rule 214]

Reference Number: ZA0702240022629 Date:01/02/2024

---

[1] GST
[2] SCN

To
Registration Number (GSTIN/Unique ID): 07FRMPS9024QIZO
Shahzad
KH NO 120, GROUND FLOOR, Mandoli, Main Mandoli Road, New Delhi, Shahdhara, Delhi, 110093

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 Non compliance of any specified provisions in the GST Act or the Rules made thereunder as may be prescribed.

You are hereby directed to furnish a reply to the notice within seven working days from the date of service of this notice.

You are hereby directed to appear before the undersigned on 06/02/2024 at 12:52 PM

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 01/02/2024

Kindly refer the supportive document attached for case specific details.

Place: Delhi
Date: 01/02/2024"

3. Absent any reply being submitted, the respondent proceeded to pass a final order of cancellation on 21 February 2024.

4. As we view the SCN for cancellation, we find that all that the respondent has asserted was "*Non compliance of any specified provisions in the GST Act or the Rule*". It is thus ex facie, apparent that the SCN failed to assign or disclose any reasons or even specify

the particular provision of the **Goods and Services Tax Act, 2017**[3] or the **Goods and Services Tax Rules, 2017**[4] which were alleged to have been violated. The final order of cancellation suffers from a graver error since it neither alludes to nor even remotely suggests the reason which ultimately weighed upon the respondent to cancel the registration. In fact the order neither records nor ascribes any reason.

5. Aggrieved by the aforesaid action, the petitioner moved an application seeking revocation of the 13 March 2024. While considering the aforesaid application, a SCN came to be issued on 16 May 2024 and which reads thus:-

"Form GST REG-23

[See Rule 23(3)]

Reference Number: ZA070524093134L Date: 16/05/2024

To
SHAHZAD
GROUND FLOOR, KH NO 120, Mandoli, New Delhi, Main Mandoli Road, Shahdara, Delhi, 110093
GSTIN: 07FRMPS9024Q1Z0
Application Reference Number (ARN): AA070324031445J
Date: 13/03/2024

Show Cause Notice for rejection of application for revocation of cancellation of registration

This has reference to your application dated 13/03/2024 regarding revocation of cancellation of registration. Your application has been examined and the same is liable to be rejected for the following reasons:

1 Reason for revocation of cancellation - Others (Please specify) - Please upload required documents as per CGST ACT 2017.

You are hereby directed to furnish a reply to the notice within seven working days from the date of service of this notice.

[3] GST Act
[4] GST Rules

You are hereby directed to appear before the undersigned on 22/05/2024 at 11:30

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.

Kindly refer the supportive document attached for case specific details."

6. The application for revocation thereafter came to be disposed of and rejected by the following cryptic order which was passed on 29 May 2024:-

"**Form GST REG-05**

[See Rule 9(4)]

Reference Number: ZA070524244068J **Date**: 29/05/2024

To
SHAHZAD
GROUND FLOOR, KH NO 120, Mandoli, New Delhi, Main Mandoli Road, Shahdara, Delhi, 110093
GSTIN (if available): 07FRMPS9024Q1Z0

Order of Rejection of Application for Revocation of Cancellation

You have not replied to the notice issued vide reference no. ZA070524093134L dated 16/05/2024 within the time specified therein. Therefore, your application is hereby rejected in accordance with the provisions of the Act.

MAUJOOD AHMAD SIDDIQUE
Assistant Commissioner
Ward 77"

7. As would be evident from a reading of the said order, the same is wholly unreasoned. We accordingly, find ourselves unable to sustain the action of the respondents.

8. We accordingly allow the writ petition. The impugned orders dated 21 February 2024 and 29 May 2024 are quashed.

9. This order, however, shall be without prejudice to the rights of the respondents to draw proceeding afresh and in accordance with law.

YASHWANT VARMA, J.

DHARMESH SHARMA, J.

NOVEMBER 26, 2024
Ch