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

\+ **W.P.(C) 10659/2025 & CM APPL. 44107/2025**

M/S SONDHI BROTHERS THROUGH ITS PARTNER KAMAL SONDHI .....Petitioner

Through: Ms. Aparna Tripathi, Adv

versus

GSTO, WARD 1, NEW DELHI .....Respondent

Through: Ms. Vaishali Gupta, Panel Counsel (Civil) GNCTD.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

ORDER

% 24.07.2025

1. This hearing has been done through hybrid mode.

2. The present petition has been filed by the Petitioner under Article 226 of the Constitution of India, *inter alia*, assailing the order dated 27th February, 2025 passed by the Respondent (hereinafter, '*impugned order*') by which a demand has been raised against the Petitioner to the tune of Rs 62,07,634/-.

3. The Petitioner is a partnership firm registered with the Goods and Service Tax (hereinafter, '*GST*') Department *vide* GSTIN 07AABFS6950L1ZT as a retailer dealing in sale of watches.

4. The submissions on behalf of the Petitioner is that the said demand has been raised by virtue of cancellation of GST registration of one of the dealers of the Petitioner in a retrospective manner. According to the Petitioner, the said cancellation took place only in 2025 but at the time when the Input Tax Credit (hereinafter, '*ITC*') was availed of by the dealers including the Petitioner, the registration was duly valid in law. Thus, the Petitioner cannot

be penalized. Ld. Counsel for the Petitioner relies upon the decision of the Supreme Court in ***State of Maharashtra vs Suresh Trading Company, (1997) 11 SCC 378*** and decision of this Court in ***On Quest Merchandising India Pvt. Ltd. vs Government of NCT of Delhi & Ors.*** in ***WP (C) 6093/2017.***

5. Ms Gupta, ld. Panel Counsel for the Respondent submits that the impugned order is an appealable order.

6. Heard. The issue that has been raised by the Petitioner in this case is that one, M/s Johnson Watch Company Pvt. Ltd. from whom the purchase was effected by the Petitioner, had in fact filed the proper forms and had deposited the tax. But this issue has not been considered by the Adjudicating Authority. The present petition relates only to one company in relation to the Petitioner whose registration has been cancelled retrospectively *i.e.* M/s Johnson Watch Company, for whom all the bank statements and the returns have been placed on record. The impugned order merely states that the same is not satisfactory.

7. Under such circumstances, this Court is of the opinion that this is a fit case for remand. Accordingly, the impugned order is set aside. After affording a personal hearing to the Petitioner and considering all the documents filed by the Petitioner, the Department shall pass an adjudication order in accordance with law.

8. Let the notice for personal hearing be given to the Petitioner on the following email address and phone number:

Email Address: tripathiandassociateslaw@gmail.com

Mobile No. 7838797104

9. All rights and remedies of the parties are left open.

10. The present petition stands disposed in the above terms. Pending

applications, if any, are also disposed of.

PRATHIBA M. SINGH, J.

SHAIL JAIN, J.

JULY 24, 2025/sk/ck