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

\+ W.P.(C) 15086/2024

M/S KUNDAN TRADING COMPANY .....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. K.G. Gopalkrishnan, Advocate.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE HARISH VAIDYANATHAN SHANKAR

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

% **19.03.2025**

1. The writ petitioner assails the order dated 18 September 2024 pursuant to which its application for voluntary cancellation of its Goods & Service Tax [“**GST**”] registration has come to be rejected. The solitary ground which appears to have weighed upon the respondent to reject that application was that at the time of a field visit, the firm was not found existing/functioning at the given address.

2. We fail to countenance how the same could have had any relevance to the prayer made for voluntary cancellation and surrender of GST registration. In case it was the allegation of the respondents that the firm had never functioned or had failed to comply with any other statutory stipulation, the statute clearly and adequately empowers them to take appropriate action.

3. Regard must also be had to the fact that mere cancellation of registration does not deprive the respondent of the right to demand and

recover outstanding tax dues. Ultimately, if the petitioner had chosen to discontinue business, the respondents could not have, on any justifiable ground compelled it to continue with its registration. Accordingly, and for all the aforesaid reasons, we find ourselves unable to sustain the order dated 18 September 2024.

4. The writ petition is, consequently, allowed. The order dated 18 September 2024 is quashed and set aside. The respondent shall pass formal orders on the application of the petitioner for voluntary cancellation/surrender of GST registration.

5. The aforesaid action shall be without prejudice to the right of the respondent to adopt such other appropriate measures as permissible, including those pertaining to recovery of any taxes or penalties that may be due in accordance with law.

YASHWANT VARMA, J.

HARISH VAIDYANATHAN SHANKAR, J.

MARCH 19, 2025/AK