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

\+ W.P.(C) 4282/2026 & CM APPL. 20876/2026

M/S NUTECH ROOFINGS (THROUGH ITS PROPRIETOR MR. KAILASH CHAND) .....Petitioner

Through: Dr. Prabhat Kumar and Mr. Karan Kanwal, Advs.

versus

COMMISSIONER OF CGST, DELHI EAST AND ANR .....Respondents

Through: Mr. Akash Panwar, JSC

CORAM:
HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE
HON'BLE MR. JUSTICE AJAY DIGPAUL

O R D E R

% **29.04.2026**

1. The challenge is to the impugned Order-in-Original dated 19th December 2025 whereby the penalty of Rs. 2,42,97,395/- was imposed under Section 122 (1) (vii) of the Central Goods and Services Tax Act, 2017 ("hereinafter, CGST Act") and also penalty of Rs. 2,30,69,375/- under Section 122 (1) (ii) of CGST Act.

2. It is the case of the petitioner that the aforesaid order preceded with the Show Cause Notice dated 19th June 2025 which was duly replied by the petitioner on 30th June 2025. According to him, another Show Cause Notice in the matter of cancellation of registration was received on 7th October 2024, prior to the aforesaid Show Cause Notice wherein it is mentioned that the registration of the petitioner's stood suspended with effect from 7th October 2024 i.e. the date of Show Cause Notice.

3. Though the said registration was suspended, upon explanation rendered by the petitioner, the request for revocation of cancellation of registration was accepted *vide* communication dated 3rd October 2025. As such, according to him, the very basis for issuance of the Show Cause Notice and passing Order-in-Original is *non est* or rather non-operative as it was for the respondent to appropriately verify the operation of principal place of business, which is provided in the registration certificate.

4. As against above, learned counsel for the respondents would oppose the prayer as according to him, the Show Cause Notice and the Order-in-Original are based on the circumstances as were prevailing at the relevant time, that is the physical verification report reflects that the petitioner was not operating from the same place. He would further invite our attention to paragraph 9 of the petition, specifically paragraph 5 therein, so as to claim that the petitioner has admitted that he was operating his business on his own, and not from the principal place of business, and that being so, the order impugned does not warrant any interference.

5. Having considered the rival claims, it is aptly clear from the order for revocation of the cancellation of registration dated 3rd October 2025 that the cancellation of registration was withdrawn, and the registration stood restored in favour of the petitioner.

6. If we accept the aforesaid factual matrix which is not under dispute, there is no embargo on the right of the petitioner to carry out his business not only from the principal place of business, but also from the mobile phone. That by itself, would not disentitle him to carry on the business.

7. The order impugned is clearly based on the conjecture and surmises of the petitioner being that he is not operating his business from his principal

place of business as reflected in the registration certificate. What has been claimed in the Show Cause Notice to the aforesaid effect, and is the basis for passing Order-in-Original is proved to be factually incorrect from the fact that the order of cancellation of registration already stood revoked, thereby accepting the contention of the petitioner that he was in fact operating from the principal place of business.

8. In such an eventuality, in our opinion, the impugned order dated 19th December 2025 is not sustainable and is, accordingly, quashed and set aside.

9. We permit the petitioner to appear in response to the Show Cause Notice dated 19th June 2025 along with all the supporting documents and written submissions to the said authority by 25th May 2026, who is expected to expeditiously pass a reasoned order after hearing the petitioner.

10. The petition, accordingly, stands allowed.

NITIN WASUDEO SAMBRE, J

AJAY DIGPAUL, J

APRIL 29, 2026/ar/sg