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

% *Date of Decision: 20.12.2023*

+ W.P.(C) 16452/2023 and CM APPL. 66279/2023

M/S SK ENTERPRISES ..... Petitioner

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

versus

PRINCIPAL COMMISSIONER OF GOODS AND SERVICES  
TAX, WEST DELHI ..... Respondent

Through: Mr. Akshay Amritanshu, Sr.  
Standing Counsel.

**CORAM:**

**HON'BLE MR. JUSTICE VIBHU BAKHRU**

**HON'BLE MR. JUSTICE ANISH DAYAL**

**VIBHU BAKHRU, J.**

**CM APPL. 66279/2023**

1. Exemption is allowed, subject to all just exceptions.
2. Application is disposed of.

**W.P.(C) 16452/2023**

3. Issue notice.
4. The learned counsel for the respondent accepts notice.
5. The petitioner has filed the present petition impugning the order dated 19.07.2023 (hereafter '**the impugned order**') cancelling the petitioner's GST registration with effect from 23.05.2022. The



impugned order was passed pursuant to the show cause notice dated 05.07.2023 (hereafter '**the SCN**'). A plain reading of the SCN indicates that the petitioner's GST registration was proposed to be cancelled for the following reasons:

“1. Section 29(2)(e)-registration obtained by means of fraud, wilful misstatement or suppression of facts.”

6. The petitioner was called upon to furnish a reply to the SCN within a period of seven working days from the date of service of the SCN. The petitioner was also directed to appear before the concerned Officer on 06.07.2023. Additionally, the petitioner's GST registration was suspended with effect from the date of the SCN, that is, with effect from 05.07.2023.

7. A plain reading of the SCN indicates that it does not set out any specific reason for proposing to cancel the petitioner's GST registration. Although it is alleged that the petitioner has obtained registration by means of fraud, wilful misstatement or suppression of facts. It neither specifies the alleged fraud nor the misstatement alleged to have been made by the petitioner. It also provides no clue as to the facts allegedly suppressed by the petitioner.

8. It is trite that a show cause notice must clearly set out the allegations on the basis of which an adverse action is proposed, to enable the noticee to meaningfully respond to the same. Clearly, the SCN in the present case fails to satisfy the said standard.

9. The impugned order is also not informed any reason and it merely mentions that the same has been issued in reference to the SCN.



10. It is noticed that the petitioner's registration has been cancelled with retrospective effect from 23.05.2023. Neither the SCN nor the impugned order provides any reasons for doing so.

11. In view of the above, the petition is allowed. The SCN as well as the impugned order are set aside.

12. The respondent is directed to forthwith restore the petitioner's GST registration.

13. It is clarified that this order would not preclude the respondent from initiating or pursuing any proceedings, if it is found that the petitioner has been non compliant, or is violating, any provisions of law.

14. The petition is disposed of.



**VIBHU BAKHRU, J**

**ANISH DAYAL, J**

**DECEMBER 20, 2023**

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