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

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Date of Decision : 10.07.2024+ **W.P.(C) 9192/2024**

M/S RAJDHANI TRADING CO.

.....Petitioner

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

versus

PRINCIPAL COMMISSIONER OF DEPARTMENT
OF TRADE AND TAXES, GOVERNMENT
OF NCT OF DELHI

.....Respondent

Through: Mr.Avishkar Singhvi, ASC,
Mr.Shubham Kumar, Mr.Vivek
Kumar Singh, Mr.Naved Ahmed,
Advocates.**CORAM:****HON'BLE MR. JUSTICE VIBHU BAKHRU****HON'BLE MR. JUSTICE SACHIN DATTA****VIBHU BAKHRU, J. (ORAL)**

1. The petitioner has filed the present petition, *inter alia*, praying that directions be issued to the respondent to restore its GST registration. The petitioner also impugns an order dated 30.05.2022 (hereafter the *impugned order*) whereby the petitioner's GST registration was cancelled.

2. The petitioner was registered with the GST authorities with effect from 29.07.2021 and was issued Goods and Services Tax Identification Number - (GSTIN) No.07CBHPT4208D1ZR. The petitioner did not file its returns for a continuous period of six months and consequently, on 19.05.2022 the respondent issued the Show Cause Notice (hereafter *the*



SCN) calling upon the petitioner to show cause as to why its registration not be cancelled for failure to file the returns for a continuous period of six months. The petitioner was also directed to furnish its reply to the SCN within a period of seven working days. The petitioner's GST registration was also suspended with effect from the date of the SCN. The petitioner was further informed that if it fails to file reply within the stipulated period or fails to appear for personal hearing on the appointed date, its case would be decided on the basis of the available record and on merits.

3. It is important to note that the SCN did not indicate any date, time or venue for the personal hearing. The impugned order was passed pursuant to the aforesaid SCN. The petitioner failed to respond to the SCN. Consequently, the petitioner's registration was cancelled by the impugned order, *albeit* with retrospective effect from 31.07.2021.

4. The petitioner claims that he is a bonafide tax payer and has discharged its entire tax liability. However, the petitioner does not dispute that it had failed to file its returns for a continuous period of six months.

5. The learned counsel appearing for the petitioner submits that the petitioner is ready and willing to make the payment of dues and prays that its GST registration be restored as the petitioner would be unable to carry on its business without such restoration. He also states that since its GSTIN has been cancelled, the petitioner is unable to secure a fresh registration.

6. Mr. Singhvi, learned counsel appearing for the respondent submits that since there is no dispute that the petitioner failed in statutory compliances, the impugned order cannot be assailed. However, he is unable



to dispute that the petitioner was not afforded any personal hearing as the SCN did not indicate any date, time or venue for the same. Thus, undisputedly, the principles of natural justice were not complied with.

7. In view of the above, we consider it apposite to set aside the impugned order and direct that the petitioner's registration be restored forthwith. The petitioner shall file its GST returns as due and also clear all its tax dues within a period of four weeks thereafter. The petitioner shall also pay the penalty and other charges as imposed by the respondent.

8. In case, the petitioner fails to clear the dues within a period of four weeks from date, the present order directing the restoration of the petitioner's GSTIN, shall stand revoked without any further orders. We also clarify that the respondents are not precluded from initiating any other proceedings for non-compliance of the statutory provisions by the petitioner or for recovery of any further amount, if found due and recoverable from the petitioner.

9. This order is passed in the peculiar facts of the case.

10. The petition stands disposed of in the aforesaid terms.

VIBHU BAKHRU, J

SACHIN DATTA, J

JULY 10, 2024

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