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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Judgment delivered on: 05.01.2024

+ W.P.(C) 164/2024 & CM APPL. 788/2024

M/S KUNDAN IMPEX

..... Petitioner

versus

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

..... Respondent

Advocates who appeared in this case:

For the Petitioner: Mr. Pranay Jain and Mr. Karan Singh, Advocates.

For the Respondent: Mr. Rajeev Aggarwal, Assistant Standing Counsel.

CORAM:-

HON'BLE MR. JUSTICE SANJEEV SACHDEVA

HON'BLE MR. JUSTICE RAVINDER DUDEJA

JUDGMENT

SANJEEV SACHDEVA, J. (ORAL)

1. Petitioner impugns show cause notice dated 05.07.2023 whereby the registration of the petitioner has been suspended. Petitioner further seeks a direction to the respondent to cancel the registration of the petitioner from the date when the last return was filed i.e. in July, 2023.

2. Learned counsel for the petitioner submits that the show cause notice does not give any reason or detail but merely refers to letter dated 12.06.2023 of Assistant Commissioner (Okhla Division) GST, South Delhi Commissionerate. He submits that copy of the letter has



also not been provided.

3. Issue notice. Notice is accepted by learned counsel appearing for the respondent. With the consent of the parties, the petition is taken up for final disposal today.

4. Learned counsel for the respondent has produced letter dated 12.06.2023 copy of which has also been handed over to learned counsel for the petitioner.

5. Perusal of letter dated 12.06.2023 shows that there is an allegation that one Neeraj Enterprises had issued invoices without any underlying supply of goods or services and passed on fraudulent input tax credit to various recipients and petitioner is alleged to be one of the such recipients.

6. From the perusal of Annexure-A annexed to the said letter, it is not apparent as to which entry pertains to the petitioner or invoice alleged to have been sent to the petitioner without any underlying supply of goods or services.

7. Learned counsel for the petitioner submits that petitioner does not intend to carry on any business in the same entity for the reason that the registration was suspended by the impugned show cause notice dated 05.07.2023 and petitioner for the last six months has not been able to carry on any business and he accordingly seeks cancellation of the registration.



8. Be that as it may, since we have held that the show cause notice does not contain the requisite details, the same is not sustainable and is liable to be quashed and even the letter dated 12.06.2023 does not give any clarity as to the allegation of availing of fraudulent input tax credit by the petitioner. Accordingly, the show cause notice is set aside.

9. It would be, however, open to the respondent to take further action in accordance with law *inter alia*, cancellation of registration with retrospective effect. However, the same would be in accordance with law and pursuant to a proper Show Cause Notice and an opportunity of hearing being given to the petitioner.

10. With regard to the contention of learned counsel for the petitioner for cancellation of the registration, it would be open to the petitioner to apply for cancellation of registration in accordance with law.

11. Petition is accordingly disposed of in the above terms.

SANJEEV SACHDEVA, J

JANUARY 05, 2024
'rs'

RAVINDER DUDEJA, J