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

\+ **W.P.(C) 4323/2025 & CM APPL. 20023/2025**

GANESH TRADING COMPANY .....Petitioner

Through: Mr. Pulkit Verma, Advocate.

versus

SUPERINTENDENT RANGE 27 CENTRAL GST DIVISION & ANR. .....Respondents

Through: Mr. Piyush Beniwal, Advocate.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE MANOJ JAIN

O R D E R

% **04.04.2025**

1. This hearing has been done through hybrid mode.

2. The present petition has been filed by the Petitioner- Ganesh Trading Company through it's proprietor Mr. Babita Devi Maurya under Article 226 and 227 of the Constitution of India *inter alia* assailing the impugned show cause notice dated 25th March, 2025 (hereinafter, '*impugned SCN*').

3. *Vide* the impugned SCN, a reply has been sought from the Petitioner and it's proprietor, Mr. Babita Devi Maurya, has been directed to appear before the Respondent No. 1- Superintendent, Range- 27, Central GST Division, New Delhi on 04th April, 2025. Further, the Goods and Service Tax (hereinafter, '*GST'*) registration of the Petitioner has also been suspended with effect from 25th March, 2025 *vide* the impugned SCN.

4. Unfortunately, this is the second round of litigation which the Petitioner has been compelled to file. In the first round, a show cause notice was issued to the Petitioner on 07th February, 2025 by the Respondent No. 1 wherein it

was stated that the Petitioner was not conducting business from the declared principal place of business.

5. A reply was filed by the Petitioner to the said show cause notice dated 07th February, 2025, however, the same was not considered by the Respondent No. 1 resulting in an order dated 25th February, 2025 being passed for cancellation of GST Registration of the Petitioner. The said order was challenged by the Petitioner in ***W.P.(C) 2631/2025*** titled ***'Ganesh Trading Company v. Superintendent Range 27 Central GST Division New Delhi & Anr.'*** in which the following order dated 7th March 2025 was passed:

> *2. The petitioner is principally aggrieved by the order of 25 February 2025 pursuant to which its Goods and Services Tax [**GST**'] registration has come to be cancelled.*
>
> *3. We note from our record that the aforesaid order was preceded by the issuance of a Show Cause Notice ['**SCN**'] dated 07 February 2025 in which it was alleged that Rule 21(a) of the Central Goods and Services Rules, 2017 [**'Rules**'] had been violated in light of the petitioner having not been found to be conducting any business from the declared place. In response to the aforesaid, the petitioner submitted a detailed reply dated 12 February 2025 appending thereto the rent agreement and other material documents for the consideration of the respondents.*
>
> *4. However, the aforesaid SCN proceedings have come to be concluded by the passing of a final order and which reads as follows:*
>
> *"Reference Number: ZA070225185605F*
>
> *Date: 25/02/2025*
>
> *To*
>
> *Name: BABITA DEVI MAURYA*

Address C-16A. SECOND FLOOR, BANGLOW ROAD ADARSH NAGAR, North Delhi. Delhi, 110033

GSTIN/UIN 07AIPPM3672F1ZZ

Application Reference Number (ARN) AA070225015367F Date: 12/02/2005

Order for Cancellation of Registration

This has reference to show cause notice issued dated 07/02/2025

Whereas reply to the show cause notice has been submitted vide AA070225015367F dated 12/02/2025, and whereas, the undersigned on examination of your reply to show cause notice and based on record available with this office is of the opinion that your registration is liable to be cancelled for following reason(s):

1. Rule 21 (a) - Person does not conduct any business from declared place of business/place of business not found Remarks:

reply not satisfactory.

The effective date of cancellation of your registration as ***25/06/2018***

2. Kindly refer to the supportive document(s) attached for case specific details. - Not Applicable

3. It may be noted that a registered person furnishing return under sub-section (1) of section 39 of the CGST Act, 2017 is required to furnish a final return in FORM GSTR-10 within three months of the date of this order.

4. You are required to furnish all your pending returns.

5. It may be noted that the cancellation of registration shall not affect the liability to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation

5. As is manifest from the above, the respondents have clearly failed to either engage with or consider the detailed reply which had been submitted by the writ petitioner. In the absence of any reasoning having been assigned, we find ourselves unable to sustain the order impugned.

*6. **We, accordingly, allow the present writ petition and quash the order of 25 February 2025. We, however, leave it open to the respondents to draw proceedings afresh from the stage of issuance of the SCN dated 07 February 2025 and to pass fresh orders after taking into consideration the reply which had been submitted by the writ petitioner.** The petitioner should also be afforded an opportunity of personal hearing.*

6. A perusal of the above order would show that the Court had relegated the Central GST Department to the stage of issuance of the show cause notice dated 07th February, 2025 and fresh orders were to be passed after considering the reply.

7. The Central GST Department however, chose to completely ignore the order dated 7th March 2025 wherein the Respondent No. 1 was directed to drop the proceedings against the Petitioner arising out of the show cause notice dated 07th February, 2025.

8. Thereafter, the Respondent No. 1 issued a fresh show cause notice dated 25th March, 2025 *i.e.* impugned SCN. In the impugned SCN, again a reply was sought and a personal hearing was fixed. Further, the GST

registration of the Petitioner had also been suspended with effect from 25th March, 2025. There is also no reference to the reply or any of the documents which were filed by the Petitioner *vide* letter dated 12th February 2025 in the impugned SCN.

9. Ld. Counsel for the Petitioner submits that the issuance of the impugned SCN and the suspension of the GST registration of the Petitioner is completely contrary to the letter and spirit of the order passed by this Court on 07th March, 2025 in ***W.P.(C) 2631/2025***.

10. Mr. Piyush Beniwal, ld. Counsel for the Respondent submits that the Court had permitted the Central GST Department to start the proceedings and pass fresh orders in terms of show cause notice dated 07th February, 2025.

11. The reply dated 12th February 2025. which was filed by the Petitioner has been perused by this Court which shows that the Petitioner's case is that there was some medical emergency due to which the owner of the Petitioner was not available at the declared principal place of business. His son was however present at the time of inspection. Further, the rent agreement dated 10th May 2024 has been placed on record which shows that the premises has been taken on rent by the Petitioner. Photographs of the principal place of business have also been placed on record.

12. Under such circumstances, the suspension of the GST registration would in fact lead to bringing the business itself to a standstill. There has been a complete non-application of mind in the issuance of impugned SCN coupled with the suspension. The impugned SCN is obviously not sustainable and the suspension of the GST registration is completely unreasonable as well as arbitrary.

13. Issue notice. Mr. Beniwal, ld. Counsel accepts notice on behalf of

Respondents.

14. The proceedings in the impugned SCN as well as the suspension of the GST registration of the Petitioner shall remain stayed.

15. Let the access to the GST portal of the Petitioner be restored within a period of 48 hours.

16. Let the counter affidavit be filed within four weeks from today. Rejoinder thereto, if any, be filed within two weeks thereafter.

17. List before the Joint Registrar on 21st May, 2025.

18. List before the Court on 29th July, 2025.

PRATHIBA M. SINGH, J.

MANOJ JAIN, J.

APRIL 4, 2025
v/ck