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

\+ **W.P.(C) 94/2025**

PARDEEP KUMAR SHARMA PROPRIETOR SHARMA STEEL AND SONS .....Petitioners

Through: Mr. Rajesh Jain, Mr. Virag Tiwari, Mr. Vinod Sabharwal, Mr. Ramashish, Mr. Aditya Sabharwal and Ms. Tanya Saraswat, Advs.
(M: 9810042928)

versus

THE UNION OF INDIA REVENUE SECRETARY, MINISTRY OF FINANCE & ORS. .....Respondents

Through: Mr. Manish Rohilla, SPC for R-1.
(M: 9541266150)
Mr. Piyush Beriwal, Mr. Sandip Muniam and Mr. Jyotsana Vyas, Advs. for R-2 & 3. (M: 7384392481)

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE DHARMESH SHARMA

O R D E R

% 08.01.2025

1. This hearing has been done through hybrid mode.

CM APPL. 373/2025 (for exemption)

2. Allowed, subject to all just exceptions. Application is disposed of.

W.P.(C) 94/2025 & CM APPL. 372/2025 (for stay)

3. The present petition has been filed on behalf of the Petitioner-Pradeep Kumar Sharma challenging the impugned show-cause notice dated 4th August, 2024 by which the Department of Central Goods and Services Tax, Delhi-East has sought to raise a demand of a sum of Rs. 21,74,43,400/-.

4. The ground on which the said show-cause notice has been issued is that

the registration of the supplier was cancelled in a retrospective manner and since the registration is cancelled, the benefit of input tax credit cannot be availed of by the Petitioner.

5. The Department of Revenue, Central Board of Indirect Taxes and Customs had issued instructions bearing ***Instruction No. 02/22-GST*** dated 22nd March, 2022 wherein it was directed as under:-

> *"7. **Claim of ITC in respect of supplies from taxpayers whose registrations have been cancelled retrospectively.***
>
> *In case of retrospective cancellation of registration of a supplier, the recipient is not entitled to claim ITC in respect of invoices or debit notes issued after the effective date of cancellation of the registration. Effective date of cancellation of registrations of the suppliers, if any, is made available in relevant tables of **FORM GSTR-ZA.** Accordingly, it may be verified whether the registered person has availed ITC in respect of such invoices or debit notes issued by the suppliers after the effective date of cancellation of their registrations."*

6. Mr. Jain, ld. Counsel submits that subsequent to the issuance of the said show-cause notice, order dated 31st December, 2024 has been passed in the same, despite being informed that the writ petition is pending.

7. It is noted that in similar matters, interim orders have already been passed and the Court has observed that the matter requires consideration.

8. Issue notice. The demand pursuant to the show-cause notice dated 4th August, 2024 shall be kept in abeyance. Let the order passed on 31st December, 2024 be placed on record.

9. Reply be filed within four weeks.

10. List along with the connected matters on 19th February, 2025.

PRATHIBA M. SINGH, J

DHARMESH SHARMA, J

JANUARY 8, 2025
gunn/rks