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

+ W.P.(C) 10234/2024 and CM APPL. 41985/2024

M/S SANJAY SALES INDIA

.....Petitioner

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

versus

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

Through: Mr. Udit Malik, ASC (Civil) and Mr.
Vishal Chanda, Adv.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

26.07.2024

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1. Issue notice.
2. Learned counsel for the respondent accepts notice.
3. The petitioner has filed the present petition being aggrieved by the failure on the part of the respondent to process its application for cancellation of GST registration.
4. The petitioner was registered with the GST authorities with effect from 01.07.2017 and was assigned Goods and Services Tax Identification Number (GSTIN:07AARPS6150L1Z0).
5. It is the petitioner's case that it discontinued his business and, therefore, by an application dated 13.06.2024 sought cancellation of its GST registration with effect from the said date.
6. In response to the said application, the Proper Officer had issued a notice dated 16.07.2024 stating that the Proper Officer was not satisfied with



the petitioner's application for the following reasons:

(i) Cancellation Details – Others (Please specify) – Please pay due tax and penalties.

(ii) Cancellation Details – Others (Please Specify) – (PLEASE SUBMIT THE MONTHWISE DETAILS OF TAX DUE/PAID AND SALE/PURCHASE INVOICE ALONG WITH GR & STOCK REGISTER AND BANK STATEMENT SINCE DATE OF REGISTRATION.”

7. The petitioner's request for cancellation of GST registration cannot be denied on the grounds as mentioned in the notice dated 16.07.2024.

8. The first ground, “Cancellation Details – Others (Please specify) – Please pay due tax and penalties”, is untenable. The petitioner stated that its reason for seeking cancellation of GST registration was that it had discontinued its business. The cancellation of GST registration would not impinge upon the liability of the petitioner to pay the outstanding tax and penalties, if any.

9. The second reason for proposing to reject the petitioner's application dated 13.06.2024 appears to be a requirement to submit details as to the tax paid along with stock register and bank statements etc. This is also untenable in view of the settled law that the cancellation of the GST registration would not affect the petitioner's liability to pay the taxes due or to be answerable for any statutory violation prior to the date of cancellation.

10. Thus, the scrutiny as to the petitioner's tax liability for a prior period cannot be a ground for refusing cancellation of GST registration.

11. In view of the above, the respondent is directed to process the petitioner's application for cancellation of GST registration.

12. It is clarified that this will not preclude the Proper Officer from



initiating such proceedings as may be warranted in law, for assessment of the petitioner's liability under the Central Goods and Services Tax Act, 2017 (CGST Act)/ Delhi Goods and Services Act Tax, 2017 (DGST Act)/Integrated Goods and Services Tax Act, 2017 (IGST Act) or for recovery of any amount due.

13. The petition is disposed of with the aforesaid observations.
14. All pending application/s also stand disposed of.

VIBHU BAKHRU, J

SACHIN DATTA, J

JULY 26, 2024/cl