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

% *Date of Decision:*20.09.2023

+ **W.P.(C) 12359/2023 & CM APPL. 48689/2023**

KRISHNA TRADERS

..... Petitioner

Through: Mr. Rajesh Mahna, Mr. Ramanand  
Roy, Mr. Shiva Narang & Mr.  
Mayank K, Advs.

versus

COMMISSIONER OF CENTRAL GOODS AND SERVICE TAX  
DELHI NORTH & ANR. .... Respondents

Through: Mr. Atul Tripathi, SSC.

**CORAM:**

**HON'BLE MR. JUSTICE VIBHU BAKHRU**

**HON'BLE MR. JUSTICE TUSHAR RAO GEDELA**

**VIBHU BAKHRU, J.**

1. Issue notice.
2. The learned counsel for the respondents accepts notice.
3. The petitioner has filed the present petition impugning an order dated 02.03.2023 (hereafter '**the impugned order**') whereby the petitioner's GST registration was cancelled with the retrospective effect from 02.07.2017.
4. The petitioner, at the material time, was engaged in the business



of trading of rubber tyres, under a sole proprietorship concern named Krishna Traders. It is material to note that the petitioner is not aggrieved by the order cancelling the GST registration as it had applied for cancellation of the GST registration with effect from 31.03.2022. The petitioner is, essentially, aggrieved by cancellation of the GST registration with retrospective effect.

5. It is the petitioner's case that he had closed his business in Delhi with effect from 31.03.2022 and had, accordingly, applied for cancellation of the GST registration on 13.04.2022. The petitioner had, after closure of business, shifted from New Delhi to Dehradun.

6. A show cause notice dated 26.04.2022 was issued by the Proper Officer calling upon the petitioner to furnish additional information in connection with his application for cancellation of the GST registration. The petitioner claims that he did not receive the said notice as he had shifted to Dehradun. Since the said show cause notice was not responded to and the petitioner did not provide the documents as sought for, the Proper Officer rejected his application for cancellation of the GST registration by an order dated 29.05.2022.

7. On 08.11.2022, the Proper Officer issued a fresh show cause notice proposing to cancel the petitioner's registration on account of failure to file tax returns for a continuous period of six months. Thereafter, the petitioner's GST registration was cancelled by the impugned order with retrospective effect from 02.07.2017.

8. The impugned order includes a tabular statement, which indicates



that no tax was found due and payable by the petitioner.

9. Since it is the petitioner's case that he had closed the business in Delhi with effect from 31.03.2022, the petitioner could not be expected to file any returns thereafter. Undisputedly, a tax payer is entitled to close his business and seek cancellation of the GST registration.

10. As noticed above, the cancellation of the GST registration is not an issue, the issue relates to cancellation of the GST registration with retrospective effect.

11. In the given circumstances, we consider it apposite to direct that the cancellation of petitioner's GST registration shall take effect from 31.03.2022. However, this would not preclude the concerned authorities from instituting any proceeding if it is found that the petitioner has violated any provisions of the Statute or is liable to pay any tax, interest or liability.

12. The petition is disposed of in the aforesaid terms. The pending application is also disposed of.

**VIBHU BAKHRU, J**

**TUSHAR RAO GEDELA, J**

**SEPTEMBER 20, 2023**  
**Ch**