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By Nidhi, Advocate



Judgment No.: 004
Dt.: 31-10-2023



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Judgment Deals With

Section/Rule	Section 29 of CGST Act, 2017
Authority	Delhi High Court
Case Name	Krishna Traders VS Commissioner Of CGST Delhi North & Anr.
Dated	20 th September, 2023

Brief Facts:

The petitioner was engaged in the business of trading of rubber tyres under a sole proprietorship concern. The petitioner is aggrieved by cancellation of the GST registration with retrospective effect. The petitioner has filed the present petition impugning an order dated 02.03.2023 whereby petitioner's GST registration was cancelled with the retrospective effect from 02.07.2017. Petitioner 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. A SCN 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 did not receive the said notice as he had shifted to Dehradun. Since the said SCN was not responded, the Proper Officer rejected his application for cancellation of the GST registration by an order dated 29.05.2022. On 08.11.2022, the Proper Officer issued a fresh SCN proposing to cancel the petitioner's registration on account of failure to file tax returns for a continuous period of 6 months. Thereafter, the petitioner's GST registration was cancelled by the impugned order with retrospective effect from 02.07.2017. The impugned order includes a tabular statement, which indicates that no tax was found due and payable by the petitioner.

Contention of Petitioner:

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. The cancellation of the GST registration is not an issue, the issue relates to cancellation of the GST registration with retrospective effect.

Findings & Order:

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.

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