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

Date of Decision: 21st July, 2025

+ **W.P.(C) 10392/2025**

SHRI SARABJEET SINGH , PROPRIETOR OF M/S KHURANA
ASSOCIATESPetitioner

Through: Mr. Chandra Datt Joshi, Advocate.

versus

THE COMMISSIONER OF SGST, DELHI SGST & ORS.

.....Respondents

Through: Mr. Harpreet Singh, SSC with Mr. Jai
Ahuja and Ms. Vanshika Kapoor,
Advocates.

Ms. Avni Singh, Advocate for
R/GNCTD.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE RAJNEESH KUMAR GUPTA

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.

CM APPLs. 43208-43209/2025 (Exemption)

2. Allowed, subject to all just exceptions. The applications stand disposed of.

W.P.(C) 10392/2025

3. The present petition has been filed by the Petitioner under Articles 226 and 227 of the Constitution of India, being aggrieved by the non-grant of fresh GST registration in his favour.

4. The background of the case is that the Petitioner already had a GST



registration bearing no. 07AYGPS6777E1ZW (old registration number) in respect of which a Show Cause Notice (SCN) had been issued on 24th September, 2023 and a consequent impugned Order-in-Original dated 28th December, 2023 was passed. A demand of Rs.21,72,324/- was raised against the Petitioner. It is further the case of the Petitioner that the said old registration number of the Petitioner was cancelled due to disruption of work in the wake of COVID-19.

5. The Petitioner had challenged the Order dated 28th December, 2023 vide **W.P.(C) 4326/2025**. The said writ petition was considered by this Court and vide order dated 04th April, 2025, the Petitioner was permitted to avail of his appellate remedy.

6. Vide the said order dated 4th April, 2025, passed by this Court, an appeal under Section 107 of the Central Goods and Service Tax Act, 2017 (*hereinafter, 'the CGST Act'*) has been stated to be filed along with the requisite pre-deposit which is pending adjudication before the concerned appellate authority.

7. In the meantime, the Petitioner filed an application for a new GST registration on 05th May, 2025. In respect of the said fresh application for GST registration, the SGST, Delhi (*hereinafter, 'the Department'*) has taken a position that the same cannot be granted to the Petitioner until the demand raised in the Order-in-Original dated 28th December, 2023 is cleared, since the same has rendered the Petitioner a defaulter.

8. It is further the case of the Department that for a fresh GST registration, a No Objection Certificate (NOC) is required and since the Petitioner is currently a defaulter, the said NOC is being withheld.

9. Ld. Counsel for the Petitioner submits that as stated above, they have



already filed an appeal challenging the Order-in-Original dated 28th December, 2023 and the same is pending adjudication.

10. Ms. Avni Singh, Id. Counsel for the Department submits that even if the appeal has been filed, the NOC would be given only if the entire demand is paid.

11. A perusal of the record would show that vide judgment dated 04th April, 2025, this Court had disposed of the earlier writ petition **W.P.(C) 4326/2025** in the following terms:

“2. The present petition has been filed by the Petitioner– Sarabjeet Singh challenging the impugned order dated 28th December, 2023(hereinafter, the impugned order), issued by Respondent No.2– Assistant Commissioner of SGST, Ward 85, Zone 9, Vyapar Bhawan, IP Estate, New Delhi.

3. The impugned order was passed pursuant to the show cause notice dated 24th September, 2023 which was also issued by Respondent No.2.

4. A demand of Rs. 21,72,324/- has been raised upon the Petitioner vide the impugned order.

5. Various grounds have been raised by the Petitioner in respect of the impugned order. It is noted that no reply to the show cause notice was filed by the Petitioner despite a reminder having been issued in respect of the same.

6. However, Id. Counsel for the Petitioner submits that the Petitioner was not aware of the passing of the impugned order and he got the knowledge of the same very recently.

7. Considering that the demand in the impugned order is to the tune of Rs. 21,72,324/-, and the case of the Petitioner is that he acquired knowledge of the order recently, the Petitioner is permitted to approach the appellate authority under Section 107 of the CGST Act, 2017 within a period of 30 days.

8. If the appeal is filed within 30 days, the same shall not be dismissed on the ground of limitation and shall be



adjudicated on merits, in due accordance with law.
9. The petition is disposed of in these terms. All pending applications, if any, are also disposed of.”

12. Hence, in the opinion of this Court, since the Order-in-Original dated 28th December, 2023 is now under challenge before the appellate authority and the Petitioner has deposited the requisite pre-deposit, the decision in the Order-in-Original cannot be deemed to have reached finality. In view thereof, in the opinion of this Court, the Petitioner cannot continue to be treated as a defaulter during the pendency of the appeal. Emphasis is laid upon Section 107(7) of the Central Goods and Service Tax Act, 2017, which reads as under:

107. Appeals to Appellate Authority.—

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(7) Where the appellant has paid the amount under sub-section (6), the recovery proceedings for the balance amount shall be deemed to be stayed.

13. Thus, it is clear that once an appeal has been filed by the Petitioner and the mandatory pre-deposit has been paid, the impugned Order-in-Original shall stand automatically stayed in view of the operation of Section 107(7) of the Central Goods and Service Tax Act, 2017.

14. Thus, the Petitioner can no longer be treated as a defaulter and the NOC cannot be withheld merely on the ground that the said demand which is under challenge has not been paid. The Department is accordingly directed to process the application for fresh GST Registration filed by the Petitioner and issue NOC with respect to the same.

15. After the issuance of the NOC, the application filed by the Petitioner shall proceed in accordance with law.



2025:DHC:5864-DB



16. Accordingly, the petition stands disposed of in said terms. Pending applications, if any, are also disposed of.

PRATHIBA M. SINGH
JUDGE

RAJNEESH KUMAR GUPTA
JUDGE

JULY 21, 2025
v/ss