



**Reserved On : 24/11/2025**  
**Pronounced On : 11/12/2025**

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**

**R/SPECIAL CIVIL APPLICATION NO. 1150 of 2025**

**FOR APPROVAL AND SIGNATURE:**

**HONOURABLE MR. JUSTICE A.S. SUPEHIA**

**and**  
**HONOURABLE MR. JUSTICE PRANAV TRIVEDI**

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Approved for Reporting	Yes	No
		✓

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**M/S. VIRANI METAL INDUSTRIES**  
**Versus**  
**THE STATE OF GUJARAT & ORS.**

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Appearance:  
ANANDODAYA S MISHRA(8038) for the Petitioner(s) No. 1  
MS. SHRUNJAL SHAH, ASSISTANT GOVERNMENT PLEADER for the  
Respondent(s) No. 1,2,3

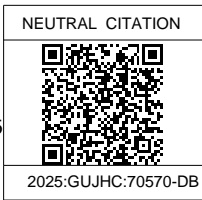
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**CORAM: HONOURABLE MR. JUSTICE A.S. SUPEHIA**  
**and**  
**HONOURABLE MR. JUSTICE PRANAV TRIVEDI**

**CAV JUDGMENT**  
**(PER : HONOURABLE MR. JUSTICE PRANAV TRIVEDI)**

1. Heard learned advocate Mr. Anandodaya S. Mishra for the petitioner-Company and learned Assistant Government Pleader Ms. Shrunjal Shah for the respondents.

2. The present petition is preferred praying



to pass appropriate writ, order or direction, quashing and setting aside the order dated 30.11.2024, issued by respondent No.2 (hereinafter referred to as 'the respondent' for short) under the provisions of the Gujarat State Goods and Services Tax Act, 2017 (hereinafter referred to as 'the Act') rejecting the application of the petitioner for cancellation of registration on account of transfer of agreement.

3. The brief facts leading to the filing of the present petition are as under:

3.1 The petitioner was a sole proprietorship firm, registered under the provisions of the Gujarat State Goods and Services Tax Act, 2017 and, inter alia, is engaged in manufacturing of copper wire from copper scrap. It is the case of the petitioner that it was taken over by Copperwrx Tradelink Private Limited (for



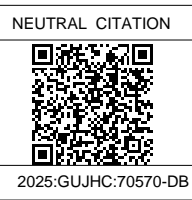
short 'the Company') vide a valid Agreement dated 07.03.2024.

3.2 It is the case of the petitioner that subsequent to the Agreement, the petitioner filed an application for cancellation of the registration under Form REG-16 on 01.05.2024, requesting for cancellation of the registration with effect from 02.04.2024. The petitioner had categorically mentioned in the application that it neither possessed any stock or capital goods on the day of filing nor any tax was payable by the petitioner. In response thereto, the respondent issued a notice under Form GST REG-03, dated 02.05.2024, seeking additional information and directing the petitioner for clarification.

3.3 It is the case of the petitioner that the respondent passed an order of rejection of

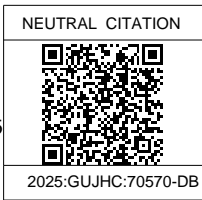


application of cancellation of registration under Form GST REG-05 dated 03.10.2024 (hereinafter referred to as the "impugned order of rejection dated 03.10.2024") stating the reason that the petitioner *"did not provide document of amalgamation, merger and liabilities of responsible firm"*. The petitioner again filed another application for cancellation of registration under Form GST REG-16 dated 19.10.2024 requesting for cancellation of the GST Registration. The respondent issued a notice under Form GST REG-03, dated 08.11.2024, directing the petitioner to provide document for transfer of business along with details of the old firm with legal documents. The respondent passed an order of rejection of application of cancellation of registration under Form GST REG-05 dated 30.11.2024. It is this order dated 30.11.2024



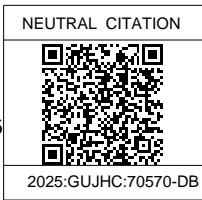
which is impugned in the present writ petition.

4. Mr. Anandodaya S. Mishra, learned advocate for the petitioner submitted that the petitioner had transferred the entire business to the Copperwrx Tradelink Private Limited and hence, applied for cancellation of the GST Registration for the petitioner firm along with requisite documents. The respondent, without proper consideration and inspection of the documents, rejected the cancellation request, against which the petitioner again filed another application requesting cancellation of registration on 08.11.2024. The respondent passed an unreasoned and cryptic impugned order of rejection dated 30.11.2024, without even stating the reasons for rejection for cancellation of registration.



4.1 It was further submitted by Mr. Mishra, learned advocate for the petitioner, that the petitioner filed valid applications for cancellation of registration on 01.05.2024 and subsequently again on 19.10.2024 in Form GST REG-16, as prescribed under Rule 20 of the CGST Rules, 2017. The petitioner had complied with the provision of Rule 20 of the CGST Rules, 2017 and had mentioned the requisite details as well.

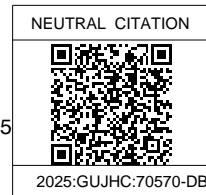
4.2 It was further submitted by Mr. Mishra that the petitioner had filed the applications for cancellation on 01.05.2024 and 19.10.2024. However, in neither of the cases has the Respondent passed an order of cancellation within a period of 30 days, which *de hors* the provisions of law in the first place. Therefore, the present situation of the petitioner's GST Registration, due to the



impugned orders, is that the Registration has not been cancelled till date. Ironically, the respondent has issued notices dated 02.05.2024 and 08.11.2024 for clarification under different provisions, which are not applicable to application for cancellation of registration under Rule 20 of the CGST Rules, 2017.

5. Per contra, Ms. Shrunjal Shah, learned Assistant Government Pleader for the respondent authorities has vehemently opposed the present writ petition by contending that, this is the second round of litigation and the petitioner is involved in bogus billing activities.

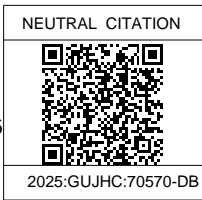
5.1 It was further submitted by Ms. Shah that the present petitioner has not approached this Court with clean hands. It was submitted that,



there is certain vital information, which is necessary to be looked into, before any order can be passed in the present petition. On 29.08.2020, a notice for cancellation of registration was issued in Form REG 17 by the respondent for cancelling the registration of the petitioner, since no returns were filed since last 6 months. In response to such notice, on 09.10.2020, the petitioner filed the returns and therefore, the said notice for cancellation of registration was dropped. Thereafter, on 03.06.2021 the petitioner filed an amendment in the principal place of business whereby, the principal place of business was shifted to place which fell within the administrative jurisdiction of Ghatak 64, State Tax, Surat.

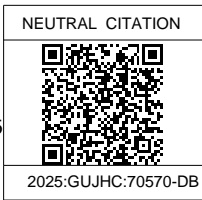
5.2 It was submitted by Ms. Shah that earlier the petitioner had preferred a writ petition





being Special Civil Application No. 20007 of 2023, challenging the summons and advisory, which is appended as Annexure R8 and Annexure R9, on the ground of simultaneous proceedings by Directorate General of Goods and Service tax Intelligence (DGGI) Vadodara and the State Tax authorities. It is submitted that the same were subsequently withdrawn and thereafter the respondent had received application on 01.05.2024 for the cancellation of registration of the petitioner on the ground of takeover Agreement. However, since copy of document of merger was not provided, such application was rejected vide order dated 03.10.2024.

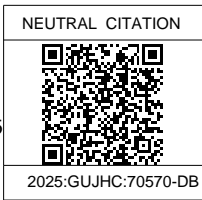
5.3 It is submitted by Ms. Shah that it is evident from such Agreement dated 07.03.2024, that no purchase price has been paid for the transfer of all assets and property to the



Private Limited Company. Further, it is expressly stated that the Private Limited Company shall not assume any liabilities, debts or obligations of the Sole Proprietorship firm, whether known or unknown, except when expressly provided therein.

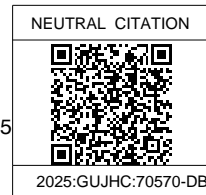
5.4 It was further submitted that of the two directors of Copperwrx Tradelink Private Limited Company, one is Mr. Vishal Habibullah Virani, who is the sole proprietor of the petitioner. It is submitted that the same is evident on the basis of Leave and License Agreement entered into by Copperwrx Tradelink Private Limited, the Company which has allegedly taken over the petitioner.

5.5 Ms. Shah, learned Assistant Government Pleader further submitted that the petitioner has not placed on record any details of



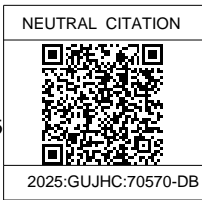
approval by Registrar of Companies or MCA, whether any valuation was done for issuing share or not, whether the transfer was on slump sale basis or a going concern basis etc. Merely relying upon such agreement, it is stated that the GST Registration of the petitioner may be cancelled from the date of such application. It is therefore submitted that the sole purpose of this agreement for taking over of sole proprietorship, appears to evade the payment of GST and further it's a method to get the registration of the petitioner get cancelled from the date of application rather than *ab-initio*.

5.6 In wake of such factual aspect, the respondent had issued a show-cause Notices in Form REG-17, dated 29.04.2025 to cancel the GST Registration of the petitioner *ab initio*.



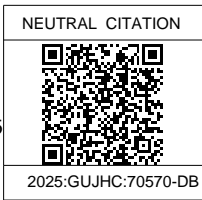
5.7 In wake of such submissions, Ms. Shah, learned Assistant Government Pleader has submitted that the present writ petition would become infructuous inasmuch as the proceedings are initiated by the department to cancel the registration *ab initio*. Therefore, the question of voluntary cancellation of the registration by the petitioner would not come into place. Ms. Shah further submitted that the intention of the petitioner to have the registration cancelled is a mala fide intention, in order to evade the proceedings which may occur due to the activities undertaken by the petitioner, from the date of inception of the Company.

6. Having gone through the facts of the present case and having gone through the materials on record, very limited question is presented for consideration before this Court.

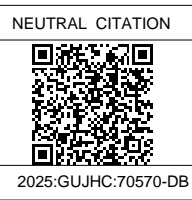


The only aspect is whether the application preferred by the petitioner has been rejected by the respondent, in accordance with law or not. There are arguments and counter-arguments on both the sides. The State has contended that this issue would become insignificant inasmuch as the authorities have undertaken the proceedings of cancelling the registration of the petitioner *ab initio*. Therefore, the issue is with regard to the impugned order passed by the authorities, whereas the petitioner has contested for cancellation of registration from the date of agreement.

7. On perusal of the impugned order, which is appended at Page-52 of the present writ petition, it can be observed that it is a non-speaking order of rejection. The impugned order is a non-speaking order inasmuch as the only reason given by the authorities is that



the reply has been examined and not found to be satisfactory. Only on this ground, the order of rejection is passed. In wake of such factual aspect, the impugned order dated 30.11.2024 issued by the respondent, is required to be quashed and set-aside and is hereby quashed and set-aside. However, this Court is not going into the aspect of subsequent notice dated 28.04.2025, calling upon the petitioner to show-cause as to why the cancellation of the registration should not be done *ab initio*. It cannot be held that the matter has become infructuous, in view of the issuance of notice dated 28.04.2025 since the lacuna of non-speaking order would still remain. The petitioner is requesting to cancel its registration from the date of Agreement whereas the department is directing the petitioner to show-cause as to why the number



should not be cancelled *ab initio*. The petitioner can very well reply the issue which is pending for adjudication vide notice dated 28.04.2025. We have only examined the issue relating to the impugned order dated 30.11.2024. Since the same being a non-speaking order, it is hereby quashed and set-aside. We further clarify that it would be open for the petitioner to take all the contentions in the proceedings initiated before the authority for cancellation of registration vide notice dated 28.04.2025.

The petition is allowed to the aforesaid extent only. Rule is made absolute to the aforesaid extent. No order as to costs.

**(A. S. SUPEHIA, J)**

**(PRANAV TRIVEDI,J)**

SAJ GEORGE