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

+ **W.P.(C) 3178/2025**

BHAGVAN SINGH THROUGH ITS PROPRIETOR.....Petitioner

Through: **Mr. M. A. Ansari, Ms. Tabbassum Findause & Mr. Arvind Kr. Soni, Advs.**

versus

COMMISSIONER OF DGST & ANR.Respondents

Through: **Mr. Abhinav Singh & Ms. Swegha Agarwal, Advs.**

CORAM:

HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE

HON'BLE MR. JUSTICE AJAY DIGPAUL

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**O R D E R
05.02.2026**

1. The present writ petition assails order dated 12.10.2023 passed by the Sales Tax officer Class II/ AVATO Ward 29 (respondent no. 2) whereby the petitioner's Goods and Services Tax¹ registration has been cancelled retrospectively with effect from 04.10.2018.
2. The petitioner, who is engaged in the business of trading retail and wholesale garments/fabrics, received a Show cause Notice² dated 15.01.2023, whereby its GST registration was proposed to be cancelled due to its non-furnishing of returns for a continuous period of six months.
3. Directions were issued to the petitioner to file its reply within 30 days

¹ GST



from the date of service this notice, and to appear for a personal hearing before respondent no. 2 on 13.02.2023 at 11.00 am. The notice also stated that the petitioner's registration stood suspended with effect from the same day, i.e., 15.01.2023.

4. Thereafter, respondent no. 2 passed the Impugned Order on 12.10.2023, noting that no reply to SCN dated 15.01.2023 was received, and that the petitioner's GST registration effectively stood cancelled from 04.10.2018.

5. The power to cancel GST registration under the Central Goods and Services Tax Act, 2017³ with retrospective effect is contemplated within Section 29(2) of the Act. While the power to effect such retrospective cancellation is undisputed, the authority competent to pass such an order is also shouldered with the responsibility to note the reasons that weighed in favour of such retrospective cancellation.

6. Numerous coordinate benches of this Court have held, unequivocally, that such reasons ought to be appended with the order of retrospective cancellation. These decisions also note that there is also an extension of this obligation to the extent of recording within the SCN the intent of the department to possibly cancel the assessee's registration retrospectively, allowing the assessee to thereafter object and respond to the proposed action of retrospective cancellation.

7. For this purpose, a reference is made to the decisions of this Court in ***Ramesh Chander Vs. Assistant Commissioner of Goods and Services Tax,***

² SCN

³ CGST Act



Dwarka Division, CGST Delhi & Anr⁴, Delhi Polymers v Commissioner, Trade and Taxes & Anr⁵, and Riddhi Siddhi Enterprises v Commissioner of Goods and Services Tax (CGST), South Delhi & Anr⁶.

8. The law on the subject of retrospective cancellation of the GST registration of an assessee is trite, holding that it is not merely the order of such retrospective cancellation that ought to contain sufficient reasoning to reflect the application of mind of the authority from which it flows, but also that the relevant SCN served upon the assessee should make mention of such proposed action of retrospective cancellation.

9. In consideration of the aforesaid, we deem it appropriate to set aside the impugned order dated 12.10.2023, as well as SCN dated 15.01.2023, and restore the GST registration of the petitioner. The petitioner shall clear all pending liabilities, if any, within 30 days of its GST registration being restored.

10. This order shall not prejudice the right of the respondents to initiate proceedings *de novo*, in accordance with law.

11. The present writ petition stands allowed on the aforesaid terms.

12. The petition, along with pending applications, if any, stands disposed of.

NITIN WASUDEO SAMBRE, J

AJAY DIGPAUL, J

FEBRUARY 5, 2026/gs/av

⁴ 2024 SCC OnLine Del 410

⁵ 2024 SCC OnLine Del 1134

⁶ 2024 SCC OnLine Del 9847