

HC: ITC Cannot Be Denied Solely Due to Supplier's Retrospective Cancellation of Registration

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REFER THE DECISION OF THE HON'BLE HIMACHAL PRADESH HIGH COURT
IN THE CASE OF

**Himalaya Communication (P.) Ltd. v. Union of India - [2025] 175
taxmann.com 324 (Himachal Pradesh)**

Key Issues:

Petitioner: Himalaya Communication (P.) Ltd.

Issue: The petitioner's **Input Tax Credit (ITC)** claim was **rejected** by the authorities on the sole ground that the **registration of the supplier was cancelled retrospectively**.

The department did not verify or consider the **genuineness of the underlying transaction**, nor did it examine **relevant documents** such as tax invoices, e-way bills, or payment proof.

Hon'ble High Court Judgement:

The Himachal Pradesh High Court **held that** mere retrospective cancellation of the **supplier's GST registration** cannot be the sole ground to **deny ITC**.

The department must **evaluate the genuineness of the transaction** and **examine all supporting documents** before rejecting ITC.

The impugned order was set aside, and the matter was remanded back to the authority for fresh consideration in accordance with law.

Section 16 of Central Goods and Services Tax Act, 2017.