

HC: Retrospective GST Registration Cancellation Held Untenable

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REFER THE DECISION OF THE HON'BLE DELHI HIGH COURT IN THE CASE OF

Banglore Sales Corporation v. Commissioner of DGST - [2025] 176 taxmann.com 436 (Delhi)

FACTS:

The assessee, Bangalore Sales Corporation, applied for cancellation of its GST registration on 28-03-2022.

After two years, the department sought clarification and issued a Show Cause Notice (SCN).

The SCN alleged non-filing of returns and ordered retrospective cancellation of registration from 01-07-2017 (the date GST came into force).

The assessee challenged the retrospective effect of cancellation, stating it was unjustified.

Hon'ble High Court Judgement:

The Delhi High Court held that retrospective cancellation from 01-07-2017 was untenable, as the cancellation should take effect from the date of application (28-03-2022).

The court noted that the department failed to provide valid reasoning for retrospective cancellation after such a long delay.

Directed the authorities to modify the cancellation order accordingly.