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

\+ **W.P.(C) 5825/2025**

R H A ENTERPRISES .....Petitioner

Through: Mr. Nitin Gulati & Ms. Reena Gandhi, Advs.

versus

SALES TAX OFFICER CLASS II / AVATO WARD 78 ,STATE GOODS AND SERVICES TAX DEPARTMENT, DELHI .....Respondent

Through: Ms. Urvi Mohan, GNCTD.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

<u>O R D E R</u>

% 06.08.2025

1. This hearing has been done through hybrid mode.

2. The present petition has been filed by the Petitioner- RHA Enterprises under Articles 226 and 227 of the Constitution of India, *inter alia*, challenging the order dated 19th January, 2024, wherein the GST registration of the Petitioner was retrospectively cancelled *w.e.f.* 04th September, 2017. The Petitioner had applied for cancellation on 18th April, 2023 which was rejected *vide* order dated 12th June, 2023 *(hereinafter, the 'rejection order').*

3. On the last date of hearing, *i.e.,* 9th May, 2025, Mr. Nitin Gulati, ld. Counsel for the Petitioner submitted that no reasons have been given in the rejection order. Thereafter, it was stated that a system generated Show Cause Notice was issued to the Petitioner on 13th November, 2023 which *inter alia* alleged that returns have not been filed by the Petitioner. This Show Cause Notice was issued much after the Petitioner had sought cancellation of the GST registration. Further, on the basis of the said notice, the impugned order cancelling the GST registration of the Petitioner retrospectively, was passed.

Hence, the present petition.

4. Post the above submissions made on 9th May, 2025, the Court put a query, as to whether there is any other Show Cause Notice which has been issued against the Petitioner under Section 73/74 of the Central Goods and Services Tax, Act, 2017 or whether the Petitioner's name appears in any other Show Cause Notice for third parties.

5. To this query, Mr. Gulati submitted that he will check up on the same and revert by the next date of hearing. It was also submitted that one notice under Section 73 of the Central Goods and Services Tax, Act, 2017 is being challenged by next week.

6. Thereafter, the Court, on 9th May, 2025 listed this matter for today with the direction that the Department ought to verify if the Petitioner's name or GST number is appearing in any other Show Cause Notice. The relevant portion of the order dated 9th May, 2025 is extracted hereunder:

> *"5. On a query from the Court as to whether there is any other Show Cause Notice which has been issued against the Petitioner under Section 73 or Section 74 of the Central Goods and Services Tax, Act, 2017 (hereinafter, 'the Act') or whether the Petitioner's name appears in any other Show Cause Notice for third parties, Mr. Gulati submits that he will check up on the same and revert by next date of hearing. In fact it is submitted by the Id. Counsel for the Petitioner that one notice under Section 73 of the Act is being challenged by next week.*
>
> *6. The Department to verify if the Petitioner's name or GST number is appearing in any other Show Cause Notice."*

7. On 9th May, 2025, the Department was directed to verify if there is any other Show Cause Notice related to the Petitioner or its GST number.

8. Today, Ms. Gupta, ld. Counsel submits that there is no other notice which

has been issued. However, Mr. Gulati, ld. Counsel, fairly concedes that in another writ petition being ***W.P.(C) 6560/2025*** as also in ***W.P.(C) 6708/2025***, certain demands were challenged and the same were remanded back vide order dated 16th May, 2025 and 19th May, 2025.

9. The grievance in this petition is the retrospective cancellation of the GST registration. In the Show Cause Notice dated 13th November, 2023, the only ground given was that the returns were not filed by the Petitioner. No reply was filed by the Petitioner and the cancellation order was passed on 19th January, 2024. However, the same has been made retrospective.

10. In view of this fact that the Show Cause Notice did not contemplate retrospective cancellation, in terms of the judgment in ***Garg Candle Works v. Commissioner, Delhi GST***, *[(2025 SCC OnLine Del 3942]* the retrospective cancellation is set aside.

11. The cancellation shall take effect from the date of the issuance of the Show Cause Notice notice *i.e.*, 13th November, 2023.

12. Petition is disposed of in these terms. All pending application(s), if any, are also disposed of.

PRATHIBA M. SINGH, J.

SHAIL JAIN, J.

AUGUST 6, 2025/*Rahul/rks*