$~18

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

\+ **W.P.(C) 13914/2025**

SHIVAY IRON SCRAP (THROUGH ITS PROPRIETOR.
....Petitioner

Through: Mr. Raghav Khanna & Mr. Shakti Bhatia, Advs.

versus

COMMISSIONER OF GOODS AND SERVICE TAX, NORTH .....Respondent

Through: Mr. Shashank Sharma, SSC.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

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

% 19.11.2025

1. This hearing has been done through hybrid mode.

2. The present petition has been filed by the Petitioner under Articles 226 and 227 of the Constitution of India, *inter alia*, challenging the order dated 24th December, 2021, stated to be passed by the Respondent *(hereinafter 'impugned order')*. *Vide* the impugned order, the GST registration of the Petitioner has been cancelled retrospectively.

3. A brief background of the Petitioner's case is that, in October 2021 the Petitioner had voluntarily applied for cancellation of GST registration on account of ill-health and old age of its proprietor. On 14th July, 2021, the Respondent issued a Show Cause Notice (hereinafter *'SCN'*) to the Petitioner. Thereafter, the impugned order was passed which cancelled the GST registration of the Petitioner retrospectively.

4. On the last date of hearing *i.e.,* 10th September, 2025, the Court perused the record and had passed the following directions:

> *"5. It is noted that the Petitioner has approached*

this court very belatedly, since the impugned order is of 2021. An appeal was also filed by the Petitioner before the Appellate Authority challenging the impugned order. However, the said appeal was withdrawn in 2023. The present writ petition has now been filed in 2025, challenging the impugned order.

6. Let the Petitioner file an affidavit stating the Petitioner's turnover in all the financial years during which their GST registration was valid.

7. The Petitioner shall also disclose whether any notices have been received by any suppliers or buyers, in respect of availment of the Input Tax Credit. In addition, the Petitioner may also give reasons as to why the appeal before the Appellate Authority was withdrawn.

8. In the meantime, ld. SSC for the Respondent may also take instructions in this matter, if any notice has been issued to the Petitioner."

5. As per the above order passed by this Court, the Petitioner was to disclose if any notices have been received in respect of any Input Tax Credit (hereinafter, '*ITC*') and the reason why the appeal was withdrawn. Ld. Counsel for the Respondent was also to seek instructions.

6. Today, an additional affidavit has been filed by the Petitioner wherein the turnover of the Petitioner concern for the years 2017 to 2021 has been placed on record. The reason given by the Petitioner for the withdrawal of the statutory appeal is that it was barred by limitation. The relevant portions of the affidavit are set out below:

"3. That the turnover of the Petitioner concern for the financial years during which the CST registration remained active is as under:

S.No	Financial Years	Turnover in preceding years in Rupees.
1.	F.Y 2017-18	10,42,916/-
2.	F.Y 2018-19	16,08,547/-
3.	F.Y 2019-20	21,23,575/-
4.	F.Y 2020-21	18,64,818/-

4. That it is further stated that the statutory appeal preferred by the Petitioner came to be withdrawn upon realization that the same was barred by limitation, and without appreciating that one of the consequences of the retrospective and ill-founded cancellation of registration would be the consequential disallowance of input Tax Credit to the Petitioner's customers.

5. It is further stated that one of the customers of the petitioner, namely Saisha Enterprises (GSTIN: 07AFBPB7131D1Z5), has been issued a Show Cause Notice in respect of its claim of eligible Input Tax Credit on the purchases made from the petitioner. The said ITC has now been treated as ineligible solely on account of the arbitrary and retrospective cancellation of the petitioner's GST registration."

7. Mr. Shashank Sharma, ld. SSC for the Respondent also submits that there is no allegation of fraudulent availment of ITC in this case.

8. Moreover, ld. Counsel for the Petitioner submits that the SCN dated 14th December, 2021 in this case did not contemplate retrospective cancellation of the GST registration.

9. Under these circumstances, this Court directs that the cancellation would take effect from the date of SCN *i.e.,* 14th December, 2021 instead of 11th July, 2017. This is acceptable to the Petitioner as well.

10. The petition is accordingly disposed of in these terms. All pending applications, if any, are also disposed of.

PRATHIBA M. SINGH, J.

SHAIL JAIN, J.

NOVEMBER 19, 2025
Rahul/Ck