2025:DHC:10988-DB

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

Date of Decision: 5th December, 2025
Uploaded on: 8th December, 2025

\+ **W.P.(C) 18496/2025**

RUBY BANSAL .....Petitioner

Through: Mr. Rehan Narula, Mr. Sandeep Narula, Mr. Deepanshu Singh & Mr. Raj Kumar Mittal, Advs.

versus

C.G.S.T. DELHI EAST COMMISSIONER & ANR. .....Respondents

Through: Mr. Sumit K. Batra & Ms. Priyanka Jindal, Advs.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.

CM APPL. 76719/2025 (for exemption)

2. Allowed, subject to all just exceptions. The application is disposed of.

W.P.(C) 18496/2025

3. The present petition has been filed by the Petitioner under Article 226 of the Constitution of India, *inter alia,* challenging the cancellation of Goods and Services Tax registration *(hereinafter, 'GST registration')* order dated 15th March, 2022 passed by the Sales Tax Officer Class II/AVATO, Ward 76 *(hereinafter, 'cancellation order')* and the appellate order dated 19th November, 2025 passed by the Special Commissioner (First Appellate Authority) *(hereinafter, 'impugned order')*

4. The brief facts of the Petitioner's case are that the Petitioner was granted GST Registration w.e.f. 01st July, 2017 and thereafter the Petitioner

is stated to have been filing regular GST returns.

5. However, some time in 2021, Petitioner failed to file the GST returns for a period of 6 months during the COVID period. This led to issuance of the Show Cause Notice dated 05th August, 2021 by the Sales Tax Officer Class II/AVATO, Ward 46, Zone 7, Delhi *(hereinafter, 'SCN'). Vide* the SCN, Petitioner's GST Registration was proposed to be cancelled on the ground of non-filing of GST returns.

6. No reply was filed by the Petitioner to the SCN and thereafter, the impugned order dated 15th March, 2022 came to be passed cancelling the GST registration of the Petitioner retrospectively w.e.f. 01st July, 2017.

7. The said cancellation led to cascading consequences for the Petitioner, inasmuch as the Petitioner's clients started receiving notices of reversal of Input Tax Credit.

8. Pursuant thereto, Petitioner preferred an appeal against the cancellation order on 13th December, 2023 before the first Appellate Authority, which was filed belatedly. The first Appellate Authority passed the impugned order dated 19th November, 2025, rejecting the appeal on the ground of limitation.

9. Mr. Rehan Narula, ld. Counsel for the Petitioner has relied upon the decision of the Co-ordinate Bench of this Court in ***W.P.(C) 4010/2024*** titled ***'Anil Soni Prop. of M/s. Soni Sales Corp v. Superintendent, Ward-49, CGST Delhi &Anr.'*** where this Court has observed that if the SCN does not consider the unintended consequences of the cancellation of GST registration, the retrospective cancellation of GST registration would not be tenable. The relevant portion of the said judgment is set out below:

> *"10. It is important to note that, according to the*

respondent, one of the consequences for cancelling a tax payer's registration with retrospective effect is that the taxpayer's customers are denied the input tax credit availed in respect of the supplies made by the tax payer during such period. Although, we do not consider it apposite to examine this aspect but assuming that the respondent's contention is required to consider this aspect while passing any order for cancellation of GST registration with retrospective effect. ***Thus, a taxpayer's registration can be cancelled with retrospective effect only where such consequences are intended and are warranted****."*

10. On the other hand, Mr. Batra, ld. Counsel for the GST Department relies upon the decision in ***W.P.(C) 14279/2024*** titled ***'M/s Addichem Speciality LLP v. Special Commissioner I, Department of Trade and Taxes &Anr."*** and ***M.A.T. 81/2022*** titled ***'S.K. Chakraborty & Sons v. Union of India & Ors.'*** to argue that the delay in filing the appeal cannot be condoned by the Appellate Authority.

11. The Court has heard ld. Counsels for the parties. There can be no doubt that in ***Addichem Speciality (supra)*** the clear rationale of the judgment is that the Appellate Authority cannot condone the delay.

12. However, in writ jurisdiction, this Court in **W.P.(C) 11906/2025** titled ***'Ganpati Polymers Through It Proprietor Prop. Ankur Jain v. Commissioner of Central Goods and Service Tax and Another'***had extended time for filing an appeal under Section 107 of the Central Goods and Services Tax Act, 2017. The relevant portion of order dated 8th August, 2025 reads as under:

15. At this stage, ld. Counsel for the Petitioner submits that the Petitioner may be permitted to avail of appellate remedy as the present writ petition was filed within the *period of limitation prescribed under Section 107 of the Central Goods and Service Act, 2017. Accordingly, the Petitioner is granted time till 31st August, 2025 to avail of its appellate remedy*

16. If the appeal is filed by 31st August, 2025 along with the requisite predeposit, the same shall not be dismissed being barred by limitation and the same shall be decided on merits.

13. Thereafter, the Supreme Court in ***SLP(C) No. 27867/2025*** titled ***M/s Ganpati Polymers v. Commissioner of Central Goods and Services Tax &Anr.*** had upheld the same *vide* order dated 8th August, 2025 in the following terms:

> *"2. The High Court while rejecting the Writ Petition filed by the petitioner – herein, has observed in Para No. 15 of its impugned order as under:-*
>
> > *"15. At this stage, ld. Counsel for the Petitioner submits that the Petitioner may be permitted to avail of appellate remedy as the present writ petition was filed within the period of limitation prescribed under Section 107 of the Central Goods and 2 Service Act, 2017. Accordingly, the Petitioner is granted time till 31st August, 2025 to avail of its appellate remedy.*
>
> *3. Thus, the High Court has reserved liberty in favour of the petitioner to prefer appropriate statutory appeal.*
>
> ***4. If any statutory appeal is preferred by the petitioner, the issue of delay may be considered accordingly, more particularly keeping in mind that the petitioner was pursuing its remedy before the High Court and thereafter before this Court.***
>
> ***5. We grant the petitioner time upto 31-10-2025 to prefer the statutory appeal as provided in law.***

> *6. With the aforesaid, the Special Leave Petition stands disposed of.*
>
> *7. Pending applications, if any, also stand disposed of.*

14. In the present case, the Petitioner's grievance is that it did not come to know about the SCN, until the notices were received by the Petitioner's clients. Hence, there was a delay in filing the appeal. Accordingly, there was an explanation to the belated filing of the appeal. Moreover, the non-filing of returns was also due to the COVID-19 pandemic which is a reasonable explanation. Therefore, the Petitioner deserves a hearing on merits.

15. In these facts and circumstances, following the decision in ***Ganpati Polymers (Supra)*** this Court is inclined to permit the Petitioner to avail of its Appellate Remedy.

16. The appeal shall now be heard on merits by the Appellate Authority and shall not be held to be barred by limitation.

17. The impugned order is set aside.

18. Let the Petitioner be afforded a personal hearing by the Appellate Authority and then the appeal shall be decided with a reasoned order.

19. This order is being passed in the peculiar facts of this case.

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

PRATHIBA M. SINGH
JUDGE

SHAIL JAIN
JUDGE

DECEMBER 5, 2025/*pd/sm*