IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : NAGPUR

WRIT PETITION NO.2786/2024

Ramswaroop Agrawal (Trade Name – Pawan Enterprises) .VS. The Commissioner of State Tax, Nagpur and anr.

Office Notes, Office Memoranda of Coram, appearances, Court's orders of directions and Registrar's orders	Court's or Judge's orders

Mr. J. L. Bhoot, Advocate for petitioner.
Mr. A. B. Badar, A.G.P. for respondent Nos. 1 and 2.

CORAM : ANIL L. PANSARE AND NIVEDITA P. MEHTA, JJ.
DATE : FEBRUARY 13, 2026.

Heard.

2. The petitioner had on 01.07.2017, obtained registration under the provisions of the Central Goods and Services Tax Act, 2017. He submitted returns till December, 2019. From January, 2020, he submitted returns with 'Nil' transactions. Revenue visited the place of business of petitioner on 29.06.2022 and found that place of business is/was not operational. Accordingly, respondent No.2 cancelled registration with retrospective effect i.e. with effect from 01.07.2017.

3. Argument is that respondent No.2 has assigned no reason of whatsoever nature while cancelling registration retrospectively. Our attention is invited to the judgment of the Delhi High Court in ***Satyam Enterprises through Karta Hitesh Chugh .Vs. Commissioner of Delhi Goods and Services Tax and anr; [2024 SCC OnLine Del4642],*** wherein the High Court in paragraph 9, held thus:

> *"9. In the present case, the impugned SCN does not set out any reason proposing to cancel the petitioner's GST registration with retrospective effect. The impugned order also does not indicate any reason as to why the proper officer has decided to cancel the petitioner's GST registration from the date on which the CGST Act came into force. It is material to note that the only ground on which petitioner's GST registration was proposed to be cancelled was that it has not filed its return for more than six months. We find no reason which would warrant*

> *cancellation of the petitioner's GST registration even for the period it had furnished its returns. Clearly, non-filing of returns for a period of six months or more cannot, absent any other consideration warranting cancellation of registration to cover the period during which the taxpayer had duly complied with the provisions of the CGST Act, cannot constitute a reason to cancel the same with retrospective period to cover the period for which GST returns were duly filed."*

4. As could be seen, the Delhi High Court highlighted importance of reasons to be assigned while cancelling registration. Even otherwise, where registration is being cancelled retrospectively, the petitioner will be deprived of his valuable rights to know the reasons of cancellation of his registration, particularly when he has submitted returns of business till December, 2019 and also subsequent thereto, though indicating that no effective business was done.

5. In that view of the matter, since the order impugned is sans reasons, the same is unsustainable in the light of the judgment of the Delhi High Court. The petition is accordingly partly allowed. Impugned order dated 07.09.2022, passed by respondent No.2 is quashed and set aside. The matter is remanded back to respondent No.2 for consideration afresh, in accordance with law and in the light of what has been stated in the order.

6. The petitioner shall appear before respondent No.2 on 25.02.2026. Respondent No.2 shall take a decision within two months thereafter.

7. The writ petition is disposed of. No costs.

(JUDGE) **(JUDGE)**

Kahale