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

+ W.P.(C) 11851/2025

M S SMART TREDING CO.

.....Petitioner

Through: Mr. Pranjal Shukla, Mr. Srikant Singh, Advs.

Versus

UNION OF INDIA & ANR.

.....Respondents

Through: Mr. Harpreet Singh, Senior Standing Counsel alongwith Ms. Suhani Mathur, Mr. Jatin Kumar Gaur, Advs.

CORAM:

HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE

HON'BLE MR. JUSTICE AJAY DIGPAUL

ORDER

% **15.04.2026**

1. The challenge is to the order dated 29th January 2024, wherein the GST registration of the petitioner came to be cancelled with retrospective effect, i.e., w.e.f. 22nd October 2020.
2. It is the case of the petitioner that he was granted GST registration by the respondent on 22nd October 2020.
3. On 07th November 2023, a show-cause notice was issued proposing cancellation of the registration of the petitioner for violating the provisions of Rule 21(d) read with provision of 10A as the petitioner has failed to furnish the bank details.
4. According to the petitioner, the show-cause notice does not contain a clause that it will be cancelled with retrospective effect and he was taken by surprise when he received the order of cancellation with retrospective effect.
5. He would claim that such conduct of the respondent amounts to denial of opportunity of hearing.
6. He would further claim that the show-cause notice was not adequately



responded because of the failure of the accountant to bring the said fact to the notice of the petitioner.

7. As against above, the counsel for the respondent states that leave apart the absence of basis for passing on the blame to the accountant, it is claimed that the petitioner has approached at a belated stage, i.e., almost after two years.

8. It is further contended that there is a similar history regarding the petitioner's failures, and therefore, this Court should be slow in exercising its discretion.

9. Having appreciated the submissions, it is noted and accepted the statement of the counsel for the petitioner that the shortfalls are duly complied with by the petitioner by submitting entire bank details.

10. No doubt, the petitioner has approached this Court at belated stage and has sought to rely on the ground that there is a failure of accountant to bring the fact to the notice of the petitioner above there being show-cause, however so as to substantiate said claims, there is no evidence brought on record. This prompted us to saddle cost on the petitioner.

11. The fact remains that the show-cause notice does not contain a stipulation that the petitioner's registration be cancelled with retrospective effect. Rightly so, the petitioner was justified in claiming that there was denial of opportunity.

12. The petitioner was unable to answer the cause as to why his registration be cancelled with retrospective effect.

13. However, in the facts and circumstances of the case, viz (a) delay in approaching before this Court; (b) there is no basis for the claim put forth by the petitioner that there is a failure of the accountant to respond to the show-



cause notice, we deem it appropriate to saddle a cost of Rs. 50.000/- to be deposited by the petitioner in this Court within a period of 4 weeks from today.

14. In case the evidence in support of the deposit of cost is not brought to the notice of the respondent, the respondent shall act on the impugned order, wherein the registration is cancelled with retrospective effect.

15. In case the cost is deposited, we deem it appropriate to permit the petitioner to submit his response to the show-cause notice within a period of 8 weeks from today and within 4 weeks thereafter decide the claim of the petitioner *qua* the cancellation of registration.

16. The petition stands partly allowed.

17. As regards the cost, the same shall be appropriated in the following manner:

- a) Rs. 25,000/- to be deposited with Delhi High Court Bar Association ('DHCBA') Costs Account, i.e., Saving Account No. 15530110179338 (IFSC-UCBA0001553), Bank Name-UCO Bank, Branch-Delhi High Court.
- b) Rs. 25,000/- to be deposited with Delhi High Court Bar Clerks Association in Account No. 15530100006282, IFSC Code: UCBA0001553, Bank Name: UCO Bank, Branch: Delhi High Court.

NITIN WASUDEO SAMBRE, J

AJAY DIGPAUL, J

APRIL 15, 2026/DM/OK