

M/s. Smart World Communications v. Commissioner of Central Tax and CGST Delhi North Commissionerate

Case number: W.P.(C) 13747/2025 with CM APPL. 56395/2025 and 56396/2025

Citation: 2025:DHC:7840-DB

Decision date: 8 September 2025

Retrospective GST registration cancellation without a corresponding show-cause proposal; relief confined to the effective date

Court: Delhi High Court

Bench: Hon'ble Ms. Justice Prathiba M. Singh and Hon'ble Ms. Justice Shail Jain

Decision stage: Final reasoned modification of the effective cancellation date, from 29 September 2018 to 2 February 2022. The business remained closed and registration was not revived; no remand was ordered.

01 Facts of case and issues

The partnership firm challenged an order dated 17 March 2022 cancelling its GST registration retrospectively from 29 September 2018. Its business had closed in June 2021. The show-cause notice dated 2 February 2022 alleged non-filing of returns but did not propose retrospective cancellation.

One of the three partners had died, the firm had dissolved, and it was no longer trading. The petitioner did not seek revival of registration; it sought cancellation from the notice date. Revenue objected that the writ petition was highly belated. The issues were whether the unexplained retrospective date could stand and whether the particular circumstances justified entertaining the delayed challenge.

Pinpoint: Own paragraphs 2–7, physical pp. 1–2.

02 Discussion by Hon'ble Court

The Court exercised its writ discretion despite the delay because of the partner's death, dissolution and closure of business. This was a fact-specific decision to entertain the petition, rather than a general enlargement of statutory appeal or revocation periods.

On retrospectivity, the Bench applied Akash Bansal and the line of Delhi decisions reproduced within it. A show-cause notice which did not contemplate retrospective cancellation gave no opportunity to object to that consequence. The cancellation order could not introduce that unproposed retrospective effect.

The quoted Section 29(2) reasoning recognises a statutory power to cancel retrospectively, but requires objective grounds and a reasoned exercise of discretion. Mere non-filing for some period does not mechanically justify cancellation covering earlier compliant periods. Discussion of consequences for customers' input-tax credit appears in those adopted passages and does not decide any customer's entitlement here.

02 Discussion by Hon'ble Court

The extensive quotations include other cases' facts, concessions and relief. The Court's own application is in paragraph 9: Smart World's retrospective cancellation was unsustainable, and the notice date was substituted.

Pinpoint: Own paragraphs 7–9, physical pp. 2–10; nested precedent quotations occupy most of pp. 3–10.

03 Judicial decision and operative relief

The order dated 17 March 2022 was made effective from 2 February 2022, the date of Smart World's show-cause notice, instead of 29 September 2018. The Court disposed of the petition and pending applications and called for no further orders.

It did not restore registration, award a refund, determine tax dues, or direct fresh adjudication. The 6 August 2024 date and fresh-action liberty printed immediately before the operative paragraph belong to the quoted Akash Bansal judgment, not Smart World's own relief.

Pinpoint: Own paragraphs 9–11, physical p. 10; distinguish the quotation ending immediately above paragraph 9.

04 In favour of

Taxpayer on the effective cancellation date. Registration remained cancelled from 2 February 2022, consistent with its request not to revive the closed business.

Retrospective effect displaced by the notice date; writ and connected applications finally disposed of. No adjudication of outstanding liabilities or third-party input-tax credit.

Pinpoint: Own paragraphs 5 and 9–11, physical pp. 2 and 10.

05 AKHB REVIEW POINT

AKHB analysis: Identify the relief actually needed: restoration of a continuing business and correction of a closed business's cancellation date are different claims. Compare the proposed effective date and grounds in the notice with the final order. Preserve closure, dissolution and service records and explain any delay with evidence.

Read the Court's own operative paragraphs separately from nested precedent extracts. Do not import another taxpayer's concession, restoration direction, effective date or fresh-action liberty. Nor should a date correction be treated as an automatic refund, clearance of past dues, or conclusive protection of customers' credit. Check the current cancellation framework and any later orders before acting.

Pinpoint: AKHB commentary based on own paragraphs 4–9 and 11; not additional judicial directions.

Sources and limitations

Relevant provisions

Constitution of India: Articles 226 and 227. CGST Act 2017: Section 29(2), discussed through the adopted precedents. Section 29(3) is separately noted as statutory context, not a decided issue.

Statutory note

The judgment does not abolish the statutory power of retrospective cancellation. It applies the notice-and-reasons requirement to this cancellation order. India Code's official CGST compilation was checked on 13 October 2026 at physical p. 41: Section 29(2) retains cancellation from a retrospective date in the specified circumstances and the opportunity-of-hearing proviso. Section 29(3) preserves earlier tax liabilities and other statutory obligations despite cancellation. That preservation is statutory context, not a separate issue decided in this writ.

The footnotes record changes to the non-filing grounds in clauses (b) and (c) effective from 1 October 2022. The judgment concerns a February/March 2022 notice and order; this note does not substitute later return-period language into that historical notice. This targeted check is not an exhaustive rules, amendment, limitation, revocation or recipient-credit audit.

Treatment note

Checked 13 October 2026. The official Delhi High Court casewise judgment search for W.P.(C) 13747/2025 returned one entry: the 8 September 2025 judgment, with the same PDF filename and neutral citation; its corrigendum field was NA. That returned set contained no later judgment/order. This is a bounded returned-list check, not proof that no other proceeding or unuploaded order exists. A separate party-confirmation response was empty and supplies no additional status finding.

A later citation was independently verified in MRJ Trading through its proprietor Sambhav Jain v. Commissioner, CGST, Delhi West Commissionerate, W.P.(C) 14216/2026, order dated 29 September 2026. Paragraph 7 records counsel's reliance on this exact Smart World writ; paragraphs 6 and 8 reject retrospective cancellation where the notice did not indicate that intention and preserve prospective cancellation. This is another taxpayer's order, not appellate affirmance or modification of Smart World. Its additional recorded facts and effective relief must not be imported into this case. Both physical pages were fully read and individually viewed; the earlier 25 September entry in that separate docket was not substantively reviewed.

Bounded searches used the exact party, writ number, decision date and citation with appeal, review, stay and Supreme Court terms, including Delhi High Court and Supreme Court official domains. No direct appellate reversal, stay or review modification was verified. Secondary results were leads only; the MRJ finding rests on the fetched official order. No exhaustive Supreme Court registry, review-petition, citator or statutory compliance clearance is claimed, and actual portal implementation of the corrected cancellation date was not checked.

Scope of source review

All ten physical pages of the retained official PDF were fully read and individually visually inspected. Own paragraph numbers run 1–11; paragraph 8 contains several nested precedent extracts with their own repeated numbering. Cited cases are described as reproduced and applied in this judgment, without claiming separate full-source review of each authority. The statutory check was confined to the identified provision and amendment footnotes. The two-page official MRJ order of 29 September 2026 was also fully read and individually visually inspected. Its separate earlier order was not reviewed.

Source notes

The decision date is 8 September 2025; the signing/upload marking is 9 September 2025. Neutral citation 2025:DHC:7840-DB is visible in the page artwork and confirmed by the official casewise judgment result. No reserved date is stated, so no reserved-date field is printed. The fresh official ten-page PDF obtained on 13 October 2026 exactly matches the retained original SHA-256 and bytes. Original bytes remain unchanged; cryptographic signature validation is not claimed.

The original show-cause notice, cancellation order and firm records were not independently obtained; their contents are stated only as the Court records them. Do not attribute the quoted Balaji consent, Subhana/Ramesh registration-restoration orders, Akash Bansal date or quoted customer-credit propositions to independent factual findings or relief in Smart World. The nested quotation near the end of physical p. 9 has awkward/incomplete wording; no additional proposition is inferred from that fragment.

Primary source

Source description: Complete official Delhi High Court judgment; fresh official PDF is byte-identical to the retained original.

Official source: [Open source document](#)

Source pages: 10

Judgment author: Prathiba M. Singh, J.

Outcome type: final cancellation effective date modified

Additional source

India Code CGST Act compilation

Official source: [Open source document](#)

Pinpoint: Physical p. 41, Section 29(2)–(3) and amendment footnotes; targeted text checked 13 October 2026.

Delhi High Court official casewise judgment search

Official source: [Open source document](#)

Pinpoint: W.P.(C) 13747/2025; returned one judgment entry dated 8 September 2025 with the exact PDF and citation, checked 13 October 2026. Interactive search may be required.

Delhi High Court later citation in MRJ Trading dated 29 September 2026

Official source: [Open source document](#)

Pinpoint: Physical pp. 1–2; paragraphs 6–8 identify the no-retrospective-notice issue and counsel's exact Smart World citation. Separate taxpayer's order, not an appeal; checked 13 October 2026.

Disclosures and source rights

AI disclosure: Prepared with AI assistance from the complete official judgment and identified primary sources. No human legal review is claimed.

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