Case Citation: (2026) taxcode.in 1456 HC
CNR No: PHHC010597372023
2026:PHHC:117987-DB

214 IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CWP-10108-2023 (O&M)
Date of decision: 24.08.2026

M/S BABA TRADERS

....Petitioner

Versus

STATE OF HARYANA AND OTHERS

...Respondents

CORAM: HON'BLE THE ACTING CHIEF JUSTICE
HON'BLE MR. JUSTICE ROHIT KAPOOR

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Present: Ms. Aakriti, Advocate
for the petitioner.

Mr. Sourabh Goel, Addl. A.G., Haryana.

Ms. Pridhi Sandhu, Senior Panel Counsel,
for respondents No.2 to 5/Revenue.

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ROHIT KAPOOR, J. (Oral)

1. The petitioner is a proprietorship concern, who has approached this Court for setting aside the order dated 16.03.2023 (Annexure P-7), passed by the appellate authority, whereby the prayer for the correction of the effective date of cancellation of registration, has been rejected and the order dated 28.05.2021 (Annexure P-3) cancelling the registration with effect from 01.07.2017, has been affirmed. Further prayer has been made to command the respondents to consider the application of the petitioner for correction of the effective date of cancellation of registration.

2. Learned counsel appearing on behalf of the petitioner submits that the petitioner, who had regularly filed its return till April 2021, filed an application dated 22.04.2021 (Annexure P-2) for cancellation of its GST registration, due to non-operation of business activities. It is further submitted

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that while applying for cancellation, the effective date was mentioned as 01.07.2017, instead of 01.05.2021, due to an inadvertent clerical error. The said mistake was realized, only when the petitioner received an unsigned copy of the cancellation order dated 28.05.2021, which was passed without following the due procedure. It is contended that in the absence of any enabling mechanism, on the common portal, the petitioner was constrained to file an appeal against the aforesaid cancellation order, to rectify the unintended clerical error.

3. The appellate authority vide its order dated 16.03.2023 (Annexure P-7) rejected the appeal on two short grounds. Firstly, that the petitioner had itself mentioned the incorrect date for cancellation, and secondly, that it is technically not possible to change the date, as per the information supplied by the jurisdictional division office.

4. Although, various arguments have been advanced by the learned counsel for the petitioner, however, the primary contention is that request for correction of a *bonafide* inadvertent error cannot be rejected on a hypertechnical ground, especially when the same will result in unwarranted financial losses and disallowance of ITC to the buyers of the petitioner, and would result in multiplicity of litigation.

5. The learned counsel for the petitioner has taken us through various provisions of the GST Act, 2017 and Rules framed thereunder, to buttress the argument that the approach adopted by the respondents, militates against the object and scheme thereof.

6. Learned counsel appearing on behalf of the Revenue has though opposed the arguments raised by the petitioner, however, has failed to dispute the correctness of the factual assertions made or show any *malafide* on the part

of the petitioner.

7. Having heard the learned counsel for the parties and after going through the material available on record, we are of the considered opinion that the impugned order dated 16.03.2023 (Annexure P-7) rejecting the appeal of the petitioner, and refusing to allow correction of the inadvertent error, cannot sustain, for the reasons discussed hereinafter.

8. Undisputedly, the petitioner voluntarily filed an application for cancellation of its GST registration under section 29 of the GST Act read with Rule 20 of the GST Rules. Perusal of Annexure P-2 would show that in Column No.8 of the application form, where the date from which the registration is to be cancelled, is required to be mentioned, the petitioner mentioned the date as 01.07.2017. This, according to it, was on account of an inadvertent error, since it had already paid all taxes till April, 2021. Basis the said application, the registration was cancelled vide order dated 28.05.2021 (Annexure P-3), wherein the effective date of cancellation was mentioned as 01.07.2017.

9. From a perusal of the averments made in the memorandum of appeal filed by the petitioner before the appellate authority, it is clear that a categoric stand was taken that the date was inadvertently mentioned as 01.07.2017, instead of 01.05.2021, and a prayer was made that the order dated 28.05.2021 (Annexure P-3) be set aside and directions be issued for rectification of the cancellation order.

10. The factual assertions that the GST returns had already been filed upto April, 2021, or that there was no tax due from the petitioner, remained uncontroverted. While rejecting the appeal, no finding was recorded that there was any material to show that the error in mentioning the effective date of

cancellation of registration as claimed by the petitioner, was not *bonafide.* The petitioner was non-suited merely on the ground that the cancellation was made effective from 01.07.2017, on its own request and that there is no option available on the GST portal, to change the date, due to technical reasons.

11. Having carefully examined the various statutory provisions and keeping in mind the overall object and scheme of the Act, we find that the approach of the appellate authority to be hyper-technical and arbitrary. The mere fact that the GST portal, purportedly does not have an option for correction of effective date of cancellation of GST registration, cannot be a ground for a quasi-judicial authority to refrain from intervening in the matter, and to make the petitioner suffer for an inadvertent error, even if such an error was occasioned, while the petitioner had voluntarily sought cancellation of registration under section 29 of the Act. Once the factual assertions regarding payment of tax and *bona fide* mistake, made by the petitioner, remained uncontroverted, the appellate authority ought to have intervened to ensure that complete justice is done, especially when it is apparent that rejection of the claim of the petitioner would result in unwarranted complications like disallowance of ITC of its buyers, for which tax already stands paid, and in multiplicity of litigation. The legislative intent cannot be construed in a manner, that leaves an applicant remediless, in the event of a clerical error.

12. In that view of the matter, the impugned orders dated 16.03.2023 (Annexure P-7) and 28.05.2021 (Annexure P-3) are set aside, and the petition is ***allowed***, with a direction to the respondent authorities to allow the petitioner to file an application for correction of the effective date of cancellation of its GST registration. The petitioner is permitted to file such application within a period of

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one week from today, and the same shall be decided by the competent authority within a further period of three weeks, in consonance with the observations made by us hereinabove.

13. Pending applications, if any, shall stand disposed of accordingly.

(ASHWANI KUMAR MISHRA)
ACTING CHIEF JUSTICE

(ROHIT KAPOOR)
JUDGE

24.08.2026
mohit goyal

Whether speaking/reasoned : Yes / No
Whether reportable : Yes / No

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