Florida Solvent Private Limited v. Superintendent, CGST & Central Excise & Ors.

Cancellation of GST registration under Sections 29(2)(a), 29(2)(e) of CGST Act, 2017 read with Rule 21(e) of CGST Rules, 2017 on alleged fraudulent ITC. Issue relating to denial of Input Tax Credit under Section 16(2)(c) of CGST Act, 2017 and validity of

Date of Order: April 1, 2026
Case Law No: GIB-BHC-2026-34
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Case Facts:

The petitioner challenged the Order-in-Original dated 04.12.2025 cancelling its GST registration ab-initio.

The allegation was that the petitioner availed fraudulent ITC from suppliers whose registrations were cancelled.

The petitioner contended that relevant documents were furnished and transactions were bona fide, and cancellation was based only on suppliers' status.

Court Decision:

- The impugned order lacked cogent findings on whether ITC was validly availed in the normal course of business.
- Mere cancellation of suppliers' registration cannot by itself justify cancellation of petitioner's registration.
- The authority failed to examine documents and record findings on the alleged illegality of ITC.
- The order was arbitrary due to non-application of mind.
- The impugned order cancelling GST registration was set aside.
- Matter remanded for fresh consideration after granting hearing to the petitioner.
- Authorities permitted to continue investigation and take action in accordance with law.
- All contentions kept open.

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