Your GSTIN Can Be Cancelled Off One Field Visit

Two 2026 High Court rulings on Rule 25, Form REG-30 and Section 30 revocation, and the exact playbook to get your registration back.

A S Banka Advisors Private Limited | GST Compliance for Founders

GST REGISTRATION · FIELD VERIFICATION · RULE 25 · SECTION 30 · HIGH COURT 2026

The Problem: A Blank Report Can Kill Your Business

What Triggers It

A tax officer visits your declared place of business. If the visit lands during a closure, after hours, or the report is careless, your GSTIN can be suspended and then cancelled.

Why It Matters

For a running company this is an existential event, not a paperwork delay. Two 2026 High Courts have now drawn hard limits on how far the department can go.

Two 2026 High Court Rulings Founders Should Know

KARNATAKA HIGH COURT, 12 JUNE 2026

M/s. Flex Enterprises v. Superintendent of Central Tax

Two Bengaluru firms were cancelled on defective field reports. One carried a photograph of an entirely unrelated property. The other was completely blank.

CALCUTTA HIGH COURT, 27 APRIL 2026

Scorp Industries v. Assistant Commissioner, State Tax, Alipore

Cancellation rested on a field visit report that was never shown to the taxpayer.

What the Courts Actually Held

Karnataka HC

A defective verification report cannot supply the reasons to believe that Rule 22(1) requires. The cancellation orders were quashed and the matter restored to the show cause stage.

Calcutta HC

Where cancellation rests on a field visit report, that report must be supplied to the taxpayer before a Section 30 revocation application can be rejected. The rejection was set aside and a fresh decision ordered.

The takeaway: process failures by the department are reversible if you use the machinery correctly.

The Legal Machinery: Forms and Sections

1. **Rule 21(a), CGST Rules 2017**

   Ground for cancellation where no business is conducted from the declared place.

2. **Section 29(2), CGST Act 2017**

   Cancellation cannot happen without an opportunity of being heard.

3. **Rule 22(1)**

   Show cause notice in FORM GST REG-17 needs genuine reasons to believe.

4. **Rule 25 (Notification 38/2023 Central Tax, 4 August 2023)**

   The officer must upload the verification report with photographs in FORM GST REG-30 within fifteen working days of the visit. The presence-of-the-applicant requirement was removed.

5. **Section 30(2)**

   A revocation application cannot be rejected without a hearing.

The Deadlines That Decide Your Case

Deadline	Who It Applies To	Action Required
Seven working days	Taxpayer	Reply to the REG-17 notice in FORM GST REG-18
Fifteen working days	Officer	Upload the REG-30 verification report after the visit
Ninety days	Taxpayer	File the revocation application in FORM GST REG-21 from service of the cancellation order
One hundred and eighty days	Officer (Additional or Joint Commissioner)	Maximum extension allowed on sufficient cause recorded in writing
Thirty days	Officer and Taxpayer	Officer's window to decide the revocation, and taxpayer's window to file returns for the cancellation period once revoked

What Cancellation Actually Costs You

No Tax Invoices

You cannot raise tax invoices.

ITC Blocked for Buyers

Your customers cannot claim input tax credit on your supplies.

E-Way Bills Stop

E-way bills stop generating, so goods cannot move.

Banking Red Flag

Banks treat a cancelled GSTIN as a red flag on working capital limits.

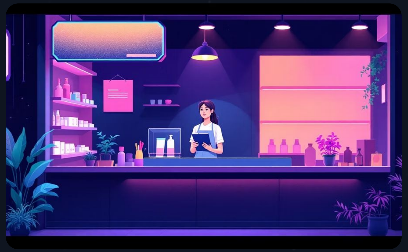
Retrospective Impact

Cancellation is often retrospective, making invoices you already issued questionable for your buyers.

Who Needs to Act

Founders and CFOs

A single field visit can freeze revenue overnight. Build the existence-of-business file before you ever need it.



Small Businesses and MSMEs

You are the most exposed, because a short closure or an absent owner during the visit reads as no business conducted.

CA and GST Professionals

The REG-30 report is now the first document to demand, and non-supply of it is itself a ground to set aside a rejection.

Your Recovery Playbook

Download REG-30

Obtain the notice report

Reconstruct Visit

Prove activity and dates

Assemble Existence File

Deed, bills, photos, statements

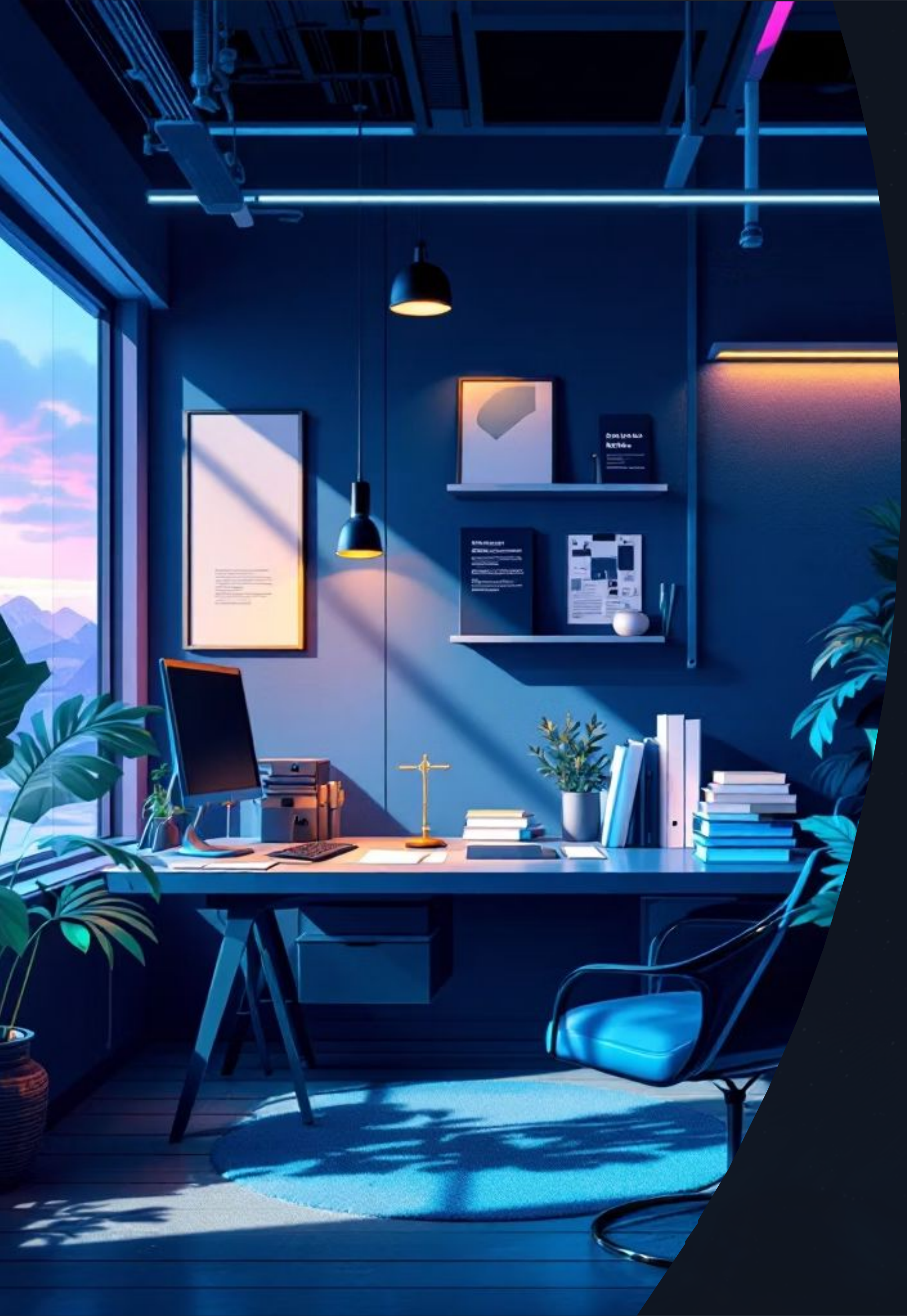
Reply in REG-18

Respond within seven working days

Request Personal Hearing

Submit written hearing request

The full checklist for your existence file includes: lease or ownership deed, electricity and property tax bills, dated signage photographs, bank statements, e-way bill and transporter records, and customer confirmations. Revocation is barred for non-filing until returns are filed and dues paid.



Do Not Face a Cancellation Alone

A cancelled GSTIN is recoverable, but only if you move within the statutory windows and build the evidence the courts now expect.

> Talk to an Expert. CA Adityavikram Banka, Founder, A S Banka Advisors Private Limited.

Book a quick call: https://calendly.com/asbanka-info/30min