



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO.7126 OF 2025

Manek Steel LLP

...Petitioner

Versus

Union of India & Ors.

...Respondents

Mr. Sujit Sahoo a/w Ms. Ira Misra for the Petitioner.

Mr. Ram Ochani for Respondent No.1-UOI.

CORAM: M. S. Sonak &
Jitendra Jain, JJ.

DATED: 30 June 2025

ORAL JUDGMENT:- (Per M. S. Sonak, J.)

1. Heard learned counsel for the parties.
2. Rule. The Rule is made returnable immediately at the request and with the consent of the learned counsel for the parties.
3. The challenge in this petition is to the Order-in-Original dated 7 February 2022 and Order-in-Appeal dated 28 March 2024.
4. The learned counsel for the Petitioner submits that the show cause notice dated 15 January 2022 was extremely vague and contained no material on which the fraud, willful misstatement or suppression of facts was alleged. The show cause notice merely copied the words of the statute and required the Petitioner to show cause. Besides, the impugned order dated 7 February 2022 referred to the Deputy Commissioner A.E's letter dated 13 January 2022 as the basis for the order of cancellation of the Petitioner's Registration. There was no reference to this letter in the show cause notice, and even a copy of the same was not furnished to the Petitioner before the order was made. As such, the Petitioner had no opportunity to meet with the allegations

in this matter. He submitted that all this constitutes a gross breach of natural justice.

5. The learned counsel for the Petitioner submitted that the above crucial contentions were not even considered by the appellate authority, rendering the appeal order vulnerable.

6. Mr. Ochani, learned counsel for the Respondent, based on instructions stated that the impugned orders may be set aside, but an opportunity should be granted to the Petitioner to issue a fresh show cause notice regarding the cancellation of registration. He further submitted that such a show cause notice, along with relevant material, would be issued to the Petitioner within four weeks from today, and the same would be disposed of within four weeks of the receipt of a response from the Petitioner. He submitted that a personal hearing would be granted to the Petitioner.

7. Mr. Ochani submitted that in the meanwhile, some restraint should be imposed on the Petitioner regarding the utilisation of the accumulated ITC.

8. The learned counsel for the Petitioner, on instructions, submitted that for a period of three months from today, the accumulated ITC will not be utilized.

9. Accordingly, we quash and set aside the impugned orders but grant the Respondents liberty to issue a fresh show cause notice as proposed, within four weeks from today. The learned counsel for the Petitioner states that a response will be filed within four weeks of receiving the show cause notice. The show cause notice must be disposed of within four weeks of the Petitioner filing his reply to the same.

10. The Petitioner or authorised representative must be granted an opportunity for a personal hearing. The concerned authority must pass a reasoned order and communicate the same to the Petitioner.

11. The Petitioner's statement about not utilising the accumulated ITC for a period of three months from today is accepted as an undertaking to the Court, and the Petitioner will have to abide by the same. The Petitioner and the Respondents must abide by the timelines now set out. In particular, the Petitioner must not seek any undue adjournments. At the same time, the Respondents must also not unduly prolong the disposal of the show cause now that the Petitioner has made the above statement.

12. The Rule is made absolute in the above terms without any order for costs. All concerned must act on an authenticated copy of this order.

(Jitendra Jain, J.)

(M. S. Sonak, J.)