

**CWP-3852-2026****-1-****IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH****Sr. No.278-2****CWP-3852-2026****Date of decision: 07.05.2026**

Aliza Apparels

....Petitioner

Versus

Union of India and others

....Respondents

**CORAM: HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MS. JUSTICE LAPITA BANERJI**Present: Mr. Ankit Dhiman, Advocate
for the petitioner.Mr. Sourabh Goel, Sr. Standing Counsel with
Ms. Himanshi Gautam, Advocate
for the respondents.

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DEEPAK SIBAL, J. (Oral)

1. It is not disputed that through order dated 24.05.2025 (Annexure P-3) the petitioner's GST registration has been retrospectively cancelled without serving upon the petitioner a show cause notice informing the petitioner that its GST registration was sought to be retrospectively cancelled.

2. In the light of the afore facts, the impugned order dated 24.05.2025 (Annexure P-3) through which the petitioner's GST registration has been retrospectively cancelled would be illegal in terms of the following observations made by a Division Bench of this Court in a judgment dated 20.02.2026 in *CWP-16770-2024 – M/s Bansal Casting vs. Union of India*

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and another, wherein it has been held as follows: -

“13. Undoubtedly, there is a provision for retrospective cancellation of registration in terms of Section 29 of CGST Act, subject to the provisions as contained therein. It is apposite to note that while such power of retrospective cancellation of registration is definitely conferred, it is apparent that such action can be taken only upon existence of specific contingencies and that an order under Section 29(2) of CGST Act must definitely reflect the reasons for such cancellation with retrospective effect. Furthermore, it is a basic, accepted and settled principle that concerned authority is enjoined upon to put the assessee to notice of the action which is intended to be taken and reasons or the premise on which such action is sought to be taken. Hon'ble the Supreme Court in ORYX Fisheries Pvt. Ltd. Vs. Union of India and others, 2010(13) SCC 427, has held as under:-

"24. It is well settled that a quasi-judicial authority, while acting in exercise of its statutory power must act fairly and must act with an open mind while initiating a show cause proceeding. A show cause proceeding is meant to give the person proceeded against a reasonable opportunity of making his objection against the proposed charges indicated in the notice.

14. Thus a show cause notice must contain the basic grounds or premises on which action is sought to be taken. In the present matters, it was incumbent upon authorities to have put petitioners to notice about the proposal to take action against them with retrospective effect and supply or at least mention the material on which reliance was placed. Moreover, once mentioned in show cause notice itself, that supporting documents are attached, such material should have been supplied to petitioners.”

3. In view of the above, the impugned order dated 24.05.2025



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(Annexure P-3) is set aside and consequently, the order dated 02.07.2025 (Annexure P-6) through which the petitioner's revocation application filed under Section 30 of the Central Goods and Services Tax Act, 2017 was dismissed is also quashed. However, the respondents are granted liberty to proceed afresh against the petitioner, in accordance with law.

4. The petition is allowed in the above terms.

(DEEPAK SIBAL)
JUDGE

(LAPITA BANERJI)
JUDGE

May 07, 2026
Jyoti 1

Whether speaking/reasoned
Whether reportable

Yes/No
Yes/No