2026:PHHC:067700-DB

Sr. No.145

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-8881-2026 (O&M)
Date of Decision : 30.04.2026

M/s North Steel India …Petitioner

Versus

Union of India and others …Respondents

CORAM : HON'BLE MR. JUSTICE DEEPAK SIBAL

HON'BLE MS. JUSTICE LAPITA BANERJI

Present : Mr. Ish Puneet Singh, Advocate,
for the petitioner.

Mr. Rishabh Kapoor, Advocate,
for respondents No.1 to 4.

Mr. Saurabh Kapoor, Additional A.G., Punjab and
Ms. Muskaan Gupta, Advocate,
for respondents No.5 to 8.

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DEEPAK SIBAL, J. (Oral)

Learned counsel for the petitioner restricts his claim to the challenge to the show cause notice dated 05.01.2026 served upon the petitioner with regard to cancellation of its GST registration.

2. The impugned show cause notice dated 05.01.2026 reads as under:-

"*FORM GST REG-17*
[See Rule 22(1)]
Reference No.: ZA030126007296Z Date:05/01/2026
To
Registration Number (GSTIN/UIN): 03CAEPG7493M1ZD
GOLDY
GODOWN NO-171, GROUND FLOOR, NORTH STEEL INDIA, NEAR CANAL, AMLOH ROAD, OPP DOABA MILL, DASHMESH COLONY, Mandi Govindgarh, Fatehgarh Sahib, Punjab, 147301
Show Cause Notice for Cancellation of Registration

VANDANA
2026.05.06 09:36
I attest to the accuracy and
integrity of this document

Whereas on the basis of information which has come to my notice, it appears that your registration is liable to be cancelled for the following reasons:

1. Section 29(2)(e)-registration obtained by means of fraud, wilful misstatement or suppression of facts

2. Rule 21 (a) - Person does not conduct any business from declared place of business/place of business not found

3. Rule 21(b)- person issues invoice or bill without supply of goods or services or both in violation of the provisions of the Act, or the rules made thereunder

4. Rule 21(e)-person avails ITC in violation of the provisions of section 16 of the Act or the rules made thereunder

5. Rule 21(g)-person violates the provision of rule 86B

6. Others

Remarks:

The firm was found non-existent during PV conducted by SGST authorities and they have requested to initiate cancellation proceedings of the GSTN. It appears that the registration was obtained by means of fraud, wilful misstatement or suppression of facts. Further, on scrutiny of the records available on the GST portal, it was found that the major suppliers of the firm has been cancelled suo-moto from date of registration for passing fake ITC. It appears that the your firm has been operating on papers only and had also been engaged in availing & passing of fake ITC without actual movement of goods in contravention to the CGST Act, 2017, hence, your GST no. is liable for cancellation with retrospective effect i.e. from the date of registration. It is, therefore, requested to submit your reply in r/o above charges within due date and attend the personal hearing with relevant records, if any, which you want to produce in your defence. Otherwise, your GST No. will be cancelled retrospectively & further proceedings will be initiated against you under the CGST Act, 2017 to recover the government dues.

VANDANA
2026.05.06 09:36
I attest to the accuracy and
integrity of this document

You are hereby directed to furnish a reply to the notice within seven working days from the date of service of this notice.

You are hereby directed to appear before the undersigned authority on 14/01/2026 at 10:30.

If you fail to furnish a reply within the stipulated date or fail to appear for personal hearing on the appointed date and time, the case will be decided ex parte on the basis of available records and on merits.

Please note that your registration stands suspended with effect from 23/08/2024.

Kindly refer the supportive document attached for case specific details.

Place: CBIC

Date: 05.01.2026

Ashish Kumar Singh
Superintendent
Range-IV"

3. A perusal of the afore quoted show cause notice reveals that the same is based on physical verification conducted by the State authorities as per which the petitioner-firm was not found to exist. Further, on scrutiny of the records available on the GST portal it had been found that GST registration of the petitioner's major suppliers having been cancelled with retrospective effect and that the petitioner had been operating on paper only as also that it had been availing/passing on fake Input Tax Credit without actual movement of goods.

4. In support of the afore basis, no physical verification report has been supplied to the petitioner. No details with regard to cancellation of GST registration of any of its major suppliers has also been furnished. Details as to how the petitioner is availing/passing on fake Input Tax Credit without actual movement of goods are also missing. Though it is mentioned in the impugned show cause notice that for specific details supportive

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documents are attached but admittedly, no such supportive documents were appended along with the impugned show cause notice served upon the petitioner.

5. In the light of the above, the impugned show cause notice dated 05.01.2026 is violative of the principles of natural justice and does not serve the purpose behind its issuance. It is also against the spirit of Rule 22 of the Central Goods and Services Tax Rules 2017. Therefore, we set aside the show cause notice dated 05.01.2026 (Annexure P-2) with liberty to the respondents to proceed afresh against the petitioner in accordance with law.

6. The petition is allowed in the above terms.

(DEEPAK SIBAL)
JUDGE

(LAPITA BANERJI)
JUDGE

April 30, 2026
vandana

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

VANDANA
2026.05.06 09:36
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