IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Sr. No.126-2 CWP-9197-2025

Date of decision : 07.05.2026

A One Industries ….. Petitioner

Versus

Central Board of Indirect Taxes & Customs, New Delhi and others

..... Respondents

CORAM : HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MS. JUSTICE LAPITA BANERJI

Present : Ms. Urvashi Dhugga, Advocate, and
Ms. Kavita, Advocate, for the petitioner.

Mr. Sourabh Goel, Addl. A. G., Haryana.

Ms. Ridhi Bansal, Advocate, and
Mr. Parth Sharma, Advocate, for CGST.

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DEEPAK SIBAL, J. (Oral)

1. Show cause notice dated 21.01.2025 was served upon the petitioner as to why its GST registration be not cancelled but through such show cause notice the petitioner was never informed that its GST registration is sought to be cancelled retrospectively which was done through the cancellation order dated 13.03.2025.

2. In the light of the above, the petitioner's case is fully covered in its favour by the following observations made in a recent Division Bench judgment of this Court dated 20.02.2026 in *CWP-16770-2024-M/s Bansal Casting vs. Union of India 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. Learned counsel for the respondents have not been able to distinguish the applicability of *M/s Bansal Casting's* case (supra) to the petitioner's case.

4. In the light of the above, we have no hesitation in setting aside the show cause notice dated 21.01.2025. However, the respondents are granted liberty to proceed afresh against the petitioner in accordance with law.

5. The petition is allowed in the above terms.

[DEEPAK SIBAL]
JUDGE

07.05.2026
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[LAPITA BANERJI]
JUDGE

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