IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Sr. No. 144 CWP-12941-2026

Date of decision : 29.04.2026

Sky Lark Enterprises ..... Petitioner

Versus

Union of India and others ..... Respondents

CORAM : HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MR. JUSTICE ROHIT KAPOOR

Present : Mr. Chetan Jain, Advocate, and
Mr. Porush Jain, Advocate, for the petitioner.
Mr. Gurinderjit Singh, Sr. Panel Counsel-UOI.
Mr. Sourabh Goel, Sr. Standing Counsel-CGST.

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DEEPAK SIBAL, J. (Oral)

1. Through this petition, the petitioner challenges show cause notice dated 20.02.2026, served upon the petitioner for cancellation of its GST registration.

2. Learned counsel for the parties have been heard and with their able assistance the record of the case has also been perused.

3. The impugned show cause notice dated 20.02.2026 is reproduced below for ready reference:-

"Reference No.: ZA030226039958B Date: 20/02/2026
To
Registration Number (GSTIN/UIN): 03RUMPS9108G1ZY
GURMUKH SINGH
GODOWN KHASRA NO.246, SKY LARK ENTERPRISES, DISPOSAL ROAD, Mandi Govindgarh, Fatehgarh Sahib, Punjab 147301.

Show Cause Notice for Cancellation of Registration

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(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*
3. *Rule 21(e)-person avails ITC in violation of the provisions of section 16 of the Act or the rules made thereunder*
4. *Rule 21(g)-person violates the provision of rule 86B*

Remarks:
During verification of records, it appears that you have not complied with the provisions of CGST Act, 2017. It appears that retrospective cancellation of

registration is warranted:- To prevent misuse of Input Tax Credit (ITC) through fictitious invoicing,-To break the fraudulent ITC chain,- To nullify GSTINs obtained through misrepresentation, and –To safeguard government revenue from non-compliant and non-existent taxpayers.
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 26/02/2026 at 12:00.
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 ***28/05/2025****.*
Kindly refer the supportive document attached for case specific details."

4. A perusal of the afore quoted show cause notice reveals that the same is vague as it does not contain any details on the basis whereof the petitioner's GST registration is sought to be cancelled. Except reference to certain provisions of law, no facts are found mentioned therein. Though such notice refers to supportive documents attached thereto but admittedly, no document was appended with the impugned show cause notice.

5. In the light of the above, we find that the impugned show cause notice violates the principles of natural justice and does not serve the object behind its issuance. Therefore, the impugned show cause notice dated 20.02.2026 is set aside. However, liberty is granted to the respondents to proceed against the petitioner for cancellation of its GST registration, in accordance with law.

6. The issue with regard to challenge to the vires of Sections 29(2) and 16(2)(c) of the Central Goods & Services Tax Act, 2017 is left open to be decided in an appropriate case.

7. The petition is allowed in the above terms.

[DEEPAK SIBAL]
JUDGE

29.04.2026
shamsher

[ROHIT KAPOOR]
JUDGE

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