

**CWP-13507-2026****-1-****IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH****Sr. No.162****CWP-13507-2026****Date of decision: 04.05.2026**

KRM Tyres Partnership Firm

....Petitioner

Versus

State of Punjab and another

....Respondents

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

Present: Mr. Viney Kumar Advocate for
Mr. R. Kartikeya, Advocate, for the petitioner.

Mr. Saurabh Kapoor, Addl. A.G., Punjab.

* * *

DEEPAK SIBAL, J. (Oral)

1. A show cause notice dated 28.10.2024 was served upon the petitioner as to why its GST registration be not cancelled to which the petitioner did not file any written response. Thereafter, through order dated 17.11.2024, the petitioner's GST registration was cancelled w.e.f. 01.11.2023. The petitioner then availed of the remedy available under Section 30 of the Central Goods and Services Tax Act, 2017 seeking therein revocation of cancellation of its GST registration which was rejected on 24.01.2025. Retrospective cancellation of the petitioner's GST registration is the subject matter of challenge through this petition.

2. Learned counsel for the parties have been heard.

3. Show cause notice dated 28.10.2024 and the order retrospectively cancelling the petitioner's GST registration dated 17.11.2024 are reproduced below for ready reference:-

Show Cause Notice for Cancellation of Registration

“Reference No.: ZA031024061873U

To

Registration Number (GSTIN/UIN): 03AAHFK7881Q1ZL

**CWP-13507-2026****-2-***KRM TYRES**H 98, GURDEV NAGAR, JALANDHAR, PUNJAB, 144001****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)(c)-Person, other than paying tax u/s 10, failed to furnish returns for prescribed periods*

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

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 on merits.

Kindly refer the supportive document attached for case specific details.

Kulwinder Singh

*Excise and Taxation Officer-cum-State Tax officer
Jalandhar 2 – Ward No.18”*

Order for Cancellation of Registration

“Reference No.: ZA031124027962V

To

*KRM TYRES**H 98, GURDEV NAGAR, JALANDHAR, PUNJAB, 144001**GSTIN/UIN: 03AAHFK7881Q1ZL**Application Reference Number (ARN): AA031024049071Z****Order for Cancellation of Registration***

This has reference to show cause notice issued dated 28.10.2024.

Whereas no reply to the show cause notice has been submitted;

and whereas, the undersigned based on record available with this office is of the opinion that your registration is liable to the cancelled for following reason(s):

- 1. Section 29(2)(c)-Person, other than paying tax u/s 10, failed to furnish returns for prescribed periods*

Remarks:

No reply submitted

The effective date of cancellation of your registration is 01/11/2013.

2. Kindly refer to the supportive documents(s) attached for case

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specific details.-Not Applicable.

3. It may be noted that a registered person furnishing return under sub-section(1) of section 39 of the CGST Act, 2017 is required to furnish a final return in FORM GSTR-10 within three months of the date of this order.

4. You are required to furnish all pending returns:

5. It may be noted that all cancellation of registration shall not affect the liability to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation where or not such tax and other dues are determined before or after the date of cancellation.

*Kulwinder Singh
Excise and Taxation Officer-cum-State Tax officer
Jalandhar 2 – Ward No.18”*

4. A perusal of show cause notice dated 08.10.2024 reveals that it does not contain any facts on the basis whereof it has been issued. Similarly, the cancellation order dated 17.11.2024 is also bereft of any reasons.

5. In the light of the above, the petitioner’s case is fully covered in its favour by 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



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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.”*

6. Learned counsel for the respondents has not been able to distinguish the applicability of *M/s Bansal Casting’s* case (supra) to the petitioner’s case.
7. In the light of the above, we unhesitantly set aside the show cause notice dated 28.10.2024; order dated 17.11.2024 retrospectively cancelling the petitioner’s GST registration and the order dated 24.01.2025 rejecting the petitioner’s revocation application. However, the respondents are granted liberty to proceed afresh against the petitioner, in accordance with law.
8. The petition is allowed in the above terms.

(DEEPAK SIBAL)
JUDGE

(LAPITA BANERJI)
JUDGE

May 04, 2026
Jyoti 1

Whether speaking/reasoned
Whether reportable

Yes/No
Yes/No