IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

Sr. No.151

CWP-17404-2026
Date of decision: 27.05.2026

Som Prakash ....Petitioner

Versus

State of Haryana and others ....Respondents

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

Present: Mr. Nikhil Goyal, Advocate and
Ms. Kashish, Advocate, for the petitioner.

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

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DEEPAK SIBAL, J. (Oral)

1. It is not disputed that before passing the impugned order dated 30.10.2023 (Annexure P-3) retrospectively cancelling the petitioner's GST registration, in the show cause notice served upon the petitioner he was not informed that his GST registration was sought to be retrospectively cancelled.

2. In the light of the above admitted factual position, the petitioner's case is fully covered in its favour by the following observations made by a Division Bench of this Court in the judgment 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 State counsel has 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, the impugned order dated 30.10.2023 (Annexure P-3) and the appellate order dated 05.05.2026 (Annexure P-9) are quashed. However, liberty is granted to the respondents to proceed afresh against the petitioner, in accordance with law.

5. The petition is allowed in the above terms.

(DEEPAK SIBAL)
JUDGE

(LAPITA BANERJI)
JUDGE

May 27, 2026
Jyoti 1

Whether speaking/reasoned	*Yes/No*
Whether reportable	*Yes/No*