IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Sr. No.159 CWP-17478-2026

Date of decision : 27.05.2026

M/s Chamundi Constructions ..... Petitioner

Versus

Union of India and others ..... Respondents

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

Present : Mr. Sandeep Goyal, Senior Advocate, with
Ms. Aanchal Goyal, Advocate, for the petitioner.

Mr. Gurinderjit Singh, Senior Panel Counsel-UOI.

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DEEPAK SIBAL, J. (Oral)

1. A show cause notice dated 25.10.2024 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 01.05.2025, the petitioner's GST registration was cancelled w.e.f. 19.12.2017. The petitioner then filed an application seeking therein revocation of cancellation of its GST registration, along with an application seeking condonation of delay in filing of such application, which was rejected on 16.04.2026. 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. A perusal of show cause notice dated 25.10.2024 reveals that it does not contain any facts on the basis whereof it has been issued. Similarly, the cancellation order dated 01.05.2025 is also bereft of any reasons.

4. 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:-*
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> > *"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."*
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> *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."*

5. 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.

6. In the light of the above, we unhesitantly set aside the show cause notice dated 25.10.2024; order dated 01.05.2025 retrospectively cancelling the petitioner's GST registration and order dated 16.04.2026 rejecting the

application for condonation of delay in filing of the revocation application. However, the respondents are granted liberty to proceed afresh against the petitioner, in accordance with law.

7. The petition is allowed in the above terms.

[DEEPAK SIBAL]
JUDGE

27.05.2026 [LAPITA BANERJI]
shamsher JUDGE

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