2026:PHHC:032152-DB

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-35739 of 2025 (O&M)
Date of Decision: February 25, 2026

M/s T.S. Ispat Udyog ..... Petitioner

Versus

Union of India and others ..... Respondents

CORAM:- HON'BLE MRS. JUSTICE LISA GILL
HON'BLE MR. JUSTICE RAMESH CHANDER DIMRI

Present: Mr. Aman Bansal, Advocate for the petitioner.

Ms. Geetika Sharma, Advocate for
Mr. Sourabh Goel, Sr. Standing Counsel for the respondents.

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LISA GILL, J.

1. Petition is for setting aside order dated 23.04.2025 passed by respondent No.3, whereby registration of petitioner firm has been cancelled with retrospective effect.

2. It is submitted that petitioner is a proprietorship concern registered under the Central Goods and Services Act, 2017 (for short '2017 Act') with GSTIN 03B1YPS00099E1ZU and is engaged in business of trading of bar and rods of iron and non-alloy steel, ferrous waste scrap having its registered office at Amloh Road, Mandi Gobindgarh, Fatehgarh

Sahib. It is further submitted that on 06.09.2024 petitioner uploaded application for amendment/change in registered address of petitioner – Firm. This application was filed online on GST portal. Copy of acknowledgment is attached alongwith writ petition as Annexure P-3. Pursuant thereto, Department issued notice dated 19.09.2024 (Annexure P-4) seeking filing of reply alongwith additional documents. It is submitted that petitioner on 20.09.2024 itself uploaded requisite documents i.e. photographs, rent/lease agreements etc. as required, to indicate genuineness of place of business now sought to be added as petitioner's address. It is submitted that this application for amendment of GST registration was rejected in an absolutely illegal manner on 24.09.2024 on the premise that petitioner was found existing but not functional at the time of physical verification at the given address and no record was available at that time. On the very next day i.e. 25.09.2024, show cause notice was issued for cancellation of petitioner's registration on the ground that petitioner does not conduct any business from the declared place of business and at the time of physical verification, premises were found existent but no record was available.

3. Reply to the show cause notice was duly submitted by petitioner but in an absolutely illegal manner order dated 23.04.2025 was passed directing cancellation of petitioner's registration. Petitoner's registration was cancelled with retrospective effect from 03.12.2021 without there being such a proposal in the show cause notice. Moreover, it is mentioned in order dated 23.04.2025 that registration is liable to be cancelled in terms of Rule 21(a) as petitioner does not conduct any business from declared place of business and it has been remarked as under:-

> "On examination of the GST returns, it has been found that the following discrepancies have been noticed:-
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> 1. Short payment of tax has been noticed.
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> 2. All the major suppliers of the taxpayer found cancelled suo-moto or suspended.
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> 3. The taxpayer has not fulfilled the condition of Rule 86B of the CGST Rules, 2017.
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> in light of the above and to curtail such fraudulent activities, the taxpayer's registration is hereby cancelled, with effective from their original date of registration."

4. Learned counsel for petitioner submits that impugned order indicates complete non-application of mind and has been passed, inter alia, on the grounds which were not even mentioned in the show cause notice. Without there being any proposal for retrospective cancellation of petitioner's registration in show cause, order dated 23.04.2025 has been passed directing cancellation of registration w.e.f. 03.12.2021. Reliance is placed by learned counsel for petitioner on judgments rendered by Delhi High Court in ***Akash Bansal Vs. Superintendent, Central Goods and Service Tax Department, Delhi West [2025] 177 taxmann.com 518 (Delhi), Ravi Parkash Goel Vs. Sales Tax Officer, Class II/AVATO [2024] 162 taxmann.com 840 (Delhi), JSD Traders LLV Vs. Additional Commissioner, CGST [2025] 172 taxmann.com 551 (Delhi), Sunrise India Vs. Commissioner, Delhi Goods and Service Tax [2024] 162 taxmann.com 378 (Delhi), Eworld Business Solutions (P.) Ltd. Vs. Superintendent Range, 94, Central Goods and Service Tax [2025] 178 taxmann.com 236 (Delhi), Ajay Gupta Vs. Sales Tax Officer [2025] 179 taxmann.com 18 (Delhi), Pooja Enterprises Vs. Sales Tax Officer Class II Avato [2025] 177 taxmann.com 765 (Delhi), V.R. Impex Vs. Commissioner of Delhi Goods***

and Services Tax [2025] 177 taxmann.com 492 (Delhi). Furthermore, impugned order dated 25.11.2024 is stated to be a cryptic and non-speaking one, without any reasoning or discussion regarding the existence of grounds for cancellation or the material on the basis of which such order has been passed.

5. Learned counsel for petitioner further relies upon decision dated 20.02.2026 of this Court in **CWP No. 16770 of 2024** titled as **M/s Bansal Casting versus Union of India and another** and other connected writ petitions to submit that the controversy herein is squarely covered in favour of petitioner. It is, thus, prayed that this petition be allowed.

6. Learned counsel for respondents has opposed the writ petition while justifying passing of impugned order dated 23.04.2025, by submitting that registration of petitioner can be cancelled with retrospective effect in terms of Section 29 of CGST Act.

7. We have heard learned counsel for parties and have perused the file with their able assistance.

8. Notice of motion was issued in this writ petition on 02.12.2025. Learned counsel for respondents had accepted notice and sought time to seek instructions/file reply. This writ petition was directed to be taken up along with CWP No. 16770 of 2024. It is pointed out that vide order dated 12.11.2025 in CWP No. 16770 of 2024 and connected writ petitions, it had been agreed between the parties that the question involved in the writ petitions was of the issue, as to whether registration of petitioners could have been cancelled with retrospective effect, even though, it is not so proposed in the show cause notice(s) (Form

GST REG-17) issued to petitioners. Moreover, no supporting documents or reasons thereof are reflected in show cause notice, therefore, arguments be heard, notwithstanding non-filing of written statement/reply in the writ petitions. CWP-16770-2024 was allowed on 20.02.2026. Reply has not been filed in this writ petition. In the given factual matrix, we do not find any ground for postponing the hearing of this matter on this account.

9. It is a matter of record and not denied by learned counsel for respondents that there is no proposal for retrospective cancellation of petitioner's registration in show cause notice dated 25.09.2024. It is further affirmed and verified that no documents whatsoever were ever supplied to petitioner on the basis of which impugned order dated 23.04.2025 was passed.

10. In the instant case, as noted in the foregoing paras, it is an undisputed fact that there was no proposal in the show cause notice for cancellation of registration of petitioner with retrospective effect. Furthermore, impugned order dated 23.04.2025 indeed does not indicate due application of mind by the appropriate authority.

11. The issues as raised in this writ petition have *inter alia* been considered by this Court in case of ***M/s Bansal Casting Vs. Union of India and others (supra)***. The questions as involved in the said writ petition were detailed as under:-

> "(i) whether registration of petitioner(s) under Central Goods and Services Tax Act, 2017/Haryana Goods and Services Tax Act, 2017 (for short CGST/HGST Act) could have been cancelled with retrospective effect even though it is not so proposed in show case notice(s), Form GST-REG-17, issued to

> petitioners; (ii) whether proceedings are vitiated as supportive documents stated to be attached as per show causes notice(s) for case specific details were never supplied to petitioners and (ii) whether orders of Cancellation of Registration ultimately passed, are unsustainable being totally non-speaking and cryptic."

12. On considering the provisions of law as contained in Chapter VI of the 2017 Act and particularly Section 29 as well as Rules 21 and 22 of Central Goods and Services Tax Rules, 2017 (for short '2017 Rules), it was held as under:-

> "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.

15. Delhi High Court in the case of Riddhi Siddhi Enterprises Vs. Commissioner of Goods and Service Tax (CGST), South Delhi, (2024) 167 taxmann.com 302 (Delhi), observed as under:-

> "As is manifest from a reading of Section 29, clauses (a) to (e) of Section 29(2) constitute independent limbs on the basis of which a registration may warrant cancellation. While the provision does enable the respondents to cancel that registration with retrospective effect, the mere existence or conferral of that power would not justify a revocation of registration. The order under Section 29(2) must itself reflect the reasons which may have weighed upon the respondents to cancel registration with retrospective effect. Given the deleterious consequences which would ensue and accompany a retroactive cancellation makes it all the more vital that the order be reasoned and demonstrative of due application of mind. It is also necessary to observe that the mere existence of such a power would not in itself be sufficient to sustain its invocation. What we seek to emphasise is that the power to cancel retrospectively can neither be robotic nor routinely applied unless

> circumstances so warrant. When tested on the aforesaid precepts it becomes ex facie evident that the impugned order of cancellation cannot be sustained."

13. Perusal of impugned order dated 23.04.2025 does indicate non-application of mind and a dispensation which is not even envisaged in show cause notice dated 25.09.2024. It is incumbent upon appropriate Authority to consider the facts, material on record and arrive at a specific conclusion with such reasoning being reflected in its order. There is no reference to the material on the basis of which decision to cancel registration has been taken, much less a discussion on any aspect. It is, thus, evident that impugned order dated 29.08.2025 is not sustainable.

14. Objection regarding alternate remedy as raised by respondents does not hold any merit as has been held by this Court in case of ***M/s Bansal Casting Vs. Union of India and others (Supra)***, to the effect that matter like the present would fall within the exceptions as carved out by Hon'ble the Supreme Court in ***M/s Godrej Sara Lee Ltd. Vs. The Excise and Taxation Officer-cum-Assessing Authority and others, 2013 AIR Supreme Court 781*** and ***Whirlpool Corporation v. Registrar of Trade Marks, Mumbai (1998) 8 SCC 1***, wherein this Court would exercise jurisdiction to interfere in matters despite availability of an alternate remedy.

15. Keeping in view the facts and circumstances as above, impugned order dated 23.04.2025 is set aside. Liberty is afforded to respondent- authorities to take necessary steps for recovery of any tax, penalty or interest which may be due in respect of the subject firm, in accordance with law including retrospective cancellation of GST registration

after serving proper notice and affording an opportunity of hearing to petitioner in accordance with law. Petitioner shall make all necessary compliances as are required of it. Contact details of petitioner as supplied by learned counsel for petitioner for future reference/communication by department are as under:-

Contact Number : 7009027081

Email ID : msalmanshiekh8@gmail.com

16. Learned counsel for petitioner submits that petitioner undertakes to immediately inform the department of any change in the said contact details.

17. Writ petition is, accordingly, allowed with liberty as aforesaid to respondents.

18. Pending application(s), if any, also stand(s) disposed of accordingly.

(LISA GILL)
JUDGE

(RAMESH CHANDER DIMRI)
JUDGE

25.02.2026
rts

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