2026:PHHC:032147-DB

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-38701 of 2025 (O&M)
Date of Decision: February 25, 2026

M/s Jordan Enterprises ..... 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. Petitioner is aggrieved of order dated 19.01.2024, Annexure P-3, passed by respondent No.3, whereby registration of petitioner firm has been cancelled and that too with retrospective effect without any such proposal in the show cause notice dated 08.01.2024.

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 03KSKPK6623M1Z8 and is engaged in business of trading of bars and rods of iron or non-alloy steel and ferrous waste & scrap having its registered office at Mandi Gobindgarh, Fatehgarh Sahib.

3. Learned counsel for petitioner submits that show cause notice dated 08.01.2024 was issued stating that petitioner's registration is liable to be cancelled for the following reasons:-

> "1. Discrepancies noticed while conduct of physical verification."

4. It is submitted that this show cause notice was never served upon petitioner. Physical verification of the premise of petitioner was not carried out and definitely not in accordance with applicable provisions. Competent authority proceeded to cancel petitioner's registration on 19.01.2024 itself without recording a single reason and with a recital that effective date of cancellation of petitioner's registration is 17.10.2023. It is submitted that registration of petitioner was cancelled with retrospective effect without even such a proposal in show cause notice. No physical verification report GST REG – 30 was ever uploaded within the time frame of fifteen working days. So-called verification report alongwith supporting documents were never supplied to petitioner. Moreover, impugned order dated 19.01.2024 is stated to be a cryptic and non-speaking one, without any reasoning or discussion regarding the grounds for cancellation, which is unsustainable. It is, thus, prayed that this petition be allowed.

5. Learned counsel for respondents has opposed the writ petition while justifying passing of impugned order dated 19.01.2024, by submitting that registration of petitioner can be cancelled with retrospective effect in terms of Section 29 of CGST Act.

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

7. Notice of motion was issued in this writ petition on 23.12.2025. Reply has not been filed as this writ petition was being adjourned for the date on which **CWP No. 16770 of 2024** titled as **M/s Bansal Casting versus Union of India and another** and other connected writ petitions, involving similar issues were being listed. It had been recorded in the case of **M/s Bansal Casting** (supra), vide order dated 12.11.2025 that as the question which arose was whether registration of petitioner could have been cancelled with retrospective effect even though it is not proposed in the show cause notice issued to petitioners therein and order of cancellation of registration of petitioner being totally non-speaking ones, arguments be heard notwithstanding non-filing of written statement/reply in any of the matters. In the given factual matrix, we do not find any ground for postponing the hearing of this matter on this account.

8. 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 08.01.2024. It is further affirmed and verified that no documents whatsoever were ever supplied to petitioner on the basis of which impugned order dated 19.01.2024 was passed.

9. 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 19.01.2024 indeed does not indicate due application of mind by the appropriate authority.

10. 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."

11. 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:-
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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.
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> 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:-
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>> "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."

12. It is, thus, evident that impugned order dated 19.01.2024 is not sustainable. Perusal thereof does indicate non-application of mind and a dispensation which is not even envisaged in show cause notice dated 08.01.2024. 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 any material on record

on the basis of which an opinion was formed by the authority regarding the reason for cancellation of petitioner's registration. In fact, perusal of impugned order dated 19.01.2024, reveals that there is no mention of reason of cancellation, leave alone the basis thereof, except to say that order has reference to show cause notice dated 08.01.2024 and that registration is cancelled w.e.f. 17.10.2023. Said order is clearly a non-speaking order.

13. 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.

12. Keeping in view the facts and circumstances as above, impugned order dated 19.01.2024 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 : 77196323770

Email ID : alisha566666 @gmail.com

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

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

15. 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