



2026:CGHC:4098

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPT No. 171 of 2025

1 - Nairson Multiventures Private Limited Having Its Place Of Business At Na, Shreeja Medical Store, Pragati Naka, Behind Pragati School, Ashok Nagar, Gudhyari, Raipur, District- Raipur, Chhattisgarh-492006 Through Its Director Ankit Singh, Aged About 42 Years, Son Of Shri Banbir Singh, R/o House No. 27/125, In Front Of New Hanuman Mandir, New Shanti Nagar, Shankar Nagar, District- Raipur, Chhattisgarh-492007

--- **Petitioner(s)**

versus

1 - State Of Chhattisgarh Through Secretary Commercial Tax-Gst Department, Mantralaya, Mahanadi Bhawan, Atal Nagar, Nawa Raipur, District - Raipur (C.G.)

2 - Assistant Commissioner Of State Tax Raipur-7 Office Of The Joint Commissioner Of State Tax Raipur Division-Ii, 3rd Floor, Shri Krishna Glory, Sai Nagar, Devendra Nagar, Raipur, Chhattisgarh, 492001.

3 - Commissioner Of Commercial Tax-Gst Department Office Of The Commissioner Of Commercial Tax- Gst Department, North Block, Sector-19, Atal Nagar, Nawa Raipur, District- Raipur (C.G.)

--- **Respondent(s)**

WPT No. 172 of 2025

1 - Jaibajrang Loha Private Limited Having Its Place Of Business At 275/125, Opposite Shri Ranvir Shastri Bungalow, Raipur, District - Raipur, Chhattisgarh - 492001 Through Its Director Savitri Singh, Aged About 71 Years, W/o Shri Banbir

Singh, R/o House No. 27/125, Near New Hanuman Mandir, New Shanti Nagar,
Ward No. 31, Shankar Nagar, District - Raipur, Chhattisgarh - 492007

---Petitioner(s)

Versus

1 - State Of Chhattisgarh Through Secretary Commercial Tax-Gst Department,
Mantralaya, Mahanadi Bhavan, Atal Nagar, Nawa Raipur, District - Raipur (C.G.)

2 - Assistant Commissioner Of State Tax Raipur-7 Office Of The Joint
Commissioner Of State Tax Raipur Division - li, 3rd Flor, Shri Krishna Glory, Sai
Nagar, Devendra Nagar Raipur, Raipur, Chhattisgarh, 492001

3 - Commissioner Of Commercial Tax - Gst Department Office Of The
Commissioner Of Commercial Tax - Gst Department, North Block, Sector-19, Atal
Nagar, Nawa Raipur, District - Raipur (C.G.)

--- Respondent(s)

For Petitioners	:	Shri Siddharth Dubey, Advocate.
For State	:	Ms. Anuradha Jain, Dy.G.A. alongwith Ms. Pallavi Das, P.L.

Hon'ble Shri Justice Rakesh Mohan Pandey

Order on Board

23.01.2026

1. In both the writ petitions, the petitioners have challenged the show-cause notices issued by respondent No.2/ Assistant Commissioner of State Tax and the final orders with regard to cancellation of registration.
2. Learned counsel for the petitioners would argue that the petitioners are Private Limited Companies and have been assigned GSTIN Numbers 22AAICN4812A1Z3 & 22AABCJ9662P1Z1. He would submit that both the companies are involved in the business of trading, sale and purchase of steel products. He would contend that show-cause notices dated 19.9.2025 & 21.8.2025 were issued to the petitioners by

respondent No.2 for cancellation of registration under Rule 21(a) of the Chhattisgarh Goods and Service Tax Act, 2017 (herein after also referred SGST Rules, 2017). He would state that though seven days' time was granted to the petitioners to file reply but date and time for personal hearing were not specifically mentioned in the said show-cause notices. He would submit that in WP(T) No. 171 of 2025, one of the directors, namely Shri Ankit Singh was arrested on 20.8.2025 and was released on bail on 17.10.2025 and in between, respondent No.2 passed the impugned orders and canceled the GST registration of both the companies. Learned counsel for the petitioners would further submit that in the show-cause notices issued on 19.10.2025 & 21.8.2025 there was no whisper with regard to retrospective cancellation of the GST registration but in the final order the respondent No.2, canceled the GST registration of petitioners with retrospective effect i.e. from the date of issuance of the show-cause notices. He would submit that the final orders passed by respondent No.2 traveled beyond the contents of show-cause notices, therefore, the show-cause notices and the final orders are bad in law.

3. Learned counsel for the petitioners would further submit that the sufficient opportunity was not afforded to the petitioners to file reply as no specific date and time was mentioned in the show-cause notices. He would submit that according to Form GST REG-17, which is the prescribed format for issuance of a show-cause notice for cancellation of registration, it is duty of the concerned authority to afford an opportunity of personal hearing specifying date and time. It is also contended that the decision to cancel the GST registration was taken on the foundation of physical verification but its report was not

uploaded on the common portal, which is a mandatory requirement according to Rule 25 of the CGST Rules, 2017. With regard to alternative remedy, learned counsel for the petitioners would submit that though there is an efficacious remedy available to the petitioners to prefer an appeal against the order impugned but the Appellate Authority has no power to remit back the matter to the Assessing Authority. He would argue that where the principles of natural justice are violated at the first stage, the right of appeal is not so much a true right of appeal as a corrected initial hearing. In support of his submissions, reliance has been placed on the judgment passed by the Hon'ble Supreme Court in the matter of **Institute of Chattered Accountants vs. L.K. Ratna and Others**, reported in (1986) 4 SCC 537.

4. On the other hand, learned counsel for the respondents would oppose the submissions made by counsel for the petitioners. They would submit that seven working days time was granted to the petitioners to file reply but they failed to do so. They would contend that during physical verification declared place of business was not found and it was discovered that the premises was a residential house.
5. In the second case, there was a dispute with regard to execution of the rent agreement as the property was sold two years back. They would submit that there was no need to specify date and time in show cause notices and sufficient time was granted to the petitioners. They would submit that the petitioners never approached the authorities seeking specific date and time for personal hearing. Ms. Anuradha Jain would submit that only one of the directors was arrested and the others could have challenged the show cause notice. It is contended that the

decision was taken by respondent No.2 strictly in accordance with law. It is also argued that there is efficacious alternative remedy to prefer an appeal according to provisions of Section 107 of the CGST Act, 2017. They would submit that the petitioners also have the remedy to prefer an application for revocation of cancellation of registration before respondent No.2. It is also argued that the writ petitions are not maintainable. Reliance has been placed on the judgment of the Hon'ble Supreme Court in the matter of **Commissioner of Income Tax and Others, vs. Chhabil Dass Agrawal**, reported in **(2014) 1 SCC 603**. Reliance has also placed on the judgment of this Court in the matter of **M/s Shubham Sales Through Proprietor vs. State of Chhattisgarh and Ors.**, in **WPT No. 130 of 2025**, wherein writ petition challenging cancellation of GST registration with retrospective effect was dismissed and the petitioner was directed to prefer an appeal to take recourse to law.

6. In the matter of **Viswaat Chemicals Ltd. And Another vs. Union of India and Others**, reported in **2024 SCC OnLine Bom 3355**, it is held that the petitioner company failed to challenge the show-cause notice at the earliest instance and filed writ petition after passing of final order, which was held an attempt to circumvent the alternate remedy and to take a chance to see whether any relief can be wriggled out.
7. I have heard learned counsel for the parties and perused the documents present on record.
8. The petitioners have been assigned GSTIN numbers by the department and were engaged in the business of sale and purchase of steel products. Show-cause notices were issued according to

provisions of Rule 21(a)1 of SGST Rules, 2017 on the ground that the business was not being operated from declared place. In WP(T) No.172 of 2025 also the show-cause notice was issued under Rule 21(a) of the Rules, 2017.

9. Perusal of show-cause notice dated 21.8.2025 would reveal that the authority concerned has not specified date and time granting opportunity to appear personally before the concerned authority rather he was granted seven days' time to file reply. The petitioner could not file reply and finally his GST registration was canceled. In both the cases, the petitioners could not file reply and later on, final orders with regard to cancellation of registration were passed. Rule 22(1) read with Form GST REG-17 deals with show cause notice for cancellation of registration. The Form GST REG-17 is reproduced herein below:

FORM GST REG-17
[See rule 22(1)]

Reference No.

><Date>>

To
Registration Number (GSTIN/Unique ID)
(Name)
(Address)

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.
- 2.
- 3.
-

☐ You are hereby directed to furnish a reply to this notice within

seven working days from the date of service of this notice.

☐ You are hereby directed to appear before the undersigned on DD/MM/YYYY at HH/MM.

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 and on merits.

Place:

Date:

Signature
<Name of the Officer>
Designation
Jurisdiction

[**Note.**—Your registration stands suspended with effect from (date).]

10. A bare reading of above quoted provision would make it clear that the authority concern has to assign reasons for cancellation of registration. Further, the authority has to grant seven working days time to file a reply to show-cause and at the same time, is under obligation to afford an opportunity of personal hearing by specifying date and time. In the show-cause notices issued by respondent No.2 dated 19.10.2025 and 21.8.2025, though seven days' time was granted to file reply but date and time granting opportunity of personal hearing was not specified and thus, show-cause notices were issued in contravention to the provisions of REG-17.
11. According to Rule 25 of Rules, 2017, it is necessary to upload the physical verification report alongwith other documents including photographs on the common portal within a period of 15 working days following the date of such verification.
12. Rule 25 is reproduced herein below:

“25. Physical verification of business premises in certain

cases.—Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication [or due to not opting for Aadhaar authentication] before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in **FORM GST REG-30** on the common portal within a period of fifteen working days following the date of such verification.]”

In both the cases, the physical verification was carried out on 21.8.2025 and 19.8.2025, however, the documents were not uploaded till passing of final orders. Therefore the show cause notice and final orders are in contrary to provisions of Rule 25 of Rules, 2017.

13. With regard to alternative remedy as argued by the respondents, it is true that there is efficacious statutory remedy available in favour of the petitioners to prefer an appeal but the petitioners have been denied their right to file a response to the show-cause notice and to submit relevant documents before the Assessing Authority. Further, the Appellate Authority has no jurisdiction to remit back the matter to the Assessing Authority as provided under Section 107(11) of CGST Act, 2017.
14. In the matter of **L.K. Ratna** (supra), the Hon'ble Supreme Court has categorically held that if natural justice is violated at the first stage, the right of appeal is not so much a true right of appeal as a corrected initial hearing, instead of fair trial followed by appeal, the procedure is reduced to unfair trial followed by fair trial. The relevant para 17 is reproduced herein below:

“17. It is then urged by learned counsel for the appellant that the

provision of an appeal under Section 22-A of the Act is a complete safeguard against any insufficiency in the original proceeding before the Council, and it is not mandatory that the member should be heard by the Council before it proceeds to record its finding. Section 22-A of the Act entitles a member to prefer an appeal to the High Court against an order of the Council imposing a penalty under Section 21(4) of the Act. It is pointed out that no limitation has been imposed on the scope of the appeal, and that an appellant is entitled to urge before the High Court every ground which was available to him before the Council. Any insufficiency, it is said, can be cured by resort to such appeal. Learned counsel apparently has in mind the view taken in some cases that an appeal provides an adequate remedy for a defect in procedure during the original proceeding. Some of those cases are mentioned in Sir William Wades erudite and classic work on "Administrative Law". But as that learned author observes, "in principle there ought to be an observance of natural justice equally at both stages", and

If natural justice is violated at the first stage, the right of appeal is not so much a true right of appeal as a corrected initial hearing: instead of fair trial followed by appeal, the procedure is reduced to unfair trial followed by fair trial.

And he makes reference to the observations of Megarry J. in *Leary v. National Union of Vehicle Builders*, [1971] 1 Ch. Treating with another aspect of the point, that learned Judge said:

"If one accepts the contention that a defect of natural justice in the trial body can be cured by the presence of natural justice in the appellate body, this has the result of depriving the member of his right of appeal from the expelling body. If the rules and the law combine to give the member the right to a fair trial and the right of appeal, why should he be told that he ought to be satisfied with an unjust trial and a fair appeal? Even if the appeal is

treated as a hearing de novo, the member is being stripped of his right to appeal to another body from the effective decision to expel him. I cannot think that natural justice is satisfied by a process whereby an unfair trial, though not resulting in a valid expulsion, will nevertheless have the effect of depriving the member of his right of appeal when a valid decision to expel him is subsequently made. Such a deprivation would be a powerful result to be achieved by what in law is a mere nullity; and it is no mere triviality that might be justified on the ground that natural justice does not mean perfect justice. As a general rule, at all events, I hold that a failure of natural justice in the trial body cannot be cured by a sufficiency of natural justice in an appellate body."

The view taken by Megarry, J. was followed by the Ontario High Court in Canada in *Re Cardinal and Board of Commissioners of Police of City of Cornwall*, [1974] 42 D.L.R. (3d) 323. The Supreme Court of New Zealand was similarly inclined in *Wislang v. Medical Practitioners Disciplinary Committee*, [1974] 1 N.Z.L.R. 29 and so was the Court of Appeal of New Zealand in *Reid v. Rowley*, [1977] 2 N.Z.L.R. 472."

15. In the matter of **Chhabil Dass Agarwal** (supra), cited by Ms. Anuradha Jain, the Hon'ble Supreme Court has held that non-entertainment of petition under writ jurisdiction by the High Court when an efficacious alternative remedy is available is a rule of self-imposed limitation. It is further held that it is essentially a rule of policy, convenience and discretion rather than a rule of law. Para 11 is reproduced herein below:

"11. Before discussing the fact proposition, we would notice the principle of law as laid down by this Court. It is settled law that non-entertainment of petitions under writ jurisdiction by the High Court when an efficacious alternative remedy is available is a rule of self-imposed limitation. It is essentially a

rule of policy, convenience and discretion rather than a rule of law. Undoubtedly, it is within the discretion of the High Court to grant relief under Article 226 despite the existence of an alternative remedy. However, the High Court must not interfere if there is an adequate efficacious alternative remedy available to the petitioner and he has approached the High Court without availing the same unless he has made out an exceptional case warranting such interference or there exist sufficient grounds to invoke the extraordinary jurisdiction under Article 226. (See: *State of U.P. vs. Mohammad Nooh*, AIR 1958 SC 86; *Titaghur Paper Mills Co. Ltd. vs. State of Orissa*, (1983) 2 SCC 433; *Harbanslal Sahnia vs. Indian Oil Corpn. Ltd.*, (2003) 2 SCC 107; *State of H.P. vs. Gujarat Ambuja Cement Ltd.*, (2005) 6 SCC 499)."

16. Thus, there is no bar to entertain a writ petition where there is violation of principle of natural justice or the order passed by the authority concerned is ultra vires as held by the Hon'ble Supreme Court in the matter of **Godrej Sara Lee Ltd. vs. Excise and Taxation Officer-cum-Assessing Authority and Others**, reported in **2023 SCC OnLine SC 95**. Para 6 is reproduced herein below:

"6. At the end of the last century, this Court in paragraph 15 of its decision reported in (1998) 8 SCC 1 (*Whirlpool Corporation vs. Registrar of Trade Marks, Mumbai and Others*) carved out the exceptions on the existence whereof a Writ Court would be justified in entertaining a writ petition despite the party approaching it not having availed the alternative remedy provided by the statute. The same read as under:

- (i) where the writ petition seeks enforcement of any of the fundamental rights;
- (ii) where there is violation of principles of natural justice;

(iii) where the order or the proceedings are wholly without jurisdiction; or

(iv) where the vires of an Act is challenged.”

17. In the matter of **Viswaat Chemicals Limited** (supra), the High Court of Bombay dismissed the writ petition on the ground that the petitioner did not challenge the show-cause notice though a detailed reply was filed and later on, they challenged the final order, therefore, it was held that it was an attempt to circumvent the alternate remedy and to take a chance to see whether any relief can be wriggled out.
18. In the present case, show-cause notices were issued to the petitioners in contravention to the provisions of Rule 25 and REG-17 of CGST Rules, 2017 and in between, one of the directors of the company was arrested and reply could not be filed by the petitioners. Further opportunity of personal hearing was also not afforded. Thus, the facts of these cases are distinguishable from the facts of cited case.
19. In the matter of **M/s Shubham Sales** (supra), the provisions of Rule 25 and REG-17 of CGST Rules, 2017 were not considered and the petition was dismissed solely on the ground that an efficacious alternative remedy is available.
20. In the result, both the petitions are allowed. Show cause notices and the subsequent final orders passed by respondent No.2 are hereby quashed. Respondent No.2 shall be at liberty to initiate fresh proceedings against the petitioners strictly in accordance with REG-17, Rule 25 of CGST Rules, 2017.

Sd/-

(Rakesh Mohan Pandey)
Judge