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**Sr. No.154**
**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**
**CWP- 12339-2026 (O&M)**
**Date of Decision : 23.04.2026**

M/s Bharat Steels through its Proprietor …Petitioner

Versus

State of Punjab and others …Respondents

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

Present : Mr. J.S.Bedi, Advocate,
for the petitioner.

Mr. R.S.Pandher, Additional A.G., Punjab.

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**DEEPAK SIBAL, J. (Oral)**

Through a show cause notice dated 12.07.2024, the petitioner was put to notice as to why his GST registration be not cancelled. Thereafter, through order dated 02.09.2024, the petitioner's GST registration was retrospectively cancelled with effect from 31.03.2022. The petitioner then filed an application, under Section 30 of the Central Goods and Services Tax Act 2017, read with the relevant Rules, for revocation of cancellation of its registration but the same was rejected on 16.10.2024 against which the petitioner filed an appeal which was also dismissed on 14.08.2025.

2. Cancellation of the petitioner's GST registration, rejection of its revocation application and the order of the appellate authority dated 14.08.2025 dismissing the petitioner's appeal filed against the aforesaid orders, are the subject matter of challenge through this petition.

3. Learned counsel for the petitioner submits that before passing of the order dated 02.09.2024, through which the petitioner's GST registration was retrospectively cancelled, no specific notice in this regard

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was served upon the petitioner rendering the cancellation order illegal. In support of its submissions learned counsel for the petitioner placed reliance on a Division Bench Judgment of this Court dated 20.02.2026 in ***CWP No.16770 of 2024 – 'M/s Bansal Casting vs. Union of India and another'.***

4. Learned State counsel fairly admits that before the petitioner's GST registration was retrospectively cancelled, no specific notice in this regard was served upon the petitioner.

5. Learned counsel for the parties have been heard.

6. Once it is admitted that no specific show cause notice was served upon the petitioner that its GST registration is sought to be retrospectively cancelled, the order cancelling the petitioner's GST registration retrospectively, would be unsustainable in law as the same would be violative of the principles of natural justice.

7. Our view, as above, is supported by the following observations made by a Division Bench of this Court in ***M/s Bansal Casting's case (Supra):-***

> *"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*

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> *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.* ***(emphasis supplied)***

8. In light of the afore facts and the position of law, the present petition is allowed resulting in the setting aside of the show cause notice dated 12.07.2024; the order dated 02.09.2024 through which the petitioner's GST registration has been retrospectively cancelled; the order dated 16.10.2024, rejecting the petitioner's revocation application and the appellate order dated 14.08.2025. However, liberty is granted to the respondents to proceed afresh against the petitioner, in accordance with law.

**(DEEPAK SIBAL)**
**JUDGE**

**(LAPITA BANERJI)**
**JUDGE**

**April 23, 2026**
vandana

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