



2026:PHHC:060226-DB

2026:PHHC:060226-DB



CWP-11910-2026

-1-

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

Sr. No.160

CWP-11910-2026

Date of decision: 21.04.2026

Dwarkadhish Metals

....Petitioner

Versus

Union of India and others

....Respondents

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

Present: Mr. Chetan Jain, Advocate and
Mr. Porush Jain, Advocate
for the petitioner.

Ms. Pridhi Sandhu, Sr. Standing Counsel (through VC)
for the respondents.

* * *

DEEPAK SIBAL, J. (Oral)

1. Through this petition a challenge is made to the show cause notice dated 10.03.2026 (Annexure P-1) putting the petitioner to notice as to why its GST registration be not cancelled. Also under challenge is the order dated 02.04.2026 (Annexure P-3) through which the petitioner's GST registration has been retrospectively cancelled.

2. Learned counsel for the petitioner submits that the show cause notice dated 10.03.2026 (Annexure P-1) is vague as it contains no reasons whatsoever on the basis whereof the respondents intended to cancel the petitioner's GST registration and that though in the said show cause notice



CWP-11910-2026

-2-

there is reference to supportive documents but factually no supportive documents were appended therewith.

3. Learned counsel for the petitioner further submits that the order dated 02.04.2026 (Annexure P-3) through which the petitioner's GST registration has been cancelled, suffers from the following legal infirmities:-

- (i) The notice is vague;
- (ii) The notice does not even refer to the defence taken by the petitioner through its written response submitted to the show cause notice which preceded the impugned order and
- (iii) through the order dated 02.04.2026 the petitioner's GST registration has been retrospectively cancelled with effect from 24.09.2020 but the show cause notice which preceded this order did not make any reference to such intention on the part of the respondent – Department.

4. Learned counsel for the respondent fairly concedes that to the show cause notice dated 10.03.2026 no supportive document was attached and that the petitioner's GST registration has been retrospectively cancelled without serving upon the petitioner a specific show cause notice in this regard.

5. Learned counsel for the parties have been heard and with their able assistance the record of the case has also been perused.

6. The impugned show cause notice dated 10.03.2026 (Annexure P-1) and the impugned order retrospectively cancelling the petitioner's GST registration dated 02.04.2026 (Annexure P-3) are both reproduced below for



2026:PHHC:060226-DB

2026:PHHC:060226-DB



CWP-11910-2026

-3-

ready reference:-

Show Cause Notice for Cancellation of Registration

“Reference No.ZA0303260125714

To

Registration Number (GSTIN/UIN): 03AMDPP9448C2Z3

Sat Parkash Kumar

B-15-971/185/1,194-B Industrial Estate, Dholewal, Ludhiana

Ludhiana Punjab, 141003

Show Cause Notice for Cancellation of Registration

Whereas on the basis of information which be cancelled for the following reasons: which has come to my notice, it appears that your registration is liable to be cancelled for the following reasons:

1. Rule 21(b)-person issues invoice or bill without supply of goods or services or both in violation of the provisions of the Act, or the rules made thereunder

2. Rule 21(e)-person avails ITC in violation of the provisions of Section 16 of the Act or the rules made thereunder

Remarks:

The Noticee has self generated the huge amount of ITC and availed the same in their GSTR 3B returns. They have also availed ineligible ITC who are already cancelled suo-moto by the department and passed on thereto. You are hereby directed to explain as to why your registration should not be cancelled retrospectively.

You are hereby directed to furnish a reply to the notice within seven working days from the date of service of this notice.

You are hereby directed to appeal before the undersigned authority on 17.03.2026 at 11.30.

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.

Please note that your registration stands suspended with effect from 10.03.2026.



2026:PHHC:060226-DB



2026:PHHC:060226-DB

CWP-11910-2026

-4-

Kindly refer the supportive document attached for case specific details.

Order for Cancellation of Registration

Reference Number: ZA0304260038204

To

Name: Sat Parkash Kumar

Address: B-15-971/185/1, 194-B Industrial Estate, Dholewal, Ludhiana, Punjab, 141003

Order for Cancellation of Registration

“This has reference to show cause notice issued dated 10.03.2026.

Whereas reply to the show cause notice has been submitted vide AA030323010148S dated 17.03.2026. But, you or your authorized representative did not attend the personal hearing on scheduled or extended date; and whereas, the undersigned on examination of your reply to show cause notice and based on record available with this office is of the opinion that your registration is liable to be cancelled for following reason(s):

- 1. Rule 21(b)-person issues invoice or bill without supply of goods or services or both in violation of the provisions of the Act, or the rules made thereunder*
- 2. Rule 21(e)-person avails ITC in violation of the provisions of Section 16 of the Act or the rules made thereunder*

Remarks:

The reply filed by the applicant is not satisfactory as they seems to have availed and passed on huge ineligible ITC as most of the suppliers registration is cancelled suo-moto by the department. Also the personal hearing opportunity has already been granted to the party but no one appeared on the given date. Therefore, the registration is cancelled retrospectively.

The effective date of cancellation of your registration is 24.09.2020.

2. Kindly refer to the supportive document(s) attached for case specific details.-Not applicable

3. It may be noted that a registered person furnishing return under sub-section (1) of section 39 of the CGST Act, 2017 is



2026:PHHC:060226-DB

2026:PHHC:060226-DB

**CWP-11910-2026****-5-**

required to furnish a final return in FORM GSTR-10 within three months of the date of this order.

4. You are required to furnish all your pending returns.

5. It may be noted that the cancellation of registration shall not affect the liability to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.”

7. A perusal of the afore-quoted show cause notice and the order cancelling of the petitioner's GST registration clearly reveal that both of them are vague and virtually bereft of any worthwhile reasons. It further remains undisputed that though in the impugned show cause notice dated 10.03.2026 (Annexure P-1) there is a reference to the attachment of supportive documents but factually no document was appended therewith. The said show cause notice also did not put the petitioner to notice that its GST registration was sought to be retrospectively cancelled before passing an order to that effect.

8. In the light of the above, we have no hesitation to hold that the impugned show cause notice and the order cancelling the petitioner's GST registration are both unsustainable in law being in violation of the principles of natural justice.

9. The afore view of ours is supported by a recent decision of a Division Bench judgment of this Court dated 20.02.2026 in **CWP-16770-2024 – M/s Bansal Casting vs. Union of India and another**, the relevant portion of which judgment reads 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:-

"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. (emphasis supplied)

10. In the light of the above, the show cause notice dated 10.03.2026 (Annexure P-1) and the order dated 02.04.2026 (Annexure P-3) through which the petitioner's GST registration has been retrospectively cancelled



2026:PHHC:060226-DB

2026:PHHC:060226-DB



CWP-11910-2026

-7-

are quashed. However, the respondents are granted liberty to proceed afresh against the petitioner, in accordance with law.

**(DEEPAK SIBAL)
JUDGE**

**(LAPITA BANERJI)
JUDGE**

April 21, 2026
Jyoti 1

Whether speaking/reasoned
Whether reportable

Yes/No
Yes/No