

IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CWP No. 11068 of 2025

Reserved on : 23.04.2026.

Date of decision: 08.07.2026

Uploaded on: 08.07.2026

Rajat Bansal

...Petitioner.

Versus

Commissioner of Central Goods
& Services Tax (CGST), Shimla

...Respondent.

Coram

Hon'ble Mr. Justice Vivek Singh Thakur, Judge.

Hon'ble Mr. Justice Ranjan Sharma, Judge.

Whether approved for reporting? ¹

For the Applicant.

*Mr. Udit Bakshi, Mr. Bhwesh Bholra and Mr.
Ajay Thakur, Advocates.*

For the Respondent:

*Mr. Vijay Kumar Arora, Senior Advocate with
Mr. Hitansh Raj, Advocate vice Ms.
Godawari, Advocate.*

Vivek Singh Thakur, Judge

Petitioner has approached this Court, seeking following
substantive reliefs:-

- “(a) Allow the present petition and issue a writ of certiorari or any other appropriate writ, order or direction to quash and set-aside the impugned Show Cause Notice dated 16.10.2024 and subsequent Order of

¹ Whether the reporters of the local papers may be allowed to see the judgment?

Cancellation of Registration dated 17.01.2025; issued by the Respondent Central Goods & Services Tax, Delhi North AND

- (b) Direct the Respondent to cancel GST registration of the Petitioner from date of order of cancellation i.e. 17.01.2025; OR”

2. It is claim of the petitioner that he is running a business entity in the name and style of M/s Shiv Trading Co., having its registered office at Near Laj Dharm Kanta, SCO, 9, Vill. Billanwalli Labana, Salasar Complex, Baddi, Solan, Himachal Pradesh of trading of retail and wholesale of milk albumin, cellulose adhesive tape etc. as per Registration Certificate of the petitioner.

3. Petitioner was registered with GST Department, having Registration Certificate bearing Registration No. 02BHEPB4643Q2ZC on 15.03.2022.

4. GST Department issued a Show Cause Notice bearing Reference No. ZA021024006405E, for cancellation of registration, suspending the Registration Certificate of the petitioner from the date of Show Cause Notice, i.e., 16.10.2024.

5. Admittedly, petitioner did not file response thereto. Vide order of cancellation of Registration Certificate dated 17.01.2025 (Ref. No. ZA0201250071379), registration of petitioner was cancelled retrospectively from the date of registration, i.e., 15.03.2022.

6. Being aggrieved by aforesaid Show Cause Notice dated 16.10.2024 and consequential order dated 17.01.2025, petitioner has approached this Court by invoking Article 226 of the Constitution for quashing the aforesaid Show Cause Notice and Cancellation Order on the ground that no reason has been attributed for suspension of GST Registration in Show Cause Notice and the Show Cause Notice as well as Cancellation Order are bereft of any reason, which is impermissible in law, and is contrary to the judgments/orders passed by various Courts, including this High Court.

7. It has been submitted that for assigning no reason in the impugned Show Cause Notice as well as Order of suspension and cancellation of GST Registration are arbitrary, due to which petitioner was not able to do business and it has caused huge losses to its stock and clients and dues could not be settled for retrospective cancellation of Registration Certificate.

8. It has been claimed on behalf of the petitioner that impugned Show Cause Notice and Order were and are not in consonance with Rule 25 of Central Goods and Services Tax Rules, 2017) (in short 'CGST Rules'), whereas petitioner has been running business at principal place of business, as evident from lease and

licence/rent agreement dated 27.01.2023 & 28.08.2024 placed on record as Annexure-D and Annexure-E.

9. It has been contended that neither verification inspection report, nor photographs were uploaded on online portal of the Department in the prescribed manner. Further, that conclusion arrived at by the respondent on the basis of field report is incomplete, as no documentary photographs etc. have been referred and mentioned in the field visit report, except the purported oral statements of nearby shop owners.

10. It has been further submitted that cancellation of GST Registration cannot be done retrospectively without any valid and legal ground for the same, with further submission that in present case, petitioner has been running business from the same premises. It has been submitted that there are three storeyes in the building where petitioner is running business and office of petitioner has been established in basement, which has been wrongly mentioned in the agreement, as ground floor.

11. In response, it has been submitted by learned counsel for the respondent that present petition is not maintainable for not availing efficacious alternative remedy available to the petitioner under Rule 23 of CGST Rules, framed under CGST Act, which provides real efficacious

method and machinery and further that for not availing alternative remedy, petition is premature.

12. On merits, it has been contended by learned counsel for the respondent that proceedings against the petitioner were initiated in pursuance to 'Project Anveshan', under which the Directorate General of Analytics and Risk Manager (DGARM) was carrying out an exercise to identify anomalies in digital information furnished for GST registration by use of facial analytics and face based authentication. During Second Special Drive against fake registrations commencing from 16.08.2024, petitioner firm, namely, M/s Shiv Trading Co. (Legal Name : Rajat Bansal), bearing GSTIN No. 02BHEPB4643Q2ZC was identified by DGARM as a suspicious entity and its details were shared with the jurisdictional authorities.

13. It is further case of respondent that on the basis of aforesaid information, physical verification of principal place of business of the petitioner situated at SCO No. 9, Vill. Billanwali Labana, Salasar Complex, Near Laj Dharam Kanta, Baddi, District Solan, H.P. was carried on 16.10.2024 at about 12:00 P.M.

14. It is further case of the respondent that at the time of inspection, petitioner-firm was not found existing at the registered principal place of business, instead another concerned, namely, M/s

Maxxon Lifesciences (Prop. Hemant Joshi), bearing GSTIN No. 02ABIPJ4232A1ZI was found operating from the said premises and no signboard/display board of M/s Shiv Trading Co. was found at the premises and no business activity in the name of petitioner was found and neighbours and local persons confirmed that no such concern was operating from the said address.

15. It is further case of respondent that during inspection, apart from visiting the spot, photographs of premises were also taken on record.

16. It has been submitted that firm of the petitioner was not found existing on the declared principal place of business, Panchnama dated 16.10.2024 was prepared on the spot in presence of independent witnesses and, thereafter, Show Cause Notice dated 16.10.2024 in Form GST REG-17 was issued under Section 29 of CGST Act, read with Rules 21 and 22 of CGST Rules, 2017. Sufficient opportunity was granted to file reply to the petitioner and to appear for personal hearing on 23.10.2024.

17. Apart from above, preliminary objection has been reiterated with regard to maintainability of writ petition on the ground that there is no statutory appeal provided under Section 107 of CGST Act or Rule 23 of CGST Rules.

18. In aforesaid backdrop, during hearing of the case, learned counsel for the petitioner submits that he has instructions to press relief (b) only, which reads as under:-

“(b) Direct the Respondent to cancel GST registration of the Petitioner from date of order of cancellation i.e. 17.01.2025; OR”

19. Admittedly, petitioner has not filed reply to Show Cause Notice dated 16.10.2024, nor remedy of statutory appeal has been availed by the petitioner. Though, respondent has placed on record sufficient material to justify the cancellation from retrospective date, however, it is also a matter of fact that neither in Show Cause Notice dated 16.10.2024 nor in Final Order dated 17.01.2025, any reason has been assigned specifically for cancellation of Registration Certificate w.e.f. retrospective effect.

20. Normally, this Court relegates the petitioner to follow the procedure prescribed under CGST Act and Rules framed thereunder for redressal of their grievances, instead filing a petition under Article 226 of the Constitution of India. However, keeping in view the fact that petitioner has restricted his claim to assail the retrospective cancellation of Registration Certificate, we are of the considered opinion that a chance can be given to the petitioner to respond to Show Cause Notice and to face proceedings before Proper Officer by filing a comprehensive detailed

reply to the Show Cause Notice, whereafter Proper Officer shall take appropriate decision, on the basis of material placed before him. As the petitioner is not pressing the remaining prayer, except prayer related to cancellation of Registration Certificate from retrospective effect, there is no necessity to refer the judgments passed by various High Courts in similar matters.

21. Accordingly, impugned order dated 17.01.2025 with regard to retrospective operation, is set-aside with clarification that apart from the impugned order dated 17.01.2025, other orders passed by the concerned authorities in accordance with law on the basis of cancellation related to period after 17.01.2025 shall not suffer any impact for setting aside retrospective operation of impugned order dated 17.01.2025 and decision related to retrospective operation shall be decided afresh on the basis of order to be passed by Proper Officer and, accordingly, matter is remitted to the Proper Officer to decide the claim of the petitioner, limited to the question to be decided by the Proper Officer, as to whether cancellation has to take place w.e.f. 15.03.2022 or 17.01.2025.

22. As we are not deciding the petition on merit, on the basis of prayer restricted by counsel for respondent for pressing relief (b) only, this petition is also disposed of with following directions:-

Petitioner shall file detailed reply along with supporting documents before Proper Officer on or before **25.07.2026** and, thereafter, Proper Officer shall afford opportunity of hearing to the petitioner and then, pass fresh reasoned order, strictly in consonance with law within a period of six weeks thereafter. Appropriate order shall be passed on or before **05.09.2026**.

23. It is made clear that this Court has not expressed any opinion on the merits of allegation regarding non-existence of business from the declared principal place of business

24. Petition is disposed of in aforesaid terms. Pending application(s), if any, also stand disposed of.

***(Vivek Singh Thakur),
Judge.***

***(Ranjan Sharma),
Judge.***

8th July, 2026
(Susheel)