NEUTRAL CITATION
Case Citation: (2026) taxcode.in 1569 HC
2026:GUJHC:58125-DB

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/SPECIAL CIVIL APPLICATION NO. 7941 of 2026

FOR APPROVAL AND SIGNATURE:

HONOURABLE MR. JUSTICE A.S. SUPEHIA

and
HONOURABLE MS. JUSTICE VAIBHAVI D. NANAVATI

==========

Approved for Reporting	Yes	No

==========

M/S KHODAL INFRA BUILDSQUARE LLP
Versus
SHRI KAMAL SINGH MEENA & ORS.

==========

Appearance:
MR CHETAN K PANDYA(1973) for the Petitioner(s) No. 1
GOVERNMENT PLEADER for the Respondent(s) No. 3
TIRTH NAYAK(8563) for the Respondent(s) No. 3

==========

CORAM:**HONOURABLE MR. JUSTICE A.S. SUPEHIA**
and
HONOURABLE MS. JUSTICE VAIBHAVI D. NANAVATI

Date : 14/09/2026

ORAL JUDGMENT
(PER : HONOURABLE MR. JUSTICE A.S. SUPEHIA)

1. In the present writ petition, the petitioner has challenged the show cause notice dated 06.04.2026 issued by the respondent No.1 and the order dated 17.04.2026 passed in form GST REG-19 cancelling the registration of the present petitioner.

Uploaded by () on
www.taxcode.in
Downloaded on : Sat Sep 19 12:08:56 IST 2026

Brief facts :-

2. The M/s.Khodal Infra Buildsquare LLP is having GSTIN: 24ABCFK3129P1Z5 since 07.01.2025 and is engaged in the business of construction and is a government contractor.

2.1 The petitioner was issued a show cause notice dated 13.08.2025 calling upon him as to why the Goods and Services Tax (for short 'GST') registration is not required to be cancelled on the ground that it has been obtained by means of fraud/willful misstatement or suppression of facts. This notice has been issued under Section 29(2)(e) of the Central Goods and Services Tax Act, 2017 (for short 'the Act') by Superintendent, Range-III.

2.2 The concerned officer Mr.Kuldeep Singh Bhati, who has issued the notice relied upon the letter dated 12.08.2025 written by the Deputy Director, Directorate General of GST Intelligence, Vadodara which contains alleged violation committed by the petitioner to the extent that there was no business conducted at its premises.

2.3 The petitioner filed a reply on 22.08.2025 to the show cause notice, and thereafter vide order dated 02.09.2025, the concerned authority dropped the proceedings for cancellation of GST registration.

2.4 Thereafter, the petitioner is again issued a show cause notice dated 06.04.2026 by the same officer under the provision of Section 29(2)(e) of the Act by citing identical reason alleging that the petitioner has obtained the registration by means of fraud, willful statement, and suppression of facts. The said officer has again placed reliance on the letter dated 06.04.2026 having similar contents to that earlier letter dated 12.08.2025

Uploaded by () on
www.taxcode.in
Downloaded on : Sat Sep 19 12:08:56 IST 2026

written by the Deputy Director, Directorate General of GST Intelligence, Vadodara. Accordingly, the petitioner filed a response to the show cause notice and pointed out the earlier dropping of the show cause notice. However, by the impugned order dated 17.04.2026, the registration of the petitioner has been cancelled with effect from 07.01.2025.

Submissions of the petitioner :-

3. Learned advocate Mr.Chetan Pandya appearing for the petitioner has submitted that the impugned show cause notice dated 06.04.2026 and the order dated 17.04.2026 are required to be quashed and set aside since for the very same allegation/reason which was assigned earlier in the show cause notice issued on 13.08.2025 on the basis of the identical letter and contents of Deputy Director, Directorate General of GST Intelligence dated 12.08.2025, the proceedings were dropped vide order dated 02.09.2025.

3.1 He has also submitted that in fact by way of an affidavit-in-reply the respondents have tried to build out a new case against the petitioner about fraudulent availment and passing of the Input Tax Credit (for short 'ITC') from various firms for which the show cause notice has not been issued, and in fact the show cause notice has been issued by alleging that the petitioner had obtained the registration by means of fraud and suppression of facts.

3.2 He has submitted that the petitioner had also participated in the proceedings after issuance of summons and the said proceedings and his statements are used against the petitioner for cancelling the registration without supplying necessary materials to it. Thus, it is urged that

Uploaded by () on
www.taxcode.in
Downloaded on : Sat Sep 19 12:08:56 IST 2026

impugned notice as well as order may be set aside.

Submissions of the respondent :-

4. In response to the aforesaid submissions and opposing the present writ petition learned Senior Standing Council Mr.Tirth Nayak appearing for the respondent authorities has submitted that after detailed investigation was carried out and after considering the reply of the petitioner dated 09.04.2026 and affording opportunity of hearing the impugned order dated 17.04.2026 has been passed cancelling the registration with retrospective effect from 07.01.2025.

4.1 It is urged that the petitioner has fraudulently availed and passed on the ineligible ITC to various firms which constrained the respondents to pass the impugned order. He has also invited the attention of the scope to the statements of the petitioner recorded by the respondent authority during the investigation. Thus, it is urged that this petition may not be entertained.

Analysis :-

5. Upon hearing the learned advocates appearing for the respective parties at length and on a perusal of the documents on record, we are of the opinion that the impugned show cause notice and order is required to be quashed and set aside and matter is required to be remanded to the authorities since the petitioner has never been called upon to show cause and explain the alleged fraudulent availment and passing of the ineligible ITC from the various firms as referred into the impugned order. Interestingly the petitioner has been issued two show cause notices; first on 13.08.2025 and second on 06.04.2026 by alleging that he had obtained

Uploaded by () on
www.taxcode.in
Downloaded on : Sat Sep 19 12:08:56 IST 2026

the GST registration by means of fraud, willful misstatement or suppression of facts. Both the show cause notices are premised on the identical reason and also on identical letter dated 12.08.2025, at first instant and second dated 06.04.2026 written by the Deputy Director, Directorate General of GST Intelligence. The contents of both the letters written by the Deputy Director, Directorate General of GST Intelligence refers that on the search conducted at the premises of the petitioner on 22.07.2025, it was found that no operational activity is conducted from the declared premises and only few papers and invoices were found at the said premises and neither any accounting record nor computer / laptop or printer was available. The wordings of both the letters written by the Deputy Director, Directorate General of GST Intelligence. Curiously at the first instance on the reply filed by the petitioner to the show cause notice dated 13.08.2025, the proceedings for cancellation of registration has been dropped vide order dated 02.09.2025 in form GST REG-20. The officer who has passed the order is also same in both the instances. Hence, the impugned show cause notice as well as the order suffers from non-application of mind. It is also noticed by us that the petitioner has never been called upon to explain the fraudulent availment and passing of the ITC to various firms. Thus, the impugned show cause notice dated 06.04.2026 as well as impugned order dated 17.04.2026 are required to be quashed and set aside. The same are quashed and set aside. The present writ petition is allowed. However, it will be open for the respondents to issue fresh show cause notice to the petitioner and undertake further proceedings in accordance with law and pass necessary order after affording opportunity of hearing to the petitioner. The petitioner shall fully cooperate with the proceedings.

Uploaded by () on
www.taxcode.in
Downloaded on : Sat Sep 19 12:08:56 IST 2026

6. We clarify that this court has not examined the matter on merits leaving all the available contentions open to the respective parties.

(A. S. SUPEHIA, J)

(VAIBHAVI D. NANAVATI,J)

K.K. SAIYED/42

Uploaded by () on
www.taxcode.in
Downloaded on : Sat Sep 19 12:08:56 IST 2026