



Sr. No.168

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

CWP- 12072-2026 (O&M)

Date of Decision : 22.04.2026

Neelkanth Enterprises

...Petitioner

Versus

Union of India and another

...Respondents

CORAM : HON'BLE MR. JUSTICE DEEPAK SIBAL

HON'BLE MS. JUSTICE LAPITA BANERJI

Present : Mr. Rishab Singla, Advocate,
for the petitioner.

Mr. Saurabh Kapoor, Additional A.G., Punjab.

DEEPAK SIBAL, J. (Oral)

Through show cause notice dated 03.02.2026, the petitioner was put to notice as to why its GST registration be not cancelled to which the petitioner filed a written response along with supporting documents. Thereafter, through order dated 03.03.2026, the petitioner's GST registration has been cancelled which order has been challenged through the instant petition.

2. Learned counsel for the petitioner submits that in response to the show cause notice dated 03.02.2026 the petitioner had filed a detailed written response along with necessary evidence which has been rejected through the impugned adjudication order by simply stating therein that the petitioner's reply to the show cause notice has been examined.

3. Learned State counsel defends the impugned adjudication order by simply stating that the petitioner's reply filed to the show cause notice was duly considered and an opinion was formed by the Proper



Officer on the basis whereof the petitioner's registration was rightly ordered to be cancelled.

4. Learned counsel for the parties have been heard.
5. The show cause notice dated 03.02.2026 issued to the petitioner and the impugned cancellation order dated 03.03.2026 are reproduced hereinafter for ready reference:-

Show Cause Notice For Cancellation Of Registration

FORM GST REG-17 (See Rule 22(1))

Reference No.: ZA0302260035329 Date: 03/02/2026

To

Registration Number (GSTIN/UIN): 03AAUFN9251C1Z6

NEELKANTH ENTERPRISES

*TEHSIL KHANNAH B NO 221, Alaur, Ludhiana, Punjab,
141401*

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. Rule 21(a) - Person does not conduct any business from declared place of business/place of business not found*
- 2. 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*
- 3. Rule 21(d)-person violates the provision of rule 10A (Bank details)*
- 4. Rule 21 (e)-person avails ITC in violation of the provisions of section 16 of the Act or the rules made thereunder*
- 5. Rule 21(g)-person violates the provision of rule 86B*

Remarks:

During physical verification of Principal place of Business, the taxpayer was found to be non-traceable/non existent. Further, on verification of the record available at portal, major L1/L2 suppliers of the taxpayer were found to be cancelled/suspended suo-moto by the department. It appears that the Noticee had availed ineligible ITC from these suspicious suppliers whose regn. had already been cancelled as on date and details of some of these cancelled major suppliers (as on date) whose regn. was cancelled retrospectively due to their involvement in suspicious activities of passing/receiving of fake/bogus ITC, is as under: -

(i) 07CHJPJ8476R1Z8 (cancelled w.e.f. 09.05.2025)

(ii) 07AVJPK2380B1ZU (cancelled w.e.f. 14.01.2025)

(ii) 07CGHPA6664F1ZG (cancelled w.e.f. 17.03.2025)

(iv) 07MZBPS3001D1ZM (cancelled w.e.f. 28.04.2025)

etc.



In view of above facts, it appears that retrospective cancellation of registration is warranted:

- To prevent misuse of Input Tax Credit (ITC) through fictitious invoicing,*
- To break the fraudulent ITC chain,*
- To nullify GSTINs obtained through misrepresentation, and*
- To safeguard government revenue from non-compliant and non-existent taxpayers.*

In view of above facts, it is requested to pay the above said amount alongwith applicable interest & penalty, failure which your regn. will be cancelled with retrospective effect.

You are also requested to appear for Personal Hearing (PH) on the given date and time, along with documents e.g. tax paid challan in form of DRC-03 against above said amount, documents in respect of establishing the existence of the unit at the registered premises etc.

Failure to appear or provide the required documents may result in cancellation of GST registration with retrospective effect under Rule 22 of the CGST Rules, 2017, based on the facts already available on record.

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 appear before the undersigned authority on 12/02/2026 at 11:50.

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 decided ex parte on the basis of available records and on merits.

Please note that your registration stands suspended with effect from 02/09/2023.

Kindly refer the supportive document attached for case specific details.

Place: CBIC

Date: 03/02/2026

*Manjit Kaur
Superintendent
RANGE-V''*

Order for Cancellation of Registration
FORM GST REG-19 [See rule 22(3)]

Reference Number: ZA0303260033074 Date:03/03/2026
TO

Name: NEELKANTH ENTERPRISES

*Address: TEHSIL KHANNAH B NO 221, Alaur, Ludhiana
Punjab, 141401*

GSTIN/UIN: 03AAUFN9251C126

Application Reference Number (ARN): AA030226002654R

Date: 12/02/2026

Order for Cancellation of Registration



This has reference to show cause notice issued dated 03/02/2026.

Whereas reply to the show cause notice has been submitted vide AA030226002654R dated 12/02/2026; 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(a)- Person does not conduct any business from declared place of business/place of business not found*
- 2. 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*
- 3. Rule 21(d)-person violates the provision of rule 10A (Bank details)*
- 4. Rule 21(e)-person avails ITC in violation of the provisions of section 16 of the Act or the rules made thereunder*
- 5. Rule 21(g)-person violates the provision of rule 868*

Remarks:

During physical verification of Principal place of Business, the taxpayer was found to be non-traceable/non existent. Further, on verification of the record available at portal, major L1/L2 suppliers of the taxpayer were found to be cancelled/suspended suo-moto by the department. It appears that the Noticee had availed ineligible ITC from these suspicious suppliers whose regn. had already been cancelled as on date and details of some of these cancelled major suppliers (as on date) whose regn. was cancelled retrospectively due to their involvement in suspicious activities of passing/receiving of fake/bogus ITC, is as under: -

- (i) 07CHJPJ8476R1Z8 (cancelled w.e.f. 09.05.2025)*
 - (ii) 07AVJPK2380B1ZU (cancelled w.e.f. 14.01.2025)*
 - (iii) 07CGHPA6664F1ZG (cancelled w.e.f. 17.03.2025)*
 - (iv) 07MZBPS3001D1ZM (cancelled w.e.f. 28.04.2025)*
- etc.*

In view of above facts, it appears that retrospective cancellation of registration is warranted:

-To prevent misuse of Input Tax Credit (ITC) through fictitious invoicing,

-To break the fraudulent ITC chain, To nullify GSTINs obtained through misrepresentation, and

-To safeguard government revenue from non-compliant and non-existent taxpayers.



In view of above facts, it is requested to pay the above said amount alongwith applicable interest & penalty, failure which your regn. will be cancelled with retrospective effect.

The effective date of cancellation of your registration is 02/09/2023.

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 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.

Place: CBIC

Date: 03/03/2026

*Manjit Kaur
Superintendent
Range-V''*

6. A perusal of the afore-quoted show cause notice and the impugned cancellation order clearly reveals that the reasons to cancel the petitioner's GST registration are merely a copy of the reasons contained in the show cause notice which preceded the impugned order.

7. A perusal of the impugned order dated 03.03.2026 further reveals that in the cancellation order the Proper Officer has simply rejected the petitioner's reply by stating therein that the same has been examined.

8. None of the grounds taken by the petitioner in its written response have even been touched. It has also not been stated in the impugned order that the petitioner's written response was found to be not satisfactory.



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9. In light of the above, the impugned cancellation order dated 03.03.2026 is found to be in gross violation of the principles of natural justice and without application of mind. Therefore, we have no hesitation to set aside the order dated 03.03.2026 (Annexure P-4). However, the respondents are at liberty to proceed against the petitioner afresh in accordance with law.

10. The prayer made in this petition with regard to challenge of the vires of Section 29(2) and Section 16(2)(c) of the Central Goods and Services Tax Act, 2017 is kept open to be decided in an appropriate case.

11. The petition is allowed in the above terms.

(DEEPAK SIBAL)
JUDGE

(LAPITA BANERJI)
JUDGE

April 22, 2026

vandana

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No