

THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN
AND
THE HON'BLE SRI JUSTICE M.SATYANARAYANA MURTHY

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Writ Petition No.7097 of 2016
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ORDER: (per Hon'ble Sri Justice Ramesh Ranganathan)

Heard Sri I.Koti Reddy, learned counsel for the petitioner, and Sri S.Suri Babu, learned Special Standing Counsel for Commercial Taxes, and, with their consent, the writ petition is disposed of at the stage of admission. The endorsement dated 22.02.2016, cancelling the registration certificate issued to the petitioner under the A.P.Value Added Tax Act, 2005 (for short "the Act") on the ground that his brother-in-law Sri G.Veera Sekhar Reddy was in arrears of tax, is questioned in this writ petition as being arbitrary, illegal and in violation of principles of natural justice.

Sri S.Suri Babu, learned Special Standing Counsel for Commercial Taxes, would submit that when the petitioner submitted an application seeking registration, it was his brother-in-law Sri G.Veera Sekhar Reddy who had furnished a surety; and, since Sri G.Veera Sekhar Reddy himself was in arrears of tax, the registration certificate issued to the petitioner earlier was cancelled. Learned Standing Counsel would fairly state that the impugned order was passed without putting the petitioner on notice, and without giving him an opportunity of being heard.

Section 19 of the Act relates to cancellation and amendment of registration. Section 19(2) of the Act confers power on the authority, for good and sufficient reasons, to cancel the certificate of registration issued by him. The proviso thereto stipulates that no order shall be passed under Section 19(2) without giving the dealer a reasonable opportunity of being heard. It is not in dispute that, in the present case, no such opportunity was afforded to the petitioner herein. The impugned order, cancelling the registration certificate issued to the petitioner, is set aside.

This order shall not preclude the respondents from putting the petitioner on notice, give him an opportunity of being heard, and, thereafter, to pass a fresh order in accordance with law.

The writ petition is accordingly disposed of. The miscellaneous petitions pending, if any, shall also stand disposed of. There shall be no order as to costs.

RAMESH RANGANATHAN, J

M. SATYANARAYANA MURTHY, J

Date: 14.03.2016
JSU

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