APHC010571232026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI

Bench Sr.No:-12
[3543]

WRIT PETITION NO: 31593 of 2026

M/s Ayyappa Enterprises ...Petitioner

Vs.

Assistant Commissioner Of State Tax and Others ...Respondent(s)

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CORAM : SRI JUSTICE NINALA JAYASURYA
SRI JUSTICE T.C.D.SEKHAR

DATE : 3rd November 2026

Present :

Advocate for Petitioner: J.N VENKATA SURESH KUMAR

Advocate for Respondent: GP FOR COMMERCIAL TAX

HON'BLE SRI JUSTICE NINALA JAYASURYA

AND

HON'BLE SRI JUSTICE T.C.D. SEKHAR

WP No.31593 OF 2026

ORDER:- *(Per Hon'ble Sri Justice T.C.D. Sekhar)*

1. The petitioner is a registered dealer under GST Act having engaged in the business of trading of Ferrous waste and scrap.

2. The 1st respondent issued show cause notice dt.18.08.2026 calling for objections from the petitioner as to why the registration of the petitioner shall not be cancelled on the ground that wrongly availed of Input Tax Credit. Under the said notice the Registration of the petitioner was suspended and the petitioner was directed to file reply to the show cause notice within seven (07) working days from the date of service of the notice.

3. It is pertinent to note that the said notice was issued on 18.08.2026 and the same was digitally signed at 12:21:33 IST. Further, the petitioner was also directed to appear before the 1st respondent for personal hearing on 18.08.2026 at 14:00 hours.

Subsequently, the registration of the petitioner was cancelled by order dt.03.09.2026 by the 1st respondent. Questioning the show cause notice dt.18.08.2026 and the order of cancellation of the registration dt.03.09.2026, the present writ petition is filed.

4. The counsel for the petitioner would submit that though it was alleged in the show cause notice, the petitioner wrongly availed Input Tax Credit, the 1st respondent failed to furnish the details for the period in which the same was utilized by the petitioner. He would further submit that despite granting seven (07) working days to submit reply to the show cause notice, curiously the 1st respondent directed the petitioner to appear before him at 14:00 hours on 18.08.2026 for personal hearing, especially the show cause notice was signed at 12:21:33 IST on 18.08.2026.

5. Further, it is contended that while passing the impugned order of cancellation, the 1st respondent observed that the petitioner has got fraudulent Input Tax Credit from various non-genuine tax payers, without furnishing the details of the suppliers from whom the petitioner availed Input Tax Credit. He would further submit that in view of not providing relevant material

based on which the registration of the petitioner sought to be cancelled and also not affording proper opportunity, the show cause notice as well as the impugned order of cancellation dt.03.09.2026 are to be set aside.

6. On the other hand, Sri S.A.V. Sai Kumar, learned Assistant Government Pleader for Commercial Taxes would fairly submit that though the show cause notice was issued on 18.08.2026, inadvertently the petitioner was asked to appear before the 1st respondent on the same day at 14:00 hours. He would further request this Court to pass appropriate orders in the matter.

7. It is discernible from the record that the show cause notice dt.18.08.2026 was digitally signed at 12:21:33 IST by the 1st respondent. While issuing the same to the petitioner, he was asked to appear before the 1st respondent at 14:00 hours. To the mind of this Court, it is impracticable to appear before the 1st respondent on the same day, that too in a short span of time of 01:40 minutes for personal hearing. Further, no prudent assessee would keep a track to the portal all the time, so as to respond swiftly to the notices issued by the respondent authorities.

8. Further, having given seven (07) working days to furnish reply, it is un-understandable, as to why the petitioner was directed to appear before the 1st respondent on the same day of issuance of show cause notice. Further a perusal of the show cause notice, it is evident that, the same is bereft of particulars inasmuch as having said that the petitioner wrongly utilized the Input Tax Credit, no particulars of which were furnished, so as to enable the petitioner to give suitable reply.

9. Further, while passing the order of cancellation of registration, the 1st respondent has observed that the petitioner has got fraudulent Input Tax Credit from various non-genuine tax payers. This finding of the 1st respondent is not supported by any documents. Though, in the impugned order it was referred that the supportive documents attached separately, as observed supra, unless the same are specifically mentioned in the show cause notice, there would not be any occasion for the petitioner to give suitable reply.

10. In the absence of the above, it would have to be held that the show cause notice dt.18.08.2026 and the impugned cancellation of the registration of the petitioner dt.03.09.2026 are

not sustainable. In the aforesaid view of the matter, the same are set aside.

11. Accordingly, the writ petition is allowed. Further, this order will not preclude the 1st respondent to initiate fresh action against the petitioner in accordance with law.

No order as to costs. As a sequel, pending applications, if any shall stand closed.

JUSTICE NINALA JAYASURYA

JUSTICE T.C.D. SEKHAR

03.11.2026
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HON'BLE SRI JUSTICE NINALA JAYASURYA
AND
THE HONOURABLE SRI JUSTICE T.C.D. SEKHAR

WP No.31593 OF 2026
Date 03.11.2026

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