

APHC010618552023



**IN THE HIGH COURT OF ANDHRA PRADESH  
AT AMARAVATI  
(Special Original Jurisdiction)**

**[3488]**

WEDNESDAY, THE SEVENTH DAY OF AUGUST  
TWO THOUSAND AND TWENTY FOUR

**PRESENT**

**THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO**

**THE HONOURABLE SRI JUSTICE HARINATH.N**

**WRIT PETITION NO: 31861/2023**

**Between:**

Arhaan Ferrous And Non Ferrous Solutions Pvt. Ltd

**...PETITIONER**

**AND**

The Superintendent and Others

**...RESPONDENT(S)**

**Counsel for the Petitioner:**

1.V SIDDHARTH REDDY

**Counsel for the Respondent(S):**

1.Y V ANIL KUMAR (Central Government Counsel)

2.

3.Y N VIVEKANANDA

**The Court made the following Order:**

(per Hon'ble Sri Justice R. Raghunandan Rao)

Heard Sri V. Siddharth Reddy, learned counsel appearing for the petitioner, Sri Y.V. Anil Kumar, learned Central Government Counsel appearing for the 3<sup>rd</sup> respondent and Sri Y.N. Vivekananda, learned Standing Counsel appearing for respondents 1 and 2.

2. The petitioner is a registered dealer under the CGST Act. The petitioner was served with a show cause notice dated 14.10.2023 calling upon him to show cause as to why his registration should not be cancelled. The ground for such a course of action was recorded, is as follows:

“Issues any invoice or bill without supply of goods and/or services in violation of the provisions of this Act, or the rules made there under leading to wrongful availment or utilization of input tax credit or refund of tax.”

3. The petitioner was given seven working days from the date of service of the said notice, to furnish his reply. The said notice also directed the petitioner to appear before the person issuing the notice, on 18.10.2023. It may also be recorded that the said show cause notice does not reveal as to who had issued the said show cause notice.

4. The petitioner filed his objections on 17.10.2023 before the 1<sup>st</sup> respondent, who is said to be the person who had issued the show cause notice. Thereafter, the 1<sup>st</sup> respondent, by order dated 14.11.2023,

passed an order of cancellation of registration. Aggrieved by the said order of cancellation, the petitioner has approached this Court.

5. The case of the petitioner, as contained in the affidavit filed in support of the writ petition, and the other pleadings, as elaborated by the learned Senior Counsel Sri V. Bhaskara Rao, representing Sri V. Siddharth Reddy, learned counsel appearing for the petitioner, is as follows:

a) The order of cancellation does not contain any reasons and there is no mention as to whether the objections of the petitioner dated 17.10.2023 had been considered at all or not.

b) The Assistant Commissioner (ST), Tirupathi-III Circle, Tirupathi, is said to have addressed a letter dated 11.10.2023 to the 1<sup>st</sup> respondent stating that the petitioner, by utilizing the services of another registered dealer, had been evading payment of tax and had been creating false invoices under which ineligible input tax credit could be claimed.

c) The actual reason for cancellation is the letter of the Assistant Commissioner and not on account of the reasons set out in the show cause notice. It is stated that the proceedings for the cancellation of registration, if any, should have been taken up by furnishing a copy of

the letter dated 11.10.2023 to the petitioner and asking for his objections.

d) The entire exercise was carried out on the basis of the letter of the Assistant Commissioner. However, another reason, which does not stand scrutiny, was utilized for cancelling the registration of the petitioner.

6. Sri Y.N. Vivekananda, learned Senior Standing Counsel for the respondents would submit that the show cause notice sets out the reason for initiating the process of cancellation of registration. He would further submit that the order of cancellation did contain the reasons. However, they were available on the portal and could have been seen by the petitioner. He submits that due to certain restrictions in the system, these reasons could not be downloaded. He would further submit that there is no violation of principles of natural justice and detailed reasons were given in the order.

7. The undisputed fact, that can be seen from the record placed before this Court, is that a reason was set out in the show cause notice for initiating the process of cancellation of registration. The petitioner filed his objections to the said proposal. The 1<sup>st</sup> respondent, without referring to any of those objections and without assigning any reasons in the order, had directed cancellation of registration of the petitioner. Such

an order, without assigning reasons and without considering the objections of the petitioner, is a clear violation of the principles of natural justice and requires to be set aside.

8. Accordingly, this writ petition is disposed of. The impugned order in Ref.No. ZA371123025707O, dated 14.11.2023 in Form GST REG-19 of the 1<sup>st</sup> respondent is set aside. However, this would not preclude the 1<sup>st</sup> respondent from taking any steps against the petitioner, if there is any violation of the provisions of the CGST Act. Needless to say, the registration of the petitioner will be restored. There shall be no order as to costs.

As a sequel, pending miscellaneous applications, if any, shall stand closed.

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**R. RAGHUNANDAN RAO, J**

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**HARINATH.N, J**

Js.

**HONOURABLE SRI JUSTICE R. RAGHUNANDAN RAO**

**And**

**HONOURABLE SRI JUSTICE HARINATH.N**

**W.P.No.31861 of 2023**

**7<sup>th</sup> August, 2024**

Js.