APHC010296932026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3529]**
(Special Original Jurisdiction)

MONDAY,THE TWENTY SECOND DAY OF JUNE
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO

THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR

WRIT PETITION NO: 15587/2026

Between:

1. M/S. SAI BHASKARA AGENCIES,, PRINCIPAL PLACE OF BUSINESS AT 07-1-67/1, NEAR RELIANCE FRESH, SATYAPRASAD COMPOUND, MVP COLONY,VISAKHAPATNAM - 530017, ANDHRA PRADESH. REPRESENTED BY ITS PROPRIETOR - SRI PENTAKOTA BHASKARA RAO. GSTIN 37BUEPP5070Q1ZW

...PETITIONER

AND

1. THE DEPUTY ASSISTANT COMMISSIONER ST, CHINAWALTAIR CIRCLE, VISAKHAPATNAM-1 DIVISION, 1-106-13, KAVI HOUSE, SECTOR-8, MVP COLONY, VISAKHAPATNAM-530017.
2. THE ASSISTANT COMMISSIONER ST, CHINAWALTAIR CIRCLE, VISAKHAPATNAM-1 DIVISION, 1-106-13, KAVI HOUSE, SECTOR-8, MVP COLONY, VISAKHAPATNAM- 530017.
3. THE JOINT COMMISSIONER ST, VISAKHAPATNAM-1 DIVISION, C.T. COMPLEX, DEENDAYATAPURAM, CHINAGADILI, VISAKHAPATNAM-530040.
4. THE CHIEF COMMISSIONER OF STATE TAX, VIJAYA ELITE, ADJ. TO BYPASS ROAD TO NH-16, KUNCHANAPALLI-522501, GUNTUR DISTRICT.
5. THE STATE OF ANDHRA PRADESH, REPRESENTED BY ITS PRINCIPAL SECRETARY, REVENUE (CT-II) DEPARTMENT, A.P.

SECRETARIAT BUILDINGS, VELAGAPUDI- 522237, GUNTUR DISTRICT, ANDHRA PRADESH.

6. THE UNION OF INDIA, REPRESENTED BY ITS SECRETARY, MINISTRY OF FINANCE, DEPARTMENT OF REVENUE, NORTH BLOCK, NEW DELHI - 110001.

...RESPONDENT(S):

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to A) Issue a Writ of MANDAMUS, or any other appropriate writ, order, or(a) direction, calling for the records leading to the issuance of the impugned Order in Form GST DRC-07 bearing Reference No. ZD370225008591L date 04-02-2025 (Ex.P-5) by the 2nd respondent and the consequential Urgent Notice bearing DIN 3725032622822 dated 15-04-2026 (Ex.P-1) by the 1st Respondent, and after perusing the same, be pleased to quash and set aside the same as being illegal, arbitrary, and without jurisdiction b) Issue a direction, declaring that the demand of interest of under Section 50(3) and penalty under Section 74 of the APGST/CGST Act, 2017, is not sustainable in law where the ineligible Imput Tax Credit has been availed but not utilized

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Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased To grant an interim stay on the operation, implementation, and execution of the impugned Order in Form GST DRC-07 bearing Reference No. ZD370225008591L dated 04.02.2025 (Ex.P-5) and the consequential impugned Urgent Notice bearing DIN: 3725032622822 dated 15.04.2026 (Ex.P-1), and further direct the Respondents, their officers, servants, and agents not to take any coercive steps for the recovery of the amounts demanded therein

Counsel for the Petitioner:

1. C SANJEEVA RAO

Counsel for the Respondent(S):

1. GP FOR COMMERCIAL TAX

The Court made the following Order:

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

Heard Sri C.Sanjeeva Rao, learned counsel for the petitioner and the learned Government Pleader for Commercial Tax appearing for respondent Nos.1 to 5.

2. The petitioner has challenged the urgent notice, dated 15.04.2026 issued by the Assistant Commissioner (ST), Chinawaltair Circle, Visakhapatnam calling upon the petitioner to deposit Rs.12,42,726/- towards payment of interest and penalty on delayed payment of CGST and SGST for the period July 2017 – March 2018.

3. It is the contention of the petitioner that the CGST and SGST amounts due for the said period had been cleared by way of adjustment against Input Tax Credit available in the electronic credit ledger of the petitioner in period 24.01.2024 to 21.05.2024 and as such, no further amounts are due and payable.

4. In view of the aforesaid contention, it would be appropriate to dispose of this writ petition giving liberty to the petitioner to file a representation before the 2nd respondent to clarify whether any further interest or penalty would remain due as the amounts have been already been paid. The said application to be made within one (1) week from today. Upon such representation being made, the 1st respondent shall verify whether tax dues have been cleared within the permissible time and consequently whether the

interest and penalty are payable or not. This decision to be taken at the earliest preferably within three (3) weeks from the date of filing of the representation by the petitioner.

Needless to say that further steps for recovery on the basis of the order, dated 04.02.2025 and the consequential urgent notice, dated 15.04.2026 shall remain stayed till disposal of the representation of the petitioner.

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

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R. RAGHUNANDAN RAO, J

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T.C.D. SEKHAR, J

Date: 22.06.2026
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THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO

THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR

WRIT PETITION NO: 15587/2026

Date: 22.06.2026
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