APHC010511932026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3543]**
(Special Original Jurisdiction)

TUESDAY, THE 29th DAY OF SEPTEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE NINALA JAYASURYA

THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR

WRIT PETITION NO: 27863 & 27888/2026

Between:

Krishna Sai Exports Private Limited **...PETITIONER**

AND

The Assistant Commissioner Stfac and Others **...RESPONDENT(S)**

Counsel for the Petitioner:

1. ANIL KUMAR BEZAWADA

Counsel for the Respondent(S):

1. GP FOR COMMERCIAL TAX

The Court made the following common order: *(per Hon'ble Sri Justice T.C.D.Sekhar)*

As the issue involved in both the writ petitions is one and the same, they are being disposed of by this common order.

2. The petitioner is a registered dealer under GST Act and engaged in the business of export of granite. During the relevant period, the petitioner exported the granite without payment of tax (EXP WOPAY), which resulted in accumulation of input tax credit balance in the electronic credit ledger. In those circumstances, the petitioner filed refund application in Form GST RFD-01, dated 01.05.2026, under Section 54 of the Act, claiming a refund of Rs.73,90,184/-, for the period from May, 2024 to January, 2025. Similarly, he has filed another application seeking refund of an amount of Rs.7,70,090/-, for the period from April, 2025 to June, 2025, along with relevant documents in tune with circular No.125/44/2019-GST, dated 18.11.2019 on the GSTN portal. The refund applications filed by the petitioner were scrutinized by the 1st respondent and after being satisfied with the completeness of the applications, he had acknowledged the same in Form GST RFD-02, dated 02.05.2026, as per Rule 90 of the CGST Rules.

3. Thereafter, the 1st respondent issued show cause notices in GST RFD-08, dated 21.05.2026, proposing to adjust/withhold the refund claim to

the extent of outstanding arrears of Rs.52,99,243/-, in respect of the demand order issued in Form GST DRC-07, dated 09.12.2025, under the provisions of Section 54(10) and 54(11) of the Act, read with Rule 92 of the CGST Rules, 2017. To the said show cause notice, the petitioner has submitted reply on 01.06.2026 along with supported documents on portal. It was specific case of the petitioner that as against the demand order issued in Form GST DRC-07 dated 09.12.2025, the petitioner filed writ petition in WP No.8446 of 2026 before this Court and after hearing the parties this Court by order dated 28.04.2026 directed the parties to maintain *status quo* pursuant to the demand order.

4. The 1st respondent after considering the matter passed impugned orders in Form GST RFD-06, dated 27.07.2026, rejecting the claim of the petitioner, on the ground that the documentary evidence produced is inadequate for verification and several uploaded documents are not legible and therefore incapable of proper scrutiny etc. It was also stated in the impugned order that the petitioner has not established that the interim order of this Court creates an enforceable statutory entitlement to refund. Questioning these orders, the present writ petitions are filed.

5. Heard counsel for the petitioner and Sri SAV Sai Kumar, learned Assistant Government Pleader for the department.

6. It is apparent from the record that pursuant to the petitioner's refund applications, the 1st respondent issued show cause notice dated 21.05.2026, calling upon the petitioner to file reply within 15 days i.e., on or before 05.06.2026. In the said show cause notice the petitioner was also directed to appear before him on 05.06.2026 at 11.30 am. The show cause notice further reads that, if the petitioner fails to furnish reply within the stipulated date or fail to appear for personal hearing on the appointed date and time the case will be decided *ex-parte* on the basis of available records and on merits.

7. A perusal of the show cause notice it is evident that the due date given for filing the reply was 05.06.2026 and the petitioner was also directed to appear before the 1st respondent on the same day at 11.30 am for personal hearing. From the above it is clear that, no separate date was fixed for personal hearing. It is apparent from the record that, subsequent to the receipt of reply from the petitioner, if at all the 3rd respondent is of the opinion that the documents furnished by the petitioner are inadequate for verification or the same are not legible for proper scrutiny, the petitioner ought to have been provided with opportunity so as to furnish relevant documents to the satisfaction of the 3rd respondent. In the cases on hand, absolutely no such procedure was adopted by the 3rd respondent, instead he had concluded the proceedings by rejecting the refund claim made by

the petitioner on flimsy grounds, without providing adequate opportunity to the petitioner.

8. It is discernable from the record that in Forms GST RFD-06 at column No.4, it is stated that the "refund amount finally sanctioned", whereas in the reasons granting or rejecting refund, if any, it is mentioned as "rejection orders issued". From this it is clear that the rejection order was passed mechanically without application of mind, though it is apparent on a reading of the speaking order that the applications of the petitioner were rejected. As observed *supra*, the 3rd respondent did not give proper opportunity to the petitioner so as to substantiate its claim for refund.

9. Apart from the same, a perusal of the show cause notice dated 21.05.2026, it was observed that the demand raised against the petitioner attained finality as no proof of payment, stay order, or suspension order issued by any competent appellant authority, Tribunal, or Court has been furnished by the tax payer till date. In reply to the show cause notice, the petitioner has filed copy of the interim order dated 28.04.2026 in WP No.8446 of 2026 which was filed as against the demand dated 19.12.2025. A perusal of orders under challenge it is evident that while rejecting the claim of the petitioner, the 3rd respondent had taken different grounds, which were not mentioned in the show cause notice. Such a course of action is not permissible under law, inasmuch as the petitioner must know

the grounds on which the show cause notice was issued to reject the refund, so as to offer proper explanation. In the cases on hand, the petitioner had no occasion to give reply, inasmuch as the impugned orders were passed on different grounds which were not mentioned in the show cause notice.

10. For the reasons recorded *supra*, the impugned orders dated 27.07.2026 are liable to be set aside. Accordingly, the writ petitions are allowed and the 3rd respondent is directed to pass fresh orders on the refund applications of the petitioner, after affording opportunity of being heard in the matter. There shall be no order as to costs. Miscellaneous petitions pending, if any, shall stand closed.

JUSTICE NINALA JAYASURYA

JUSTICE T.C.D.SEKHAR

Date:29.09.2026
DSB

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THE HON'BLE SRI JUSTICE NINALA JAYASURYA

AND

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

WP Nos.27863 & 27888 of 2026

Date 29.09.2026

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