



2026:AHC:166658-DB

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT TAX No. - 3402 of 2026

Mohd. Qamar

.....Petitioner(s)

Versus

State Of Uttar Pradesh And Another

.....Respondent(s)

Counsel for Petitioner(s)	:	Anil Prakash Mathur
Counsel for Respondent(s)	:	C.S.C.

Court No. - 39

HON'BLE SAUMITRA DAYAL SINGH, J.
HON'BLE SWARUPAMA CHATURVEDI, J.

1. Heard Shri Anil Prakash Mathur, learned counsel for the petitioner and Shri Arvind Kumar Mishra, learned Standing Counsel for the State.

2. Challenge has been raised to the order dated 17.07.2026 whereby the petitioner's registration has been cancelled by the Assistant Commissioner, State Tax, Sector-7, Moradabad.

3. Submissions have been advanced that the above action of cancellation is illegal. All factual grounds raised vide show cause notice dated 02.07.2026 had been squarely answered by the petitioner vide his written reply. Though that reply has been taken on record, the order of cancellation dated 17.07.2026 does not deal with those objections. As to the goods travelling on a different route, it has been explained that there does not exist a single prescribed route to be followed by transport vehicles. To the extent, no cogent material may have existed to infer that the petitioner had dealt with the goods in any manner other than that permitted, the cancellation of registration is not permissible.

4. Further, it has been strenuously urged, cancellation of registration has caused the effect of closure of business. Here, no Adjudication Order has been passed and there does not exist any firm demand of tax, yet the business of the petitioner has been seriously prejudiced inasmuch as upon cancellation of registration, all business operations have been shut down. Therefore, interference is warranted in exercise of writ jurisdiction, by this Court.

5. On the other hand, learned Standing Counsel would submit, fact issues are involved. Statutory remedies are available to the petitioner both under Section 30 of the UPGST Act, 2017, by seeking revocation of the impugned order as also under Section 107 of the Act by filing appropriate statutory appeal.

6. Having heard learned counsel for the parties, it cannot be denied that there are fact issues involved. Those would require evidence to be examined before firm conclusions may be drawn. We are purposely not discussing the exact disputes mainly, violation of the Rule 21(e) of the UPGST Rules, 2017 as it may prejudice the statutory remedies. Thus allegation of availment of Input Tax Credit (ITC) in violation of Section 16 of the Act is the ground to cancel the registration. Here, learned counsel for the revenue has relied on Section 29(2)(a) read with Rule 21(e) of the UPGST Rules, 2017. There is no challenge to the validity of those provisions of the Act and the Rules.

7. Therefore, there is no occasion for us to examine if registration has been cancelled for reason of wrong availment of ITC.

8. To the extent, the allegation of wrong availment of ITC exists and further inasmuch as the issue is factual, we leave it to the statutory authority to deal with the same.

9. As to statutory remedies, undeniably there are two- the petitioner may either seek revocation of the impugned order or file appeal there-against or first seek revocation and thereafter file appeal.

10. Seen in that light, we are not inclined to offer interference in exercise of our extraordinary jurisdiction under Article 226 of the Constitution of India inasmuch as there is no inherent jurisdictional defect in issue of the show cause notice leading to the impugned order and further inasmuch as the petitioner had filed his reply which may have been considered. Thus, in face of statutory remedy of revocation and of appeal, interference claimed, is declined.

11. However in the entirety of facts and circumstances of the case and acknowledging the submissions advanced that cancellation of registration

has dire consequences, we provide subject to the petitioner filing appropriate application for revocation of registration, within a period of three days from today, that application may be dealt with and decided, on its own merits by a reasoned and speaking order, after affording due opportunity of hearing to the petitioner, within a period of ten days therefrom.

12. With the aforesaid observations and directions, the writ petition is **disposed of.**

(Swarupama Chaturvedi,J.) (Saumitra Dayal Singh,J.)

August 10, 2026

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