IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
(Special Original Jurisdiction)

MONDAY,THE TWENTY FIFTH DAY OF AUGUST
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WRIT PETITION NO: 14186 OF 2025

Between:

M/s. Neelkanth Traders, H.No.6-42-026/B, Sy. No. 201/2, Bowenpally, Secunderabad - 500011, Rep. by its Proprietor Mr. Jagadish Upadhyay aged 39 years

...PETITIONER

AND

1. The State Tax Officer, Bowenpally-II Circle, Begumpet Division,Hyderabad
2. The Deputy State Tax Officer, Bowenpally-II Circle, Begumpet Division, Hyderabad.
3. The Assistant Commissioner (ST), Bowenpally-II Circle, Begumpet Division, Hyderabad.
4. The State of Telangana, Rep. by its Principal Secretary, Revenue (CT) Department, Telangana Secretariat, Hyderabad.

...RESPONDENTS

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 issue writ of mandamus the Respondents 1st to 3rd to revoke the of RC of the Petitioner dated 29.05.2024 forthwith and also unblock the electronic credit ledger blocked by the Respondents showing negative balance for the electronic credit ledger of the Petitioner, despite several representations made by the Petitioner to the Respondents as arbitrary, contrary to the Provisions of the CGST / SGST Acts'2017 and Rules there to and action and inaction of the Respondents is in violation of Principles of Natural Justice and Rule of law and consequently direct the Respondent to revoke the suspension of cancellation of RC and unblock the electronic credit ledger forthwith

IA NO: 1 OF 2025

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 Direct the 1st Respondent to recall the suspension of GST Registration Certificate of the Petitioner so as to enable to file relevant returns from April 2024 to March 2025 by the Petitioner by directing the 1st to 3rd Respondents to unblock the electronic credit ledger of the Petitioner pending disposal of the above Writ Petition, as otherwise, the Petitioner will be put to severe loss and hardship

Counsel for the Petitioner: SRI K.P AMARNATH REDDY REPRESENTING FOR SRI. VENKATRAM REDDY MANTUR

Counsel for the Respondents: SRI SWAROOP OORILLA Special Govt Pleader for State Tax

The Court made the following: ORDER

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT PETITION No. 14186 of 2025

ORDER:

Heard Sri K.P. Amarnath Reddy, learned counsel appearing for Sri M. Venkatram Reddy, learned counsel for petitioner and Sri Swaroop Oorilla, learned Special Government Pleader for State Tax appearing for respondents.

2. Petitioner has filed the instant Writ Petition seeking to direct the respondents for revocation of suspension of registration pursuant to the show cause notice for cancellation of registration dated 29.05.2024 and also for unblocking the electronic credit ledger showing negative balance therein despite several representations made by the petitioner to the respondent authorities. According to the petitioner, the electronic credit ledger relating to IGST is blocked since 29.04.2024 and the electronic credit ledger relating to SGST & CGST since 03.05.2024.

3. A counter affidavit has been filed by respondent No.3 *inter alia* taking a stand that despite several notices issued upon the petitioner before blocking of electronic credit ledger and even after issuance of show cause notice for cancellation of registration, the petitioner has not cooperated by furnishing a proper reply. It is submitted that he has been seeking time orally to furnish required data before respondent No.3. But, till date, no material documents have been placed to refute the allegations levelled against him.

4. Learned counsel for the petitioner submits that the blocking of the electronic credit ledger for more than one year is in the teeth of sub-rule (iii) of Rule 86A of the Central Goods and Services Tax Rules, 2017 (for short 'the CGST Rules, 2017'). It is submitted that because of the suspension of registration, the petitioner is not in a position to undertake any business.

5. Learned counsel for the respondents does not have the instruction as to whether any proceedings under Sections 73 and 74 of the Central Goods and Services Tax Act, 2017 (for

short 'the CGST Act, 2017'), have been initiated against the petitioner or not. However, he submits that the petitioner has been found indulging in passing of illegally accumulated Input Tax Credit without compliance of the provisions of Section 16(2) of CGST Act, 2017. He submits that a decision on the suspension of show cause notice for cancellation of registration would be taken in a time bound manner, if so directed.

6. In view of aforesaid facts and circumstances of the case and the submissions of the learned counsel for the parties, the instant Writ Petition is disposed of with the direction upon respondent No.3 to take a decision on the show cause notice for cancellation of registration dated 29.05.2024 within a period of three (3) weeks from today. Needless to say, if the electronic credit ledger of the petitioner is blocked for more than one year, the same should also be unblocked. The petitioner may furnish reply with the supporting documents within one week from today. If he fails to do so, it would be

open for respondent No.3 to take a decision in accordance with law. There shall be no order as to costs.

Miscellaneous applications, if any pending, shall stand closed.

SD/-M. NAGAMANI
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The State Tax Officer, Bowenpally-II Circle, Begumpet Division,Hyderabad
2. The Deputy State Tax Officer, Bowenpally-II Circle, Begumpet Division, Hyderabad.
3. The Assistant Commissioner (ST), Bowenpally-II Circle, Begumpet Division, Hyderabad.
4. The Principal Secretary, Revenue (CT) Department, Telangana Secretariat, Hyderabad.
5. One CC to SRI. VENKATRAM REDDY MANTUR Advocate [OPUC]
6. Two CCs to SPL. GP for STATE TAX, High Court for the State of Telangana at Hyderabad. [OUT]
7. Two CD Copies

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HIGH COURT

DATED:25/08/2025



ORDER

WP.No.14186 of 2025

DISPOSING THE WRIT PETITION
WITHOUT COSTS

PA
8/10/25