

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

THURSDAY, THE ELEVENTH DAY OF JUNE
TWO THOUSAND AND TWENTY SIX

PRESENT

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

WRIT PETITION NO: 17540 OF 2026

Between:

M/s B.K.STEELS, Represented by its Proprietor- Sri Madan Sisudia Jain 22-8-372/1, Charminar Road, Purani Haveli, Hyderabad-02, Telangana State.

...PETITIONER

AND

1. The Assistant Commissioner (State Tax), Charminar Circle, Charminor Division, M.J..Road, Nampally, Hyderabad-500 001.
2. State of Telangana, Represented by the Secretary to State of Telangana, Revenue Department, Government Secretariat Buildings Saifabad, Hyderabad. Telangana- PIN -500 004.

...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 an appropriate writ, order or direction, more in the nature of Writ of Mandamus, setting aside the claimed consequential show-cause Notice dated 07/01/2026 and its summary in Form GST DRC-01 and the claimed consequential assessment orders dated 11/03/2026 and its attachment of proceedings dated 11/03/2026 and its summary in Form GST DRC-07 dated 11/03/2026 purportedly issued under Section 74 of the GST Acts, 2017 for the various reasons detailed in the part B of this affidavit, and to award the exemplary costs of Rs.50,000 against the Respondent No. 1

I.A. NO: 1 OF 2026

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 stay the collection of the disputed tax of Rs.248,50,870, and the penalty of Rs. 248,50,870 (Total Rs. 497,01,740) and the unquantified interest for the various reasons mentioned in detail in the part B of the affidavit; and to pass such other order or the orders in the interest of Justice. lest the Petitioner will be put to irreparable economic loss. The disputed levy of tax, penalty and interest have no legs to stand. The balance of convenience is clearly in favour of the petitioner and against the Respondents.

Counsel for the Petitioner: SRI GOONDLA VENKATESWARLU

**Counsel for the Respondents: SRI SWAROOP OORILLA,
SPECIAL GOVT PLEADER FOR STATE TAX**

The Court made the following: ORDER

IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

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

WRIT PETITION No. 17540 of 2026

DATED : 11.06.2026

Between:

M/s. B.K. Steels

... Petitioner

AND

The Assistant Commissioner (State Tax),
Charminar Circle, Hyderabad, and another

... Respondents

ORDER:

Sri Goondla Venkateswarlu, learned counsel appears for petitioner.

Sri Swaroop Oorilla, learned Special Government Pleader for State Tax appears for respondents.

2. The impugned proceedings relate to Financial Year 2023-24 in respect of which after the remand by this Court *vide* common order dated 25.07.2024 in Writ Petition Nos.18654 and 18766 of 2024, a fresh show cause notice was issued leading to passing of the order dated 11.03.2026 under Section 74 of the Goods and Services Tax Act, 2017 (for short 'the Act'). The text of the order passed in those Writ Petitions is extracted hereunder as it has some bearing on the outcome of the present Writ Petition.

“3. Learned counsel for the parties fairly admitted that a right of personal hearing as envisaged under Section 75(4) of the Goods and Services Tax Act, 2017 has not been provided to the petitioner before passing Assessment Order and therefore, it is agreed that the Assessment Order may be set aside and the Assessing Officer may be directed to provide personal hearing to the petitioner and pass a fresh order in accordance with law.

4. In view of the consensus arrived at, Assessment Order dated 30.05.2024 is set aside. The matter is restored back in the file of Assessing Officer, who shall give personal hearing to the petitioner on 08.08.2024 at 11:30 A.M. or any other date as per Assessing Officer's convenience. For this purpose, no fresh notice will be required to be issued to the petitioner. The petitioner will be at liberty to raise all possible grounds during personal hearing.

5. The petitioner may file reply to the show cause notice within 7 days from today.

The Writ Petitions are disposed of. No costs.”

3. What has happened after the remand by this Court is that the Assessing Officer without passing a fresh assessment order after compliance of the personal hearing requirement as per liberty granted by this Court has issued a second show cause notice and decided *vide* impugned order dated 11.03.2026.

4. Learned counsel for the rival parties have addressed us on the permissibility of the Assessing Officer to undertake an exercise despite an order passed by this Court in effect confining the adjudication to the show cause notice issued upon the petitioner.
5. The impugned order covers Financial Year 2023-24 which was the subject matter of Writ Petition No.18654 of 2024.
6. Learned counsel for the petitioner submits that a reply of the petitioner was not duly considered. Learned counsel for the petitioner further pointed out that in the other connected Writ Petition No.18766 of 2024 which relates to the Financial Year 2022-23, similar action has been taken by issuance of a fresh show cause notice and an adjudication order passed thereupon confirming the demand on grounds which were not taken in the show cause notice.
7. Learned counsel for the respondents on the other hand submits that there is no difference in the show cause notice issued at the first instance and the show cause notice upon which the adjudication has been made after the remand by this Court. As such, in effect, the petitioner has not suffered any prejudice.
8. We have heard the learned counsel for the parties.
9. Bereft of getting into the details of ingredients which have been taken to invoke the provision of Section 74 of the Act in the first show cause notice or the notice issued for the same Financial Year at the

second instance after the remand leading to the impugned adjudication, we are of the considered view that in the light of the directions passed by this Court *vide* common order dated 25.07.2024 in the Writ Petitions referred to hereinabove, the Assessing Officer was obliged to adjudicate on the show cause notice after giving a personal hearing to the petitioner and upon consideration of any reply furnished by him. The course adopted by the Assessing Officer to issue a second show cause notice without carrying out the adjudication proceeding was something which was not permissible in view of the directions passed by the Court in the previous round of litigation. Such a course on the part of the Assessing Officer would in effect amount to overreaching the order of this Court, which cannot be permitted. Only on this legal ground, we are constrained to interfere in the impugned adjudication order by setting it aside while giving an opportunity once again to the Assessing Officer to pass an order on the basis of the first show cause notice and compliance of the personal hearing after due consideration of the reply furnished by the petitioner, in accordance with law.

10. Accordingly, the impugned order is set aside. The matter is remanded to the Assessing Officer.

The instant Writ Petition is accordingly disposed of. There shall be no order as to costs.

Miscellaneous applications, if any pending, shall stand closed.

SD/- A.V.S. PRASAD
DEPUTY REGISTRAR

//TRUE COPY//


SECTION OFFICER

To,

1. The Assistant Commissioner (State Tax), Charminar Circle, Charminor Division, M.J..Road, Nampally, Hyderabad-500 001.
2. The Secretary to State of Telangana, Revenue Department, Government Secretariat Buildings Saifabad, Hyderabad, State of Telangana, Telangana-PIN -500 004.
3. One CC to Sri Goondla Venkateswarlu, Advocate [OPUC]
4. Two CCs to the Special GP for State Tax, High Court for the State of Telangana, at Hyderabad[OUT]
5. Two CD Copies

TJ

GJP

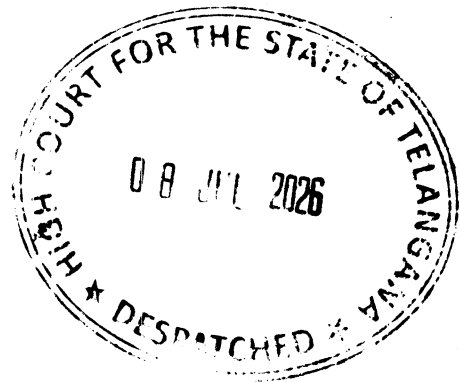


HIGH COURT

DATED: 11/06/2026

ORDER

WP.No.17540 of 2026



DISPOSING OF THE WRIT PETITION

WITHOUT COSTS

⑧
18/06/26
R.K