



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

[3543]

WEDNESDAY, THE 9th DAY OF SEPTEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE NINALA JAYASURYA

THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR

WRIT PETITION NO: 6755 OF 2025

Between:

1.M/S SHAIK ENTERPRISES, REPRESENTED BY THE PROPRIETOR
SRI SHAIK NAYAZ AHAMAD FLAT N 17/131, R.S.ROAD, NEAR
COMMUNITY HEALTH CENTRE, TANAKAL, SRI SATYASAI
DISTRICT, ANDHRA PRADESH PIN 515571

...PETITIONER

AND

- 1.DEPUTY COMMISSIONER OF STATE TAX, SPECIAL CIRCLE:
ANANTAPURAM, ANANTAPURAMU DIVISION, ANANTAPURAM,
ANDHRA PRADESH, PIN 515001.
- 2.DEPUTY COMMISSIONER OF STATE TAX, SPECIAL CIRCLE
ANANTAPURAM, ANANTAPURAMU DIVISION, ANANTAPURAM,
ANDHRA PRADESH. PIN 515001.
- 3.ASSISTANT COMMISSIONER OF STATE TAX, HINDUPUR CIRCLE,
ANANTAPUR DISTRICT, ANDHRA PRADESH.PIN 515001.
- 4.STATE OF ANDHRA PRADESH, REPRESENTED BY THE
SECRETARY TO GOVERNMENT OF A.P. REVENUE (CT)
DEPARTMENT, GOVERNMENTOF A.P. SECRETARIAT BUILDINGS
VELAGAPUDI, MANGALAGIRI MANDAL, GUNTUR (DISTRICT), AP,
PIN -522 503.

...RESPONDENT(S):

Counsel for the Petitioner:

- 1.J.N VENKATA SURESH KUMAR

Counsel for the Respondent(S):

- 1.GP FOR COMMERCIAL TAX
- 2.

The Court made the following ORDER: (*Per NJS,J*)

Heard Mr.G.Vekateswarulu, learned arguing counsel, who appeared through online. Also heard Mr.S.A.V.Saikumar, learned Assistant Government Pleader for respondents.

2) Petitioner, a proprietary firm is carrying on business of trading in iron and steel scrap. It is registered as a dealer under the provisions of Goods and Services Tax Act, 2017 and filing monthly returns. Vide communication dated 02.12.2024, the petitioner's Electronic Credit Ledger was blocked. Aggrieved by the same, the present Writ Petition is filed on various grounds, including that the unilateral blocking of the same is in violation of principles of natural justice, that said action of blocking is drastic and in the absence of any material to show that the petitioner has deliberately availed/utilized the ITC fraudulently or without eligibility, no such action, which has serious affect on the petitioner's business, would have been resorted to.

3) Learned counsel for the petitioner though sought to impress upon the Court by making elaborate submissions, with reference to contentions raised in the Writ Petition, the same need not be examined in detail.

4) As noted above, the Electronic Credit Ledger of the petitioner was blocked on 02.12.2024. Rule 86(A) of Goods and Services Tax Rules, 2017 deals with conditions of use of amount for any Electronic Credit Ledger and empowers the Commissioner or an officer authorized, in this behalf, not below the rank of Assistant Commissioner, having reasons to believe that credit of input tax available in the electronic credit ledger has been fraudulently availed

or ineligible, in the circumstances set out in the sub rule not to allow debit of an amount equivalent to such credit in Electronic Credit Ledger for discharge of any liability under Section 49 or for claim of any refund of any unutilized amount, by recording reasons. Sub-Rule 3 of Rule 86A stipulates that such restriction shall cease to have effect after expiry of period of one year from the date of imposing such restriction. Thus, in view of the statutory prescription and operation of law, blocking of petitioner's Electronic Credit Ledger vide communication dated 02.12.2024, impugned in the writ petition, ceased to operate. The said position in law is not disputed by the learned counsel for the petitioner.

5) In the above stated position of the case, the cause for adjudication does not survive and the Writ Petition has practically rendered infructuous.

6) Therefore, the Writ Petition is disposed of, leaving it open to the petitioner to work out remedies available in law for redressal of grievance, if any. No costs.

7) Consequently, Miscellaneous Applications pending, if any, shall stand closed.

NINALA JAYASURYA,J

T.C.D.SEKHAR,J

Date:09.09.2026

Ssv

Whether the order is :

Speaking Yes/No / Reasoned Yes/No

Reportable Yes/No / Non-Reportable Yes/No

THE HONOURABLE SRI JUSTICE NINALA JAYASURYA

THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR

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Date:09.09.2026

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