

**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 Nos.9166 and 9354 of 2026**

**Dated: 08.04.2026**

**W.P.No.9166 of 2026**

**Between:**

**Mr. Bharat Kumar Agarwal,  
S/o late Sundermelji Agarwal.**

**...Petitioner**

**and**

**Joint Commissioner (AE)  
Office of the Commissioner of Central Tax,  
Central Excise and Service Tax,  
Medchal Commissionerate, Medchal GST Bhawan,  
# 11-4-649/B, Lakdi-ka-pool,  
Hyderabad and 4 others**

**...Respondents**

**W.P.No.9354 of 2026**

**M/s. Sugna Metal Limited,  
Rep. by its CFO Mr. Ravi Kumar Garg,  
S/o Shri Tirath Prasad.  
Aged 36 years.**

**...Petitioner**

**and**

**Joint Commissioner (AE)  
Office of the Commissioner of Central Tax,  
Central Excise and Service Tax,  
Medchal Commissionerate, Medchal GST Bhawan,  
# 11-4-649/B, Lakdi-ka-pool,  
Hyderabad and 4 others**

**...Respondents**

**Common Order:**

Heard Ms. Akruti Goyal, learned counsel appearing for the petitioners and Mr. Dominic Fernandes, learned Senior Standing

Counsel for Central Board of Indirect Taxes and Customs (CBIC) appearing for the Central Tax.

2. Pursuant to the show cause notice in Form GST DRC-01 dated 27.06.2025 issued upon both M/s. Suguna Metals Limited (petitioner in W.P.No.9554 of 2026) and its Managing Director (petitioner in W.P.No.9166 of 2026) (hereinafter referred as 'the company and its Managing Director'), the adjudication proceedings were held, which led to issuance of the impugned Order-in-Original dated 30.12.2025 and the summary of the order in Form GST DRC-07 dated 31.12.2025. However the impugned Order-in-Original dated 30.12.2025 has, in a composite manner, imposed the tax liability upon the Company and its Managing Director under Sub-Section (9) of Section 74 of the Central Good and Services Tax Act, 2017 (for short 'the CGST Act') read with Section 20 of Integrated Goods and Services Tax Act, 2017, in the following manner:

“i. I confirm the demand of Rs.2,20,29,338/- (IGST Rs.30,60,484/-, CGST Rs.94,84,427/- & SGST Rs.94,84,427/-) (Rupees Two Crores Twenty Lakhs Twenty Nine Thousand, Three Hundred and Thirty eight only) being the irregular input tax credit of CGST availed and utilized on the invoices issued by the suppliers detailed supra, under the provisions of sub-section (9) of Section 74 of the CGST Act, 2017 read with Section 20 of the IGST Act, 2017 and corresponding Section of TSGST Act, 2017;

ii. I confirm the demand of Interest on the demand confirmed at Sl.No.(i) above, under Section 50(3) of the CGST Act, 2017 read with Section 20 of the IGST Act, 2017 and corresponding Section of TSGST Act, 2017;

iii. I impose penalty of Rs.2,20,29,338/- (IGST Rs.30,60,484/-, CGST Rs.94,84,427/- & SGST Rs.94,84,427/-), which is equivalent to the demand confirmed at Sl.No.(i) above, under Section 74(9) of the CGST Act, 2017 read with Section 20 of the IGST Act, 2017 and corresponding Section of TSGST Act,2017;

iv. I impose penalty of Rs.38,98,708/- (CGST Rs.19,49,354/- & SGST Rs.19,49,354/-) being the input tax credit fraudulently passed on by way of issuance of tax invoices without actual supply of goods/services, under section 122(1)(ii) of the CGST/TGST Act, 2017 with read with Section 74(1) of the CGST/TGST Act, 2017 and corresponding Section of TSGST Act, 2017;

30. I impose the penalty of Rs.2,59,28,046/- (Rs.2,20,29,338/- for availing and utilizing fraudulent ITC & Rs.38,98,708/- for passing on of ITC without underlying supply of goods) on Shri Bharat Kumar Agarwal, Managing Director of M/s Sugna Metals Limited, under Sec 122 (1A) for his act of omissions and commissions and being beneficiary of the transactions.

31. The proceedings initiated vide Show cause Notice vide OR No.29/2025-Adjn (GST) Medchal (HQPOR No.21/2024-25) dated 27.06.2025 issued by the Joint Commissioner of Central Tax, Medchal GST Commissionerate to M/s. Sugna Metals Limited, Hyderabad is accordingly disposed of in terms of this order.”

3. Petitioner in W.P.No.9166 of 2026 does not have GST registration as he is the Managing Director of the Company. However, in order to prefer an appeal as against the tax liability imposed upon him under Section 122(1)(a) of the CGST Act, separate Form DRC-07 has to

be issued. The composite Form GST DRC-07 dated 31.12.2025 cannot be made the subject matter of appeal by him. He has other grounds also to assail the impugned Order-in-Original dated 30.12.2025. On earlier occasion, the matter was adjourned to enable the learned Senior Standing Counsel for CBIC to obtain instructions on the issue of temporary registration to the Managing Director (petitioner in W.P.No.9166 of 2026).

4. Today, learned Senior Standing Counsel for CBIC has referred to Rule 16A of the Central Goods and Services Tax (amendment) Rules, 2025, as per which the Proper Officer is empowered to grant temporary identification number and issue an order in Part B of Form GST REG-12. The petitioner in W.P.No.9166 of 2026, being the Managing Director of the Company, can apply for issuance of temporary registration number/identification number physically to the Anti Evasion Officer, Lakdikapul, Medchal. He further submits that two separate Form GST DRC-07 would be issued afresh; one denoting the liability upon the Company (petitioner in W.P.No.9354 of 2026) and the other denoting the liability upon its Managing Director (petitioner in W.P.No.9166

of 2026) so that both the Company and its Managing Director, if aggrieved, can prefer separate appeals.

5. Learned counsel for the petitioners submits that there are other grounds also to assail the impugned Order-in-Original dated 30.12.2025, as no separate charges were indicated in the show cause notice as against the Managing Director of the Company to offer proper reply.

6. In the aforesaid facts and circumstances and upon consideration of rival submissions of learned counsel for the parties, we are of the view that the Managing Director (petitioner in W.P.No.9166 of 2026), after obtaining a temporary registration, is entitled to avail the remedy of appeal and take all such grounds on facts and in law as are available to him. The period of limitation would run only after issuance of fresh Form GST DRC-07. The Managing Director (petitioner in W.P.No.9166 of 2026) should make an application before the competent authority within a period of one week from today for issuance of temporary registration number/identification number. Within one week thereafter, the competent authority would issue the same to the Managing Director (petitioner in W.P.No.9166 of 2026).

7. The revised two separate Form GST DRC-07 containing the liability as against the Company and its Managing Director be issued

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within a period of two weeks, so that the aggrieved parties may prefer separate appeals.

8. With these observations and without going into the merits of the contentions of the parties, both the Writ Petitions are disposed of. No costs.

As a sequel, miscellaneous petitions, pending if any, stand closed.

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**APARESH KUMAR SINGH, CJ**

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**G.M.MOHIUDDIN, J**

**Date: 08.04.2026**  
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