HIGH COURT OF JUDICATURE FOR RAJASTHAN AT JODHPUR

S.B. Civil Writ Petition No. 18322/2025

M/s. Bhilwara Trading Company, Having Office At 108, 1St Floor, Govindam Complex, Old Rto Road, Pur Road Bhilwara-311001 Through Its Proprietor Rakesh Somani S/o Gulab Chand Somani, Aged 40 Years, R/o D-165, Sanjay Colony, Sanganeri Gate, Bhilwara, (Raj.) 311001

----Petitioner

Versus

Bank Of Baroda, Through Its Manager, Branch Gandhi Nagar, District Bhilwara, Rajasthan.

----Respondent

For Petitioner(s) : Mr. Naman Mohnot

HON'BLE DR. JUSTICE NUPUR BHATI

<u>Order</u>

<u>13/10/2025</u>

1. The instant writ petition under Article 226 of the Constitution of India has been filed by the petitioner seeking the following reliefs:-

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> A. By issue an appropriate writ, order or direction to the respondent bank to forthwith defreeze the petitioner's current account bearing No. 39510200002286 maintained with the respondent bank, thereby allowing the petitioner to carry on regular banking transactions operations. for its business
> B. Quash and set aside the arbitrary action of the respondent bank in freezing the petitioner's current account without prior notice, as being violative of Articles 14 and 19(1)(g) of the Constitution of India.
> C. By an appropriate writ, order or direction, the respondent bank may kindly be directed to compensate the petitioner for the losses, inconvenience, and harassment caused due to illegal freezing of the account, as may be quantified by this Hon'ble Court.
> xxxxxxx"

2. Learned counsel for the petitioner submits that the petitioner is engaged in dealing in goods specified under Chapter 10 of the

Harmonized System of Nomenclature (HSN), which are exempted from Goods & Services Tax (GST) and accordingly, the petitioner submitted an application to the GST Department seeking voluntary cancellation of his GST registration. He submits that the Department, after examining the application, cancelled the petitioner's registration with effect from 31.01.2025 (Annexure 3). He further submits that although the Department, pursuant to the petitioner's application, cancelled the GST registration, the respondent Bank informed the petitioner that, since the GST registration was cancelled on 31.01.2025, and in view of the directions issued under the Goods & Services Tax Act, 2017 and by the Reserve Bank of India, accounts with cancelled GST registrations are considered to fall under the high-risk category and thus, the petitioner's account has been freezed by the respondent-Bank. Learned counsel for the petitioner, thus, urges, that for performing smooth functioning of his work, petitioner's bank account needs to be de-freezed.

3. Having considered the facts and circumstances of the case, this Court deems it appropriate to direct the petitioner to submit detailed representation before the respondent-Bank within a period of '10 days' from today along with all requisite documents, in order to make out a case that the petitioner is exempted from Goods & Services Tax ('GST') registration in view of Chapter 10 of the Harmonized System of Nomenclature (HSN) and shall also mention therein that upon an application submitted by the petitioner, the Department cancelled the GST registration of the petitioner and thus, in such circumstances, petitioner's account could not be freezed by the respondent-Bank. In case such

representation is filed by the petitioner, respondent-Bank is directed to decide the said representation of the petitioner within a period of 'one month' thereafter, strictly in accordance with law, by way of passing a speaking order.

4. Till the decision of the representation by the respondent-Bank, the petitioner shall be allowed to make transaction from his bank account.

5. Stay application as well as all other pending applications, if any, also stand disposed of.

(DR. NUPUR BHATI),J

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