

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.4506 of 2025

M/s Graphic Trades Private Limited a company registered under the provisions of the Companies Act, 2013, having its registered office at C-15/B, Basawan Park Lane, Boring Canal Road, Patna-800001 through one of its directors, namely, Dilip Kumar, aged about 48 years, Male, son of Late Kameshwar Prasad, Resident of Ashiyana Nagar, P.S. Rajiv Nagar, District-Patna. Petitioner

Versus

1. The State of Bihar through the Principal Secretary-cum-Commissioner, Department of State Taxes, Government of Bihar, Patna.
 2. The Principal Secretary-cum-Commissioner, Department of State Taxes, Government of Bihar, Patna.
 3. The Additional Commissioner of State Tax, Bihar, Patna.
 4. The Joint Commissioner of State Taxes, Kadam Kuan Circle, Patna.
- Respondents
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Appearance :

For the Petitioner/s : Mr. Vishal Agrawal, Advocate (Online)
Mr. Gaurav Govinda, Advocate
Ms. Ananya Maitin, Advocate (Online)
For the Respondent/s : Mr. Vikash Kumar, Standing Counsel-11

CORAM: HONOURABLE MR. JUSTICE RAJEEV RANJAN PRASAD
and
HONOURABLE MR. JUSTICE ASHOK KUMAR PANDEY
CAV JUDGMENT
(Per: HONOURABLE MR. JUSTICE RAJEEV RANJAN PRASAD)

Date : 23-04-2025

This writ application has been preferred for the following reliefs:-

“(i) For quashing and setting aside the Order bearing Reference No. A. Bureau (ITC) -17-38/24 (Khand-3)/198 /Patna dated 07.02.2025 [Impugned Order] issued under the signature of Respondent No. 3 being the Additional Commissioner of State Tax, Bihar, Patna, whereby he has directed the Respondent No.4 to block the Input Tax Credit of the Petitioner to the tune of Rs. 1,18,41,455/- in terms of Rule 86A(1)



- (a) of the Bihar Goods & Service Tax Rules, 2017 (hereinafter referred as 'BGST Rules, 2017'), and to further take legal action against the Petitioner;
- (ii) For issuance of appropriate writ/s and/or direction/s upon the Respondent No. 3 & 4 to unblock the Input Tax Credit (hereinafter referred to as "ITC") lying in the Electronic Credit Ledger of the Petitioner amounting to Rs. 1,18,41,455/-;
- (iii) For a declaration that the arbitrary exercise of power of blocking the electronic credit ledger under Rule 86A of the BGST Rules, 2017 could not have been exercised by the Respondent No. 3 & 4 in the facts of the present case against the Petitioner, inasmuch as there is no independent application of mind and consequently there exists no reason to believe which warrant the Respondent No.3 and 4 to have invoked the power granted to it under Rule 86A of the BGST Rules, and where under no reasons whatsoever have been provided by the Respondent No.3 in its Order dated 07.02.2025 for blocking the ITC, and thus the same may be ordered to be vacated;
- (iv) For a declaration that since the Respondent No. 3 and 4 have not complied with the requirements Rule 86A of the BGST Rules, 2017, the action of the Respondent is wholly arbitrary, discriminatory and violative of Article 265 of the Constitution of India, and therefore direct the Respondent No.3 to unblock the Electronic Credit Ledger of the Petitioner;
- (v) For issuance of appropriate writ/s, and/or direction/s upon the Respondents restraining them from taking any adverse action or coercive steps against the Petitioner pending this present petition;



(vi) For issuance of appropriate writ/s, and/or direction/s upon the Respondents restraining them from taking any adverse action or coercive steps against the Petitioner pending this present petition, and for ad interim stay on the operation and effect of the Order dated 07.02.2025 and the action taken pursuant to the said Order of blocking the ITC balance in the ledger to the tune of 1,18,41,455/-; And/or
(vii) For any other relief or reliefs that the Petitioner may be found entitled to in the facts and circumstances of the present case.”

Brief Facts of the Case

2. It is the case of the petitioner that the petitioner company is engaged in business of providing end to end solutions in the field of Information Technology. It procures goods and services from third party vendors across the country, on payment of applicable Goods and Services Tax (hereinafter referred to as the ‘GST’) i.e. the input tax on the purchase of goods/services in course of furtherance of its business. It is stated that in terms of Section 16 of the Bihar Goods and Services Tax (hereinafter referred to as the ‘BGST’), the petitioner is entitled to take credit of such input tax charged on the supply of goods/services and utilize the Input Tax Credit (hereinafter referred to as the ‘ITC’) in adjusting its output tax liabilities.



3. It would appear from the reliefs prayed in the writ application that the petitioner has challenged only Annexure 'P/2' issued by the Additional Commissioner State Taxes, Central Investigation Bureau, Bihar (respondent no. 3) regarding the search carried out at the principal place of business of M/s TDML Services Private Limited at 13/12, Chinar Park, Clubtown Gateway, Hatiara, New Town, North Twenty Four Parganas, West Bengal, 700157. Respondent No. 3 informed the respondent no. 4 that after investigation the said entity was found non-existent at the principal place of business. Respondent No. 3 directed respondent no. 4 to take appropriate action against the petitioner who is in the recipient's list of M/s TDML Services Private Limited and had availed the benefit of input tax credit unlawfully. With the writ application the decision of the respondent no. 4 has not been enclosed and it is not specifically under challenge but a direction has been sought for against respondent nos. 3 and 4 to unblock the ITC lying in the Electronic Credit Ledger (hereinafter referred to as the 'ECrL') of the petitioner amounting to Rs. 1,18,42,455/-.

Stand of the petitioner

4. Learned counsel for the petitioner has submitted that the order as contained in Annexure-P/2 which is the basis of blocking of credit has been issued by the Additional Commissioner



State Taxes, Central Investigation Bureau, Bihar vide Memo No. 198 dated 07.02.2025.

5. It is submitted that the impugned communication (Annexure 'P/2') has been issued by respondent no. 3 and pursuant thereto respondent no. 4 has blocked the ITC to the tune of Rs. 1,18,41,455/-.

6. Learned counsel submits that on a bare reading of Rule 86A of the Bihar Goods Services Tax Rules, 2017 (hereinafter referred to as the 'BGST Rules of 2017')/Central Government Goods Services Tax Rules (hereinafter referred to as the 'CGST') it would appear that it mandates recording of reasons. Relying upon the judicial pronouncements on the subject in the case of **Samay Alloys India Pvt. Ltd. vs. State of Gujarat** reported in [2022 (61) G.S.T.L. 421 (Guj.)] and **Dee Vee Projects Ltd. Vs. The Government of Maharashtra & Ors.** reported in [2022(2) TMI 569], learned counsel submits that in both the cases the Hon'ble High Court of Gujarat and High Court of Bombay have held it mandatory upon the invoking Rule 86A to record the reasons and the power of disallowing debit of amount from ECrL should not be exercised in a mechanical manner.

7. Learned counsel submits that respondent no. 4 has not conducted any independent investigation into the matter before



blocking of ITC to the tune of Rs. 1,18,41,455/- which is wholly unsustainable in the eye of law.

Stand of the State

8. The writ application has been contested by learned counsel for the State. Mr. Vikash Kumar, learned Standing Counsel No. 11 has submitted that the petitioner is registered with Kadamkuan Circle of Commercial Taxes Department, Bihar. The letter as contained in Annexure 'P/2' has been issued by the Investigation Bureau, Bihar, Patna informing the Circle-in-Charge, Kadamkuan Circle that the petitioner firm had received huge input tax credit from a firm namely, TDML Services P. Ltd which has been found non-existent at its registered place of business at Kolkata, West Bengal. On being satisfied that the petitioner firm had received huge input tax credit from a non-existent firm at Kolkata, the respondent Joint Commissioner, Kadamakuan Circle has blocked the input tax credit of the petitioner relating to the aforesaid non-existent firm.

9. Learned counsel submits that the petitioner has filed this writ application circumventing the alternative remedy available to him. In this connection, learned SC 11 has relied upon the Guidelines for disallowing debit of electronic credit ledger under Rule 86A of the CGST Rules, 2017 contained in CBEC-



20/16/05/2021-GST, Government of India, Ministry of Finance, Department of Revenue, Central Board of Indirect Taxes and Customs GST Wing on 2nd November, 2021. It is submitted that the procedure for disallowing debit of Electronic Credit Ledger and the remedy against the same have been duly provided in the Guidelines. The petitioner has remedy available to make a submissions before the Authorized Officer/Commissioner with material evidence and he may request the authority to examine the matter afresh. It is submitted that on being satisfied that the input tax credit, initially considered to be fraudulently availed or ineligible as per conditions of sub-rule (1) of Rule 86A and the same is not no more ineligible or wrongly availed, either partially or fully, the authority may allow the use of credit.

10. Learned counsel submits that Rule 86A was inserted in CGST/BGST Rules empowering the competent authority to block input tax credit if the authority has reason to believe that input tax credit has been fraudulently availed by the tax payer.

11. In this case, the Joint Commissioner, Anti-Evasion Unit, CGST and Central Excise, Kolkata North Commissionerate had issued a Circular under cover of its letter bearing no. GEXCOMAF/AE/1017/2024-AE-O/o Pr. Cmmr. CGST-Kolkata (N) 830/849 dated 16.01.2025 to the respondent no. 3 informing



inter alia that the investigation undertaken by it had revealed that one M/s TDML Services Private Limited was found non-existent at its principal place of business at Kolkata and had passed on fake input tax credit to its purported recipients without any actual supply of goods.

12. Learned counsel submit that the blocking of input tax credit is in accordance with law and it has only temporary measure effective for a year only. The final outcome depends on further investigation of the matter.

13. Learned counsel further submits that the petitioner has taken a plea in the writ petition that the letter dated 07.02.2025 does not put DIN (Document Identification Number), therefore, it is in violation of law. This issue has not been raised by learned counsel for the petitioner in course of his submissions but for the sake of clarity, it is submitted that the system of putting DIN has been adopted by the Central Tax Authorities vide Circular No. 128/47/2047 dated 23.12.19. No such system has yet been implemented by the State Government. The Central Tax Circular is binding on the Central Tax Authorities only and not on the State Tax Authorities unless the Circular is adopted by the State as well. In this regard, learned counsel relied upon the judgment of Hon'ble Orissa High Court in the case of **Atulya Minerals Vs.**



Commissioner of State Tax passed in **W.P. (C) No. 14540 of 2024.**

14. Learned Standing Counsel has pointed out that Rule 86A (1) does not mandate a pre-decisional hearing at the initial stage of blocking of the input tax credit. He has drawn the attention of this Court towards paragraph 35 of the Division Bench judgment of the Hon'ble High Court of Bombay in the case of **Dee Vee Projects Ltd.** (supra). The Hon'ble Division Bench has held that the post-decisional and remedial hearing is required to be granted to the person affected by blocking of his input tax credit. It is his submission that the guidelines referred above provides for post jurisdictional hearing which the petitioner may avail.

Consideration

15. We have heard learned counsel for the petitioner as well as learned Standing Counsel No. 11 for the State. Annexure-P/2 which is the communication addressed by the Additional Commissioner State Taxes, Central Investigation Bureau, Bihar to the Joint Commissioner State Taxes, Kadamkuan Circle, Patna lays down the foundation of this case. We reproduce the Annexure 'P/2' hereunder for a ready reference:-

बिहार सरकार
वाणिज्य-कर विभाग
(केन्द्रीय अन्वेषण ब्यूरो, कर भवन, द्वितीय तल, वीरचंद पटेल पथ, पटना।)
पत्रांक :- अ0ब्यूरो(ITC)-17-38/24(खण्ड-3) 198 (अनु0) /पटना, दिनांक - 07.02.25



प्रेषक,

राज्य –कर अपर आयुक्त,
केन्द्रीय अन्वेषण ब्यूरो, बिहार, पटना।

सेवा में,

राज्य–कर संयुक्त आयुक्त (प्रभारी),
कदमकुआँ अंचल, पटना।

विषय :- अस्तित्वहीन प्रतिष्ठान Tdml Services Private Limited, GSTIN: 19AAHCT3493NIZJ के Recipient प्रतिष्ठान के विरुद्ध माल एवं सेवा कर अधिनियम, 2017 की सुसंगत धाराओं के अंतर्गत विधिसम्मत कार्रवाई करने के संबंध में।

महाशय,

उपर्युक्त विषयक Joint Commissioner, CGST & CX, Kolkata North Commissionerate का पत्र पत्रांक GEXCOM/AE/1017/2024-AE-O/o Pr Commr-CGST-Kolkata(N)/ 830-849 दिनांक 16.01.2025 के माध्यम से Alert Circular No. 04/KOL-N/2025 प्राप्त हुआ है। पत्र के माध्यम से सूचित किया गया है कि :-

- Anti-evasion Unit, CGST & CX, Kolkata North Commissionerate के पदाधिकारियों द्वारा माल एवं सेवा कर अधिनियम, 2017 की धारा 67(2) के तहत प्रतिष्ठान Tdml Services Private Limited, GSTIN: 19AAHCT3493NIZJ के मुख्य व्यवसायिक स्थल (Principal Place of Business-13/12, chinar Park, Clubtown Gateway, Hatiara, New Town, North Twenty Four Parganas, West Bengal, 700157) पर search operation संचालित किया गया।
- जाँचोपरान्त उक्त प्रतिष्ठान अपने व्यवसायिक स्थल पर अस्तित्वहीन (Non-existent) पाया गया।
- उक्त अस्तित्वहीन प्रतिष्ठान Tdml Services Private Limited, GSTIN: 19AAHCT3493NIZJ द्वारा बिहार राज्य–क्षेत्राधिकारी में निबंधित 01 प्रतिष्ठान को अनुचित/अमान्य ITC का लाभ पहुँचाया गया है, जो निम्न तालिका 'क' में वर्णित है:-

;Recipient's List of TDML SERVICES PRIVATE LIMITED, GSTIN: 19AAHCT3493NIZJ)

Trade Name	GSTIN	Taxable Value	IGST	Circle (Division)/Jurisdiction
Graphic Trades Private Limited	10AADCE9153C1Z6	6,57,85,859.00	1,18,41,455.00	Kadam Kuan (Patna East)/SGST



निदेशानुसार प्राप्त पत्र की प्रति (अनुलग्नक सहित) संलग्न करते हुए अनुरोध है कि उपरोक्त तालिका में वर्णित Recipient प्रतिष्ठान के मामले में माल एवं सेवा कर अधिनियम, 2017 के नियम 86A(1)(a) के तहत ITC block करते हुए तथा नियमानुसार विधिसम्मत कार्रवाई करते हुए फलाफल से अधोहस्ताक्षरी को यथाशीघ्र अवगत कराना सुनिश्चित किया जाय।

अनु०—यथोक्त

विश्वासभाजन
ह०/—
राज्य—कर अपर आयुक्त
केन्द्रीय अन्वेषण ब्यूरो, पटना।

16. Learned counsel relies on the screenshot taken from computer enclosed with a separate paperbook supplied at the time of argument. However, this decision of Respondent No. 4 has not been specifically challenged by amending the writ petition.

17. With the counter affidavit of the State, the report of the Inspector Anti Evasion, CGST & CX, Kolkata North Commissionerate dated 17.12.2024 has been enclosed to substantiate the stand of respondent no. 3. The report as enclosed with the counter affidavit shows that during the search conducted by the authorities of the CGST & CX no document related to M/s TDML Services was found. One Sri Sharma was summoned against which he gave a voluntary statement wherein he stated that he was never head of any company by the name of TDML Services. Since no document pertaining to M/s TDML Services was found, no seizure was made. Search operation was conducted and concluded on 17.12.2024 at 7:00 pm.



18. In the kind of materials which were collected by the CGST & CX, office of the Principal Commissioner of Central Taxes, Kolkata North an Alert Circular No. 04/Kol-N/2025 – 849 dated 16th January 2025 was issued (Annexure- R/2/2). The Alert Circular states that on the basis of information a search was conducted by the officers of the Headquarter of Anti Evasion Unit CGST & CX , Kolkata at the principal place of business of M/s TDML Services Private Limited. The entity was found non-existent at their principal place of business (PPOB). During the search it was noticed that M/s TDML Services Private Limited is non-existent on the said premises and the said premises is used by another company. The entity availed huge amount of irregular ITC from the suppliers and passed on irregular ITC to their recipients without underlying supply of goods or services or both as revealed from the analysis of their filed GSTR-1 and auto populated GSTR-2A. It further states that “it can be construed without any doubt that this entity issued invoices fraudulently only to pass on illegal benefit of ITC to the recipients of fake invoices. Accordingly all concerned authorities are hereby alerted to take notice of the same and the irregular ITC as availed (which may increase upon investigation) by the recipients are required to be



denied/disallowed along with applicable interest and penalty as per law....”

19. In the background of the above mentioned materials which came to the notice of the respondent no. 3, the respondent no. 3 has taken an interim decision to block the ITC of the petitioner to the extent of Rs. 1,18,41,455/-. Rule 86A (1) of the CGST/BGST Rules of 2017 reads as under:-

“**Rule 86-A.** Conditions of use of amount available in electronic credit ledger. -

(1) The Commissioner or an officer authorised by him in this behalf, not below the rank of an Assistant Commissioner, having reasons to believe that credit of input tax available in the electronic credit ledger has been fraudulently availed or is ineligible in as much as-

(a) the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under rule 36-

(i) issued by a registered person who has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or

(ii) without receipt of goods or services or both; or

(b) the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under rule 36 in respect of any supply, the tax charged in respect of which has not been paid to the Government; or

(c) the registered person availing the credit of input tax has been found non-existent or not to be



conducting any business from any place for which registration has been obtained; or

(d) the registered person availing any credit of input tax is not in possession of a tax invoice or debit note or any other document prescribed under rule 36, may, for reasons to be recorded in writing, not 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 unutilised amount.”

20. It is evident on a bare reading of the Rule 86A (1) that the Commissioner or an officer authorized by him 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, can proceed to pass an order blocking the ITC to the said extent. The Joint Commissioner (respondent no. 4) has ultimately blocked the input tax credit to the extent indicated hereinabove.

21. Learned counsel for the petitioner has stated that as regards the pre-decisional hearing at the interim stage, there are divergent views of the different High Courts, however, learned counsel has given much emphasis on his submission that there must be “reason to believe” and such reasons should be recorded in writing. It is his submission that in the present case since respondent no. 4 has not applied his independent mind and has proceeded to pass the interim order on the basis of directions issued



by the respondent no. 3, the respondent no. 4 has thus, not at all complied with the requirements of prescribing reasons to believe. This Court would, however, not accept this submission of the learned counsel for the petitioner on the face of the materials available on the records.

22. In the case of **Dee Vee Projects Pvt. Ltd.** (supra), the Hon'ble Division Bench of Bombay High Court has held that power under Rule 86A is in fact a power to block ITC to the extent stated and it is a drastic in nature. The Hon'ble High Court has held that all the requirements of Rule 86A would have to be fully complied with before the power thereunder is exercised. While interpreting the words "must have reasons to believe", the Hon'ble Bombay High Court has recorded in para '33' inter alia as under:-

"33. It must be noted that the power under rule 86-A which in effect is the power to block ECL to the extent stated earlier is drastic in nature. It creates a disability for the tax payer to avail of the credit in ECL for discharge of his tax liability, which he is otherwise entitled to avail. Therefore, all the requirements of rule 86-A would have to be fully complied with before the power thereunder is exercised. When this rule requires arriving at a subjective satisfaction which is evident from the use of words, "must have reasons to believe", the satisfaction must be reached on the basis of some objective material available before the authority. It cannot be made on the flights of ones fancies or whims or imagination. The power under rule 86-A



is an administrative power with quasi-judicial hues exhibited in aforesaid twin pre-requisites and has civil consequences for a tax payer in the sense, it acts as an obstruction to right of a tax payer to utilise the credit available in his ECL. Any administrative power having quasi-judicial shades, which brings civil consequences for a person against whom it is exercised, must answer the test of reasonableness. It would mean that the power must be exercised fairly and reasonably by following the principles of natural justice.”

23. As regards following principles of natural justice, the Hon’ble Bombay High Court has held in para ‘35’ as under:-

“35. As regards the following of principles of natural justice, the law is now well settled. In cases involving civil consequences, these principles would be required to be followed although, the width, amplitude and extent of their applicability may differ from case to case depending upon the nature of the power to be exercised and the speed with which the power is to be used. Usually, it would suppose prior hearing before its exercise (See *Swadeshi Cotton Mills Vs. Union of India* : (1981) 1 SCC 664 and *Nirma Industries Limited and another Vs. Securities and Exchange Board of India* : (2013) 8 SCC 20). But, it is not necessary that such prior hearing would be granted in each and every case. Sometimes, the power may be conferred to meet some urgency and in such a case expedition would be the hallmark of the power. In such a case, it would be practically impossible to give prior notice or prior hearing and here the rule of natural justice would expect that at least a post decisional hearing or remedial hearing is granted so that the damage done due to irrational exercise of power, if any, can be removed before things get worse. In *Smt. Maneka Gandhi (supra)*, it was laid down that where there is an emergent situation requiring immediate action, giving of prior notice



or opportunity to be heard may not be practicable but a full remedial hearing would have to be granted. The power conferred upon the Commissioner under rule 86-A is one of such kind. It has civil consequences though for a limited period not exceeding one year and has an element of urgency which perhaps explains why the rule does not expressly speak of any show cause notice or opportunity of hearing before the ECL is blocked. Of course, in order to guard against arbitrary exercise of power, the rule creates certain checks which are found in the twin requirements explained by us earlier. But, in our view, that may not be enough, given the nature of power, and what settled principles of law tell us in the matter. They would, in such a case, require this Court to read into the provisions of rule 86-A something not expressly stated therein, and so, we find that post decisional or remedial hearing would have to be granted to the person affected by blocking of his ECL. We may add that such post decisional hearing may be granted within a reasonable period of time which may not be beyond two weeks from the date of the order blocking the ECL. After such hearing is granted, the authority may proceed to confirm the order for such period as may be permissible under the rule or revoke the order, as the case may be.”

24. Regarding pre-requisite of recording of reasons in writing, it is found that in the said case the impugned order was just a two liner and it writes as follows:-

“Blocked by Shri/Mr/Ms Vrushali Sukumar Mandape,
Deputy Commissioners of State Tax, MIDC-Nagpur-502
Admn.State.”



25. In the aforesaid kind of the impugned order, the Hon'ble Bombay High Court has held that "this order does not give any reasons and therefore, there is no question of any reflection therein of the authority passing the order on being satisfied about the necessity of passing it."

26. We are of the considered opinion that in the present case the facts are otherwise. We have taken note of the Annexure 'P/2' and the report of the Inspector which has been brought on record and those are the materials clearly indicating that the respondent no. 3 had before him sufficient materials to satisfy himself with regard to necessity of passing an order under Rule 86-A(1) of the CGST/BGST Rules of 2017. Every case depends upon its own facts.

27. Apart from the materials which we have have found, we have noticed clause 3.4 of the guidelines issued by the Central Board of Indirect Taxes and Customs. Paragraph 3.4 is quoted hereunder for a ready reference:-

"3.4 Allowing debit of disallowed/restricted credit under sub-rule (2) of Rule 86A:-

3.4.1 The commissioner or the authorized officer, as the case may be, either on his own or based on the submissions made by the taxpayer with material evidence thereon, may examine the matter afresh and on being satisfied that the input tax credit, initially considered to be fraudulently



availed or ineligible as per conditions of sub-rule (1) of rule 86A, is no more ineligible or wrongly availed, either partially or fully, may allow the use of the credit' so disallowed/restricted, up to the extent of eligibility, as per powers granted under sub-rule (2) of rule 86A. Reasons for allowing the debit of electronic credit ledger, which had been earlier disallowed, shall be duly recorded on file in writing, before allowing such debit of electronic credit ledger.

3.4.2 The restriction imposed as per sub-rule (I) of rule 86A shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction. In other words, upon expiry of one year from the date of restriction, the registered person would be able to debit input tax credit so disallowed, subject to any other action that may be taken against the registered person.

3.4.3 As the restriction on debit of electronic credit ledger under sub-rule (1) of rule 86A is resorted to protect the interests of the revenue and the said action also has bearing on the working capital of the registered person, it should be endeavored that in all such cases' the investigation and adjudication are completed at the earliest, well within the period of restriction, so that the due liability arising out of the same can be recovered from the said taxable person and the purpose of disallowing debit from electronic credit ledger is achieved.”



28. In the facts of the present case, we are of the considered opinion that no illegality or infirmity may be found with the impugned order (Annexure 'P/2') which is in the nature of an interim measure taken by respondent no. 3. The respondent no. 4 has acted on the basis of of Annexure 'P/2', however, the order, if any of respondent no. 4 is not under challenge specifically. The petitioner has a remedy available against the blocking of ITC. If so advised, the petitioner may avail it's remedy in terms of paragraph 3.4 of the guidelines. If any such request is made by the petitioner, the respondent no. 4 shall consider the same as expeditiously as possible and pass a reasoned order after hearing the petitioner/its authorized representative.

29. It is made clear that this Court has not gone into the merit of the case and respondent no. 4 shall consider the entire matter afresh, if petitioner makes an appropriate request in this regard.

30. All contentions are left open.

31. This writ application stands disposed of accordingly.

(Rajeev Ranjan Prasad, J)

(Ashok Kumar Pandey, J)

Sushma2/-

AFR/NAFR	AFR
CAV DATE	22.04.2025
Uploading Date	22.04.2025
Transmission Date	

