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W.P.A. 10207 OF 2020

(Through Video Conference)

M/s. Balaji Agency & Anr.
Vs.
Union of India & Ors.

Mr. Arijit Chakrabarti
Mr. Nilotpal Chowdhury.
... For the Petitioners

Mr. Vipul Kundalia
Mr. Ravi Ranjan Kumar.

... For the UOI.

Mr. K. K. Maiti
Ms. Aishwarya Rajyashree.
...For the Respondent Nos. 2 to 4.

This is an application under Article 226 of the Constitution of India wherein the petitioners are aggrieved by the blockage of their Input Tax Credit (hereafter the ITC) under Rule 86A of the CGST Rules.

It is to be noted that by an order dated February 19, 2020 the ITC amount of Rs.1,16,59,296 (Rupees one crore sixteen lakh fifty-nine thousand two hundred and ninety-six) was blocked by the respondents authorities on the ground that there was a difference in ITC between the GSTR 3B and 2A Forms of Rs.3 crore (Rupees three crore) approximately.

The petitioners replied to the respondents authorities by submitting that the difference indicated by the authorities was actually less than the actual figure, and most of the amount had already been reversed in the financial year 2018-19 in March of 2019. They further informed the respondents authorities that they shall reverse the balance in the next month.

The petitioner has been able to show that the entire amount of the difference has been reversed and subsequently has written several representations to the respondents authorities to unlock the amount that has been blocked.

I have heard counsel on behalf of the parties and perused the materials on record. It is clear from the records that the ITC that has been blocked has already been reversed by the petitioners.

In light of the same, the respondents authorities are directed to take heed of the representation dated October 8, 2020 and if the submissions of the petitioners are correct as per the paragraph 1(c) of the letter, the amount should be unblocked.

The respondents authorities are directed to pass a reasoned order within a period of two weeks from date of communication of this order.

With the above observation, the writ petition is disposed of. There shall be no order as to costs.

Since no affidavit-in-opposition is called for, the allegations made in the writ petition are deemed not to have been admitted.

Urgent photostat certified copy of this order, if applied for, be given to the parties upon compliance of all necessary formalities.

(Shekhar B. Saraf, J.)