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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 201 OF 2024

Regalia Gold Private Limited

... Petitioner

Versus

State of Maharashtra and Ors.

... Respondents

Mr. Brijesh Pathak for the Petitioner

Ms. Shruti D. Vyas, Addl. G.P. a/w Ms. P.J. Gavhane for the State

CORAM: G. S. KULKARNI &
FIRDOSH P. POONIWALLA, JJ.
DATED: 15 January, 2024

P.C.

1. This Petition has been filed under Article 226 of the Constitution of India for the following reliefs:

“(a) issue a Writ of Certiorari or any other appropriate writ, order or direction calling for the record and proceedings maintained by Respondent No.2 in relation to the exercise of powers under Rule 86A, and all other records pertaining thereof and after considering the validity, legality and propriety of impugned action of blocking and debiting an amount of Rs. 21.24 Crores, from the Electronic Credit Ledger of the Petitioner on 28.07.2022, be pleased to hold the same as patently illegal, non-est, null and void ab initio, being without jurisdiction and arbitrary in nature;

(b) Issue a writ of mandamus or any other writ, order or direction in the nature of mandamus holding that the Respondent No.2 could not have continued with the attachment of Rs. 21.24 Crores, from the Electronic Credit Ledger, beyond the period of one year, which causes and deserves to be quashed and/or set-aside and consequently the Respondent No.2 be

*directed to reverse the ITC amount of Rs. 21.24 Crores
in the Electronic Credit Ledger;*

2. It is the case of the Petitioner that the Electronic Credit Ledger of the Petitioner had been blocked on 28th July 2022. It is further the case of the Petitioner that, as per the provisions of sub-rule (3) of Rule 86A of the MGST Rules, 2017 (“the said Rules”) this restriction can be in existence only for a period of one year from the date of imposing such a restriction. Sub-rule (3) of Rule 86A of the said Rules reads as under:

“(3) Such restriction shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction.”

3. In the present case, the said period of one year, as provided under the said Rules, has already expired. In these circumstances, the said Electronic Credit Ledger of the Petitioner would have to be unblocked.

4. Ms.Vyas, the learned Addl G.P. also does not dispute that the said period of one year has expired.

5. Accordingly, we hereby order that the Electronic Credit Ledger of the Petitioner be unblocked forthwith. On the unblocking of the same, all consequential benefits shall entail to the Petitioner.

6. Petition is disposed of in aforesaid terms. There will be no order as to costs.

(FIRDOSH P. POONIWALLA, J.)

(G. S. KULKARNI, J.)