IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR

Writ Petition No.2552 of 2026

M/s. Santosh Steel Enterprises
vs.
The State of Maharashtra, through the Secretary, Department of Goods and Services Tax, and others

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Office notes, Office Memoranda of Coram, appearances, Court's orders or directions and Registrar's orders.	Court's or Judge's Orders

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Mr. Shyam Dewani, Advocate for the Petitioner.
Mr. S.A. Ashirgade, Additional G.P. for the Respondents.

CORAM : ANIL L. PANSARE & NIVEDITA P. MEHTA, JJ.
DATE : 27th MARCH, 2026.

The petitioner shall deposit an amount of Rs. 34.00 lakh in this Court. It is so, because the petitioner expects the respondents to act in terms of the order passed by this Court on 6th March, 2026, in the earlier round of litigation. The said order reads thus:

"On 20/2/2026, following order was passed :

"01. The petitioner is aggrieved of inaction on the part of Revenue in not processing it's case, despite submitting reply to the 'show cause notice' dated 20/01/2025. By the said notice, the Revenue has called upon the petitioner to show cause as to why the ineligible ITC (Input Tax Credit) amount of Rs.1,42,83,018/- should not be blocked in the electronic credit ledger. The Revenue has, on 07/02/2025, blocked the ITC of the petitioner. The petitioner submitted his reply on 26/03/2025. However, no decision has been taken till date.

02. The learned Counsel for the petitioner has invited our attention to Rule 86A of the Central Goods and Services Tax Rules, 2017 (for short "the Rules of 2017") to contend that even in such situation, where the decision has been not taken by the Revenue, it is under an obligation to release the restriction of blocking the ITC after *one year from the date of imposing such restriction. However, till date, neither decision is taken nor ITC is unblocked.*

03. Issue notice to the respondents, returnable on 6th March, 2026.

04. The learned A.G.P. waives service of notice on behalf of the Respondents/State. 05. The learned A.G.P. shall take instructions as to why the respondents have not taken a decision in the matter and, secondly, why the ITC has been not unblocked in terms of Sub-rule (3) of Rule 86A of the Rules of 2017. 06. The respondents may also take corrective measures before the next date."

2] In response, the respondents have taken corrective steps. The electronic credit ledger of the petitioner is unblocked.

3] Thus, the purpose of filing the petition is served.

4] The Counsel for the petitioner, however, submits that while unblocking negative balance, the respondents have now released an amount of Rs.4.64 crore approximately, but have not released Rs.34,40,000/-. The petitioner has sought advise of his Chartered Accountant, who informed the petitioner that the respondents ought to have released the said amount as well.

5] In our view, the aforesaid issue can be independently agitated by the petitioner before the respondent authorities by submitting appropriate application-cum-representation, which if submitted, shall be considered on its own merits.

6] With the aforesaid liberty, the petition is disposed of."

02. As could be seen, we had granted liberty to the petitioner to agitate the issue independently before the respondent authorities by submitting an appropriate application-cum-representation, with a direction that, if such representation is made, the same shall be considered on its own merits. Thus, on 06/03/2026, we had disposed of the petition with aforesaid directions. The petitioner submitted application-cum-representation on 11th March, 2026 and in 12 days i.e. on 23rd March, 2026, he filed instant petition. Thus, the petitioner expects the respondents to consider and decide his representation within a period of 12 days. We shall examine the said

expectation, however, the same shall be subject to the petitioner depositing the aforesaid amount.

03. At this stage, learned Counsel for the petitioner seeks permission to withdraw the petition.

04. Permission is granted. The petition is disposed of as withdrawn, subject to the petitioner depositing costs of Rs. 5,000/- (Rupees Five Thousand Only) with Public Welfare Accounts maintained with Union Bank of India, High Court Branch, Civil Lines, Nagpur bearing Account No.129712010001014 and IFSC Code UBIN0812978.

(Nivedita P. Mehta, J.) **(Anil L. Pansare, J.)**

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