

Dinesh Tambde

12 Blocking of ITC: Electronic Credit Ledger cannot be blocked to make the negative balance in it. The petitioner had filed instant writ petition against the action on part of the department in blocking input tax credit (ITC) to tune of Rs. 50.06 lakhs for the period from 01.02.2024 to 13.02.2024. It was contended that the ITC had been blocked in contravention to Rule 86A, where blocking can only be done so far as ITC available in electronic credit ledger of petitioner and could not have been by way of making negative credit. The Honourable High Court noted that as per Rule 86A, only blocking of availing of ITC to whatever is in credit of petitioner is permissible. No power is conferred upon authorities for block of ITC to be availed by petitioner in future. In the instant case, the department had made a negative credit entry in the electronic credit ledger of the petitioner.....