

**(2021) 12 DEL CK 0128**

**In the Delhi High Court**

**Case No :** Civil Writ Petition No. 14422 Of 2021

Wipro Ltd

APPELLANT

Vs

Assistant Commissioner Of GST Mcie Division CGST

RESPONDENT

**Date of Decision :** 16-12-2021

**Acts Referred:**

Central Goods and Services Tax (CGST) Rules, 2017 — Rule 86A, 86A(3)

**Citation :** (2021) 12 DEL CK 0128

**Hon'ble Judges :** Manmohan, J;Navin Chawla, J

**Bench :** Division Bench

**Advocate :** V.Chandrashekara Bharathi, Abhinav Kalia

**Final Decision :** Disposed Of

## Judgement

Manmohan, J

C.M.No.45404/2021

Exemption allowed, subject to all just exceptions.

Accordingly, the application stands disposed of.

W.P.(C) No.14422/2021

1. Present writ petition has been filed challenging Rule 86A of the CGST Rules as illegal, arbitrary and bad in law. Petitioner also seeks a direction declaring the continuance of blocking of petitioner's ITC of INR 8,72,22,741/- beyond a period of one year as illegal on account of violation of express mandate of Rule 86A(3) and to unblock and restore the credit of the petitioner.

2. Learned counsel for the petitioner states that the respondent had not given any reason to the petitioner justifying the blocking of credit and, thus, the impugned action is in violation of the principles of natural justice. He states that Rule 86A(3) of the CGST Rules, 2017 mandates that any restriction on the usage of ITC shall cease to have effect after the expiry of a period of one year from the

date of imposing of such restriction. However he points out that in the present case, despite the period of one year having lapsed on 25th January, 2021, the respondent has not unblocked the ITC.

3. Learned Counsel for the petitioner states that despite the letters written by the petitioner on 15th June 2021 and 17th September, 2021 to the respondent, the respondent has neither provided a response justifying the blocking of ITC nor has unblocked the ITC.

4. Issue notice. Mr.Abhinav Kalia, Advocate accepts notice on behalf of the respondent. He states that he has no instructions in the present case.

5. However, keeping in view the fact that the petitioner's representations/letters dated 15th June 2021 and 17th September, 2021 have not been decided till date, the present writ petition is disposed of with a direction to the respondent to decide the aforesaid representations/letters by way of a reasoned order in accordance with law within four weeks. The rights and contentions of all the parties are left open.