



**HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR**

D. B. Civil Writ Petition No. 3174/2025

M/s Jai Bajrang Steel, Having Its Address At E-41 B RIICO Industrial Area, Khushkhera, Alwar-301707 (Rajasthan) through its Partner Rahul Sapra

-----Petitioner

Versus

1. State of Rajasthan, through Additional Chief Secretary Finance, Government Secretariat, Government of Rajasthan, Janpath, Jaipur-302005 (Raj.)
2. Deputy Commissioner State Tax, Circle-B, Bhiwadi, 2Nd Floor, Kar Bhawan, Baba Mohanram Road, Bhiwadi-301019 (Raj.)
3. Commissioner State Tax (Gst) Ambedkar Circle, Near Rajasthan High Court, Rajasthan
4. Union of India, through Secretary, Department of Revenue, Ministry of Finance, North Block, New Delhi-110001.

-----Respondents

For Petitioner	:	Mr. Tanmay Dhand Advocate with Mr. Niraj Kumar Yadav Advocate.
For Respondents	:	Mr. Kartikeya Sharma Advocate on behalf of Mr. Sandeep Taneja Additional Advocate General.

**HON'BLE THE CHIEF JUSTICE MR. MANINDRA MOHAN SHRIVASTAVA
HON'BLE MR. JUSTICE ANAND SHARMA**

Order

04/04/2025

1. Action of blocking of electronic credit ledger of ITC is challenged essentially on the ground that even before appeal against adjudication order dated 30.08.2024, rectified on 28.11.2024, could be filed, ITC ledger has been blocked.



2. It is submitted that ITC ledger has been blocked without hearing the petitioner.

3. We find that it is not in dispute that the petitioner has neither discharged tax liability as ordered in the adjudication, nor filed any appeal. The provisions of Section 107 of the Rajasthan Goods and Services Tax Act, 2017 (for short 'the RGST Act, 2017')/the Central Goods and Services Tax Act, 2017 (for short 'the CGST Act, 2017') entitle the petitioner to file an appeal. As there is no stay of demand, the authority appears to have presently blocked availment of ITC. In view of the provisions contained in Section 78 of the RGST Act, 2017/the CGST Act, 2017, recovery could not be initiated within a period of three months from the date of service of order of demand. Blocking of ledger of ITC per se does not amount to recovery.

4. It is open for the petitioner to take recourse to the remedy of appeal, if available under the law and then represent the authority. On such representation being made along with proof of filing of appeal, the authority shall examine whether upon filing of appeal, in view of provisions of Section 107 of the RGST Act, 2017/the CGST Act, 2017, appropriate orders are required to be passed with regard to unblocking electronic credit ledger of ITC.

5. Writ petition is, accordingly, disposed off with liberty to the petitioner to revive the petition in case eventuality so arises.

(ANAND SHARMA),J

(MANINDRA MOHAN SHRIVASTAVA),CJ

MANOJ NARWANI-Divya /10