

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

SPECIAL LEAVE PETITION (CIVIL) Diary No(s). 31866/2025

[Arising out of impugned final judgment and order dated 18-11-2024 in CWP Nos. 19104/2024 and 19806/2024 passed by the High Court of Punjab & Haryana at Chandigarh]

DEPUTY DIRECTOR & ANR. ETC.

Petitioner(s)

VERSUS

RAMESH KUMAR YADAV & ANR. ETC.

Respondent(s)

(IA No. 153623/2025 - CONDONATION OF DELAY IN FILING)

Date : 11-07-2025 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE RAJESH BINDAL
HON'BLE MR. JUSTICE R. MAHADEVAN
(PARTIAL COURT WORKING DAYS BENCH)

For Petitioner(s) :

Mr. Rupesh Kumar, Sr. Adv.
Mr. Manoj Kumar, Adv.
Mr. Gurmeet Singh Makker, AOR

For Respondent(s) :

Mr. Rajat Mittal, AOR
Mr. Tarang Goyal, Adv.

UPON hearing the counsel the Court made the following
O R D E R

Delay condoned.

Challenge in the present petitions is to an interim order passed by the High Court relying upon the judgment of the High Court in the case of *K.J.International v. State of Punjab* 2023 (12) Centax 106 (P&H). The main writ petition is still pending.

In view of the aforesaid fact, we do not find that any case is made out for interference with the impugned order. The Special Leave Petitions are accordingly dismissed.

Pending application, if any, also stands disposed of.

(ANITA MALHOTRA)
AR-CUM-PS

(AKSHAY KUMAR BHORIA)
COURT MASTER



107+242 CM-18640-CWP-2024 in/and
CWP-19104-2024(O&M) and
CWP-19806-2024
M/S S S CON CAST PRIVATE LIMITED
VS.
UNION OF INDIA AND ORS

Present: Mr. Rishab Singla, Advocate
for the applicant-petitioner
(in CWP-19806-2024)

Ms. Sneha Ghosh, Advocate
for the petitioner
(in CWP-19104-2024).

Ms. Sharmila Sharma, Senior Panel Counsel
for the respondents.

CM-18640-CWP-2024 in CWP-19104-2024(O&M)

Application for placing record the replication is allowed.

Replication is directed to be placed on record accordingly.

CWP-19104-2024(O&M) and CWP-19806-2024

Reply as well as rejoinder have been filed.

Learned counsel for the petitioner submits that while the High Courts of Delhi, Gujarat and Telangana have held that there is no power available with the respondents under Rule 86 (A) of the CGST Rules, 2017 (for short “the Act”) to negatively block the electronic credit ledger whereas the High Courts of Allahabad and Calcutta have held it otherwise.

Learned counsel for the petitioner has also invited attention to the judgment passed by the Punjab and Haryana High Court in **‘K.J. International Vs. State of Punjab’ 2023 (12) Centax 106 (P&H)**, to submit that the negative blocking of the input tax credit ledger beyond 10% of the demand is unjustified. In other words, the Court has observed that the account cannot be blocked beyond 10% of the penalty amount assessed as



**CM-18640-CWP-2024 in/and
CWP-19104-2024(O&M) and
CWP-19806-2024**

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that is the condition of pre-deposit for filing of an appeal against the order passed under Section 73 and 74 of the Act.

The issue requires to be examined at length, however, at this stage, we allow the respondents to block 10% of the tentative amount of demanded tax, which may be assessed provisionally and unblock the ITC to that extent.

List on 10.12.2024.

A photocopy of this order be placed on the file of another connected case.

**(SANJEEV PRAKASH SHARMA)
JUDGE**

**(SANJAY VASHISTH)
JUDGE**

November 18, 2024
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