# IN THE HIGH COURT OF JUDICATURE AT BOMBAY
## CIVIL APPELLATE JURISDICTION

## WRIT PETITION NO. 7404 OF 2021

Karan Agencies Through Mr.Pradeep Rameshkumar
Nandwani, Partner ...Petitioner
Versus
The State Of Maharashtra Through Prin. Secretary,
Ministry Of Finance And Ors ...Respondents

## WITH
## WRIT PETITION NO. 1502 OF 2022

Nevitad Distillers Pvt. Ltd.
Through Mr. Ganesh B.Bhor ...Petitioner
Versus
The State Of Maharashtra Through Prin. Secretary,
Ministry Of Finance And Ors ...Respondents

## WITH
## WRIT PETITION NO. 34 OF 2023

Karan Agencies ...Petitioner
Versus
Goods and Services Tax Council
and Ors. ...Respondents

## WITH
## WRIT PETITION NO. 7099 OF 2021

Karan Bottling Company Pvt.Ltd. ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

## WITH
## WRIT PETITION NO. 7102 OF 2021

Brihan Karan Sugar
Syndicate Pvt. Ltd ...Petitioner
Versus
The State Of Maharashtra
Through Prin. Secretary,
Ministry Of Finance And Ors ...Respondents

WITH
WRIT PETITION ST NO. 93763 OF 2020

Dalmiya Bharat Sugar And Industries Ltd , Thru Its Autorised Officer Mr. Naresh C. Paliwal And Ors ...Petitioners
Versus
The State Of Maharashtra And Ors ...Respondents

WITH
WRIT PETITION ST NO. 94011 OF 2020

Karan Agencies Through Partner Karan Kalani ...Petitioner
Versus
The State Of Maharashtra And Ors ...Respondents

WITH
WRIT PETITION NO. 39 OF 2023

Karan Agencies Through Partner Karan Kalani ...Petitioner
Versus
The State Of Maharashtra And Ors ...Respondents

WITH
WRIT PETITION NO. 36 OF 2023

Karan Agencies Through Partner Karan Kalani ...Petitioner
Versus
The State Of Maharashtra And Ors ...Respondents

WITH
WRIT PETITION NO. 40 OF 2023

Karan Agencies Through Partner Karan Kalani ...Petitioner
Versus
The State Of Maharashtra And Ors ...Respondents

WITH
WRIT PETITION NO. 38 OF 2023

Karan Agencies ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

WITH
INTERIM APPLICATION NO. 4 OF 2021
IN
WRIT PETITION NO. 11434 OF 2017

Karan Agencies Through Partner
Karan Kalani ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

WITH
WRIT PETITION NO. 8129 OF 2024

Chaitali Botting Ltd. ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

WITH
WRIT PETITION NO. 7374 OF 2025

Chaitali Bottling Ltd. ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

WITH
WRIT PETITION NO. 1501 OF 2022

Brihan Karan Sugar Syndicate Pvt.Ltd. ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

WITH

**WRIT PETITION NO. 15116 OF 2023**

Karan Agencies ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

**WITH**
**WRIT PETITION NO. 12071 OF 2022**

M/s. Jakraya Sugar Ltd. ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

**WITH**
**WRIT PETITION NO. 8948 OF 2021**

Lokranjan Brewries Pvt.Ltd. ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

**WITH**
**WRIT PETITION NO. 11434 OF 2017**

Aurangabad Distillery Limited and Anr. ...Petitioners
Versus
The State Of Maharashtra
And Ors ...Respondents

**WITH**
**INTERIM APPLICATION NO. 4 OF 2021**
**AND**
**INTERIM APPLICATION NO.1106 OF 2022**
**AND**
**INTERIM APPLICATION NO. 823 OF 2023**
**IN**
**WRIT PETITION NO.11434 OF 2017**
**WITH**
**WRIT PETITION NO. 13184 OF 2019**

Karmaveer Shankarrao Kale ...Petitioner
Versus
The State Of Maharashtra
And Ors ...Respondents

**WITH**
**INTERIM APPLICATION (ST) NO. 5837 OF 2022**
**AND**
**INTERIM APPLICATION NO.1809 OF 2026**
**AND**
**INTERIM APPLICATION NO. 1810 OF 2026**
**AND**
**INTERIM APPLICATION NO. 3838 OF 2020**
**IN**
**WRIT PETITION NO. 13184 OF 2019**
**WITH**
**WRIT PETITION NO. 11423 OF 2024**

Lajawab Fabrics ...Petitioner
Versus
Union of India And Ors ...Respondents

**WITH**
**WRIT PETITION NO. 12475 OF 2024**

New Global Tex ...Petitioner
Versus
Union of India Through Secretary
And Ors ...Respondents

**WITH**
**WRIT PETITION NO. 12476 OF 2024**

Mariyam Fabtex ...Petitioner
Versus
Union of India ...Respondents

**WITH**
**WRIT PETITION NO. 12477 OF 2024**

M.A.Enterprises ...Petitioner
Versus
Union of India ...Respondents

**WITH**
**WRIT PETITION NO. 1634 OF 2025**

Tista Creations Through
Jitendra T. Adnani ...Petitioner
Versus
Union Of India Through
Secretary, Ministry Of Finance ...Respondents

**WITH**
**WRIT PETITION NO. 1744 OF 2024**

ERFOLG ...Petitioner
Versus
Union Of India ...Respondents

**WITH**
**WRIT PETITION NO. 15974 OF 2025**

M/s Jameel Tex Through Proprietor
Jameel Ahmad Gulam Rasool ...Petitioner
Versus
Union of India Through Secretary,
Ministry of Finance AND ORS ...Respondents

**WITH**
**WRIT PETITION NO. 15975 OF 2025**

M/s Jameel Tex Through Proprietor
Jameel Ahmad Gulam Rasool ...Petitioner
Versus
Union of India Through Secretary,
Ministry of Finance AND ORS ...Respondents

**WITH**
**WRIT PETITION NO. 2049 OF 2026**

Ali Enterprises ...Petitioner
Versus
Union of India Through Secretary,
Ministry of Finance AND ORS ...Respondents

**WITH**
**WRIT PETITION NO. 4056 OF 2026**

Minara Fabtex ...Petitioner
Versus
Union of India AND ORS ...Respondents

**WITH**
**WRIT PETITION NO. 4057 OF 2026**

Ms T.R.Tex ...Petitioner
Versus
Union of India AND ORS ...Respondents

**WITH**
**WRIT PETITION NO. 4058 OF 2026**

Ms. Apple Fabrics ...Petitioner
Versus
Union of India ...Respondents

**WITH**
**WRIT PETITION NO. 4059 OF 2026**

Ms. AVS Tex Thr.PRO Walel Ahmad Shaikh
Mohammad Saleem ...Petitioner
Versus
Union of India Through Secretary,
Ministry of Finance AND ORS ...Respondents

**WITH**
**WRIT PETITION NO. 4060 OF 2026**

Ms Best Fabrics ...Petitioner
Versus
Union of India Through Secretary,
Ministry of Finance AND ORS ...Respondents

---

Mr. Abhishek Rastogi a/w Ms. Pooja M. Rastogi a/w Ms. Meenal Songire a/w Ms.Aarya More for the Petitioner in all the Petitions.
Mr. Subir Kumar (through VC) a/w. Mr. Satyaprakash Sharma and Mr. Ankush Rai for Respondent nos. 1, 2 and 3 in (OS) WP/1744/2024.
Mr. Vijay H. Kantharia a/w. Ms. Sangeeta Yadav for Respondent nos. 1, 3 and 4 in WP/11423/2024.
Mr. Jitendra Misha a/w. Mr. Satyaprakash Sharma for Respondent nos. 3 and 4 in WP/1634/2025.
Mr. Satyaprakash Sharma for Respondent – CGST in WP/15974/2025, WP/4059/2026 and WP/15975/2025.
Mr. Satyaprakash Sharma a/w. Mr. Ankush Rai i/by. Mr. Subir Kumar for Respondent nos. 1, 2 and 3 in WP/1744/2024.
Ms. Shruti D. Vyas, Addl. G.P. a/w D.S. Deshmukh, AGP for State in WP/4060/2026.
Ms. Shruti D. Vyas, Addl. G.P. a/w Mr. Aditya R. Deolekar, AGP for State in WP/11423/2024, WP/15974/2025, WP/2049/2026, WP/4056/2026, WP/4057/2026, WP/4058/2026 and WP/4059/2026.

Ms. Shruti D. Vyas, Addl. G.P. a/w. Ms. S.A. Prabhune AGP for the State in WP/12477/2024.
Ms. S.A. Prabhune AGP for the State in WP/11423/2024, WP/12477/2024, WP/4056/2026, WP/4058/2026 and WP/4060/2026.
Ms. Shruti D. Vyas, Addl. G.P. a/w. Mr. M.M. Pabale, AGP for the State in WP/15975/2025.
Dr. Dhruti Kapadia, AGP for the State in WP/12475/2024, WP/12476/2024
Ms. Raju R. Thakkar for Respondent in WP /11423/2024 and WP /12476/24
Mr. Satyaprakash Sharma with Mr. Saket Ketkar for Respondent (GST. Nashik) in WP/15974/2025, WP/15975/2025, 4059/2026.
Ms. Jyoti Chavan, Addl. G.P. for State of Maharashtra in (OS) WP/1634/2025 a/w (OS) WP/1744/2024
Mr. S.R. Ketkar for Respondent nos. 1, 3 and 4 in WP/11423/2024,WP/12475/2024,WP/12476/24, WP/12477/2024.

---

**CORAM: G. S. KULKARNI &**
**AARTI SATHE, JJ.**

**DATE: 02 APRIL 2026**

**P.C.**

1. This batch of petitions involve common questions of fact and law, hence, they are being disposed of by this common order.

2. The challenge in these petitions is to the show cause notices/intimation notices issued to the petitioners proposing action, particularly regarding the blocking of Input Tax Credit (ITC) available to them. The reasons cited by the department vary, including allegations that the suppliers of the petitioners were unregistered entities and that the petitioners availed fraudulent ITC on the strength of bogus invoices without actual movement of goods or services.

3. The petitioners have raised several contentions challenging such action by the department, including a challenge to the *vires* of Section 16(2)(c) of the CGST

Act. According to the petitioners, the said provision imposes an undue burden on the recipient of goods/services and is therefore arbitrary, irrational, and violative of their rights under Articles 14, 19(1)(g), read with Article 300A of the Constitution of India.

4. The petitioners have also challenged the action of the department in blocking their ITC in the respective matters.

5. After hearing learned counsel for the parties, we are of the opinion that the CGST Act, along with the Rules framed thereunder, constitutes a complete code governing the framework within which the department is required to act.

6. Blocking of ITC undoubtedly has adverse consequences and affects the right of registered persons to carry on business activities. However, each case must be examined on its own facts to determine whether the action proposed by the department is based on tangible material and whether there exists a rational basis for invoking the statutory machinery. At the same time, situations involving fake or bogus ITC cannot be countenanced under the provisions of law governing the utilization of input tax credit.

8. Insofar as the show cause notices or pre-intimation notices are concerned, they are required to be decided on the facts of each individual case. A collective adjudication on merits of there individual issues is certainly not possible.

9. It is a settled principle of law that the validity of a statute can be challenged in appropriate cases and at appropriate stage where facts disclose a legal injury. In such circumstances, this Court, in exercise of its jurisdiction under Article 226 of

the Constitution of India, may examine the challenge to the validity of legislative provisions. In the present petitions, in our opinion, it would be premature to entertain such challenge at this stage of the proceedings that is before a decision on the show cause notice. We are thus of the view that, the show cause notices, were issued, the petitioners shall be permitted to file their replies, if not already filed within a period of two weeks from today. The show cause notices shall thereafter be adjudicated in accordance with law, after considering all contentions raised by the petitioners. It is clarified that such contentions may relate both to factual aspects and to legal issues that the petitioners seek to urge.

14. Insofar as those petitions in which only a pre-show cause intimation has been issued to the petitioners are concerned, and where the petitioners have already submitted their objections, such objections shall be considered expeditiously. The concerned authority shall grant an opportunity of hearing to the petitioners, so that an appropriate decision may be taken forthwith as to whether a show cause notice is required to be issued or the proceedings deserve to be dropped. This exercise shall be completed within a period of eight weeks from today.

16. All contentions of the parties are expressly kept open for consideration in the proceedings before the adjudicating authorities.

17. In regard to the challenge to the *vires* of Section 16(2)(c) of the CGST Act is concerned, all contentions of the petitioners in that regard are kept open to be agitated, if the need so arises, in appropriate proceedings.

18. The petitions are accordingly disposed of in the aforesaid terms. No order as to costs.

(AARTI SATHE, J.) (G. S. KULKARNI, J.)