



Sr. No.229

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH****CWP-14419-2026 (O&M)****Date of Decision : 12.05.2026**M/s Shreyash Retail Private Limited
Versus

...Petitioner

The Assistant Commissioner of State Tax and another...Respondents

CORAM : HON'BLE MR. JUSTICE DEEPAK SIBAL**HON'BLE MS. JUSTICE LAPITA BANERJI**

Present : Mr. Kumar Visksha, Advocate
(through video conferencing)
Mr. Abhinav Sood, Advocate,
Mr. Ajitesh Dayal, Advocate
for the petitioner.

Mr. Saurabh Kapoor, Additional Advocate General, Punjab

DEEPAK SIBAL, J. (Oral)

This petition is directed against the blocking of the petitioner's input tax credit conveyed to the petitioner through email dated 13.01.2026 (Annexure P-1) on the ground that the petitioner's input tax credit has been blocked without passing any order.

2. Learned counsel for the parties have been heard.

3. Rule 86A of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as 'the Rules') clearly provides that the Commissioner or an officer authorized by him in this regard, not below the rank of Assistant Commissioner, can block an assessee's ITC available in the assessee's electronic credit ledger but only when such officer has reasons to believe that the ITC available in the assessee's electronic credit



ledger has been fraudulently availed by the assessee or that the assessee is ineligible to avail the ITC existing in its electronic credit ledger.

4. It is not disputed that prior to blocking of the petitioner's ITC existing in its electronic credit ledger, no order was passed by the competent authority recording therein the reasons as to why he believed that the petitioner's ITC, existing in its electronic credit ledger, should be blocked. Thus, the impugned blocking of the petitioner's ITC contravenes Rule 86-A of the Rules. Therefore, we unhesitantly hold that the blocking the petitioner's ITC, existing in its electronic credit ledger is illegal and order its release. However, the respondents would be at liberty to proceed afresh against the petitioner in accordance with law.

5. Disposed of.

(DEEPAK SIBAL)
JUDGE

(LAPITA BANERJI)
JUDGE

May 12, 2026

vandana

Whether speaking/reasoned :	Yes/No
Whether reportable :	Yes/No