

Pre-deposit is to be paid through Electronic Cash Ledger when Electronic Credit Ledger is blocked due to denial of ITC

The Hon'ble Madras High Court in the case of *KOG-KTV Food Products (India) (P.) Limited v. Joint Commissioner (Appeals) [W.P. (MD) No. 21581 of 2022 dated April 17, 2024]* dismissed the writ petition and held that the Appellant is liable to pay the amount of pre-deposit through Electronic Cash Ledger when Electronic Credit Ledger is blocked due to denial of ITC.

Facts:

KOG-KTV Food Products (India) (P.) Limited ("**the Petitioner**") has filed a writ petition against the Appellate Order dated August 10, 2022 ("**the Impugned Order**") passed by the Revenue Department ("**the Respondent**") wherein the appeal filed by the Petitioner was rejected. The Petitioner contends that the Petitioner is not required to pre-deposit the amount as the Input Tax Credit ("**ITC**") of the Petitioner was blocked.

Issue:

Whether the pre-deposit is to be paid through Electronic Cash Ledger when Electronic Credit Ledger is blocked due to denial of ITC?

Held:

The Hon'ble Madras High Court in the case of *W.P. (MD) No. 21581 of 2022* held as under:

- Noted that, as the dispute is in relation to denial of ITC, therefore the Petitioner cannot deposit the amount from Electronic Credit Ledger.
- Opined that, the Petitioner is required to pre-deposit the 10 percent of the disputed amount from Electronic Cash Ledger for filing of the appeal.
- Held that, the writ petition is liable to be dismissed.

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