# Sterlite Power Transmission Ltd. v. The Additional Commissioner (Appeals)

*A refund sought of credit that accumulated while the electronic credit ledger stood administratively blocked, output tax for that period having been paid through the cash ledger instead. At issue: whether this fell within either of the two situations in w*

**Date of Order:** December 12, 2024
**Case Law No:** GIB-THC-2025-19
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## CASE DESCRIPTION / SUMMARY

### Background.

The petitioner's electronic credit ledger was blocked by the State authorities on 20.03.2021 following scrutiny and an ASMT-10 notice, and was unblocked on 07.07.2021. In the meantime, to discharge its output liability for March 2021, the petitioner paid through the electronic cash ledger, and thereafter sought refund of the resulting accumulated credit of Rs. 78,20,202 in FORM GST RFD-01 under the residual category. The claim was rejected and the appeal dismissed on 14.03.2023. The petitioner had undertaken no business after March 2021 and continued to file nil returns while retaining registration for tender participation.

### Observations of the Court.

The Court found that the dues for March 2021 had been discharged only through the cash ledger and not also through the blocked credit ledger, so there was no duplication or double payment for the tax period, and that the legality of the blocking and unblocking between 20.03.2021 and 07.07.2021 had never been the subject matter of any litigation in which it was determined.

To claim refund of unutilised credit the petitioner had to fall within Section 54(3) read with Section 54(8), which permits refund only where credit accumulates on account of zero-rated supplies made without payment of tax, or where the rate of tax on inputs is higher than that on output supplies. Neither condition was satisfied. The accumulated credit remains available for future tax liability, and the refund had been sought under a misconception of law.

### Final verdict.

No illegality was found in the impugned appellate order calling for interference in writ jurisdiction, and the petition was dismissed.

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