



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10-07-2026

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THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

**WP No. 24930 of 2026
and W.M.P.No.27184 of 2026**

M/S. Krishna Fabrications Pvt. Ltd
Represented its Director Mr Arun Choudhari,
No.5, GST Road, Guduvancheri,
Kancheepuram, Tamil Nadu, 603202

..Petitioner(s)

Vs

The State Tax Officer (ST)
Maraimalai Nagar Assessment Circle,
Address- No.4/109, 2nd Floor,
Bangalore Chennai Highway,
Varadharajapuram, Nazerathpet-600 123

..Respondent(s)

PRAYER: Writ Petition filed under Article 226 of The Constitution of India
praying for the issuance of a Writ of Certiorari, calling for the records relating
to the impugned order bearing ref. no. GSTIN/33AAACK5536A1Z4/2021-22
dated 28.11.2025 along with DRC 07 ref. no.ZD3312250177989 dated
01.12.2025 passed by the Respondent and quash the same as the same being
arbitrary, passed in violation of the principles of natural justice.

For Petitioner(s): M/s. G.Natarajan

For Respondent(s): Ms.Amirta Poonkodi Dinakaran,
Government Counsel (Tax)



ORDER

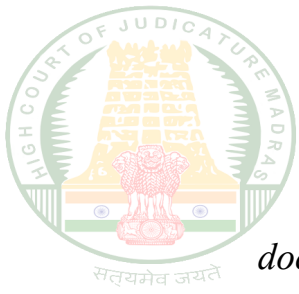
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An order dated 28.11.2025 is challenged in this writ petition on the ground that dropping order dated 24.12.2025 was issued in respect of the same issues.

2. Adverting to the dropping order, learned counsel for the petitioner points out that such order was issued after examining the petitioner's reply and supporting documents and concluding that the supply value reported in Table 5 of GSTR 9 pertained to non GST / non supply transactions which do not fall under the category of exempt supplies. Consequently, he points out that it is further recorded that Section 17(2) and Rule 42 relating to reversal of common credit are not applicable. Without considering these aspects, he submits that the impugned order was issued.

3. Ms.Amirta Poonkodi Dinakaran, learned Government Counsel (Tax), submits that the matter may be remanded for re-consideration.

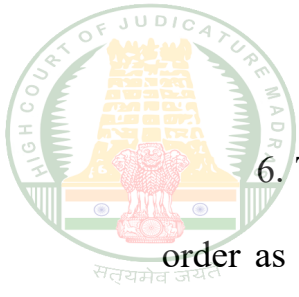
4. As contended by learned counsel for the petitioner, the dropping order is a reasoned order issued after considering the petitioner's reply and supporting documents. In said order, it is recorded as under:



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“On examination of the reply and supporting documents, it is observed that the value reported under Table 5 of GSTR-9 pertains to non-GST / non-supply transactions which do not fall under the category of exempt supplies. Therefore, Section 17(2) and Rule 42 relating to reversal of common credit are not applicable in the present case. Since there is no exempt turnover and no common credit attributable to exempt supplies, the proposed computation of ITC reversal is not legally sustainable. Accordingly, the proposed demand of Rs.5,18,213 along with interest and penalty is hereby dropped and the proceedings initiated under Section 73(1) of the CGST / TNGST Act, 2017 for FY 2021-22 are closed, subject to verification of the documents produced during adjudication.”

5. In view of the above, re-consideration is warranted. Towards that end, impugned order dated 28.11.2025 is set aside and the matter is remanded for re-consideration. After providing a reasonable opportunity to the petitioner, a fresh order shall be issued within **three months** from the date of receipt of a copy of this order.



6. The writ petition is disposed of on the above terms. There shall be no order as to costs. Consequently, the connected writ miscellaneous petition is closed.

10-07-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
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To

The State Tax Officer (ST)
Maraimalai Nagar Assessment Circle,
Address- No.4/109, 2nd Floor,
Bangalore Chennai Highway,
Varadharajapuram, Nazerathpet-600 123



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SENTHILKUMAR RAMAMOORTHY, J.

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