



W.P.No.2305 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 02.02.2024

CORAM

THE HONOURABLE MR.JUSTICE SETHILKUMAR RAMAMOORTHY

W.P.No.2305 of 2024

M/s.T.T.Energies

Represented by its Proprietor Tmt.Suganya Prabhu
448/3, Lakshminaickenpalayam, Selakaranchal Village,
Sulur TK, Coimbatore,
Tamil Nadu 641 658.

... Petitioner

-vs-

The Assistant Commissioner (ST),
Palladam - II Circle,
No.10, Pollachi Main Road,
Palladam - 641 664.

... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Mandamus, directing the respondent to remove the blockage of ITC effected by him in the Electronic Credit Ledger of the petitioner as the same is arbitrary, illegal and in violation of articles 14, 19(1)(g) and 265 of the Constitution.



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For Petitioner : Mr.G.Natarajan

For Respondent : Mrs.K.Vasanthamala, GA (T)

ORDER

The petitioner seeks a direction to the respondent to remove the blockage of Input Tax Credit (ITC) in the Electronic Credit Ledger of the petitioner.

2. The petitioner states that he is engaged in the business of trading in iron and steel articles and that he is a registered person under GST laws. It is further stated that the ITC of the petitioner was blocked pursuant to an inspection of the premises of two of the petitioner's suppliers, namely, M/s.Vetrivel Traders and M/s.Shri Vaari Steels in November 2022. By asserting that the petitioner purchased goods from the said traders in early 2022 and that such



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transactions are genuine, the present writ petition is filed after submitting a request letter dated 08.01.2024 to release the blocking of ITC.

3. Learned counsel for the petitioner submits that the action of blocking ITC has prejudiced the petitioner and the petitioner is no longer in a position to file returns by availing ITC. He also submits that the respondent has failed to act on the request for releasing the block on ITC.

4. Mrs.K.Vasanthamala, learned Government Advocate, accepts notice on behalf of the respondent. She submits that M/s.Vetrivel Traders and M/s.Shri Vaari Steels were found to be engaging in bill trading. She also submits that the said entities obtained GST registration on the basis of fabricated documents. She points out that an intimation in Form GST DRC-01A was issued to the petitioner on 01.02.2024.



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5. In order to establish that the transactions with M/s.Vetrivel Traders and M/s.Shri Vaari Steels were genuine, the petitioner is under an obligation to produce documents to establish purchase and receipt of the relevant goods. Such documents may be in the form of invoices, e-way bills, lorry receipts, delivery challans, bank statements and the like. In the communication dated 17.11.2023 to the respondent, the petitioner has stated that these documents are with the central authorities. As regards the documents relating to transactions with M/s.Vetrivel Traders, it appears from communication dated 08.12.2023 that the said documents were provided later to the respondent. It is unclear from the documents on record as to whether documents pertaining to purchases from M/s.Shri Vaari Steels were provided. In any case, the petitioner is under an obligation to provide the same.

6. Since a request was made by the petitioner on 08.01.2024 to



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release the blocked ITC in the Electronic Credit Ledger, it is just and necessary that the respondent takes a decision with regard to such request expeditiously.

7. For reasons set out above, this writ petition is disposed of by directing the respondent to consider and dispose of the representation dated 08.01.2024 within *thirty days* from the date of receipt of further documents from the petitioner after taking into account all documents produced by the petitioner to establish that the transactions were genuine. The petitioner is also granted leave to produce any additional documents within a period of *one week* from the date of receipt of a copy of this order.

8. W.P.No.2305 of 2024 is disposed of on the above terms. No costs.

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Index : Yes / No

Internet : Yes / No

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Neutral Citation: Yes / No

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SENTHILKUMAR RAMAMOORTHY,J

rna

To

The Assistant Commissioner (ST),
Palladam - II Circle,
No.10, Pollachi Main Road,
Palladam - 641 664.

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