IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.06.2025

CORAM

The HONOURABLE MR.JUSTICE KRISHNAN RAMASAMY

Writ Petition No.21448 of 2025
and
WMP.Nos.24224 & 24225 of 2025

TVL. SRI BALAJI TRADING COMPANY,
Represented by its Proprietor,
Mr.P.N.Balaji, No.52-A, MG ROAD,
Hosur, Krishnagiri, Tamil Nadu - 635 109.

...Petitioner

..Vs..

The Assistant Commissioner (ST) (FAC),
Hosur (South III Assessment Circle,
Room No.333, 3rd Floor,
Integrated Commercial Taxes and
Registration Department Building,
Nandanam, Chennai - 35.

... Respondent

Writ Petition filed under Article 226 of the Constitution of India, for issuance of Writ of Certiorari calling for the records relating to the impugned order bearing GSTIN / 33AEPPB6203D1Z3/2020-21 along with the summary order bearing reference no.ZD330425045571M dated 04.04.2025 passed by the first respondent and quash the same as the same being arbitrary, passed in violation of the principles of natural justice, subsequently directing the respondent to lift the bank attachment of the petitioner.

For Petitioner : Mr.G. Natarajan

For Respondent : Mr.V.Prashanth Kiran
Government Advocate (Taxes)

ORDER

This Writ Petition has been filed challenging the order along with the summary order dated 04.04.2025 passed by the respondent and to quash the same.

3. The learned counsel for the petitioner would submit that the petitioner is dealing with retail and wholesale business of various FMCG products and are filing their monthly and annual returns regularly and upon verification of the returns filed by the petitioner for the financial year 2020-21, the respondent observed a discrepancy concerning the Input Tax Credit (ITC) claimed on inward supplies received from **Tvl.Hindustan Unilever Limited.** Thereafter, the respondent has issued a show cause notice on 15.06.2024 alleging that Tvl.Hindustan Unilever Limited is a 'fictitious

business entity' and a 'non-existent supplier'. Consequently, the respondent blocked the ITC claimed on the purchases made from the said supplier, amounting to Rs.1,57,860/- each under CGST and SGST, and called upon the Petitioner to explain why the ITC claimed on these invoices should not be disallowed, for which the petitioner submitted its reply on 23.07.2024 stating that the ITC claimed pertaining to the purchases of the supply made from the Tvl.Hindustan Unilever Limited is valid and was availed upon getting reflected in the GSTR 2A. The petitioner also attached invoices pertaining to the purchases made from Hindustan Unilever Limited for the Financial Year 2019-20. But the respondent, without considering the reply filed by the petitioner passed the impugned order dated 04.04.2025, wherein alleged tax demand has been confirmed along with interest and penalties.

3.1. It is also submitted by the learned counsel for the petitioner that M/s.Hindustan Unilever Limited is a large business conglomerate in India engaged in various businesses and it cannot be simply alleged that they are “non-existent”, without affording any tangible evidence to that effect and therefore the impugned order is arbitrary and has been passed with non application of mind.

4. The learned Government Advocate (Taxes) for the respondent would submit that a error has crept in while issuing the showcause notice. He therefore prays for appropriate orders.

5. Considering the above submissions made by the learned counsel on either side and upon perusal of the materials, this Court can visualise the non application of mind by the respondent in arriving at a conclusion that M/s.Hindustan Unilever Limited is a non-existant Company. Therefore, this Court is inclined to set-aside the impugned order with terms, by issuing the following directions:-

i) The impugned order passed by the respondent dated 04.04.2025 is set aside.

ii) Consequently, the matter is remanded to the respondent for fresh consideration.

iii) Thereafter, the petitioner is directed to file additional reply, if any along with supportive documents within a period of two weeks.

iv) Thereupon, the first respondent is directed to consider the reply and shall issue a clear 7 days notice affording an opportunity of personal hearing to the petitioner and shall decide the matter in accordance with law.

8. With the above observations & directions, this Writ Petition is disposed of. No costs. Consequently, connected Miscellaneous Petitions are closed.

18.06.2025

Index : Yes / No
Neutral Citation : Yes / No
Speaking Order : Yes / No
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KRISHNAN RAMASAMY, J.

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To

The Assistant Commissioner (ST) (FAC),
Hosur (South III Assessment Circle,
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(2/2)