IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.11.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.41232 of 2025
and
W.M.P.No. 46183 of 2025

U.Adham Basha ...Petitioner

Vs.

1. The Assistant Commissioner (ST)
Arcot Assessment Circle,
Commercial Tax Office, Integrated Commercial Taxes Complex
Ward B, Plot No.25, First Floor
Opp. Ulzhavar Chandai, Railway Station Road,
Ranipet 632 401.

2. The State Tax Officer,
Arcot Assessment Circle,
Commercial Tax Office, Integrated Commercial Taxes Complex
Ward B, Plot No.25, First Floor
Opp. Ulzhavar Chandai, Railway Station Road,
Ranipet 632 401. ...Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Mandamus, to direct the respondents to unblock the Input Tax Credit of Rs.97,13,640/- blocked in the electronic credit ledger of the petitioner.

For Petitioner : Mr.G.Madan
For Respondents : Mrs.Amirtha Poonkodi Dinakaran
Government Advocate

ORDER

Mrs.Amirtha Poonkodi Dinakaran, learned Government Advocate, takes notice for the Respondents.

2. This Writ Petition is being disposed of at the time of admission with the consent of the learned counsel for the Petitioner and learned Government Advocate for the Respondents.

3. The petitioner is before this Court for a Mandamus to direct the respondents to unblock Input Tax Credit for a sum of Rs.97,13,640/-. The specific case of the petitioner is that earlier the credit was blocked for the

respective Assessment Years namely 2023-2024 and 2024-25 on 20.09.2024. It is submitted that thereafter the petitioner was issued with two separate show cause notices in DRC-01 on 23.10.2024 which was also replied by the petitioner on 04.11.2024 and that two separate orders came to be passed on 12.11.2024 in response to the respective notices in DRC- 01 dated 23.10.2024.

4. It is submitted that pursuant to the aforesaid order, the blocked credit of Rs.48,62,362/- and Rs.48,51,278/- for the respective period were unblocked on 22.11.2024. However, the respondents have once again blocked the credit on 28.03.2025.

5. Learned counsel for the petitioner has produced an extract of the electronic credit ledger of the petitioner for the period between 01.04.2024 and 31.03.2025. The blocking of the two credits on the dates mentioned above are at Sl.Nos.6 and 8 of the aforesaid electronic credit ledger. The unblocking of the afroesaid credit pursuant to the orders dated 12.11.2024 are at Sl. Nos.9 and 10.

6. The extract also revealed that certain payments have been made by the petitioner on 24.01.2025 voluntarily and on 14.02.2025 for a sum of Rs.10,58,488/- and Rs.2,24,692/- before the credit was blocked once again on 28.03.2025.

7. The explanation that is coming from the respondent is in the form of the communication addressed to the Special Government Pleader (Taxes) by the respondent from the Office of the Deputy Commissioner (ST) Ranipet.

8. It is submitted that even prior to the orders that came to be passed on 12.11.2024, a second inspection was carried on 22.08.2024, wherein it was confirmed that the credit that was availed by the petitioner on the strength of supplier namely Tvl.Ali Traders, Poonamallee, Chennai, were bogus. However, on this aspect, the learned counsel for the petitioner submits that the petitioner has no intimation of the same.

9. In any event it is submitted that the aforesaid inspection is atleast three months prior to the orders dated 12.11.2024 whereby the proceedings initiated on 23.10.2024 were dropped pursuant to which the credits were unblocked. The unblocking of the Input Tax Credit on 28.03.2025 in the teeth of orders dated 12.11.2024 *prima facie* appears to be irregular. However, it would warrant a proper reconsideration under Rule 86-A (2) of the respective GST Rules.

10. It is noticed that petitioner has also sent a representation in the form of a legal notice on 26.08.2025 which has been received by the Office of the respondent followed by reminder on 01.09.2025.

11. Considering the same, there shall be a direction to the respondent or any other Competent Officer contemplated under Rule 86-A(2) to pass an appropriate order within a period of two weeks from the date of receipt of a

copy of this order.

12. Needless to state, before passing any such order, the Respondents shall give due notice to the Petitioner.

13. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petition is closed.

12.11.2025

Neutral Citation
gv

C.SARAVANAN.J
gv

To

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