IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 10.11.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.Nos.43057, 43063 & 43061 of 2025
and
W.M.P.Nos.48203, 48204, 48209, 48212, 48215 & 48216 of 2025

VA Gold Jewels,
Rep.by its Partner A.Senthil Srinivasan,
Aged about 51 years,
66, 1st Floor, Dharmaraja Koil Lane,
Coimbatore – 641 001. ... Petitioner in W.P.No.43057 of 2025

SS Bullion,
Rep.by its Partner A.Senthil Srinivasan,
Aged about 51 Years,
66, 1st Floor, Dharmaraja Koil Lane,
Coimbatore – 641 001. ... Petitioner in W.P.No.43063 of 2025

Sri Dharshana Bullions,
Rep.by its Partner T.Venkatesh,
Aged about 53 years,
First Floor, 1080, SRB Complex,
Big Bazaar Street,
Coimbatore – 641 001. ... Petitioner in W.P.No.43061 of 2025

Vs.

1. Assistant Commissioner (ST)
Review, Zone – I,
Big Bazaar Street Circle,
Dr.Bala Sundaram Road,
ATT Colony, Coimbatore – 641 018.

2.The Commissioner (ST)
Commercial Taxes, Ezhilagam
Chepauk, Chennai – 600 005. ... Respondents in all W.Ps.

Prayer in W.P.No.43057 of 2025: Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, calling for the records on the file of the 1st respondent order passed under Rule 86A of the TNGST Rules 2017 dated 09.10.2025 bearing Reference No.BL3310250000342 along with the communication dated 09.10.2025 and quash the same, and direct the 1st Respondent to unblock the credit available in the Electronic Credit Ledger of the petitioner.

Prayer in W.P.No.43063 of 2025: Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, calling for the records of the 1st respondent order passed under Rule 86A of the TNGST Rules 2017 dated 09.10.2025 bearing Reference No.BL3310250000341 along with the communication dated 09.10.2025 and quash the same, and direct the 1st Respondent to unblock the credit available in the Electronic Credit Ledger of the petitioner.

Prayer in W.P.No.43061 of 2025: Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, calling for the records of the 1st respondent order passed under Rule 86A of the TNGST Rules 2017 dated 09.10.2025 bearing Reference No.BL3310250000343 along with the communication dated 09.10.2025 and quash the same, and direct the 1st Respondent to unblock the credit available in the Electronic Credit Ledger of the petitioner.

For Petitioner : Mr.Hari Radhakrishnan
For M/s.S.Sriniranjani
(in all W.Ps)

For Respondents : Mr.V.Prashanth Kiran
Government Advocate
(in all W.Ps)

COMMON ORDER

These writ petitions are disposed of at the time of admission after hearing the learned counsel for the petitioners and the learned Government Advocate for the respondents.

2. In these writ petitions, the petitioners have challenged the respective blocking of their Electronic Credit Ledger under Rule 86A of the respective GST enactments.

3. The petitioners has a fairly negligible amount of Input Tax Credit in their Electronic Credit Ledger as on 09.10.2025, which has been set off, resulting in the following negative Block.

S. No.	WP No.	Petitioner Name	Electronic Credit Ledger		
			Available balance of credit in Electronic Credit Ledger as on 09.10.2025	Amount of credit blocked in Electronic Credit Ledger as on 09.10.2025	Extent of Negative Blocking
1	43057 of 2025	VA Gold Jewels	34,917/-	60,45,782/-	- 60,10,865/-
2	43061 of 2025	Sri Dharshana Bullions	0	23,74,712/-	- 23,74,712/-
3	43063 of 2025	SS Bullion	12,10,486/-	1,00,489422/-	- 88,38,936/-

4. The learned counsel for the petitioners would submit that the supplier, namely Tvl.V ONE JEWELS, is indeed in existence and therefore, the reasons stated in the intimations that the said Tvl.V ONE JEWELS was a bill trader is incorrect for blocking the input tax credit.

5. The learned counsel for the petitioners drew the attention to a recent order passed by this Court on 23.10.2025 in W.P. No.39681 of 2025, wherein order dated 04.07.2024 was set aside and the case was remitted back to the original authority to pass a fresh order, subject to the petitioner therein depositing 25% of the respective tax.

6. On the other hand, the learned Government Advocate for the respondents would submit that the said supplier had declared the output supplies only in GSTR-1, but had failed to pay tax on the same in GSTR-3B, i.e., the

monthly return as is required under Section 39 of the respective GST enactments. Hence, no tax was paid even if the petitioner had paid the amount to the supplier.

7. It is therefore submitted that, the blocking of credit cannot be questioned. It is further submitted that there are several reminders and finally an intimation was issued on 09.10.2025 to these petitioners, informing the petitioners that action will be taken against the petitioners both under Section 73 or Section 74 of the respective GST enactments depending upon the facts of each case.

8. Both the learned counsels were asked to report as to the output tax liability for the month of October 2025, which was due and payable on 20.11.2025.

9. The learned counsel for the petitioner in W.P.No.43063 of 2025, on instructions, submits that the tax liability of the SS Bullion is approximately Rs.4,99,00,000/-

10. A reading of the table produced, which has been incorporated from the chart furnished by the learned counsel for the petitioner in W.P.No.43063 of 2025, indicates that the petitioner only has a negligible amount of Input Tax Credit, which in any event is not sufficient to meet the tax liability of Rs.4,99,00,000/-. Other petitioners have been unable to explain the position.

11. The challenge to impugned blocking is premature. The petitioners can give a proper reply to have the blocking revoked under Rule 86A(2).

12. Under these circumstances, these writ petitions are disposed of by giving liberty to the petitioners to file a proper reply, within a period of thirty (30) days from the date of receipt of a copy of this order.

13. The respondents shall thereafter proceed to pass appropriate orders under Rule 86A(2) as expeditiously as possible, preferably within a period of two weeks from the date of reply.

14. These writ petitions are disposed of with the above observations. However, there shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

10.11.2025

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

To

1. Assistant Commissioner (ST)
Review, Zone – I,
Big Bazaar Street Circle,
Dr.Bala Sundaram Road,
ATT Colony, Coimbatore – 641 018.

2.The Commissioner (ST)
Commercial Taxes, Ezhilagam
Chepauk, Chennai – 600 005.

<u>C.SARAVANAN, J.</u>

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