**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

DATED : 20.11.2025

CORAM :

**THE HONOURABLE MR.JUSTICE C.SARAVANAN**

W.P.No.45236 of 2025
and
W.M.P.Nos.50380, 50382 and 50383 of 2025

Basha Steel
Represented by its Partner
Shanavash Basha Vadooth ... Petitioner

Vs.

1.The Commercial Tax Officer,
TNZ022, Admn. State,
Arisipalayam Assessment Circle,
Integrated Commercial Taxes Building,
Pitchards, Hasthampatti,
Salem - 636 007.

2.Assistant Commissioner (ST),
Arisipalayam Assessment Circle,
Commercial Taxes Building,
Pitchards, Hasthampatti,
Salem - 636 007.

3.The Joint Commissioner (ST),
Salem Division,
Integrated Commercial Taxes Building,
Pitchards, Hasthampatti,
Salem - 636 007.

4.The Commissioner of Commercial Taxes.
No.5, Ezhiligam,
Chepauk, Chennai - 600 005. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records from the files of the 1st Respondent in impugned reference No. BL3310250001020 dated 25.10.2025, passes in GSTIN No.33AAPFB0918D1ZU (Period from 01.10.2025 to 11.11.2025), and quash the same as being without jurisdiction, illegal, arbitrary and violative of the Principles of Natural Justice; and consequently direct the 4th Respondent to forthwith withdraw and desist from enforcing the generalised instructions / internal communications that mandate or mechanically trigger mass blocking of Input Tax Credit and initiation of proceedings under Section 74 of the Tamil Nadu Goods and Services Tax Act, 2017 without undertaking case-specific scrutiny or forming an independent 'reason to believe', and to ensure that all jurisdictional officers exercise powers under Rule 86A strictly in accordance with the statutory mandate and on the basis of objective and tangible material.

For Petitioner : Mr.R.Ananth

For Respondents : Mr.V.Prashanth Kiran
Government Advocate

**ORDER**

Mr.V.Prashanth Kiran, learned Government Advocate takes notice for the Respondents.

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

3. The Petitioner is before this Court against the blocking of the Input Tax Credit on 25.10.2025 for a sum of Rs.3,48,647/- each towards Central Tax and State Tax.

4. The reason given in the Blocked Credit Ledger reads as under:-

"Supplier found non-functioning"

5. Learned counsel for the Petitioner submits that the Petitioner has secured a Certificate from the Jurisdictional Assistant Commissioner (ST), Thudiyalur Circle, Coimbatore on 13.11.2025 wherein, the said Officer certified as under:-

> "I hereby certify that, upon due verification, it has been ascertained that Tvl.Dinakaran & Co (GSTIN: 33BHZPD1632A1ZR) is genuine and active taxpayer, having its principal place of business at 12/6A, Ulaipalar Street, Kuttai Thottam, Vellaikinar Post, Coimbatore – 641 029 and with 2 (two) additional places at Salem."

6. Learned counsel for the Petitioner would further submit that the Petitioner has also been issued with a Notice in GST DRC-01A under Rule 142(1A) of the respective GST Rules on 03.11.2025 wherein a totally different reason has been stated, which reads as under:-

> "As per the letter in reference 1st cited, the Commissioner of Commercial Taxes, Chennai, it was informed that, during the course of investigation it was found that only E-way bills and invoices were generated from their branches, without any actual movement of goods to the

respective recipients. **A detailed examination of all E-way bills issued from their branch further confirmed that the vehicles mentioned did not cross toll plazas along with the reported routes or were found to be travelling on unrelated routes**. Based on these findings, an investigation was initiated against five such recipients all of whom have admitted to availing and utilizing ineligible input tax credit based on fictitious invoices issued by M/s.Dhinakaran & Co (GSTIN: 33BHZPD1632A1ZR) in the year 2021-22."

7. It is therefore submitted that at a different point of time different reasons have been stated to block the Input Tax Credit. It is submitted that the Petitioner is a small time trader dealing with the sale of steel items.

8. It is further submitted that blocking of the aforesaid Input Tax Credit still financially crippled the Petitioner as the legitimate rights under Section 16(4) of the respective GST enactments have been denied arbitrarily.

9. Learned Government Advocate for the Respondents on the other hand would submit that the Petitioner has to give a proper Reply to the

Intimation Notice in GST DRC-01A dated 03.11.2025, to which the Petitioner had replied on 14.11.2025.

10. Having considered the submissions made by the learned counsel for the Petitioner and the learned Government Advocate for the Respondents, this Writ Petition is disposed of by directing the 1st Respondent to pass appropriate orders under Rule 86A(2) of the respective GST Rules in the light of the Reply of the Petitioner dated 14.11.2025 in response to the Intimation Notice in GST DRC-01A dated 03.11.2025 within a period of four weeks from today.

11. While passing such order, the Certificate obtained by the Petitioner on 13.11.2025 may also be considered.

12. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

**20.11.2025**

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To:

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**C.SARAVANAN, J.**

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