IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.12.2025

CORAM:

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

W.P.No.49593 of 2025
and
W.M.P.Nos.55436 and 55437 of 2025

M/s.Prime Cinemas,
Represented By Its Proprietor Siva Rama Krishna,
No.2/4, Gandhi Nagar, Pari Street,
Saligramam,
Chennai.
PIN:600 093. ... Petitioner

-Vs-

The Superintendent,
Range II, Vadapalani Division,
Ground Floor, Newry Towers,
12th Main Road,
II Avenue, Anna Nagar,
Chennai-: 600040. ... Respondent

Prayer : Writ Petition filed under Article 226 of Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus, calling for the records of the respondent in Order-in-Original No.142/2024-SUPdated GST in DIN.No. 20240859TL000092499F dated 30.08.2024 in GSTIN:33AAEPR4548J3ZF and quash the same and consequently direct the respondent to give an opportunity of personal hearing.

For Petitioner : Mr.M.Desingu
For Respondent : Mr. R.P.Pragadish
Senior Standing Counsel

ORDER

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

2. The petitioner is before this Court against the impugned order in original No.142/2024/SUPDT GST dated 30.08.2024. By the impugned order proposal in Show Cause Notice in DRC.No.9/24 GST (SUPDT) dated 30.05.2024 has been confirmed.

ORDER

5.1 I confirm the demand of Rs.91,306/-(Rupees Ninety One Thousand Three Hundred and Six Only) (IGST-22,494/-, CGST-34,406/- and SGST-34,406/-) being ineligible input tax credit availed for the Month of August 2019 to March 2020 under 73(9) of CGST/TNGST Act, 2017;

16.2 I confirm the demand of interest on the amount mentioned at (i) above under Section 50(3) of the CGST/TNGST Act, 2017;

16.3 I impose a penalty of Rs. 40,000/- (Rs. 20,000 in IGST Rs. 10,000/- in CGST and Rs. 10,000/- in SGST) under Section 73(9) of the CGST/TNGST Act, 2017 on the demand mentioned at (i) above.

This order is passed without prejudice to any other action that may be or has already been initiated against the taxpayer or any other person under the Central/ State Goods and Services Tax Act, 2017, or the Rules made there under or any other law for the time being in force & enforceable in India.

3. The demand confirmed against the petitioner in Paragraph No.16 of the impugned order reads as under :-

4. The reading of the impugned order indicates that the entire demand has been confirmed only on account of belated availing of Input Tax Credit and denied in the light of Section 16(4) of the respective GST enactments.

5. The issue is now settled in favour of the petitioner by way of a statutory intervention by insertion of Section 16(5) and 16(6) of the respective GST enactments by Finance Act, 2024 with retrospective effect from 01.07.2017.

6. Thus, the Input Tax Credit that was availed belatedly is to be allowed subject to the Petitioner satisfying the other requirements of Section 16 of the respective GST Enactments. Although Notification issued pursuant to the aforesaid statutory intervention contemplates filing of Rectification application, the same has been construed as directory and not mandatory.

7. Considering the same, the impugned order is quashed and the case is remitted back to the respondent to pass a fresh order on merits after examining whether the petitioner had indeed received the goods or services as the case may be and satisfied the other requirements of Section 16 of the respective GST enactments.

8. Since the case impugned order is quashed and the case is remitted back to the Respondent to pass a fresh order, the Garnishee Notice issued to the petitioner shall stand revoked.

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

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

18.12.2025

Internet: Yes
Index : Yes/No
Neutral Citation: Yes/No
Speaking/Non Speaking order
gv

To

The Superintendent,
Range II, Vadapalani Division,
Ground Floor, Newry Towers,
12^{th} Main Road,
II Avenue, Anna Nagar,
Chennai- PIN: 600040.

C.SARAVANAN. J,

gv

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