



W.P.(MD)No.20182 of 2025

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 30.07.2025

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.(MD)No.20182 of 2025

and

W.M.P.(MD)Nos.15560, 15563 and 15565 of 2025

Nana and Co.,
Represented by Proprietor,
Mr.Kathirvel Nagasundaram,
R.S.No.120/10, Plot No.4,
Near Yadava Womens College,
Airlines Colony, Madurai - 625014.

... Petitioner

-VS-

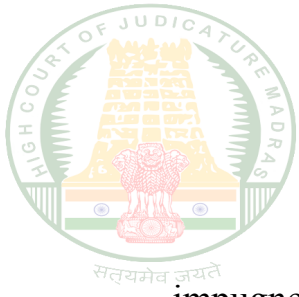
1.The Deputy State Tax Officer (ST),
Chokkikulam Assessment Circle,
Dr. Thangaraj Salai,
Commercial Taxes Building,
4th Floor, Madurai - 625020.

2.The Commercial Tax Officer,
TND008, Admn. State,
Dr.Thangaraj Salai,
Commercial Taxes Building,
4th Floor, Madurai - 625020.

Respondents

...

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, to
issue a Writ of Certiorari, calling for the records from the file of the respondent in



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impugned order passed in Reference No.ZD330325118077O in GSTIN/ID: 33ADAPN1645B1Z8 dated 17.03.2025 for the F.Y.2024-25 and quash the same as without jurisdiction, *void ab initio* and violative of principles of natural justice.

For Petitioner : Mr.R.Ananth

For Respondents : Mr.J.K.Jayaselan
Government Advocate

ORDER

The petitioner is aggrieved by the impugned order dated 17.03.2025 passed by the first respondent for the tax period from April 2024 to October 2024.

2. The impugned order was preceded by a notice in Form DRC-01 dated 06.01.2025. Although the petitioner replied to the said notice, the impugned order came to be passed, confirming the demand. The allegation against the petitioner is that ineligible input tax credit was availed on the strength of an invoice issued in the name of "Hindustan Recyclers", a non-existent dealer, allegedly engaged only in bill trading activities. The total demand confirmed under the impugned order is Rs.6,61,014/- towards CGST and Rs.6,61,014/- towards SGST, along with an equal amount towards penalty and applicable interest under the provisions of the respective GST Enactments.



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3. The learned counsel for the petitioner submits that the petitioner may be afforded an opportunity to substantiate that genuine purchases were made from Hindustan Recyclers, by producing supporting documents. It is also submitted that, as a consequence of the impugned order, the petitioner's Electronic Credit Ledger has been blocked under Rule 86-A of the TNGST Rules, 2017.

4. The learned counsel further submits that the petitioner is willing to fully cooperate with the respondents and undertakes not to evade tax, in the event, any adverse order is ultimately passed.

5. Considering the fact that the petitioner has not effectively filed a detailed reply to the show cause notice and has consequently, suffered the impugned order, this Court is inclined to come to partial rescue of the petitioner. Accordingly, the impugned order is quashed, subject to the petitioner depositing 25% of the disputed tax amount in cash, within a period of thirty (30) days from the date of receipt of a copy of this order.



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6. The impugned order, which stands quashed, shall be treated as an addendum to the show cause notice. The petitioner shall file a comprehensive reply to the same, within a period of thirty (30) days from the date of receipt of a copy of this order. Subject to such compliance, the credit presently blocked shall be unblocked and the respondent shall pass a fresh order on merits and in accordance with law, within a period of three (3) months thereafter.

7. In the event of non-compliance with any of the above conditions, it shall be deemed that the Writ Petition stands dismissed *in limine* and the respondents shall be at liberty to proceed in accordance with law.

8. The Writ Petition stands disposed of accordingly. No costs. Consequently, connected Miscellaneous Petitions are closed.

NCC : Yes / No
Index : Yes / No
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C.SARAVANAN, J.

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