



WEB COPY

WP No. 3421 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26-02-2026

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THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 3421 of 2026

and

W.M.P.No.3853 of 2026

Kalaimahal Cements Private Limited,
Represented by its Authorized signatory,
Kavitha Ramesh,
Having Office at. No.15,
Kattukudalore Road,
Vriddhachalam,
Cuddalore,Tamil Nadu-606 001.

..Petitioner(s)

Vs

The Commercial Tax Officer,
Office of the Commercial Tax Officer,
Virudhachalam Assessment Circle,
Cuddalore-606 001.

..Respondent(s)

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 relating to the impugned blocking of Input Tax Credit in the Electronic Credit Ledger of the Petitioner bearing Reference No.BL3312250000204 dated 05.12.2025, pertaining to the period from 01.10.2025 to 31.12.2025, effected by the Respondent in respect of GSTIN 33AAGCK4135K1ZK, and quash the same, and consequently direct the Respondent to forthwith unblock and restore the Input Tax Credit in the Electronic Credit Ledger of the Petitioner.



For Petitioner(s):

Mr.E.Abdul Wajith

For Respondent(s):

Mr.V.Prashanth Kiran
Government Advocate

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ORDER

The Petitioner is before this Court against the impugned blocking of the Input Tax Credit in the Electronic Credit Ledger of the Petitioner for the tax period 01.10.2025 to 31.12.2025 under Rule 86A of the respective GST Rules on 05.12.2015.

2. Although, it has not been stated in the Affidavit, it was brought to the knowledge of this Court that an inspection was conducted on the previous day i.e., 04.12.2025, wherein statements were recorded from the Petitioner's Managing Director viz., M/s.R.Kavitha Ramesh, from which it was supposed by evident that availing the Input Tax Credit based on the block invoices.

3. It is in this background, the Input Tax Credit was blocked on 05.12.2025 vide impugned proceedings. Therefore, the challenge to the blocking of the Input Tax Credit under Rule 86A of the respective GST Rules on this count cannot be countenanced.



4. The other ground raised by the learned counsel for the Petitioner is that as per Rule 86A of the respective GST Rules, only the Assistant Commissioner or any Senior Officer is competent to block the Input Tax Credit in the Electronic Credit Register of the Petitioner.

5. This issue has been considered by the Madurai Bench of this Court in **W.P.(MD).No.21670 of 2025**, wherein in Paragraph Nos.18, 19, 20 and 21, the Court has observed as under:-

“18.Rules 86A(2) contemplates that the Commissioner or the Officer authorised by him under Sub Rule 1, may, upon being satisfied that the condition disallowing the debit of electronic credit no longer existed and allow such credit.

19.However, considering the fact that notice has been issued in Form GST DRC 01, it is unlikely that the power will be exercised under Rule 86A(2) of the respective GST Rules. The question as to whether the proceedings were within the power of the State Tax Officer and contrary to the requirements of the circular dated 02.11.2021 bearing reference CBEC-20/16/05/2021-GST is concerned, it has to be construed that the senior official would have authorised the blocking of the credit.

20.There is a clear embargo under Rule 86A, officer below the rank of Assistant Commissioner not to block where credit has been availed fraudulently or the credit is ineligible. However, the blocking would have been made with the permission of the senior in the hierarchy. That apart, it is the internal matter and particularly in the light of the fact that the notice has been issued in Form GST DRC 01 dated 07.07.2025 by State Tax Officer. The State Tax Officer is a proper officer for issuance of show cause notice also proper officer under Rule 74. Therefore, the objection on the jurisdiction cannot be countenanced.

21.Considering the fact that already about



Rs.87,86,041/- has already been blocked, there shall be a direction to the respondents to block credit for a sum of Rs.13,00,000/-. Going forward, the petitioner shall deposit tax partly from the credit and partly from the electronic credit ledger in equal proportion. In other words, 50% of the future tax liability will be borne by the petitioner in cash and 50% of the tax liability from the credit ledger. This will continue for a period of one year or up to the passing of the final order pursuant to the show cause notice in DRC 01 dated 07.07.2025 issued by the State Tax Officer. It is open to the Petitioner to apply for appropriate relaxation as and when circumstances warrants. “

6. The aforesaid order has also been upheld by the Division Bench of this Court vide order dated 09.12.2025 in **W.A.(MD).No.3185 of 2025** in ***Indian Trades Vs. The Commercial Tax Officer and Ors.*** Therefore, this Writ Petition is liable to be dismissed and it is accordingly dismissed. Therefore, challenge to the impugned blocking by the Input Tax Credit in the Electronic Credit Register of the Petitioner cannot be questioned.

7. At best, liberty is granted to the Petitioner to give a proper representation in response to the blocking of the Input Tax Credit in the light of the admission of the Petitioner's Managing Director on 04.12.2025.

8. In case, the Petitioner gives such a proper representation, the concerned officer shall pass appropriate orders on merits as expeditiously as possible preferably within a period of thirty days from the date of receipt of a copy of this order.



9. Needless to state, the Petitioner shall be heard before final orders are passed.

10. This Writ Petition stands dismissed with the above directions. No costs. Consequently, connected Writ Miscellaneous Petition is closed.

26-02-2026

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

The Commercial Tax Officer,
Office of the Commercial Tax Officer,
Virudhachalam Assessment Circle,
Cuddalore-606 001.



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C.SARAVANAN, J.

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