IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 17.02.2026

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.5523 of 2026
and
W.M.P.Nos.6010 & 6011 of 2026

M/s. Palaniandavar Slab,
Rep. by its Proprietor – Muthukumar P,
1, Udumalai Road, Dharapuram,
Tiruppur, Tamil Nadu – 638656. ... Petitioner

Vs.

The State Tax Officer,
Office of the Commercial Tax Officer,
Dharapuram Assessment Circle,
Tiruppur-III. ... Respondent

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records relating to the impugned proceedings passed by the Respondent in the impugned order in GSTIN: 33AMTPM5637Q1Z4/2021-22 dated 10.12.2025 along with the consequential summary order under section 73 in FORM GST DRC 07 vide ref. no. ZD331225150208Q dated 10.12.2025 for the FY 2021-22 to quash the same.

For Petitioner : M/s.R.Hemalatha

For Respondent : Mr.C.Harsharaj
Special Government Pleader

ORDER

Mr.C.Harsharaj, learned Special Government Pleader, takes notice for the respondent.

2. With the consent of the learned counsel for the petitioner and the learned Special Government Pleader for the respondent, this writ petition is being disposed of at the time of admission.

3. In this writ petition, the petitioner has challenged the impugned Order dated 10.12.2025 along with the summary order passed by the 2^{nd} respondent for the tax period 2021-2022.

4. By the impugned order, the demand related to Defect No.2, as proposed in the Show Cause Notice in DRC-01 dated 19.08.2025 has been confirmed. The Defect No.2 pertains to the claim of ineligible Input Tax Credit (ITC) under Section 17(5) of the respective GST enactments.

5. The impugned order disallowed Input Tax Credit on the following items, invoking Section 17 of the respective GST enactments:

S.No.	Commodity/Service	HSN Code	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7	8
1	Outdoor catering	99633	148839	148839	0	0	297678
2	Tiles	6901	7729	7729	0	0	15458
3	Granite	6802	47279	47279	0	0	94558
4	Sanitary Goods, taps, etc.	69101000, 7324,3922, 84818020, 84818010	722859	722859	0	0	1445718

6. The petitioner's reply to Defect No.2 was as follows:

"Nature of Business is Trading of Slab, Tiles, Granite, Cement roofing sheets and Hardware items we purchase and sale as such.

We have actually purchased Cement Roofing Sheets, Tiles, Granite, and Hardware items from the supplier mentioned in the notice. These goods were genuinely purchased and used in the course or furtherance of our business, and hence qualify for ITC under Section 16(1) of the CGST Act, 2017.

*However, the **M/s.Everest Industries Limited** has inadvertently reported the said supplies under the wrong HSN code (Outdoor Catering) in their GSTR-1, which may have led to the mismatch. We confirm that the goods received are not falling under blocked credit under Section 17(5), and are directly related to our business activities.*

We kindly request you to treat the ITC as eligible, and *consider this as a classification error on the part of the supplier. Supporting documents including purchase invoices are enclosed for your reference as an **Annexure-II**."*

7. The conclusion in the impugned order was as follows:

> *"The Taxpayer reply along with supporting documents evidences has been submitted by the Taxpayer against the said defect supporting their claim. Hence the Taxpayer reply is not accepted and therefore Defect 2 is confirmed."*

8. In the above conclusion, there was no discussion on the petitioner's reply to the demand in Defect No.2. Furthermore, the conclusion was unintelligible.

9. Considering the same, the impugned order is partly quashed, and the case is remitted back to the respondent to pass a fresh order on merits, insofar as the demand in Defect No.2 is concerned, within a period of three months from the date of receipt of a copy of this order.

10. It is needless to state that, before passing any such order, the petitioner shall be heard.

11. This writ petition stands disposed of with the above directions. Consequently, the connected miscellaneous petitions are closed. No costs.

17.02.2026

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Neutral Citation : Yes / No

To

The State Tax Officer,
Office of the Commercial Tax Officer,
Dharapuram Assessment Circle,
Tiruppur-III.

C.SARAVANAN, J.

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