IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 17.03.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.10354 of 2026
and
W.M.P.Nos.11225 and 11227 of 2026

M/s. S.A. Cany Company,
represented by its Partner Mohamed Nasurdeen,
No.30/59, Prakasam Salai,
Broadway, Chennai-600 001. ... Petitioner

Vs.

The Superintendent of CGST & Central Excise,
Parrys Division, Range-III,
Chennai North Commissionerate,
1st Floor, Newry Towers, No.2054-1, II Avenue,
Anna Nagar, Chennai-600 040. ... Respondent

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records of the respondent in his proceedings in Order-in-Original No.22/2025-GST, quash the order dated 08.09.2025 passed therein.

For Petitioner : Mr. P.V. Sudakar
For Respondent : Mr. S.M. Deenadayalan,
Senior Standing Counsel

ORDER

Mr. S.M. Deenadayalan, learned Senior Standing Counsel, takes notice for the Respondent.

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 Senior Standing Counsel for the Respondent.

3. The Petitioner is before this Court against the Impugned Order-in-Original No.22/2025-GST dated 08.09.2025 passed under Section 74(9) of the CGST Act, 2017, whereby the proposal contained in the Show Cause Notice No.596/2025-2026 – HPU dated 24.06.2025 has been confirmed on the ground of that the Petitioner had availed Input Tax Credit on the strength of invoices issued by certain specious entities. The details are extracted hereunder:-

GSTIN of the supplier	**Supplier Name**	**Taxable Value**	**CGST**	**SGST**	**Total tax**
33BBTPA4294F1ZM	Gayathri Traders	4,05,230	36,471	36,471	72,941
33BGMPA9161P1ZY	Steel World	5,95,335	53,580	53,580	1,07,160
33BHDPP5225K1ZB	Sun Steels	82,080	7,387	7,387	14,774
	Total	**10,82,645**	**97,438**	**97,438**	**1,94,876**

4. The Impugned Order indicates that the investigation was initiated by the Chennai North Commissionerate against certain individuals, namely, Shri A. Divakar and Shri John Livingston, who are alleged to be the masterminds behind multiple fictitious entities created for the purpose of

passing ineligible Input Tax Credits to the various registered persons to avoid the tax, including the Petitioner.

5. Though the Impugned Order records that the Petitioner had availed the Input Tax Credit based on invoices issued by the above three entities among 41 persons, who were identified by the Chennai North Commissionerate. The Petitioner claims to have submitted a detailed reply dated 14.07.2025 along with supporting documents, viz., copy of tax invoices, e-way bills, transportation records, lorry receipts and bank statements evidencing the purchases. However, the same have not been duly considered while passing the above said Impugned Order.

6. Though the Respondent has proceeded on the basis of preponderance of probability, I am of the view that the case requires to be remitted back to the Respondent for fresh consideration.

7. Accordingly, the Impugned Order-in Original No.22/2025 dated 08.09.2025 is set aside and the case is remitted back to the Respondent for fresh consideration, after taking into account the Petitioner's reply dated 14.07.2025.

8. The Impugned Order dated 08.09.2025 shall be treated as an addendum to the Show Cause Notice No.596/2025-2026-HPU dated 24.06.2025.

9. The Petitioner shall also file an additional reply with proper documents within a period of thirty (30) days from the date of receipt of a copy of this order.

10. In case the Petitioner complies with the above stipulations, the Respondent shall afford an opportunity of personal hearing to the Petitioner and thereafter proceed to pass a final order on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply/pre-deposit.

11. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner, if in force, shall also stand automatically vacated.

12. In case the Petitioner fails to comply with any of the stipulations, the Respondent is at liberty to proceed against the Petitioner to recover the tax in accordance with law as if this Writ Petition was dismissed *in limine* today.

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

14. This Writ Petition stands disposed of with the above observations. No costs. Consequently, connected miscellaneous petitions are also closed.

17.03.2026

Neutral Citations: Yes/No
klt

To

The Superintendent of CGST & Central Excise,
Parrys Division, Range-III,
Chennai North Commissionerate,
1st Floor, Newry Towers, No.2054-1, II Avenue,
Anna Nagar, Chennai-600 040.

C.SARAVANAN, J.

klt

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