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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23-06-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 22221 of 2026
and WMP.Nos.24118 to 24120 of 2026

Sumith Kumar Sanghavi
Proprietor, M/s.Sanghavi Metals,
Old No.9, Mooker Nallamuthu Street,
Parrys, Chennai 600 001.

..Petitioner

Vs

The Assistant Commissioner (ST)
Loan Square Assessment Circle
No.32, Integrated Commercial Taxes office
Complex, Elephant Gate Bridge Road,
Chennai-600 003.

..Respondent

Prayer : Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorarified Mandamus to call for the records on the file of the Respondent pertaining to the Impugned Order in Reference No.ZD330326014993F dated 03.03.2026 passed in respect of GSTIN/ID 33BNFPS3012M1ZO for the F.Y. 2024-25 and Impugned Blocking the Petitioner's Electronic Credit Ledger bearing Reference No.BL3307250000926 dated 24.07.2025 passed in respect of GSTIN 33BNFPS3012M1ZO by the

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Respondent and quash the same and consequently direct the Respondent to unblock the Petitioner's Electronic Credit Ledger.

For Petitioner:	Mr. R.Ananth
For Respondent:	Mr. R. Sethu Prabakaran Government Counsel (Tax)

ORDER

An order dated 03.03.2026 rejecting the petitioner's claim for Input Tax Credit (ITC) and for unblocking of credit is assailed in this writ petition primarily on the ground that documents submitted by the petitioner were not taken into consideration.

2. Adverting to the impugned order, learned counsel for the petitioner submits that the documents submitted by the petitioner were referred to therein, but the ITC claim was rejected solely on the ground that suppliers' GST registrations were cancelled with retrospective effect.

3. Mr. R. Sethu Prabakaran, learned Government Counsel (Tax), accepts notice for the respondent. He submits that the petitioner failed to submit documents evidencing the movement of goods.

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4. The petitioner had replied to the show cause notice and enclosed documents such as invoices, e-way bills, bank account statement and GST returns. The assessing officer noticed that said documents had been filed, but proceeded to reject the ITC claim solely on the ground that suppliers' GST registrations was cancelled with retrospective effect.

5. Although the burden of proof with regard to availment and utilisation of ITC is imposed on the tax payer concerned, an ITC claim cannot be rejected solely on the ground that the suppliers' GST registrations were cancelled subsequently with retrospective effect. The assessing officer should have examined the documents submitted by the petitioner and recorded findings as to whether the petitioner has established that the supplies were genuine or not.

6. Since the decision making process was vitiated, interference is warranted. As regards the unblocking of credit, it appears that about eleven months have elapsed and such order would survive only for one more month.

7. For reasons aforesaid, impugned order dated 03.03.2026 is set aside with the above observations and the matter is remanded for re-consideration. After providing a reasonable opportunity to the petitioner, a fresh order shall be issued within three months from the date of receipt of a copy of this order.

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8. The writ petition is disposed of on the above terms. Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

23-06-2026

Index : Yes/No

Neutral Citation : Yes/No

KJ

To

The Assistant Commissioner (ST)
Loan Square Assessment Circle
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SENTHILKUMAR RAMAMOORTHY, J.

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