IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23-06-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 22363 of 2026
&
WMP Nos.24253 & 24255 of 2026

Ambur Properties Private Limited
Rep by its Authroised signatory K. Ravichandran
First Floor Front Portion, No.52/P2,
Umar Road Kottai Bungalaw, Ambur,
Tirupathur 635 802

..Petitioner(s)

Vs

The State Tax Officer Intelligence Inspection I
O/o The Joint Commissioner (ST) (Intelligence)
Vellore Division,
No 4 Bharathiyar Salai, Fort Round Road,
Vellore 632 001

..Respondent(s)

Prayer: Writ petition is filed under Article 226 of the Constitution of India praying for issuance of a Writ of Certiorari calling for the records relating to the order in Form DRC 07 bearing reference no. ZD330426017478C dated 02.04.2026 issued by the Respondent in respect of GSTIN No. 33AAZCA9437B1ZF / 2024-25, and quash the same as illegal, without authority of law, arbitrary, contrary to material facts and in violation of the principles of natural justice.

For Petitioner(s):	M/s.Adithya Reddy Vaani Sreekant Iyer
For Respondent(s):	Mr.R.Sethu Prabakaran, Government Counsel (T)

ORDER

An order dated 02.04.2026 relating to alleged wrongful availment of input tax credit is challenged in this writ petition.

2. Referring to the impugned order, learned counsel for the petitioner submits that the petitioner's reply was not taken note of in the impugned order. In such reply, the petitioner had made it abundantly clear that input tax credit was not utilised and that the same was reversed in the same quarter. He also submits that the assessing officer has erroneously imposed tax, interest and penalty at 100% in spite of such reversal.

3. Mr.R.Sethu Prabakaran, learned Government Counsel, accepts notice for the respondent. He submits that wrongful availment of input tax credit is a contravention of the applicable GST statutes.

4. The impugned order records that the petitioner reversed the input tax credit. It is also recorded therein that the amount paid exceeds the demand amount. In those circumstances, it is not possible to discern from the order as to how the tax liability has been computed and arrived at. Likewise, interest is leviable under subsection (3) of Section 50 read with Rule 88 B(3) in cases wherein input tax credit is availed of and utilised. In the case at hand, it appears

that the input tax credit was not utilised. Notwithstanding the reversal of the input tax credit, penalty has also been imposed at 100% on the tax demand.

5. For all these reasons, reconsideration is warranted. Towards that end, the impugned order is set aside and the matter is remanded for reconsideration. 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. Consequently, connected miscellaneous petitions are closed. No costs.

23-06-2026

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

KAL

To

The State Tax Officer Intelligence Inspection I
O/o The Joint Commissioner (ST) (Intelligence)
Vellore Division,
No 4 Bharathiyar Salai, Fort Round Road,
Vellore 632 001

SENTHILKUMAR RAMAMOORTHY, J.

KAL

WP No. 22363 of 2026
&
WMP Nos.24253 & 24255 of 2026

23-06-2026