BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 09-03-2026

CORAM

THE HONOURABLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.(MD).No.6360 of 2026
and
W.M.P(MD).No.5284 of 2026

Tvl. Sri Udhayam Pipes and Traders,
Represented by its Proprietor G. Rajendran,
33BQCPR7254J1ZK,
470, Batlagundu Road,
Periyapallapatti,
Begampur,
Dindigul. ... Petitioner

Vs.

The Assistant Commissioner (ST),
Dindigu Rural Assessment Circle,
Commercial Tax Building,
Dindigul. ... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a WRIT OF CERTIORARI calling for the records in the impugned Order in GSTIN 33BQCPR7254J1ZK/ 2020-21 dated 24.06.2024 and followed by rectification order in Ref.No.ZD331024042376S dated 07.10.2024 issued by the Respondent and quash the same as it is without jurisdiction and clear violation of statutory provisions or pass such other orders as this Honble court may deem fit and proper in the circumstances of the case and thus render justice..

For Petitioner : Mr.S.Karunakar
For Respondent : Mr.R.Suresh Kumar
Additional Government Pleader

ORDER

The writ petition is filed challenging the impugned orders dated 24.06.2024 and 07.10.2024.

2. Heard Mr.S.Karunakar, learned counsel for the petitioner and Mr.R.Suresh Kumar, learned Additional Government Pleader, who takes notice for the respondent.

3. Upon perusal of the material records of the case, it is seen that the impugned order of assessment was passed under Section 73 of the Tamil Nadu Goods and Services Tax Act, 2017. The allegation against the petitioner is that he had wrongfully claimed Input Tax Credit in respect of transactions with one Shri Lakshmi Steel Suppliers, which is stated to be a bill-trading company with no actual business activity. Although the petitioner had submitted a reply during the assessment proceedings, he did not file an appeal within the prescribed time after the assessment order was passed. Subsequently, the petitioner filed a rectification petition, which also came to be dismissed on 07.10.2024

4. The learned counsel for the petitioner submits that even in the impugned order it is stated that the third party namely Shri Lakshmi Steel Suppliers is a subsisting registered dealer, having a turnover of more than 500 Crores. Therefore, the contention that the said Shri Lakshmi Steel Suppliers is a bill-trading company is not agreeable.

5. He further submits that with reference to the transactions with the very same party for another assessment year, the petitioner has filed an appeal within time against the assessment order and the same is now under consideration by the appellate authority.

6. That apart, he submits that 36% of the disputed tax have already been realized by the respondent authorities and therefore, seeks for one more opportunity.

7. In reply thereof, the learned Additional Government Pleader for the respondent submits that the petitioner has filed a reply only after the impugned order has been passed. The petitioner ought to have filed an appeal as against the order within the prescribed time.

8. He further submits that in the event of petitioner seeking any opportunity, the same is to be given by imposing additional conditions.

9. I have considered the rival submissions made on either side and perused the material records of the case.

10. Since it is pleaded on behalf of the petitioner that they want to place on record such additional materials with reference to the fact that Shri Lakshmi Steel Suppliers are not bill-trading company and that their transactions were genuine, I am of the view that one more opportunity shall be granted, especially considering the following three factors:-

i. With reference to yet another assessment year, the matter is pending before the appellate authority
ii. 36% of the disputed tax have already been realized.
iii. The learner counsel for the petitioner also undertakes to comply with such additional condition as may be imposed by this Court.

11. For all the above reasons stated, I am of the view that one more opportunity shall be granted to the petitioner to agitate the matter before the original assessing authority on a condition to deposit another 25% of the disputed tax.

12. In view thereof, this writ petition is allowed on the following terms:-

i. The petitioner is directed to deposit 25% of the disputed tax amount before the respondent within a period of four weeks from the date of receipt of a web copy of this order, without waiting for the certified copy of the order.
ii. Upon such deposit, the impugned order dated 24.06.2024 and 07.10.2024 is set aside and the matter is remanded back to the file of the respondent.
iii. Thereafter, the petitioner is directed to appear before the respondent without fail, file any additional reply, and produce all documents in support of his claim.

iv. Upon receipt of the same, the respondent is directed to reconsider the issue afresh and and pass appropriate orders on merits and in accordance with law as expeditiously as possible.

v. It is needless to state that the petitioner depositing 25% of the disputed tax amount, the bank attachment shall be lifted and the account shall be de-freezed.

vi. No costs. Consequently, connected miscellaneous petition is closed.

09.03.2026

Index: Yes
Speaking Order: Yes
Neutral Citation: No
rgm

To

The Assistant Commissioner (ST),
Dindigu Rural Assessment Circle,
Commercial Tax Building,
Dindigul.

D.BHARATHA CHAKRAVARTHY, J.

rgm

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