



W.P.No.43233 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.01.2026

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The Honourable **Mr.Justice C.Saravanan**

W.P.No.43233 of 2025

and

W.M.P.Nos.48416 & 48417 of 2025

M/s.Yusuf Associates

Represented by its Partner Mr. Y. Mustafa

No.84/3, Gugai, DD Road, Salem 636 001.

...Petitioner

Vs.

1 The Assistant Commissioner (ST)

Gugai Circle, Integrated Commercial Taxes Building

Pitchards Road, Salem 636 007.

2 The Joint Commissioner (ST) (Int)

1st floor, PAPJM Buildings, Greams Road

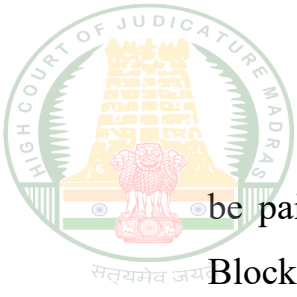
Chennai 600 006.

...Respondents

Prayer

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus to call for records of the 1st respondent in show cause notice in Form GST DRC01 dated 01.08.2023 and consequential order in GSTIN 33AAAFY9790P1Z9/2021-2022 along with Form GST DRC-07 dated 07.01.2025 and the order rejecting the rectification in GSTIN 33AAAFY9790P1Z9/ 2021-2022 dated 14.08.2025 following the report in R.O.1275/2022/A3(15/22-23) dated 12.06.2023 forwarded by the 2nd respondent and to quash the same and further direct the 1st respondent to re-credit the amount of Rs.93 092/- along with interest, which was coerced to

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be paid for vacating the order under Rule 86A-(1)(A) of the TNGST Act Blocking of Credit in the Electronic Credit Ledger dated 07.07.2023 and paid by the petitioner through Electronic Cash Ledger on 11.09.2023 vide ARN No.AC3306231931481.

For Petitioner : Mr.J.Sunil Kumar
For Respondents : Ms.Anitha Poonkodi Dinakaran,
Government Advocate

Order

Ms.Anitha Poonkodi Dinakaran, learned Government Advocate, who takes notice on behalf of the Respondents.

2. This Writ Petition is disposed of at the time of admission, with the consent of the learned counsel for the Petitioner and the learned Government Advocate for the Respondents.

3. In this Writ Petition, the Petitioner has challenged the Assessment Order dated 07.01.2025 passed under Section 74 of the TNGST Act, 2017 whereby, the demand proposed in the Show Cause Notice dated 01.08.2023 in Form GST DRC-1 for the tax period April 2021 to March, 2022 has been confirmed against the Petitioner by the first Respondent.



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4. The impugned Assessment Order has been passed by the

Respondent after considering the Reply of the Petitioner to the Show Cause Notice dated 01.08.2023 in Form DCR-01. The Petitioner had filed an application on 07.04.2025, under Section 161 of the respective GST Enactments to rectify the impugned Assessment Order dated 07.01.2025 which came to be dismissed vide Order dated 14.08.2025 by the Respondent.

5. The dispute pertains to the Input Tax Credit (ITC) availed by the Petitioner based on the invoices raised by the Supplier, viz., M/s.Howra Marketing, whose registration was cancelled on 01.03.2022 on the ground that the said Supplier was engaged in bill trading and that the Petitioner has availed ineligible Input Tax Credit on the strength of such invoice raised by the said Supplier.

6. The case of the Petitioner is that the Petitioner has all the documents to substantiate that the Petitioner is not the beneficiary of any Input Tax Credit availed in respect of the invoices raised by the Supplier and that the Petitioner has documents to substantiate that the Petitioner had indeed, physically received the goods, which were purchased from



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M/s.Howra Marketing during the months of September, October and January, 2022.

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7. However, a reading of the impugned Assessment Order dated 07.01.2025 would indicate that the Petitioner did not possess all the requisite documents to substantiate the physical movement of goods nor was any document submitted along with the Reply filed by the Petitioner to the Show Cause Notice.

8. The Petitioner's place of business is at Salem, whereas, the Supplier, viz., M/s.Howra Marketing place of business is situated in Chennai. Therefore, the movement of the goods ought to have been accompanied with necessary documents, if the Petitioner had indeed received the goods and had paid the liable tax. It also appears that the Respondent has also initiated proceedings against the aforesaid Supplier for wrong availment of Input Tax Credit without paying the liable tax.

9. Be that at it may, since several disputed questions of facts are involved in this case, this Writ Petition is disposed of by granting liberty to



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the Petitioner to challenge the impugned Assessment Order dated 07.01.2025

before the Appellate Authority within a period of 30 days from the date of receipt of a copy of this order, subject to the Petitioner complying with the Section 107 of the respective GST Enactments.

10. In case, the Petitioner files such an appeal, the Appellate Authority shall dispose of the same on merits and in accordance with law without further reference to limitation on its own turn.

11. This Writ Petition stands disposed of with the above liberty. No costs. Consequently, connected Miscellaneous Petitions are closed.

21.01.2026

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Index : yes/no

Neutral Citation : yes/no

To

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Pitchards Road, Salem 636 007.
- 2 The Joint Commissioner (ST) (Int)
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C.Saravanan,J.,
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