IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01-07-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 23402 of 2026
and WMP.Nos.25362 & 25363 of 2026

Clear Secured Service Private Limited
Rep by its manager Prakash Ramdoss,
Reg GSTN 33AADCC5952H1ZR
No.1, Balaji Street, Kodambakkam,
Chennai 24.

..Petitioner

Vs

The Assistant Commissioner (ST)
Porur Assessment Circle,
Poonamallee Zone, Kancheepuram Division,
No 4/109, I Floor, Bangalore Highway Road,
Varadharajapuram, Nazharatpet, Chenani 600 123.

..Respondent

Prayer : Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorari to call for the records pertaining to the issue of the impugned order dated 02.09.2025 made in GSTIN 33AADCC5952H1ZR / 2023-2024 along with summary order in Form DRC-07 bearing Reference No. ZD330925080225C dated 08.09.2025 issued under section 74 of CSGT/TNGST Act for the assessment year 2022-2023 on the file of respondent and quash the same as arbitrary, without authority of law, passed in the violation of principles of natural justice.

For Petitioner: Mr. K.Guruprasad

For Respondent: Ms. G. Dhana Madhri
Government Counsel (Tax)

ORDER

An assessment order under Section 74 is the subject of challenge in this writ petition.

2. Show cause notice dated 26.02.2025 was received by the petitioner calling upon the petitioner to show cause as to why the Input Tax Credit (ITC) claimed by the petitioner for supplies received from Jay Steels should not be reversed. In response, the petitioner filed a reply on 27.01.2025 enclosing proof of payment, copies of tax invoices, e-way bills, ledger extract and screenshot of the GSTR 2A & 2B. The order impugned herein was issued pursuant thereto.

3. Adverting to the impugned order, learned counsel for the petitioner submits that the tax proposal was confirmed solely on the ground that the supplier's registration was cancelled on 27.03.2024 by categorising such supplier as non-existent.

4. Ms. G. Dhana Madhri, learned Government Counsel (Tax), accepts notice on behalf of the respondent. She submits that bill trading activities are carried on by making payments through banking channels. In the absence of documents establishing actual movement of goods, she submits that no case is made out to interfere with the order.

5. On perusal of the show cause notice dated 26.02.2025, it follows that such notice was issued under Section 73 of applicable GST statutes. The petitioner was called upon to submit original tax invoices, e-way bill copies, purchase register, lorry receipt and proof of payment. By reply dated 27.01.2025 to the intimation, the petitioner had provided bank statement, tax invoices, e-way bills, ledgers and the GSTR 2A & 2B returns.

6. The burden of proof in relation to a claim for ITC is statutorily imposed on the person claiming such credit. To that extent, the respondent cannot be faulted for calling for proof that the supplies received by the petitioner were genuine. As discussed above, the petitioner has submitted several documents of relevance in this regard. These documents should have been duly considered and, if there was any shortcoming, the petitioner should have been given an opportunity to submit additional documents. Instead, the tax proposal was confirmed solely on the ground that the supplier was declared as non-existent with effect from 27.03.2024. This approach cannot be countenanced especially considering the fact that the order was issued under Section 74 although the show cause notice states in more than one place that it has been issued under Section 73.

7. Considering these aspects, the impugned order is set aside and the matter is remanded for re-consideration. After providing a reasonable

SENTHILKUMAR RAMAMOORTHY, J.

KJ

opportunity to the petitioner, a fresh order shall be issued within three months from the date of receipt of a copy of this order.

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.

01-07-2026

Index : Yes/No

Neutral Citation : Yes/No

KJ

To

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