IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 14-07-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 22795 of 2026
and WMP Nos.24727 and 24730 of 2026

G.R.Organic Company Rep by its Managing
Partner S Gowri
No.710/2B, Old Thiruthani Road,
Melpudupet, Ranipet - 632513.

..Petitioner(s)

Vs

1. The Commercial Tax Officer Ranipet
   Assessment Circle
   Ranipet, Vellore.

2. The Assistant Commissioner (ST) (FAC)
   Ranipet Assessment Circle,
   Commercial Taxes Building,
   Plot No.25, Ward -B,
   Railway Station Road,
   Opp. Uzavar Santhai, Ranipet - 632401.

..Respondent(s)

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, for issuance of Writ of Certiorarified Mandamus, calling for the records of the First Respondents Summary of the Order in Form DRC 07 dated 25.11.2025 and also in Reference No. ZD331125435754H Form GST DRC 07 dated 25.11.2025 and quash the same as illegal and further direct the Second Respondent, to lift the bank attachment in GSTIN 33AAOFG7646L1ZU/2026 dated 15.04.2026 along with a Notice in Form GST DRC-13.

For Petitioner(s): Mr.K.A.Krishnamurthy

For Respondent(s): Mr.R.Sethu Prabakaran

Government Counsel (Tax)

ORDER

The petitioner was engaged in effecting 100% exempt supplies during the assessment period 2021-22. Because ITC for said period, was reflected in the GSTR 2A, pursuant to the initiation of proceedings, order dated 25.11.2025 was issued. Said order is impugned herein.

2.Learned counsel for the petitioner submits that ITC was not utilized by the petitioner on account of being aware that the petitioner dealt in exempt supplies. He adds that said ITC was reversed on 07.03.2026.

3.After obtaining written instructions, Mr.Sethu Prabakaran, submits that the petitioner did not utilize the ITC. He, however, adds that ITC should have been reversed in these circumstances.

4.In the impugned order, tax has been imposed on the amount reflected as ITC and interest has also been levied thereon. Based on supplies received by the petitioner, ITC gets reflected in the GSTR 2A/2B. Given the fact that the petitioner has not made use of such ITC to offset outward tax liability, the imposition of tax and interest is unsustainable. Therefore, the impugned order is set aside by leaving it open to the respondent to initiate action in case the ITC has not been reversed.

5.The Writ Petition stands disposed of accordingly. No costs. Consequently, connected miscellaneous petitions are closed.

14-07-2026

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

KAS

To

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   Assessment Circle
   Ranipet
   Vellore.

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SENTHILKUMAR RAMAMOORTHY, J.

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