



W.P.(MD) No. 21166 of 2026

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 27.07.2026

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

**W.P.(MD) No. 21166 of 2026
and
W.M.P.(MD) No.15714 of 2026**

M/s.Mukesh Steels

... Petitioner

Vs

1. The Commissioner of Central GST and Central Excise,
No.1, Williams Road,
Cantonment,
Trichy - 620 001.

2. The Additional Commissioner of CGST and Central Excise,
No.1, Williams Road,
Cantonment, Trichy - 620 001.

3. The Assistant Commissioner of CGST and Central Excise,
No.1, Williams Road,
Cantonment, Trichy - 620 001.

4. The Superintendent of GST and Central Excise,
HAE, Trichy GST Commissionerate,
No.1, Williams Road,
Cantonment, Trichy 620 001.

... Respondents



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PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Certiorarified Mandamus, calling for the records relating to the impugned action of the second respondent in blocking the Petitioner's Input Tax Credit (ITC) in the Electronic Credit Ledger amounting to Rs.31,67,538/- on 13.03.2026, quash the same as illegal, arbitrary and consequently, direct the Respondents No. 1 to 3 to unblock the petitioner's Electronic Credit Ledger forthwith and permit the petitioner to utilize the eligible Input Tax Credit available therein.

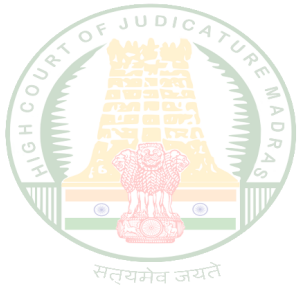
For petitioner : Mr. T. Senthil Kumar

For respondents : Mr.R.Gowrishankar
Senior Standing Counsel

ORDER

Mr.R.Gowrishankar, learned Senior Standing Counsel, takes notice for the respondents.

2. This Writ Petition is taken up for final hearing at the time of admission with the consent of the learned counsel for the petitioner and learned Senior Standing Counsel for the respondents.



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3. The petitioner, a dealer of Scrap, is before this Court against the action of the second respondent blocking the Input Tax Credit of the petitioner on the ground that the suppliers of the petitioner are non-existent. It appears that they were registered suppliers, however, subsequently, their registration was cancelled. Therefore, the Input Tax Credit of the petitioner has been blocked as early as on 13.03.2026.

4. The learned counsel for the petitioner submits that the transactions with the suppliers were through bank and each of the supplies was accompanied E-Way Bills and transport documents. However, despite the same, the respondents have blocked the Input Tax Credit, which was validly availed and passed on to the buyers/recipients of the petitioner.

5. The learned counsel further submits that the petitioner has also produced all necessary documents with the second respondent. Despite the same, the respondents have continued to block the Input Tax Credit account of the petitioner, thereby violating Article 300A of the Constitution of India.



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6. A perusal of the affidavit filed in support of this writ petition and documents filed before this Court indicates that the petitioner has also filed an application explaining the case of the petitioner under Rule 86A of the respective GST Rules, 2017, as per which the Commissioner or the Officer authorised by him under Sub-Rule (1) may, upon being satisfied with the condition for disallowing the debit of Electronic Credit Ledger no longer exist, can allow such debit from the Electronic Credit Ledger. The context of Rule 86 A(2) of respective GST Rules, 2017, reads as under:

“Rule 86A. Conditions of use of amount available in electronic credit ledger.-

(1)

(2) The Commissioner, or the officer authorised by him under sub-rule (1) may, upon being satisfied that conditions for disallowing debit of electronic credit ledger as above, no longer exist, allow such debit.”

7. Therefore, the application given by the petitioner against the blocking of the Input Tax Credit as early as 13.03.2026 has to be reconciled in the manner prescribed under Rule 86A(2) of the respective GST Rules, 2017.

8. The learned Senior Standing Counsel for the respondents submits that



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since the application of the petitioner is not available with the respondents, in case the petitioner serves a copy of the same, it will be considered and disposed of accordingly.

9. In view of the same, the petitioner is directed to serve a copy of the application within two (2) weeks from today. The respondents shall consider and pass orders on merits and in accordance with law as expeditiously as possible, preferably within a period of two (2) weeks thereafter. The respondents are further directed to return all the records of the petitioner, unless those records are required, in which case a photocopy of the same shall be issued to the petitioner.

10. This Writ Petition is disposed of, with the above observations. No costs. Consequently, connected miscellaneous petition is closed.

Index : Yes / No
Internet : Yes / No
apd

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Case Citation: (2026) taxcode.in 1254 HC



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C.SARAVANAN, J.

apd

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