

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01-09-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 33980 of 2026

Syed Ahamed Ibrahim
Proprietor of Tvl. Royal Steel Traders
No. 46, Coromandel Town, SIDCO,
Ambattur Estate, Tiruvallur 600098.

..Petitioner

Vs

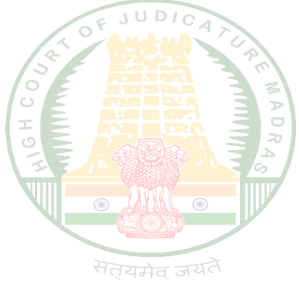
1. The Assistant Commissioner (ST) (RAL)
(FAC), Ambattur Zone,
Commercial Taxes Department,
No.1, PAPJAM Building,
Greens Road, Chennai 600 006.
2. The Deputy Commissioner (ST)
Ambattur Zone, No.1, PAPJAM Building,
Greens Road, Chennai 600 006.

..Respondents

Prayer: Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of Writ of Mandamus directing the First and Second Respondent to unblock the Petitioner's Input Tax Credit (ITC) under the Tamil Nadu Goods and Services Tax Act, 2017 (TNGST Act)/Central Goods and Services Tax Act, 2017 (CGST Act) amounting to Rs. 28,15,364/- (CGST - Rs. 14,07,682/- plus SGST - Rs. 14,07,682/-) (blocked vide reference No. BL3305260000112 on 07.05.2026) and consequently, permit the Petitioner to debit the corresponding ITC from its Electronic Credit Ledger.

For Petitioner:

Mr. R.Balachandar



For Respondents:

Ms. Amirta Poonkodi Dinakaran
Additional Government Pleader (Tax)

ORDER

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Intimation dated 07.05.2026 blocking the electronic credit ledger of the petitioner with regard to credit relating to supplies from Vasanth Enterprises is challenged in this writ petition.

2. Learned counsel for the petitioner submits that orders dated 08.06.2026 were issued after initiating proceedings against the petitioner in respect of the alleged wrongful availment of Input Tax Credit (ITC). He adds that appeals were lodged against said orders by making pre-deposits from the electronic cash ledger of the petitioner. On account of making such pre-deposit, learned counsel submits that there is an interim stay under Section 107 of applicable GST enactments. Consequently, it is contended that the electronic credit ledger is liable to be unblocked. Learned counsel relies upon the judgment of this Court in *Arise Steels Private Limited v. Assistant Commissioner (ST)*, (2025) 32 Centax 444 (Mad.).

3. An order to block credit is issued under Rule 86A of applicable Rules under GST law. Rule 86A requires that reasons be recorded in support of such order. Being a provisional measure, the life of a blocking order shall not exceed one year. Consequence of filing an appeal and making the pre-deposit is that



recovery proceedings for the balance amount shall be deemed to be stayed in terms of sub-section (7) of Section 107. Therefore, the effect of making the pre-deposit is that no appropriation shall be made either from the electronic cash ledger or the blocked electronic credit ledger. Beyond that, the lodging of an appeal and the deemed stay would have no impact on the blocking order under Rule 86A. Rule 86A, however, enables the person concerned to apply for unblocking. The petitioner has submitted a representation on 17.06.2026 seeking such unblocking.

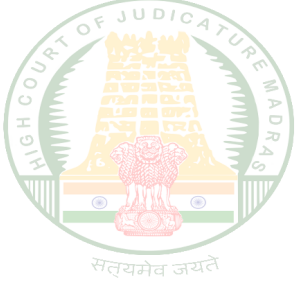
4. For reasons aforesaid, this writ petition is disposed of by directing the respondents to consider the petitioner's request for unblocking. If such request were to be accepted, it is not necessary to issue a speaking order. On the other hand, if the request were to be rejected, a speaking order of refusal shall be issued within one month from the date of receipt of a copy of this order. There will be no order as to costs.

01-09-2026

Index : Yes/No

Neutral Citation : Yes/No

KJ



SENTHILKUMAR RAMAMOORTHY, J.

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To

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