BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 15.06.2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.(MD) No.11335 of 2026
and
W.M.P.(MD)No.12194 of 2026

Sri Chima Associates,
Represented by its Partner,
A.Balasubramanian,
D.No.51, Kamak Road,
Sivakasi-626 189. ... Petitioner

Vs.

1.The Assistant Commissioner (State Tax),
Madurai Rural (South) Assessment Circle,
5th Floor, Dr.Thangaraj Road,
K.K. Nagar, Madurai-625 020.

2.The Joint Sub-Registrar-IV (Madurai South),
Sub Registrar Office,
No.50, Visalam VMR Complex,
2nd Floor, By-Pass Road,
Madurai-625 003.

3.Sundar Tyres and Wheels Pvt. Ltd.,
Plot No.41, SIDCO Industrial Estate,
Madurai - 625 008.

4.K.S.Palanikumarasamy,
D.No.2B, Neelakandar Kovil Street,
Pasumpon Nagar, Madurai - 625 003.

5.K.S.P. Sundaravel,
D.No.2B, Neelakandar Kovil Street,
Pasumpon Nagar, Madurai - 625 003.

6.S.Thenpazham,
D.No.1A, Sundaram Tyres,
Near Sakthi Illam, Bypass Road,
Pazhanganatham, Madurai - 625 003. ... Respondents

[R3 to R6 are *suo motu* impleaded vide order dated 08.06.2026]

Prayer : Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Mandamus, directing the respondents 1 and 2 to lift the GST Attachment and Delete Encumbrance Entries recorded on the petitioner's properties in Re.Sy.No.216/2A1 (3,052 sq.ft. And 2,612.5 sq.ft.) and Re.Sy.No.216/2A1 and 216/5 (2,086 sq.ft), Madakulam Village, within a time period to be determined by this Court.

For Petitioner : Mr.N.Dilip Kumar

For R1 and R2 : Mr.R.Parthiban
Standing Counsel

For R3 to R5 : No Appearance

For R6 : Mr.S.Karunakar

ORDER

The Writ Petition has been filed seeking issuance of a Writ of Mandamus directing the respondents to lift the GST attachment and remove the encumbrance entries recorded in respect of the petitioner's properties comprised in Survey No.216/2A1 and Survey No.216/5 of Madakulam Village, within a time frame to be fixed by this Court.

2. *Mr.N.Dilip Kumar*, learned counsel appearing for the petitioner, submitted that the petitioner is a *bona fide* purchaser for valuable consideration, having purchased the subject properties from the impleaded respondents 4 to 6 under three registered sale deeds dated 18.02.2025, 18.02.2025 and 03.03.2025. It is his contention that subsequent to the said purchases, the first respondent addressed a communication to the second respondent directing that an attachment be maintained over the properties on account of tax arrears allegedly due from the third respondent Company, in which the respondents 4 and 5 were Directors.

3. The learned counsel further submitted that the petitioner had submitted a representation seeking removal of the encumbrance. Pursuant thereto, a communication dated 29.01.2026 came to be issued to the Joint Sub-Registrar No.IV directing him to verify the correctness of the claim made by the petitioner and to take appropriate action in respect of the encumbrance.

4. According to the learned counsel, the petitioner is a *bona fide* purchaser for value without notice of any attachment or encumbrance. As on the dates of purchase, no attachment had been notified to the Sub-Registrar, and consequently, there was no occasion for the petitioner to become aware of any such claim. It is therefore contended that, when the sale transactions preceded the recording of the encumbrance, the respondents were not justified in continuing the attachment. In any event, it is submitted that under Rule 147(10) of the Central Goods and Services Tax Rules, 2017, it is incumbent upon the first respondent to consider the petitioner's claim independently and pass appropriate orders thereon in accordance with law.

5. Per contra, the learned Standing Counsel appearing for the respondents 1 and 2 submitted that Section 81 of the Central Goods and Services Tax Act, 2017 empowers the authorities to proceed against transferred properties, if they arrive at a conclusion that the transfer was effected with an intention to defeat or delay recovery of tax dues. Therefore, notwithstanding the alienation, the authorities are entitled to continue the attachment in accordance with law.

6. The learned counsel appearing for the sixth respondent submitted that the sixth respondent has no connection whatsoever with the assessee Company and that he was only a mortgagor in respect of the transaction.

7. I have considered the rival submissions made on either side and perused the materials available on record.

8. Having regard to the nature of the relief proposed to be granted, this Court is not inclined to enter into the rival contentions on the merits of the dispute. The specific case of the petitioner is that he is a *bona fide* purchaser for valuable consideration and that he is entitled to have his claim examined under Rule 147(10) of the Central Goods and Services Tax Rules, 2017. A perusal of the communication dated 29.01.2026 indicates that the petitioner's claim has not been independently considered and no reasoned order has been passed thereon one way or the other.

9. In such circumstances, this Court is of the view that the petitioner's claim requires consideration by the competent authority in accordance with the procedure contemplated under Rule 147(10) of the Central Goods and Services Tax Rules, 2017.

10. Accordingly, the Writ Petition is disposed of on the following terms:

(i) The first respondent shall take up the petitioner's representation dated 06.12.2025 and treat the same as a claim petition under Rule 147(10) of the Central Goods and Services Tax Rules, 2017. The first respondent shall issue notice to the petitioner and to all other persons who may be necessary parties for the purpose of adjudication, conduct an enquiry, and thereafter, pass a reasoned order on merits and in accordance with law.

(ii) Such exercise shall be completed as expeditiously as possible and, in any event, within a period of two months from the date of receipt of a web copy of this order.

(iii) Until the completion of the enquiry and the passing of final orders, the respondents 1 and 2 shall not take any further coercive steps in respect of the subject properties.

(iv) No costs. Consequently, connected Miscellaneous Petition is closed.

15.06.2026

NCC : No
smn2

To

1.The Assistant Commissioner (State Tax),
Madurai Rural (South) Assessment Circle,
5th Floor, Dr.Thangaraj Road,
K.K. Nagar, Madurai-625 020.

2.The Joint Sub-Registrar-IV (Madurai South),
Sub Registrar Office,
No.50, Visalam VMR Complex,
2nd Floor, By-Pass Road,
Madurai-625 003.

D.BHARATHA CHAKRAVARTHY, J.

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W.P.(MD) No.11335 of 2026

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