BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **07.08.2026**

CORAM:

THE HONOURABLE MR.JUSTICE **C.SARAVANAN**

W.P.(MD) No.22399 of 2026
and
W.M.P.(MD) No.16699 of 2026

Tvl.S.O.R NEW MOTORS
Represented by its Proprietor
S.O.R. Elangovan ... Petitioner

/vs./

The Deputy State Tax Officer - 1 (FAC)
Madurai Rural (West) Assessment Circle
Commercial Taxes Buildings
Madurai. ... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Certiorarified Mandamus, to call for the records on the file of the respondent in GSTIN 33AABPE4555D1ZB/2019-20 dated 26.08.2024 for the assessment year 2019-20 passed by the Respondent under section 73 of TNGST Act 2017 and to quash the same as cryptic, barred by limitation, non-speaking, illegal , arbitrary, wholly without jurisdiction and direct the respondent to pass assessment order.

For Petitioner : Mr.N.Sudalai Muthu

For Respondent : Mr.R.Parthiban
Special Government Pleader

ORDER

Mr.R.Parthiban, learned Special Government Pleader, takes notice for the respondent.

2.By consent, this writ petition is disposed of at the time of admission, after hearing the learned counsel for the petitioner and the learned Special Government Pleader for the respondent.

3.The Petitioner is before this Court against the impugned order passed by the respondent in GSTIN 33AABPE4555D1ZB/2019-20 dated 26.08.2024 for the assessment year 2019-20, whereby the proposal in the show cause notice in GST DRC 01 dated 21.07.2023 has been confirmed in the absence of a reply.

4.The case of the petitioner is that the petitioner is under compounding scheme under Section 10 of the respective GST enactment and that the respondent has wrongly come to a conclusion that the petitioner has availed the input tax credit on motor vehicles during the period in dispute. It is the further case of the petitioner that the GST registration of the petitioner was cancelled on 11.11.2019 with retrospective effect from 01.01.2018.

5.On a specific query as to whether any tax was paid by the petitioner for the third quarter of 2019-20 or not, the reply that is forthcoming from the petitioner is that the petitioner filed return only for the period between October 2017 and 2018.

6.What is relevant is the return that ought to have been filed for the period in dispute. There is no answer forthcoming from the petitioner. Merely because the GST registration was cancelled on 11.11.2019 vide GST RAG 19 with effect from 01.01.2018 would not absolve the petitioner of the liability.

7.If the business was being carried on before the registration was cancelled, the petitioner ought to have paid the tax due during the period in dispute. There is no answer forthcoming in this regard. As such, the challenge to the impugned order based on the submissions made by the learned counsel for the petitioner does not warrant an interference.

8.It is also not clear as to when the petitioner stopped the business and the tax that was paid during the period in dispute, particularly during the third quarter of 2019-20 during which period, the petitioner is said to have availed ineligible input tax credit under Section 17(5) of the respective GST enactment.

9.Under these circumstances, the impugned order passed by the respondent in GSTIN 33AABPE4555D1ZB/2019-20 dated 26.08.2024 for the assessment year 2019-20 is quashed and the case is remitted back to the respondent to re-do the exercise to determine the tax payable during the period in dispute by invoking the best judgment method and also to recover ineligible credit in case it was availed and utilized. The petitioner shall co-operate with the respondent for early disposal of the case. Needless to state, before passing final orders, the petitioner shall be heard.

10.The Writ Petition stands disposed of, accordingly. No costs. Consequently, connected Miscellaneous Petition is closed.

Index : Yes / No **07.08.2026**

Internet : Yes / No
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To

The Deputy State Tax Officer - 1 (FAC)
Madurai Rural (West) Assessment Circle
Commercial Taxes Buildings
Madurai.

C.SARAVANAN, J.

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W.P.(MD) No.22399 of 2026

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