Case Citation: (2026) taxcode.in 1525 HC

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IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 18.08.2026
Coram
The Honourable **Mr.Justice S.Raveekumar**

W.P.No.20585 of 2022
and
W.M.P.Nos.19701 & 19703 of 2022

Mr.Ramesh Chand
Sole Proprietor of Tvl.Shri Tyres. ...Petitioner

Vs.

The Sales Tax Officer,
Chromepet Circle, Zone-XI,
Chennai East. ..Respondent

Prayer

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari to call for records of the respondent in the impugned order vide Order in GSTIN: 33AAIPR1776L1Z9 dated 11.01.2022 and to quash the same.

For Petitioner : Mr.Adithya Reddy
For Respondent : Ms.Amirta Poonkodi Dinakaran
Additional Government Pleader (T)

Order

Heard Mr.Adithya Reddy, learned counsel appearing for the petitioner and Ms.Amirta Poonkodi Dinakaran, learned Additional Government Pleader (T) for the respondent.

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2. The case of the petitioner is that the petitioner is a dealer in Tyres and is registered under the provisions of TNGST Act on the file of the respondent. Due to severe financial constraints and non receipt of payments from his customers, the petitioner is constraint to file GST-3B belatedly for the months May to March, 2018-19. Subsequently, the petitioner has paid tax liability and interest and late fee in accordance with Sections 50 & 47 of the Act. Further, it is the case of the petitioner that he was served with a notice dated 17.03.2021 in Form GST ASMT-10 for the following discrepancies:-

a) The petitioner has not substantiated his claim of exemption to the tune of Rs.20,58,467/-

b) The petitioner's claim of ITC is time barred under Section 16 (4).

3. The petitioner submitted his reply on 26.04.2021 objecting to the proposals in the aforesaid notice dated 17.03.2021. The respondent seems to have issued another notice in Form GST ASMT-10 on 25.06.2021 for the same reasons and the petitioner had submitted his objections dated 09.07.2021 and 16.07.2021. Thereafter, an order seems to have been passed by the respondent on 25.08.2021 wherein, a proposal to reject the petitioner's claim of ITC under Section 16 (4) was confirmed. This order was put to challenge before this Court

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in W.P.No.19756 of 2021. This Court vide Order dated 21.09.2021 disposed of the said Writ Petition and directed the respondent to redo the assessment. Thereafter, the respondent again issued a notice in Form GST ASMT-10 dated 12.10.2021 followed by a notice in DRC-01 under Section 73 dated 30.11.2021, wherein, the respondent directed the petitioner to reverse the wrongly availed ITC of Rs.9,81,481/- towards CGST; Rs.9,81,481/- towards SGST and Rs.1706/- towards IGST as being time barred under Section 16 (4) of the respective GST enactments. The respondent also consequently demanded interest at the rate of Rs.5,44,040/- as SGST and Rs.5,44,040/- as CGST and Rs.919/- as IGST. After considering the reply of the petitioner dated 07.01.2022, the respondent passed the impugned assessment order on 11.01.2022.

4. The petitioner assailed the impugned order on the ground that no procedure as contemplated under Section 75 (4) of the respective GST enactments has been followed before the assessment order was passed by the respondent.

5. When the Writ Petition is taken up for final hearing, the learned counsel for the petitioner submits that in view of the subsequent amendment by

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way of insertions of Section 16 (5) and 16 (6) to the CGGS/TNGST Act, the impugned proceedings would not survive, as the petitioner had filed their returns even before the cut-off date on 30.11.2021. The learned counsel for the petitioner further submits that inadvertently they have filed the Rectification Application on 07.04.2025 relying on the amendment under Section 161 of the TNGST Act and the same was rejected on 17.02.2026 stating that provisions of Section 161 of TNGST ACT, 2017 grants the power to rectify only the clerical or arithmetical errors apparent on the face of the record.

6. The learned counsel would further submit that the issue involved in this Writ Petition is no longer *res integra*, as it has already been decided by this Court in a batch of Writ Petitions, viz., in W.P.No.25081 of 2024, etc dated 17.10.2024. Therefore, the learned counsel prays that the benefit of the said order dated 17.10.2024, may extended to the petitioner herein as well.

7. The learned Additional Government Pleader (T) for the respondent also fairly conceded that the issue involved in this Writ Petition is covered by the decision relied on by the petitioner.

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8. Considering the fact that the legal issue involved in this Writ Petition has already been dealt with by the learned Single Judge of this Court in **W.P.No.25081 of 2024 etc. batch)*Sri Ganapathi Pandi Industries vs. The Assistant Commissioner (State Tax)*** **dated 17.10.2024,** wherein, it is held that in view of the retrospective amendment to Section 16 of the Act, the benefit of extended period prescribed under Section 16(5) would be available to eligible registered persons, this Court is inclined to dispose of the present Writ Petition on the same lines.

9. Thus, in view of the aforesaid statutory amendment, the impugned order dated 11.01.2022 is quashed and this Court is inclined to pass the following orders:-

i) The order impugned herein is quashed insofar as it relates to the claim made by the petitioner for ITC ,which is barred by limitation in terms of Section 16 (4) of the CGST Act, 2017 but, within the period prescribed in terms of Section 16 (5) of the said Act.

ii) As a consequence, the respondent-Department is restrained from initiating or continuing with any recovery proceedings against the petitioner by virtue of the impugned order based on the issue of limitation.

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iii) It is also made clear that if at all, any amount has been recovered from the petitioner based on the impugned assessment order from the cash ledger/credit ledger of the petitioner or through any other mode of recovery prescribed under the Act, the same shall be refunded to them or utilized/adjusted by the petitioner towards payment of future tax.

10. The Writ Petition is allowed on the aforesaid terms. No costs. Consequently, connected Miscellaneous Petitions are closed.

18.08.2026

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Index : yes/no
Neutral Citation : yes/no
To
The Sales Tax Officer,
Chromepet Circle, Zone-XI,
Chennai East.

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S.Raveekumar,J.,

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