O R D E R

C.SARAVANAN, J.

This case is listed under the caption ‘for being mentioned’ at the instance of the learned Special Government Pleader for the Respondents after the Writ Petition was disposed of by this Court on 10.03.2026.

2.By order dated 10.03.2026, this Writ Petition was disposed of by observing that the Respondents shall pass appropriate orders in response to the Show Cause Notice proposing to cancel the GST registration of the petitioner by following the broad guidelines of this Court in ***Tvl.Suguna Cut Piece Centre, represented by its Authorized Signatory V. The Appellate Deputy Commissioner (ST) (GST), Salem and another [(2022) 99 GSTR 386].***

3.The learned Special Government Pleader for the Respondents would submit that the decision of this Court in ***Tvl.Suguna Cut Piece Center,*** operative portion of which has been extracted in Paragraph No.8 of the order dated 10.03.2026 will not apply to the facts of the present case, as this is a case where the Petitioner has purportedly passed on ineligible Input Tax Credit without actual receipt of the input.

4.Learned counsel for the Respondents has drawn the attention of this Court to proviso to Section 29(1) to the respective GST Enactments, as per which during the pendency of the proceedings for cancellation of the GST Registration, the GST registration may be cancelled for such period in such manner as may be prescribed.

5.It is submitted that as per Rule 21(A) of the respective GST Rules where the proper officer has reason to believe that registration of the person is liable to be cancelled under Section 29 or Rule 21, he may suspend the registration of such person with effect from the day to be determined, pending the completion of proceedings for cancellation of GST registration under Rule 22 of the respective GST Rules.

6.Learned counsel for the Petitioner on the other hand would draw attention to the order of this Court in ***Tvl.Suguna Cut Piece Center*** wherein the Court observed as under:-

> *"**228**. These petitioners deserve a chance and therefore should be allowed to revive their registration so that they can proceed to regularize the defaults. The authorities acting under the Act may impose penalty with the gravity of lapses committed by these petitioners by issuing notice. If required, the Central Government and the State Government may also suitably amend the Rules to levy penalty so that it acts as a*

deterrent on others from adopting casual approach."

7.Learned counsel for the Petitioner further submits that the Respondents have also blocked the Input Tax Credit of the Petitioner for a sum of Rs.5,75,89,087/- under Rule 86 A of the respective GST Rules, *post facto*.

8.Having considered submissions made by the learned counsel for the Petitioner and the learned Special Government Pleader for the Respondents, I am of the view the order passed by this Court on 10.03.2026 does not require a major change, suffice that suspension of the GST Registration during the cancellation proceedings is to be determined by the Officer in terms of Rule 21A (2), which reads as under:-

*"**Rule 21A (2):** Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29 or under rule 21, he may, suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration under rule 22.*

[(2A) Where,-(a) a comparison of the returns furnished by a registered person under section 39 with the details of outward supplies furnished in FORM GSTR-1 [as amended in FORM GSTR-1A if any,] or the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their FORM GSTR-1 [or in FORM GSTR-1A of the previous tax period, if any], or such other analysis, as

may be carried out on the recommendations of the Council, show that there are significant differences or anomalies indicating contravention of the provisions of the Act or the rules made thereunder, leading to cancellation of registration of the said person, or

(b) there is a contravention of the provisions of rule 10A by the registered person, the registration of such person shall be suspended and the said person shall be intimated in FORM GST REG-31, electronically, on the common portal, or by sending a communication to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said differences, anomalies or non-compliances and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled.]

9.Considering the same, the order is modified by directing the Respondents to pass a preliminary order in terms of Rule 21(2) of the GST Rules, after hearing the Petitioner in so far suspension of GST Registration. As far as the main cancellation is concerned, appropriate orders may be passed separately after considering all the records. In either case, the Petitioner shall be heard, before Order(s) are passed both at the stage of passing preliminary order and final order.

10.As far as the blocking of the Input Tax Credit is concerned, it is for the

Petitioner to workout the remedy in an appropriate proceeding(s) in the manner known to law.

13-03-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

GSA

To

1. Assistant Commissioner ST
Poonamallee Assessment Circle,
Integrated Commercial taxes Building,
3rd Floor, Varadharajapuram,
Nazarathpet, Chennai-600 123.

2. State Tax Officer
Group-X, Office of the Joint Commissioner (ST)
Intelligence-II, 1st Floor, PAPJM Buildings,
Greams Road, Chennai-06.

C.SARAVANAN, J.

GSA

WP No. 9450 of 2026

13-03-2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10-03-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 9450 of 2026
and
W.M.P.Nos.10174 and 10175 of 2026

Tvl. A J Power Center
(Rep. by its Proprietor V.Varadharajan)
No.1/160, Moutn Poonamallee High Road,
Iyyappanthangal, Chennai,
Kancheepuram, Tamilnadu-600 056

..Petitioner(s)

Vs

1.Assistant Commissioner ST
Poonamallee Assessment Circle,
Integrated Commercial taxes Building,
3rd Floor, Varadharajapuram,
Nazarathpet, Chennai-600 123

2.State Tax Officer
Group-X, Office of the Joint Commissioner (ST)
Intelligence-II, 1st Floor, PAPJM Buildings,
Greams Road, Chennai-06

..Respondent(s)

Prayer: This petition is filed under Section 226 of the Constitution of India to issue a writ of certiorarified Mandamus calling for the records of the first respondent impugned notice in Form GST REG-17 bearing Ref. No.ZA330226292305O dated 27.02.2026 and the connected detailed notice bearing Ref. GSTN 33AMFPV0455M1ZR / 2025-26 dated 27.02.2026 quash the same and consequently directing the first respondent herein to restore the petitioners GST Registration forthwith and pass orders.

For Petitioner(s): Mr.P. Rajkumar for Mr. Sreemannaarayana Mallela

For Respondent(s): Mrs.P.Selvi, Government Advocate

ORDER

Mrs.P.Selvi, Government Advocate, takes notice for the Respondents.

2. This Writ Petition is being disposed of at the stage of admission itself with the consent of the learned counsel for the Petitioner and the learned Government Pleader for the Respondents.

3. In this writ petition, the petitioner has challenged the impugned notice dated 27.02.2026 in form GST Reg-17, whereby the GST registration is proposed to be cancelled. However it also suspends the GST Registration of the petitioner with effect from 01.07.2017. The petitioner in the above writ petitioner is represented by its proprietor who is also the of the Director of the petitioner in W.P.No.9579 of 2026.

4. The case on record reveals that the second respondent had recorded a statement under Section 67 of TNGST Act, 2017 from the petitioner on 14.11.2025, pursuant to which the first respondent/ Assistant Commissioner ST has issued a Show Cause Notice on 27.02.2026 to the petitioner, based on the inspection carried on 13.11.2025, statement recorded on 14.11.2025 and in the

background of a demand notice issued to the petitioner in DRC-01A on 18.02.2026.

5. It appears that the personal hearing was also fixed on 05.03.2026. The petitioner has however approached the Court by way of filing this writ petition on 05.03.2026.

6. The Additional Government Pleader submits that the writ petition is to be dismissed as prematured .

7. The impugned Show Cause Notice in Form GST Reg-17 has been issued on 27.02.2026 and proposes to cancel the GST registration of the petitioner with effect from 01.07.2017 cannot be countenanced. Therefore to that extent the impugned Show Cause Notice stands quashed.

8. The respondent is therefore directed to pass orders ins response to the show cause notice issued to the petitioner by following the guidelines issued by this Court in ***Tvl.Suguna Cut Piece Center, Represented by its Authorized Signatory V. The Appellate Deputy Commissioner (ST) (GST), Salem and another [(2022) 99 GSTR 386]***, wherein, in Paragraph Nos.227 to 229, this Court has observed as under:-

"227. This is a fit case for exercising the power under Article 226 of the Constitution of India in favour of the petitioners by quashing the impugned orders and to grant consequential relief to the petitioners. By doing so, the Court is effectuating the object under the GST enactment of levying and collecting just tax from every assessee who either supplies goods or service. Legitimate Trade and Commerce by every supplier should be allowed to be carried on subject to payment of tax and statutory compliance. Therefore, the impugned orders deserve to be quashed.

228. These petitioners deserve a chance and therefore should be allowed to revive their registration so that they can proceed to regularize the defaults. The authorities acting under the Act may impose penalty with the gravity of lapses committed by these petitioners by issuing notice. If required, the Central Government and the State Government may also suitably amend the Rules to levy penalty so that it acts as a deterrent on others from adopting casual approach.

229. In the light of the above discussion, these Writ Petitions are allowed subject to the following conditions:-

i.The petitioners are directed to file their returns for the period prior to the cancellation of registration, if such returns have not been already filed, together with tax defaulted which has not been paid prior to cancellation along with interest for such belated payment of tax and fine and fee fixed for belated filing of returns for the defaulted period under the provisions of the Act, within a period of forty five (45) days from the date of receipt of a copy of this order, if it has not been already paid.

ii.It is made clear that such payment of Tax, Interest, fine / fee and etc. shall not be allowed to be made or adjusted from and out of any Input Tax Credit which may be lying unutilized or unclaimed in the hands of these petitioners.

iii.If any Input Tax Credit has remained *utilized, it shall not be utilised until it is scrutinized and approved by an appropriate or a competent officer of the Department.*

iv.Only such approved Input Tax Credit shall be allowed for being utilized thereafter for discharging future tax liability under the Act and Rule.

v.The petitioners shall also pay GST and file the returns for the period subsequent to the cancellation of the registration by declaring the correct value of supplies and payment of GST shall also be in cash.

vi.If any Input Tax Credit was earned, it shall be allowed to be utilised only after scrutinising and approving by the respondents or any other competent authority.

vii.The respondents may also impose such restrictions / limitation on petitioners as may be warranted to ensure that there is no undue passing of Input Tax Credit pending such exercise and to ensure that there is no violation or an attempt to do bill trading by taking advantage of this order.

viii.On payment of tax, penalty and uploading of returns, the registration shall stand revived forthwith.

ix.The respondents shall take suitable steps by instructing GST Network, New Delhi to make suitable changes in the architecture of the GST Web portal to allow these petitioners to file their returns and to pay the tax/penalty/fine.

The above exercise shall be carried out by the respondents within a period of thirty (30) days from the date of receipt of a copy of this order."

9. The above said order will be applicable to the present writ petition also. Hence, this Writ Petition stands disposed of in terms of the directions issued in **Tvl.Suguna Cut Piece Center** referred to *supra*. Consequently, connected miscellaneous petition are closed. No costs.

10-03-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
SMN
Note: Issue order copy on 11.03.2026

To

1. Assistant Commissioner ST
Poonamallee Assessment Circle,
Integrated Commercial taxes Building,
3rd Floor, Varadharajapuram,
Nazarathpet, Chennai-600 123
2. State Tax Officer
Group-X, Office of the Joint Commissioner (ST)
Intelligence-II, 1st Floor, PAPJM Buildings,
Greams Road, Chennai-06

C.SARAVANAN, J.

SMN

WP No. 9450 of 2026
and
W.M.P.Nos.10174 and 10175 of 2026

10-03-2026