IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29-06-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 45336 of 2025
&
WMP No.50490 of 2025

M/s.Jai Udhaya Industries,
Rep by its Proprietrix and Authorized Signatory,
Raman Bhuvaneswari No.10, PidariyarKoil
Lane,Broadway,Chennai-600 001

..Petitioner(s)

Vs

The State Tax Officer
Muthialpet Assessment circle, C.T.Buildings,
Elephant Gate, Chennai.

..Respondent(s)

PRAYER: This writ petition is filed under Article 226 of the Constitution of India praying to issue a writ of Certiorarified Mandamus to call for the records of the impugned order of the respondent in Reference NumberZA330722030684Q dated 08.07.2022 and quash the same with respect to cancellation of registration with retrospective effect i.e., from 05.12.2019 from the date of registration alone and consequentially direct the respondent to cancel the petitioners G.S.T Registration in G.S.T.No.33AHOPB8249B1ZK with prospective effect i.e., which is from the date of Form-10 on 12.07.2022 pass.

For Petitioner(s): Mr.A.Ilayaperumal

For Respondent(s): Ms.Amirta Poonkodi Dinakaran,
Government Cousnel (T)

ORDER

An order of cancellation of the petitioner's GST registration with retrospective effect from 05.12.2019 is challenged in this writ petition.

2. Referring to particulars regarding the filing of GSTR 3B returns of the petitioner, learned counsel submits that such returns were filed up to May 2022, which is up to the date of cancellation of the registration. He also submits that an earlier proceeding to cancel the registration was dropped upon receipt of a reply from the petitioner asserting that returns have been filed.

3. In response, Ms.Amirta Poonkodi Dinakaran, learned Government Counsel, submits that the registration was cancelled because the taxpayer was non-existent in the registered place of business. Relying on subsection (2) of Section 29 of the applicable GST enactments, she submits that the proper officer is empowered to cancel the registration with retrospective effect. She adds that the registered place of business is residential and could not have been used for carrying on business.

4. The operative paragraph of the impugned order is as under:

"1. Based on report from the CIW, O/o. The CCT, and the spot verification report, taxpayer found non existent in the registered place of business, proposed to cancel the

registration as non existent tax payer. reply not considerable. Hence registration cancelled as non existent taxable person."

5. The impugned order does not record the date of inspection of the registered place of business. The order was issued on 08.07.2022. Although the proper officer is empowered to cancel a registration with retrospective effect, it is necessary that reasons be specified to justify such retrospective cancellation. In the specific context of cancellation on account of the tax payer being non-existent, there should be some basis to draw the conclusion that the taxpayer was non-existent as of the effective date of cancellation. Given that the impugned order does not contain any basis for cancellation with effect from 05.12.2019, the impugned order cannot be sustained insofar as it cancels the registration with retrospective effect. Hence, cancellation of the registration with effect from 08.07.2022 is not interfered with, but the cancellation with retrospective effect is set aside by leaving it open to the respondents to initiate fresh proceedings, if it is intended to cancel the registration with retrospective effect.

6. The writ petition is disposed of on the above terms. Consequently, connected miscellaneous petition is closed. No costs.

29-06-2026

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

SENTHILKUMAR RAMAMOORTHY, J.

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To

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