

W.P.(MD)No.14605 of 2026

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 02.06.2026

CORAM:

THE HONOURABLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.(MD)No.14605 of 2026 and
W.M.P.(MD)Nos.10947 and 10948 of 2026

Ladu Singh Bhati

... Petitioner

-VS-

The State Tax Officer,
Nagercoil-2 Assessment Circle,
Commercial Taxes Building,
31, Mead Street,
Nagercoil, Kanyakumari District.

... Respondent

Prayer: Writ Petition is filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorari calling for the records relating to the impugned orders passed by the respondent in his proceedings in GSTIN : 33AMTPB5574D1Z2/2021-2022, dated 01.12.2025 and quash the same as unconstitutional.

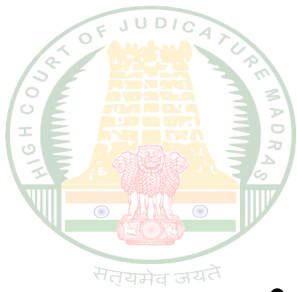
For Petitioner : Mr.J.Sivaram

For Respondent : Mr.R.Parthiban

Counsel for the Government of Tamil Nadu

ORDER

This writ petition challenges the impugned order dated 01.12.2025, which is an assessment order passed under Section 73 of the TNGST Act 2017.



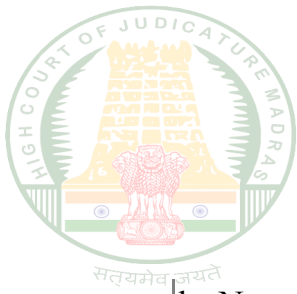
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2. I have heard the learned counsel for the petitioner and the learned counsel representing the revenue.

3. By the impugned order, the assessment was made *ex parte* because the petitioner did not utilise the opportunities provided. The discrepancies and grounds on which the assessment order was issued, the dealer's explanation on merits, and the reasons for not participating in the assessment proceedings are summarised briefly and presented in a table below.

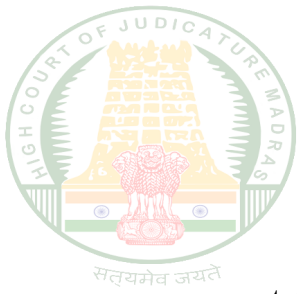
Discrepancies found/Grounds on which the order is passed	Explanation offered by the Assessee on merits	Explanation for not availing the opportunity
a. Excess claim of Input Tax Credit (ITC) on reconciliation between GSTR-9 and GSTR-2A.	The difference between GSTR-2A data and the GSTR-3B/annual return was mechanically treated as an automatic excess claim. Suppliers frequently upload invoices belatedly, and input tax credit cannot be denied solely based on such mismatches. A sum of Rs. 1,83,377 under IGST was added under Table 8A mismatches without verification. The petitioner can substantiate this with vendor certificates and ledger statements.	The petitioner suffered from extreme financial distress, severe medical contingencies within the family, and an absolute lack of technical tracking of the digital portal during the relevant period. Consequently, they failed to notice the notifications and reminders posted on the unmonitored GST dashboard.



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b. Non-apportionment of ITC for exempt supplies under Rules 42 & 43.	The computation under Rules 42 and 43 contains patent factual errors. The respondent adopted an arbitrary methodology where a negligible turnover of Rs. 14,692 classified under "exempt supplies" was disproportionately magnified to impose a reversal of common input tax credit for the entire year, misappreciating the true nature and character of the outward supplies.	Due to severe personal health issues, unavoidable business exigencies, financial distress, and administrative disruptions within the proprietary business during the relevant months, the petitioner could not submit a formal reply or actively participate in the personal hearings fixed on 30.08.2025, 10.10.2025, and 21.11.2025.
c. Ineligible ITC claimed under Section 17(5) for certain commodities.	The respondent erroneously invoked Section 17(5) by misclassifying ordinary commercial inward supplies and logistics as beverages and related items under HSN codes 2202, 2206, 2207, and 2208, thereby disallowing ITC amounting to Rs.6,946. The petitioner deals in hardware and plywood and neither deals in such beverage items nor claimed ITC on them; the classification was done without proper verification of invoices or records.	The lack of digital portal tracking, severe medical / health emergencies, administrative disruptions, and business exigencies prevented the petitioner from filing a timely reply or attending the scheduled personal hearings.

4. Considering the nature of the discrepancies noted, the explanation provided by the assessee and the reason given before this Court for not availing the opportunity, I believe that an opportunity can be granted to the assessee to



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present their submissions and produce the relevant supporting documents before the respondent assessing officer. This Court has been extending such opportunities on equitable grounds; however, under appropriate conditions.

5. At this juncture, the learned counsel for the petitioner submitted that the entire disputed tax amount is already recovered from the petitioner.

6. In view of the above and also considering the fact that the entire disputed tax amount is already recovered from the petitioner, no additional condition is imposed and the writ petition is allowed on the following terms:

i. The impugned order dated 01.12.2025 shall stand set aside, and the matter shall stand remanded back to the file of the respondent.

ii. The assessee shall appear before the respondent without fail and submit their reply and documents in support of their claim, and it is for the respondent to consider the matter afresh and pass orders in accordance with law.



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iii. Since the impugned order of assessment is set aside, any attachment of the bank account made pursuant to the impugned order shall stand raised.

iv. No costs. Consequently the connected Miscellaneous Petitions shall stand closed.

02.06.2026

NCC : No
smn2

To:-

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