BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED :**17.03.2026**

CORAM:

THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No. 6973 of 2026
and
W.M.P.(MD) Nos.5747 & 5749 of 2026

Shyla Gold Angelin,
Proprietor of Tvl.Y.Jeyasingh Contractor ... Petitioner

Vs

The State Tax Officer,
Nagercoil (Rural) Assessment Circle,
Commercial Taxes Building,
No.131, Mead Street,
Nagercoil. ... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorari, calling for the records on the files of the Respondent herein in FORM DRC - 07 with Ref. No. ZD331225304851R along with detailed order in GSTIN - 33ACKPJ3325R1ZA/2018-2019 both dated 19.12.2025 for the tax period APR 2018 - MAR 2019 and quash the same.

For Petitioner : Mr. A.P.Karventhan

For Respondents : Mr.R.Suresh Kumar
Additional Government Pleader

O R D E R

The writ petition is filed challenging the impugned order dated 19.12.2025. The impugned order is an order of assessment passed under Section 73 of the TNGST Act, 2017, determining tax liability of Rs.79,11,292/- and imposing interest of Rs.95,00,052/- and penalty of Rs.7,91,128/-, in all totaling Rs.1,82,02,472/-.

2. The submission made by the learned counsel is that when the show cause notice was issued to the petitioner, the ground on which it was issued is that for the period April 2018 to March 2019, there is an additional tax of Rs.25,37,612/- liablity to be paid on the ground that there is a mismatch between Form GSTR 7 and Form GSTR 3B. Further, when the petitioner appeared before the Authority and submitted a reply, now the tax amount is assessed on the ground that there is a difference between Form ITR 3 and Form GSTR 3B. The petitioner was not given an opportunity to show cause in respect of the same.

3. In reply thereto, the learned Additional Government Pleader

would submit that the new ground is not something that is proposed by the Assessing Authority, but from the contents of the reply of the petitioner himself.

4. The learned Additional Government Pleader would point out the annexure that was contained along with the reply, whereunder the income and expenditure account for the year ending up to 31-3-2019 was enclosed only by the petitioner herein along with the reply. Therefore, if, based on the same, the assessment order is passed, the opportunity cannot be endlessly sought for every reason after the other, when substantially with reference to the claim made, as a show cause notice is issued, no further opportunity is necessary.

5. I have considered the rival submissions made on either side and perused the material records of the case.

6. As rightly pointed out by the learned counsel for the petitioner, the principles relating to the determination of tax are contained in Section 75(7) of the TNGST Act, 2017, which categorically states that

the assessment shall confine to the demand made. In this case, as mentioned *supra,* when the initial demand was for a sum of Rs.25,37,612/- on the ground of the difference between Form GSTR 7 and Form GSTR 3B, the order that was ultimately passed was for a sum of Rs.1,82,02,472/- on the ground of the difference between Form ITR 3 and Form GSTR 3B. No doubt the said discrepancy came to the fore only on account of the reply; however, from the reply or the documents filed by the petitioner, the information or the ground on which the Assessing Authority proposes to take into consideration and make an additional levy should be put across to the petitioner and the petitioner should be heard.

7. In view thereof, this writ petition is allowed on the following terms:

(a) The impugned order dated 19.12.2025 stands quashed and the matter stands remanded back to the respondent Authority;

(b) The respondent Authority is entitled to issue a comprehensive show cause notice of all the discrepancies that are noted, including with reference to Form GSTR-7 and Form GSTR-3B or Form

ITR-3 and Form GSTR-3B;

(c) It is for the petitioner to appear before the respondent without fail and file such a reply and documents in support of his contention;

(d) The same shall be considered by the respondent and appropriate orders in accordance with law shall be passed; and

(e) No costs. Consequently, connected miscellaneous petitions are closed.

NCC : Yes/No **17.03.2026**
apd

To
The State Tax Officer,
Nagercoil (Rural) Assessment Circle,
Commercial Taxes Building,
No.131, Mead Street,
Nagercoil.

D.BHARATHA CHAKRAVARTHY.,J.

apd

ORDER MADE IN

W.P(MD)No. 6973 of 2026

17.03.2026