BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 08.04.2026

CORAM

THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.9738 of 2026
and
W.M.P(MD)No.7731 of 2026

M/s.Velammal
GSTIN 33AGUPV7062K1ZK
1-25-26A, 30 Fit Road,
Rajev Nagar, Palaympatti,
Aruppukottai ... Petitioner

Vs.

The Deputy State Tax Officer-1
Commercial Building
Aruppukottai. ...Respondent

Writ Petitions are filed under article 226 of the Constitution of India, praying to issue a Writ of Ceriorari, calling for the records in the impugned order in GSTIN: 33AGUPV7062K1ZK / 2022-23 dated 19.08.2025 issued by the respondent and quash the same as it is without jurisdiction and clear violation of statutory provisions.

For Petitioner :Mr.S.Karunakar
For Respondent :Mr.R.Sureshkumar
Additional Government Pleader

ORDER

This writ petition challenges the impugned order dated 19.08.2025, which is an assessment order passed under Section 74 of the TNGST Act, 2017.

2.I have heard the learned counsel for the petitioner and the learned Additional Government Pleader appearing for the respondent.

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
(i)Turnover mismatch between from GSTR-7 to that of GSTR 3B return	As far as the discrepancy pointed out by the respondent, the petitioner submit that whatever work he had executed was properly reported and tax paid. Normally, the work executed to Government department would be reported in those years but the Government departments in most of the cases only on release of their funds report the transactions in their form GSTR 07 and pay the TDS tax @ 2%. That is the reason for the alleged variation.	The part time accountant failed to notice the fact of issuing of the proceedings the respondent had only chosen to upload all the communication, summons, notices, and orders only on the web portal. Because of the above reasons, the petitioner was not able to access the web portal which resulted in the issuance of Ex-parte impugned order.

(ii)Penalty under Section 74 and interest under Section 50 of the GST Act	For invocation of Section 74 of the GST Act, fraud, wilful misstatement or suppression of facts with an intent to evade tax, should be established. In this regard, reliance is placed on the decision of the Hon'ble Supreme Court in the case of GR Infra Projects Ltd., Ratlam Vs. State of Madhya Pradesh and others (SLP No. 33594 of 2025), wherein the Hon'ble Supreme Court stayed the further proceedings arising out of a show cause notice issued under Section 74 of the Act.	

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 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. Therefore, an opportunity is granted to the petitioner assessee on the condition of depositing 25% of the disputed tax amount.

5.In view of this, the Writ Petition is allowed on the following terms:

(i)Within a period of four weeks from the date of receipt of web copy of this order, the petitioner shall pay 25% of the disputed tax amount with the respondent, without waiting for the certified copy of the order.

(ii)Upon such deposit, the impugned order dated 19.08.2025 shall stand set aside and the matter shall stand remitted back to the file of the respondent.

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

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

(ii)No costs. Consequently, connected miscellaneous petition is closed.

08.04.2026

NCC:Yes/No
Ns

To
The Deputy State Tax Officer-1
Commercial Building
Aruppukottai.

D.BHARATHA CHAKRAVARTHY, J.

Ns

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