



W.P(MD)No.14608 of 2026

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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Dated: 02.06.2026

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THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.14608 of 2026

and

W.M.P(MD)No.10949 of 2026

M/s.Chidambaram Pillai Sankaran,
GSTIN 33AAQFC4038G1ZJ,
No.2/74, Nadutheru,
Oottathur,
Lalgudi Taluk,
Tiruchirappalli - 621 109.

... Petitioner

Vs.

The Deputy State Tax Officer - 1 (ST),
Lalgudi Assessment Circle,
Commercial Taxes Buildings,
Lalgudi.

...Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, to call for the records on the file of the respondent in GSTIN 33AAQFC4038G1ZJ/2021-22 dated 28.10.2025 for the assessment year 2021-22 passed by the Respondent under section 73 of TNGST Act 2017 and to quash the same as cryptic, non-speaking, illegal, arbitrary, wholly without jurisdiction and direct the respondent to pass assessment



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order afresh after affording opportunity of being heard and pass such further or other orders as this Honble Court may deem fit and proper in the circumstances of the case and thus render justice.

For Petitioner
For Respondent

:Mr.N.Sudalai Muthu
:Mr.R.Parthiban
Government Advocate

ORDER

This writ petition challenges the impugned order dated 28.10.2025, which is an assessment order passed under Section 73 of the CGST Act 2017.

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

3. By the impugned orders, 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:



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Discrepancies found/Grounds on which the order is passed	Explanation offered by the Assessee on merits	Explanation for not availing the opportunity
Claim of Ineligible ITC-Sec 17(5) The respondent alleged that the petitioner had wrongly availed Input Tax Credit of Rs.18,49,218/- under Section 17(5) of the TNGST Act in respect of insurance services, auxiliary insurance services, maintenance and repair services of transport machinery and equipment, and rental services of transport vehicles. Based on the said allegation, tax, interest and penalty were imposed under Section 73 of the Act.	The petitioner is a civil works contractor executing Government and local body projects. The disputed services relate to construction machinery, JCBs, rollers, earth movers, tippers and other equipment used exclusively for business purposes. The said services are essential for execution of works contracts and have a direct nexus with taxable business activities. Therefore, the credits cannot be mechanically treated as blocked credits under Section 17(5) without proper verification of facts	The entire proceedings were uploaded only in the GST portal. The petitioner, being a small contractor with limited knowledge of GST portal operations, had entrusted compliance matters to a part-time accountant. Unfortunately, the accountant failed to inform the petitioner about the notices and hearing proceedings. Consequently, the petitioner was unaware of the proceedings until receipt of the third reminder notice dated 04.09.2025.
Interest on late reporting of invoices Interest of Rs.17,822/- was levied under Section 50(1) on the allegation that certain invoices relating to earlier periods were reported belatedly in GSTR-1 returns.	The petitioner submits that there was no suppression of turnover or evasion of tax. The outward supplies were duly accounted for and tax liability was discharged through returns. Mere delayed reporting of invoices in GSTR-1 cannot automatically result in interest liability without establishing delayed payment of tax.	



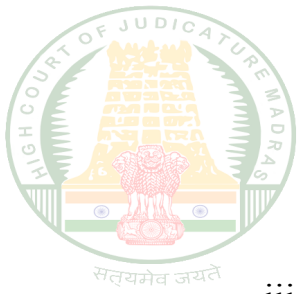
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4. Considering the nature of the discrepancies noted, the explanation provided by the assessee and the reason given before this Court for not availing the opportunity, I believe that an opportunity can be granted to the assessee to present their submissions 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 four weeks of receiving the web copy of the order, the petitioner shall deposit 25% of the disputed tax amount with the respondent, without waiting for a certified copy of the order.
- ii. Upon such deposit, the impugned order dated 28.10.2025 shall stand set aside, and the matter shall stand remanded back to the file of the respondent.



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- iii. 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.
- 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.
- v. No costs. Consequently the connected miscellaneous petitions shall stand closed.

02.06.2026

Neutral Citation: No
rgm

To

The Deputy State Tax Officer - 1 (ST),
Lalgudi Assessment Circle,
Commercial Taxes Buildings,
Lalgudi.



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D.BHARATHA CHAKRAVARTHY, J.

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