BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 03.06.2026

CORAM

THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.14688 of 2026
and
W.P(MD)No.10998 of 2026

Tvl.SRK Tex,
Rep. by its Proprietrix Sasirekha. ... Petitioner

Vs.

The State Tax Officer (FAC),
Karur - 3 Assessment Circle,
Commercial Taxes Buildings,
Karur. ...Respondent

Prayer: Writ Petition, filed under Article 226 of the Constitution of India, praying this court to issue a Writ of Certiorari to call for the records on the file of the respondent in GSTIN 33BBPPS5411L1ZA /2017-18 dated 30.12.2023 for the assessment year 2017-18 and quash as illegal, arbitrary, barred by limitation under section 73(10) of the Tamilnadu General Sales Tax Act 2017 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 :Mr.N.Sudalai Muthu

For Respondent :Mr.R.Parthiban
Government Advocate

ORDER

This writ petition challenges the impugned order dated 30.12.2023, 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:

Discrepancies found/Grounds on which the order is passed	Explanation offered by the Assessee on merits	Explanation for not availing the opportunity
The respondent alleged excess availment of Input Tax Credit of Rs.9,08,516/- (IGST) based on mismatch between GSTR-3B and GSTR-2A for AY 2017-18. The entire ITC difference was treated as ineligible credit and reversal was proposed along with interest and penalty under Section 73 of the TNGST Act. The assessment order dated 30.12.2023 was passed ex parte.	The alleged excess ITC was not due to any deliberate or fraudulent claim but arose from an inadvertent error during the initial phase of GST implementation. The petitioner had voluntarily reversed the disputed ITC during May 2018 and June 2018 and also paid applicable interest. Since such reversal was made during FY 2018-19, the same was not reflected in the assessment records for FY 2017-18. There was no revenue loss to the Government and the issue is entirely revenue neutral. The respondent failed to verify the subsequent reversal entries and passed the Order on an erroneous assumption.	The entire proceedings were uploaded only in the GST portal and were never effectively communicated to the petitioner. The petitioner, being unfamiliar with GST portal procedures, had entrusted GST compliance work to a part-time accountant. The accountant failed to inform the petitioner about the notices and assessment proceedings. Consequently, the petitioner was unaware of the proceedings and could not file objections or supporting documents. The impugned order was therefore passed ex parte without affording an effective opportunity of hearing.

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 30.12.2023 shall stand set aside, and the matter shall stand remanded back to the file of the respondent.

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.

03.06.2026

NCC:Yes/No
rgm

To

The State Tax Officer (FAC),
Karur - 3 Assessment Circle,
Commercial Taxes Buildings,
Karur.

D.BHARATHA CHAKRAVARTHY, J.

rgm

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