BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 08.06.2026

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THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.15277 of 2026
and
W.M.P(MD)No.11431 of 2026

Tvl.Punitha Antony Store,
Represented by its Proprietor,
Rajaprakash,
GSTIN 33BAYPR8468J1ZL,
No. 10/1061-1,
Tenkasi Main Road,
Pavoorchatram,
Tirunelveli - 627 808. ... Petitioner

Vs.

The State Tax Officer (Roving Squad-2),
O/o. The Joint Commissioner (ST) (Intelligence Wing),
Tirunelveli Division,
Commercial Taxes Buildings,
Tirunelveli. ... 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 33BAYPR8468J1ZL/2019-20 dated 15.12.2025 for the assessment year 2019-20 passed by the Respondent under section 74 of TNGST Act 2017 and to quash the same as cryptic, duplication, non-speaking, illegal, arbitrary, wholly without jurisdiction and direct the respondent to pass assessment 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	:Mr.N.Sudalai Muthu
For Respondent	:Mr.P.Sudarkodi Nachiar Government Standing Counsel

ORDER

This writ petition challenges the impugned order dated 15.12.2025, 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 Government Standing Counsel 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
i) Alleged excess ITC based on GSTR-2A VS GSTR-3B mismatch. (ii) Excess ITC based on GSTR-9 analysis. (iii) Difference between Form 8A and P&L purchases treated as taxable turnover. (iv) Interest demanded for belated filing of returns. (v) Sundry expenses and sundry creditors proposed to be taxed. The respondent consequently raised tax, interest and penalty under Section 74 of the TNGST Act.	The respondent has duplicated the very same ITC discrepancy under two different heads, namely GSTR-3B VS GSTR-2A mismatch and GSTR-9 analysis, though both arise from the same set of transactions and returns. GSTR-9 is merely a same consolidation of monthly returns and the same alleged mismatch cannot be taxed twice. The Form-8A and P&L difference pertains to purchases, including purchases from unregistered dealers, and cannot be treated as taxable turnover in the absence of evidence of suppressed sales. The blocked credit proposal is wholly vague as no invoice-wise particulars, supplier details or reasons for disallowance were furnished. The impugned demand is therefore based on duplication assumptions, and non-application of mind rather than actual verification of transactions.	The entire proceedings were uploaded only in the GST portal and effective physical service of notices or orders was made upon the petitioner. The petitioner, being a small scrap trader with limited GST knowledge and portal access, had fully relied upon a part-time accountant for compliance matters. The accountant failed to inform the petitioner about the notices, hearing opportunities and assessment proceedings. Consequently, the petitioner was unaware of the proceedings and could not furnish reconciliation statements, books of accounts and supporting records. The impugned assessment 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 orders dated 15.12.2025 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.

08.06.2026

Neutral Citation: No
rgm

To

The State Tax Officer (Roving Squad-2),
O/o. The Joint Commissioner (ST) (Intelligence Wing),
Tirunelveli Division,
Commercial Taxes Buildings,
Tirunelveli.

D.BHARATHA CHAKRAVARTHY, J.

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