BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED :05.06.**2026**

CORAM:

THE HON'BLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.14987 of 2026
and
W.M.P(MD)No.11270 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(s)

- Vs. -

The State Tax Officer (Rovin G Squad-2),
O/o. the Joint Commissioner (St) (Intelligence Wing),
Tirunelveli Division,
Commercial Taxes Buildings,
Tirunelveli. ... Respondent(s)

Prayer : Writ Petition is 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/2020-21 dated 12.01.2026 for the assessment year 2020-21 passed by the Respondent under section 74 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 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.Sudalaimuthu
For Respondent	: Mr.R.Parthiban Government Standing Counsel

O R D E R

This writ petition challenges the impugned order dated 12.01.2026 which is an assessment order passed under Section 73 of the GST Act 2017.

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

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)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 ITC demand is based on GSTR-2A, which is only a dynamic statement and not a conclusive document for determining ITC eligibility. When reconciled with GSTR-2B, there is no excess availment if ITC. The alleged GSTR-1 and GSTR-3B mismatch is merely a repetition of the same discrepancy, resulting in duplication of demand. Purchases from unregistered persons cannot be automatically subjected to RCM. Sundry expenses and creditors are accounting entries and do not constitute taxable supplies under GST.	The petitioner is a small trader and had entrusted GST compliance entirely to a part-time accountant. The assessment proceedings uploaded in the GST portal were not brought to the petitioner's knowledge in time. Further due to non-availability of a qualified accountant and temporary absence of the proprietor, the petitioner sought reasonable time to compile records and reconciliation statements. Though adjournment was requested, no effective opportunity was granted to explain the discrepancies with supporting documents.

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 thereof, 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 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 24.10.2025 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 raised.

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

05.06.2026

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NCC:Yes/No

To
The State Tax Officer (Rovin G Squad-2),
O/o. the Joint Commissioner (St) (Intelligence Wing),
Tirunelveli Division,
Commercial Taxes Buildings,
Tirunelveli.

D.BHARATHA CHAKRAVARTHY.,J.

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ORDER MADE IN
W.P(MD)No.14987 of 2026

05.06.2026