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.15240 of 2026
and
W.M.P(MD)No.11414 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/2022-23 dated 05.02.2026 for the assessment year 2022-23 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.Sudalai Muthu
For Respondent	: Mr.S.Vashik Ali Government Standing Counsel

ORDER

This writ petition challenges the impugned order dated 05.02.2026 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 order, the assessment was made because the petitioner did not utilise the opportunities provided and not filed documentary evidence. 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 raised a demand of Rs. 1,44,97,172/-under Section 74 on the grounds of GSTR-2A vs GSTR-3B mismatch, GSTR-1 vs GSTR-3B mismatch, GSTR-8A versus P&L difference, non-reversal of ITC on credit notes, bank receipt and differences interest liability. The same ITC and purchase figures were repeatedly classified as "Lesser Claim of ITC", "Excess Claim of ITC", "Purchase Difference" and turnover suppression. The respondent also relied upon GSTR-9 analysis and adopted figures without furnishing any reconciliation or working sheet.	Mainly the bank credits included loans, advances, financial assistance and other non-GST receipts which cannot be treated as taxable turnover. The demand is therefore based on overlapping computations, double reversal and non-verification of records rather than any actual suppression of taxable turnover. The very same ITC discrepancy has been duplicated under multiple labels, resulting in artificial inflation of tax demand and double taxation. Once the respondent himself records lesser availment of ITC, there cannot simultaneously be a finding of excess availment of ITC on the same transactions. The figures adopted from GSTR-9 are erroneous, unsupported by reconciliation and include Reverse Charge Mechanism transactions which cannot be treated as excess ITC. The allegation regarding credit notes is unsustainable since the ITC effect had already been auto-adjusted through the GST portal and a further reversal would amount to double reversal.	The petitioner had fully depended upon a part-time accountant due to lack of GST knowledge and absence of direct portal access. Upon receipt of notices, the petitioner was in the process of collecting voluminous records including purchase accounts, GSTR reconciliations, bank statements and books of accounts. Since the regular accountant was unavailable and the proprietor had to travel outside the station for a business purposes, written adjournment request dated 18.08.2025 was submitted seeking reasonable time to furnish a detailed reply. Without granting opportunity reconciliation effective for and production of records, the respondent proceeded to finalize the assessment mechanically.

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. In the case on hand the Bank receipts (i.e) Loans and advances are subjected to GST which does not attract GST and Therefore, an opportunity is granted to the petitioner assessee without condition.

5. In view of this, the writ petition is allowed on the following terms:-

i. The impugned order dated 05.02.2026 is set aside and the matter is remanded back to the file of the respondent for reconsideration.

ii. 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.

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

iv. No costs. Consequently the connected miscellaneous petition 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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