BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 03.06.2026

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THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.14757 of 2026
and
W.M.P(MD)No.11105 of 2026

Tvl.K.R.K.Timbers,
Represented by its Proprietor K. Regi Kumar,
GSTIN 33AVSPR9526P2ZF,
3-186A,
Main Road/Ambalathvilai,
Verkilarnbi Post,
Kanyakumari – 629166. ... Petitioner

Vs.

The Deputy State Tax Officer-1,
O/o The State Tax Officer. Thuckalay - 1 Assessment Circle,
Commercial Taxes Buildings,
Kattathurai – 629158. ...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 33AVSPR9526P2ZF /2020-21 dated 07.02.2025 for the assessment year 2020-21 passed by the Respondent under section 73 of TNGST Act 2017 and to quash the same as cryptic, nonspeaking, illegal , arbitrary, wholly without jurisdiction and direct the respondent to pass assessment order afresh after affording opportunity of being heard or pass such further or other orders, as the 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 07.02.2025, which is an assessment order passed under Section 73 of the TNGST 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. 13,01,251/- based on mismatch between GSTR-3B and GSTR-2A for AY 2020-21. The department further presumed that the petitioner had wrongly availed common ITC attributable to exempt firewood turnover and failed to reverse the same under Section 17 of the GST Act. The demand was raised along with interest and penalty under Section 73 of the TNGST Act.	The petitioner is engaged in the business of timber and exempt firewood (HSN 4401) and had maintained separate accounts for taxable and exempt supplies. No ITC was availed on purchases relating to exempt firewood transactions and no GST was collected on such supplies. The alleged GSTR-2A mismatch arose because certain suppliers incorrectly reported transactions as B2C instead of B2B, resulting in non-reflection of eligible ITC in GSTR-2A. The petitioner possessed valid tax invoices, purchase records, books of accounts and supplier confirmations substantiating the genuineness of the transactions. The respondent failed to verify purchase registers, invoices, reconciliation statements and supporting records before concluding that ITC was ineligible.	The entire proceedings, including notices and hearing intimations, were uploaded only through the GST portal. The petitioner, being a small trader with limited GST knowledge, had entrusted GST compliance matters to a part-time accountant. The accountant failed to monitor the GST portal and did not inform the petitioner about the notices or hearing dates. Consequently, the petitioner remained unaware of the pending proceedings and could not file objections or produce supporting documents. Due to these circumstances,the impugned assessment order came to be 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. But in this case, the commodity is an exempted from GST and therefore, an opportunity is granted to the petitioner assessee without any condition.

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

i. The impugned order dated 07.02.2025 shall stand set aside, and the matter shall stand remanded back to the file of the respondent.

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 petitions shall stand closed.

03.06.2026

NCC:Yes/No
rgm

To

The Deputy State Tax Officer-1,
O/o The State Tax Officer. Thuckalay - 1 Assessment Circle,
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D.BHARATHA CHAKRAVARTHY, J.

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