BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 11.06.2026

CORAM

THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.15733 of 2026
and
W.M.P(MD)No.11807 of 2026

M/s.R.K Automobiles,
Rep by its Proprietor B Rakesh kumar,
GSTIN 33BETPR3258B1ZD,
T.S. No 5633,
South 4th Street,
Pudukottai. ... Petitioner

Vs.

The Deputy State Tax Officer,
Pudukottai -1 Assessment Circle,
Commercial Tax Building,
Pudukottai. ...Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorari, calling for the records in the impugned order in GSTIN - 33BETPR3258B1ZD/2021-22 dated 08.12.2025 issued by the respondent and quash the same as it is without jurisdiction and clear violation of statutory provisions or 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.S.Karunakar
For Respondent	: M/s.P.Sudarkodi Nachiar Government Standing Counsel

ORDER

This writ petition challenges the impugned order dated 08.12.2025, 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 Standing Counsel 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) Excess claim of ITC availed w.r.t. form GSTR 2A ii) ITC to be reversed on non-business transactions & exempt supplies iii)ITC claimed from cancelled dealers, return defaulters & tax non payers iv) Interest on late reporting of invoices v) Late fee for belated filing in form GSTR 01. vi) Penalty under Section 73 of the GST Act and interest under Section 50 of the GST Act.	As far as alleged defect of excess claim of ITC availed with respect to form GSTR 2A to that of GSTR 3B return and ITC claimed from cancelled dealer Tvl. Annamalai Traders & Marketing the (33BHCPT3842H1ZC), purchase was covered by proper tax invoice with collection of GST tax as provided under section 31 of the GST Act and Rule 36 of the GST Rules With regard to the allegation that ITC is to be reversed on non-business transaction & exempt supplies, during the course of business, he purchases the taxable and non-taxable goods. The exempted goods purchased are subsequently sold as exempt and taxable goods as taxable. Hence, there is no question of reversal input tax credit for exempt goods as no input is claimed against the exempt sales. He maintains detailed accounts from which it can be clearly ascertained the details of the taxable, non-taxable and non-GST inward and outward supplies. Therefore, in the absence of any misclassification, the question of reversing the ITC by adopting the formula method as per Rule 42 and 43 of the GST Act is legally not correct As far as levy of late fee, only due to covid pandemic there was the delay uploading and the filing the return and hence there is no need for adverse inference In the absence of any excess claim or wrong claim the question of levy of interest under section 50 and penalty under section 73 of the GST act does not arise to the facts of this case	Even though the petitioner had sought time for filing of reply, but he was not able to respond and the respondent had passed the impugned order But, the part time accountant due to pressure of work failed to notice the proceedings. Furthermore, the respondent had only chosen to upload all the communication, summons, notices, and orders only on the web portal

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 08.12.2025 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 petition shall stand closed.

11.06.2026
(1/3)

Neutral Citation: No
rgm

To

The Deputy State Tax Officer,
Pudukottai -1 Assessment Circle,
Commercial Tax Building,
Pudukottai.

D.BHARATHA CHAKRAVARTHY, J.

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