BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 11.06.2026

CORAM

THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.15707 of 2026
and
W.M.P(MD)No.11786 of 2026

Sri Iyyappan Stores,
Represented by its Proprietor M. Satheesh,
GSTIN 33EESPS1277H1ZZ,
No. 1058/A3,
Agaraharam,
Manamelgudy,
Pudukkottai - 614630. ... Petitioner

Vs.

The Deputy State Tax Officer – 1,
Aranthangi Assessment Circle,
Commercial Taxes Buildings,
Aranthangi. ...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 33EESPS1277H1ZZ /2021-22 .dated 28.11.2025 for the assessment year 2021-22 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.P.Rajagopalan Government Standing Counsel

ORDER

This writ petition challenges the impugned order dated 28.11.2025, 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
The respondent alleged excess availment of ITC of Rs.1,06,714/- under Section 17(5) of the TNGST Act for AY 2021-22. The demand was primarily based on alleged ineligible credit relating to Insurance and Pension Services and alleged ITC availed on granite purchases. The respondent treated such credits as blocked credits and proposed reversal along with interest and penalty. The allegations were based on departmental verification and portal-generated records.	The respondent mechanically treated Insurance and Pension Services as blocked credits without examining their nexus with the petitioner's business activities. The insurance expenditure pertains to commercial vehicles used for transportation and delivery of sugar and allied commodities and therefore has direct business nexus. Further, the allegation regarding granite purchases is wholly erroneous, as the petitioner had never purchased granite nor availed ITC on any such transaction. No supplier details, GSTIN, invoice particulars or supporting documents were furnished to substantiate the allegation. Hence, the demand is based on assumptions, absence of verification and non-application of mind.	(i) Unaware of the proceedings as notices were only uploaded on the GST portal. Being a small-scale unit, the petitioner relied on a part-time accountant for GST compliance. (ii) The accountant failed to inform the petitioner about the show cause notice and hearing dates. (iii) No effective service of notice was made as per Section 169 of the TNGST Act. Hence, the petitioner was deprived of an opportunity to submit objections or attend personal 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 the certified copy of the order.

ii. Upon such deposit, the impugned order dated 28.11.2025 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

Index: Yes
Speaking Order: Yes
Neutral Citation: No
rgm

D.BHARATHA CHAKRAVARTHY, J.

rgm

To

The Deputy State Tax Officer – 1,
Aranthangi Assessment Circle,
Commercial Taxes Buildings,
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