BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 17.06.2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.(MD)No.16466 of 2026
and
W.M.P(MD)No.12284 of 2026

TVL. Maha Ganapathy Super Market,
Represented by its Proprietor M.Elangovan,
GSTIN 33AACPE3506F1ZH,
319, Trichy Road,
Thuraiyur, Tiruchirappalli-621010. .. Petitioner

– Vs. -
–

The State Tax Officer,
Thuraiyur Assistant Circle,
Commercial Taxes Buildings,
Thuraiyur. .. Respondent

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 : 33AACPE3506F1ZH/2021-22 dated 09.12.2025 for the assessment year 2021-22 passed by the respondent under Section 73 of TNGST Act, 2017 and to quash the same as cryptic, non-speaking, illegal, arbitrary, wholly without jurisdiction and direct the respondent to pass assessment order afresh after affording opportunity of being heard.

For Petitioner : Mr.N.Sudalai Muthu

For Respondent : Mr.R.Parthiban
Government Standing Counsel

ORDER

This writ petition challenges the impugned order dated 09.12.2025 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 for the respondent.

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 major demand of Rs.6,45,380/- was raised on the assumption that exempt turnover automatically attracted Rule 42 reversal. The respondent alleged failure to reverse proportionate ITC attributable to exempt supplies under Sections 17(1) and 17(2), wrongful availment of blocked credit under Section 17(5), and ITC claim from a supplier alleged to be a tax defaulter. Late fee was also levied for GSTR-1 and GSTR-9 compliances	The exempt turnover predominantly relates to sale of loose and unbranded rice, pulses and other food grains specifically exempt under Notification No.2/2017-CT (Rate) and Notification No.07/2022-CT (Rate). The respondent mechanically invoked Rule 42 without examining books of accounts, stock registers or the actual nature of exempt supplies. Insurance-related ITC was claimed on business assets and vehicles used exclusively for business purposes and cannot be disallowed without verification. ITC cannot be denied merely because the supplier allegedly defaulted in tax payment when the petitioner possessed valid invoices, received goods and made payment through banking channels. The levy of GSTR-9 late fee is also duplicative since the same issue had already culminated in an earlier DRC-07 order.	(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.

5. Since it is stated that the petitioner is dealing with the exempted goods of rice and other products, no additional condition is imposed. In view thereof, this Writ Petition is allowed on the following terms:

(i) The impugned order dated 09.12.2025 shall stand set aside, and the matter shall stand remanded back to the file of the respondent;

(ii) Within a period of four weeks from the date of receipt of a web copy of this order, 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 is closed.

17.06.2026

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NCC: Yes/No

To

The State Tax Officer,
Thuraiyur Assistant Circle,
Commercial Taxes Buildings,
Thuraiyur.

D.BHARATHA CHAKRAVARTHY, J.

sji

W.P.(MD)No.16466 of 2026

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