BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 16.06.2026

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THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.16399 of 2026
and
W.M.P(MD)No.12242 of 2026

Tvl.Nanthu Bala Traders,
Represented by its Proprietor E. Mahesh Ulaganathan,
GSTIN 33CYUPM1279D1Z6,
119D, Teachers Colony,
Ambasamudram-627401. ... Petitioner

Vs.

The State Tax Officer,
Ambasamudram Assessment Circle,
Commercial Taxes Buildings,
Ambasamudram. ...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 33CYUPM1279D1Z6 /2021-22 dated 25.11.2025 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 25.11.2025 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 summarized 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
Disallowance of exemption claimed on outward supply of Paddy and Rice by treating the entire reported exempt turnover as taxable.	The petitioner is engaged only in the trading of Paddy and Rice, which are exempt commodities under Notification No.2/2017-Central Tax (Rate) and the corresponding State Notification. The reference to "commission basis" was an inadvertent mistake made by the accountant and does not alter the true nature of the transactions. Even assuming commission activity existed, the entire turnover could never be treated as commission income liable to GST. The respondent failed to verify purchase bills, sales invoices, books of accounts, stock records and GST registration particulars reflecting Paddy and Rice under HSN 1006. The demand is therefore based on a factual misconception, non-application of mind and wrongful denial of statutory exemption.	The entire proceedings were conducted through the GST portal and the petitioner, due to ill-health and lack of technical knowledge, had entrusted GST compliance to a part-time accountant. The notices and hearing dates uploaded in the portal were effectively not communicated to the petitioner. Consequently, the petitioner could not produce purchase records, sales records and other supporting documents within the stipulated time. The non-production of documents was neither wilful nor deliberate but was due to health issues and the dependence on the accountant. As a result, the assessment impugned order came to be passed without an effective opportunity substantiate to the exemption claim.

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 namely Paddy and Rice are 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 25.11.2025 shall stand set aside, and 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 petition shall stand closed.

16.06.2026

Neutral Citation: No
rgm

D.BHARATHA CHAKRAVARTHY, J.

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To

The State Tax Officer,
Ambasamudram Assessment Circle,
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