BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 17.06.2026

CORAM

**THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY**

**W.P(MD)No.16495 of 2026**
**and**
**W.M.P(MD)No.12292 of 2026**

Tvl. Sri Dhanalakshmi Earth Movers,
Represented by its Proprietrix M.Kayathri,
GSTIN 33DAZPK1584D1ZF,
13.1.20E, Gurunathaswamy Kovil Street,
T.Kallupatti, Peraiyur,
Madurai-625702 ... Petitioner

Vs.

The Deputy State Tax Officer-2
Thirumangalam Assessment Circle,
Commercial Taxes Buildings,
No.55, Sonaiyar Street,
Jawahar Nagar,
Thirumangalam-625706 ...Respondent

Writ Petitions are filed under article 226 of the Constitution of India, praying to issue a Writ of Ceriorarified Mandamus, to call for the records on the file of the respondent in GSTIN : 33DAZPK1584D1ZF/2021-22 dated 06.11.2025 for the assessment year 2021-22 passed by the respondent under Section 73 of TNGST Act, 2017 and to quash the same as cryptic, 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 06.11.2025 which is an assessment order passed under Section 73 of the CGST 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** |
|---|---|---|
| 1.Alleged excess availment of ITC amounting to Rs. 3,35,392/- under Section 17(5) of the TNGST Act.<br><br>2.ITC claimed on purchases of cement and iron/steel was treated as blocked credit.<br><br>3.Purchases were presumed to be ineligible without verification of actual usage.<br><br>4.Discrepancies between GSTR-3B and GSTR-2A were relied upon for raising the demand.<br><br>5.Tax, interest and penalty were levied through an ex parte assessment order dated 06.11.2025. | 1.Cement and iron/steel were purchased during the course of business activities.<br><br>2.The assessee was engaged in earth mover services as well as trading of cement, iron and steel materials.<br><br>3.The goods formed part of taxable business transactions and supplies.<br><br>4.No factual enquiry was conducted regarding the actual utilisation of the goods before denying ITC.<br><br>5.Section 17(5) cannot be invoked mechanically without examining records, invoices and business usage of the goods. | 1.GST registration had already been cancelled and business activities were discontinued.<br><br>2.Notices and communications were uploaded only in the GST portal.<br><br>3.The assessee was unaware of the proceedings due to lack of GST knowledge and non-monitoring of the portal.<br><br>4.The assessee had relied upon a part time accountant who failed to inform about the proceedings. |

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 thereof, this Writ Petition is allowed on the following terms:

(i) Within four weeks from the date of receipt of a web copy of this 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 06.11.2025 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 is closed.



**17.06.2026**

NCC:Yes/No
sji

To

The Deputy State Tax Officer-2
Thirumangalam Assessment Circle,
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Jawahar Nagar,
Thirumangalam-625706

**D.BHARATHA CHAKRAVARTHY, J.**

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