BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 19.06.2026

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THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.16978 of 2026
and
W.M.P(MD)No.12569 of 2026

Tvl.Pearl Enterprises,
Represented by its Proprietor G.Jeyamani Raj,
GSTIN 33AWWPG6637K1ZX,
D.No.10/4,
K.R.Complex,
1st Street, 3rd Mile,
Pudukudi,
Thoothukudi - 628008. ... Petitioner

Vs.

The Deputy State Tax Officer - 1 (ST),
Ettayapuram Assessment Circle,
Commercial Taxes Buildings,
Kadalaiyur Road,
Ettayapuram. ...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 33AWWPG6637K1ZX /2020-21 dated 16.05.2025 for the assessment year 2020-21 passed by the Respondent under section 74 of TNGST Act

2017 and to quash the same as cryptic, non-application of mind, illegal , arbitrary, wholly without jurisdiction and direct the respondent to proceed afresh, if at all required, only under Section 73 of the TNGST Act, after affording due opportunity of personal hearing to the Petitioner 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 16.05.2025, which is an assessment order passed under Section 74 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 initially alleged (i) short payment of tax due to GSTR-1 vs GSTR-3B mismatch, (ii) turnover difference based on GSTR-7, and (iii) excess availment of ITC based on GSTR-3B vs GSTR-2A mismatch. After verification, the respondent accepted the explanations relating to GSTR-1 and GSTR-7 discrepancies dropped those proposals. and However, ITC demand of Rs. 82,354/-(CGST Rs. 41,177/- and SGST Rs.41,177/-) was confirmed solely on account of GSTR-2A mismatch. Tax, interest and penalty were levied under Section 73 of the TNGST Act.	The petitioner had furnished a detailed reply during the DRC-01A stage explaining that the ITC was supported by genuine purchase invoices, books of accounts and ITC ledgers maintained in the regular course of business. The assessment year 2018-19 pertained to the initial GST implementation period when supplier-side reporting deficiencies and reconciliation issues were common. Mere non-reflection of invoices in GSTR-2A cannot justify denial of substantive ITC without supplier verification. The respondent failed to follow Circular No. 183/15/2022-GST dated 27.12.2022 and did not undertake supplier-wise verification. No finding was recorded that the purchases were bogus, invoices were fabricated or suppliers were non-existent.	The petitioner had actively participated in the DRC-01A proceedings and submitted a detailed explanation with reconciliation particulars. However, subsequent show cause and notices hearing notices were uploaded only in the GST portal without effective physical communication. Being unfamiliar with GST portal operations, the petitioner had entrusted GST compliance matters to a part-time accountant. The accountant failed to inform the petitioner about the subsequent proceedings and personal hearing notices. Consequently, the petitioner was deprived of an opportunity to furnish invoices, confirmations supporting supplier and records before the impugned ex parte order came to be passed.

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 16.05.2025 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.

19.06.2026

Neutral Citation: No
rgm

To

The Deputy State Tax Officer - 1 (ST),
Ettayapuram Assessment Circle,
Commercial Taxes Buildings,
Kadalaiyur Road,
Ettayapuram.

D.BHARATHA CHAKRAVARTHY, J.

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