BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated: 18.06.2026

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THE HONOURABLE MR JUSTICE D.BHARATHA CHAKRAVARTHY

W.P(MD)No.16735 of 2026
and
W.M.P(MD)Nos.12402 and 12404 of 2026

Kolappan ... Petitioner(s)

– Vs. -

The Deputy State Tax Officer-2,
Thuckalay-1 Assessment Circle,
Commercial Taxes Building,
Kattathurai,
Kanyakumari District. ... Respondent(s)

Prayer : Writ Petition is filed under Article 226 of the Constitution of India, praying this Court Writ Petition, filed under Article 226 of the Constitution of India, praying this court to issue a Writ of Certiorari calling for the records relating to the impugned orders passed by the respondent in his proceedings in GSTN 33AAMFK5358B1ZG/2021-22 dated 08-12-2025 and quash the same as unconstitutional and pass such further or other orders as this Honble Court may deem fit and proper in the circumstances of the case and thus render justice.

For Petitioner :Mr.J.Sivaram
For Respondents :Mr.R.Parthiban
Government Standing Counsel

ORDER

This writ petition challenges the impugned order dated 08.12.2025, 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 appearing for the respondents.

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
a. Excess Claim of ITC (Rs. 5,98,056/-): Disallowed solely on the ground of an algorithmic mismatch between Form GSTR-3B and Form GSTR-2A.	Input Tax Credit (ITC) cannot be denied to a bona fide purchasing dealer solely because the selling dealer failed to upload invoices or delayed filing Form GSTR-1, as the purchaser holds valid tax invoices, proof of movement of goods, and made actual payment of tax.	The petitioner was suffering from severe, age-related physical health ailments and completely lacked technological literacy.
b. Proportional ITC Reversal on Exempt Supplies (Rs. 4,77,620/-): Calculated by applying a generic formula without verifying the true nature of common inputs or the actual business turnover.	The respondent misapplied Sections 17(1) & 17(2) read with Rules 42 & 43 of the TNGST Rules. The calculation was executed purely on an automated, structural formula without evaluating which specific input services were actually utilized for taxable versus exempt transactions.	Notices were hosted exclusively on the 'Additional Notices and Orders' dashboard of the GST portal and were not physically served or otherwise brought to the petitioner's actual attention.

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 08.12.2025 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 petitions are closed.

18.06.2026

NCC:Yes/No
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To
The Deputy State Tax Officer-2,
Thuckalay-1 Assessment Circle,
Commercial Taxes Building,
Kattathurai,
Kanyakumari District.

D.BHARATHA CHAKRAVARTHY, J.

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