IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 17.09.2025

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P. No. 34832 of 2025
and
W.M.P. Nos. 39008 & 39009 of 2025

Praveen Jewels Private Limited,
Represented by its Director,
Yash Praveen Ramani ...Petitioner

Versus

The State Tax Officer – 1,
Survey Unit,
Coimbatore, Tamil Nadu. ...Respondent

Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorari, to call for the records of the impugned Assessment Order in Ref. No.ZD331024125110E dated 18.10.2024 under Section 74 of the CGST/TNGST Act, 2017 and uploaded the same along with the summary of order in DRC07 for the Financial Year 2023-24 from the file of the respondent herein and quash the same.

For Petitioner : Mrs. Aparna Nandakumar

For Respondent : Mr. T.N.C. Kaushik,
Additional Government Pleader

O R D E R

This Writ Petition is disposed of at the time of admission with the consent of the learned counsel for the Petitioner and the learned Additional Government Pleader who takes notice on behalf of the Respondent.

2. In this Writ Petition, the Petitioner has challenged the impugned order dated 18.10.2024 passed under Section 74 of the respective GST Enactments. The demand has been confirmed vide impugned order dated 18.10.2024 for the Financial Year 2023-24.

3. It appears that the the Petitioner is engaged in manufacture and sale of gold jewellery. The premises of the Petitioner was inspected on 01.12.2023. The inspection that was carried on was for the period between April 2023 to November 2023.

4. During the course of inspection, the inspection team *Prima facie,* came to a conclusion that there was a variance between the books stock and the actual physical stock available during the inspection on 01.12.2023 for the period between April 2023 to November 2023.

5. Under these circumstances, the Petitioner was issued with a notice in DRC-01A dated 15.05.2024 which was also replied back by the Petitioner on 29.05.2024. This was followed by a notice in DRC-01 dated 21.06.2024 which was also replied by the Petitioner on 12.08.2024, pursuant to which, the impugned order has been passed on 18.10.2024, whereby the proposals in the DRC-01 dated 21.06.2024 has been confirmed.

6. Learned counsel for the Petitioner would submit that the Respondent not extend the benefit of personal hearing to the Petitioner and therefore, impugned order has been passed in gross violation of principles of natural justice and suffers from arbitrariness.

6.1. Learned counsel for the Petitioner further submits that all though the notice in DRC-01 dated 21.06.2024 has not invoked the machinery for imposing penalty under Section 74(9) of the respective GST Enactments, 100% penalty has been imposed and therefore, it is contrary to Section 75(7) of the respective GST Enactments.

6.2. Learned counsel for the Petitioner would further submit that if an opportunity is given, the petitioner will be in a position to explain the reply dated 12.08.2024.

7. Learned Additional Government Pleader for the Respondent on the other hand would submit that despite being given the opportunity, the Petitioner did not appear for personal hearing and thus, failed to avail the opportunity and therefore, impugned order has been passed.

7.2. That apart, it is submitted that the Petitioner has also failed to file an appeal within a statutory period of limitation prescribed under Section 107 of the respective GST Enactments. It is therefore submitted that in the light of the decision rendered by the Hon'ble Supreme Court in ***Singh Enterprises Vs. Commissioner of Central Excise, Jamshedpur and Others***, reported in ***(2008) 3 SCC 70*** and in ***Commissioner of Customs and Central Excise Vs. Hongo India Private Limited and another***, reported in ***(2009) 5 SCC 791*** and also in ***Assistant Commissioner (CT) LTU, Kakinada and Others Vs. Glaxo Smith Kline Consumer Health Care Limited***, reported in ***2020 SCC Online SC 440***, the writ petition has to be dismissed as the Petitioner is not entitled for relief sought for.

8. Having considered the submissions made by the learned counsel for the Petitioner and the learned Additional Government Pleader, this Writ Petition is disposed by remitting the case back to the Respondent to pass a fresh order.

9. To balance the interest of the Petitioner and the Respondent revenue, there shall be a further direction to-

(i) the Petitioner shall deposit 25% of the disputed tax within a period of 30 days from the date of receipt of copy of this order in cash from the electronic credit ledger of the petitioner.

(ii) Subject to the compliance of the above stipulation, the Respondent shall proceed to pass a fresh order on merits as expeditiously as possible.

(iii) Needless to state, the Petitioner shall cooperate with the Respondent, failing which, the Respondent is at liberty to re-confirm the demand that has been confirmed vide impugned order dated 18.10.2024.

10. This Writ Petition is disposed of with the above observations. Consequently, the connected miscellaneous petitions are closed. There shall be no order as to costs.

17.09.2025

Index : Yes/No
Neutral Citation :Yes/No
AT

To
The State Tax Officer – 1,
Survey Unit,
Coimbatore, Tamil Nadu.

C.SARAVANAN, J.

AT

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