IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.10.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P. No. 38894 of 2025
and
W.M.P. Nos. 43530, 43531 and 43533 of 2025

M/s. Hind Aluminium Company
represented by its Proprietor
Mr.Mohanan Gnanasekar,
SF.No.185/2B, Door No.185/2
Thiruvalluvar Nagar, Hosur,
Krishnagiri, Tamil Nadu - 635 126. ... Petitioner

Vs.

1. The State Tax Officer,
Inspection Cell - I,
Office of the Joint Commissioner (ST) (Intelligence)
Hosur Division, Hosur - 635 109.

2. The Deputy State Tax Officer,
Hosur Intelligence Wing,
Office of the Joint Commissioner (ST) (Inelligence)
Hosur Division.

3. The Assistant Commissioner (ST)
Hosur (North) - I Assessment Circle
Commercial Taxes Department
2nd Floor, Seetha Ram Nagar Meadu,
Hosur - 635 109.

... Respondents

Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari calling for the records relating to the impugned proceedings of the first respondent in GSTIN: 33AMKPG7664E1Z1/2019-20 dated 19.02.2025, the order dated 19.02.2025 passed under Section 74 of the CGST/TNGST Acts, 2017 and summary of the order in Form GST DRC-07 bearing Ref.ZD3302251935882 dated 19.02.2025 and quash the impugned proceedings as passed opposed to the principles of natural justice, barred by limitation and also passed based on the implementation reports of the higher ups without an independent, fair and judicious manner.

For Petitioner : Mr.P.Rajkumar

For Respondent : Mr.C.Harsha Raj
Special Government Pleader

<u>O R D E R</u>

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

2. Heard the learned counsel appearing for the petitioner and learned Special Government Pleader appearing for the respondents.

3. In this Writ Petition, the Petitioner has challenged the impugned order dated 19.02.2025, insofar as it confirms the demand relating to Defect No.3, which pertains to E-way bill verification when compared to GSTR-1. The petitioner has made out a *prima facie* on merits, indicating that there are computational errors in the figures adopted for confirming the demand with respect to Defect No.3, and also a drop in the demand that was proposed for Defect No.4.

4. The petitioner had submitted a reply to the Show Cause Notice in Form DRC-01 dated 19.08.2024, through a reply dated 01.10.2024. However, the petitioner was not afforded an opportunity to explain the case in person. Though the petitioner had given a further reply, he failed to appear in person to explain the case. Consequently, the impugned order has been passed with respect to Defect No.3.

5. The relevant observation of the respondent reads as follows:-

"Proper Officer Observation:-

The Tax payer has submitted reply, the filed by the taxable person has been examined carefully as per provision of the TN GST Act-2017. The taxable person has not produce documentary evidence *for difference between E-way bill and GSTR-1 details as above. The Tax due @ 18% along with Interest and Penalty under Section 74 will be levied. The reply given is not accepted and the above defect.*

Therefore the tax due, interest under Section 50 and penalty under Section 74 of Tamil Nadu GST Act-2017 determined below.

Year	***Tax due***		***Interest Delay days - 1786***		***Penalty***		***Total***
2019-20	*CGST*	*SGST*	*CGST*	*SGST*	*CGST*	*SGST*	
Total	*1268683*	*1268683*	*1346403*	*1346403*	*1268683*	*1268683*	*7767538*

6. The petitioner has made out a *prima facie* case insofar as Defect No.3 is concerned. However, considering the fact that the petitioner had not filed an appeal or approached this Court earlier, this Court is inclined to remit the case back with respect to Defect No.3, subject to the condition that the petitioner shall deposit 10% of the disputed tax within a period of four weeks from the date of receipt of a copy of this order.

7. The respondent shall thereafter fix a date for personal hearing, and the petitioner shall appear and explain the case afresh.

8. If the petitioner so desires, they may supplement the oral hearing with written submissions on the aforesaid issue.

9. In case the Petitioner complies with the above stipulations, the Respondent shall proceed to pass a final order on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply/pre-deposit.

10. In case the Petitioner fails to comply with any of the stipulations, the Respondent is at liberty to proceed against the Petitioner to recover the tax in accordance with law as if this Writ Petition was dismissed *in limine* today.

11. Needless to state, before passing any such order, the Respondent shall give due notice to the Petitioner.

12. It is made clear that recovery of 10% of the disputed tax ordered above pertains only to the impugned Order dated 19.02.2025 with respect to Defect No.3.

13. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

24.10.2025

Index : Yes/No
Neutral Citation : Yes/No
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C.SARAVANAN, J.

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