IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.11.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.42827 of 2025
and
W.M.P.Nos.47886, 47888 & 47890 of 2025

Tvl.Senthur Murugan Traders
(Represented by its Proprietor
Mrs.R.Jothimani)
74, Nehru Street Veeriampalayam
Kalapatti, Coimbatore
Tamil Nadu 641 048. ... Petitioner

Vs.

1.The Commercial Tax Officer
(Also Known as The State Tax Officer)
Avarampalayam, Coimbatore III
Tamil Nadu.

2.The Assistant Commissioner (ST)
Avarampalayam Circle
Coimbatore.

3.The Branch Manager
Canara Bank
Kalapatti Branch. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records on the files of the 1st

Respondent herein in the FORM GST DRC-07 with Ref. No.ZD331224264770K dated 30.12.2024 along with detailed order in GSTIN: 33ANUPJ6167GIZM /2017- 2018, quash the same.

For Petitioner : Mr.K.A.Parthasarathy

For Respondents : Mr.T.N.C.Kaushik Kiran
Additional Government Pleader
for R1 & R2

ORDER

Mr.T.N.C.Kaushik Kiran, learned Additional Government Pleader takes notice for the Respondents 1 & 2.

2. This Writ Petition is being disposed of at the stage of admission itself with the consent of the learned counsel for the Petitioner and the learned Additional Government Pleader for the Respondents.

3. In this Writ Petition, the petitioner has challenged the order dated 30.12.2024 in FORM GST DRC-07 bearing Ref.No.ZD331224264770K along with detailed order in GSTIN:33ANUPJ616GIZM/2017-2018 passed by the 1st respondent. The relevant portion of the impugned order is extracted hereunder:

"In the 3'" reference cited the dealer has produced copy of purchase invoice and bank statement on account of purchase from Nishok Iron & Steels. However, Shri N.Muthusamy, an employee of M/s.Nishok Iron and Steels in his statement under Section 70 of the CGST Act 2017 on 13.12.2018 has clearly stated that M/s.Nishok Iron and Steels has not received iron scraps form above mentioned dealers neither received any inward supply nor made any outward supply and is engaged in the bill trading only.

Moreover you could not produce lorry receipt/Goods consignment note and proof for payment of freight charges and original weighment slip to prove genuineness of the transaction. It is proved beyond doubt by the Central Authorities that the list of dealers who were having transaction with the above said dealers (M/s.Aaliya Enterprises, M/s.Star International, M/s.Vinayak Trading, M/s.D.B.Merchandise Pvt Ltd., M/s.Medley Merchandise Pvt Ltd., M/s.Vijay Laxmi Industries and M/s.Mokesh Trading Company)involved in the bill trading activity."

4. The impugned Order dated 30.12.2024 was preceded by an Intimation in Form GST DRC-01A dated 05.09.2019, to which the petitioner had filed a reply on 08.11.2019 and also a Show Cause Notice in Form GST DRC-01 dated 18.06.2021, to which the petitioner filed a reply only on 05.04.2024.

5. After the petitioner filed the reply on 05.04.2024 to the Show Cause Notice in DRC-01 dated 18.06.2021, the petitioner was not heard before passing the impugned assessment order in Form GST DRC-07 dated 30.12.2024.

6. A reading of the reply dated 05.04.2024 which was purportedly in response to the Show Cause Notice in DRC-01, it is clear that necessary documents to substantiate the case were not uploaded along with the said reply.

7. However, in the paragraph extracted above from the impugned order, it appears that the petitioner has produced a copy of the purchase invoice and bank statements to prove the bonafide of said purchase from their supplier namely M/s.Nishok Iron and Steels. It is noticed that the employee of the said supplier name N.Muthusamy has however confirmed that there was no actual movement of the goods from the said inward supplier to the petitioner.

8. It is submitted by the learned counsel for the respondent that the impugned order itself records that the petitioner has not produced any lorry receipts or goods consignment note and proof for payment of freight charges and original weighment slip to prove the genuineness of the transaction.

9. Therefore, placing reliance on the decision of the Allahabad High Court in ***M/s.Anil Rice Mill Vs.l State of UP and 2 others*** in Writ Tax No.886 of 2023 and the Hon'ble Supreme Court in ***State of Karnataka Vs. M/s.Ecom***

Gill Coffee Trading Private Limited (2023) submits that this Writ Petition is devoid of merits.

10. It is further submitted by the learned counsel for the respondent that the only explanation forthcoming from the petitioner is that both the supplier and petitioner are within the same City, Coimbatore and that failure on the part of the supplier to generate E.Bill and delivery notes cannot come in the legitimacy of availing of Input Tax Credit under the provisions of the respective GST Enactments is no ground for interfering with the impugned order.

11. Thus, the learned counsel for the respondent submits as there is no procedural irregularity in the impugned order, the relief sought for in this Writ Petition to quash the impugned order has to fail and that the Writ Petition is liable to be dismissed.

12. It is noticed that the time for filing the appeal under Section 107 of the respective GST Enactments has expired long before the filing of this Writ Petition. The reason forth coming from the petitioner in this regard is in Paragraph No.11 of the Affidavit which reads as follows:

> *"11...The petitioner states that the impugned proceedings dated 30.12.2024 was uploaded on the GST portal. During the relevant time the petitioner's father was demised on 21.02.2025. The task of filing of returns was entrusted to the accountant. "*

13. At this stage, the learned counsel for the petitioner submits that the petitioner is wiling to deposit 50% of the disputed tax as a condition for de-novo proceedings.

14. Under similar circumstances, liberty has been given to Assessee like the petitioner to file an appeal before the Appellate Authority subject to such Assessee depositing 10% to 100% of the disputed tax depending upon the length of delay in approaching the Court. I do not find any reason to take a different view in this case.

15. Considering the same and following the consistent view taken by this Court under similar circumstances, liberty is given to the petitioner to file an appeal before the Appellate Authority subject to the Petitioner depositing 50% of the disputed tax in cash or from the Petitioner's Electronic Cash Register within a period of thirty (30) days from the date of receipt of a copy of this order.

16. In case the Petitioner complies with the above stipulations, the Appellate Authority shall proceed to pass a final order in appeal filed by the petitioner on merits without further reference to limitation. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

17. It is made clear that bank attachment shall be lifted subject to the petitioner depositing 50% of the disputed tax as ordered above and and the petitioner not being in arrears of any other amount demanded for any other tax period barring the amount demanded under the impugned Order.

18. In case the Petitioner fails to comply with any of the stipulations, the 1st 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.

19. Needless to state, before passing any such order, the Appellate Authority shall give due notice to the Petitioner.

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

07.11.2025

Index : Yes/No
Speaking order : Yes/No
Neutral Case Citation : Yes/No
dna

To:

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(Also Known as The State Tax Officer)
Avarampalayam, Coimbatore III
Tamil Nadu.

2.The Assistant Commissioner (ST)
Avarampalayam Circle
Coimbatore.

C.SARAVANAN, J.

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