IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.11.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.42826 of 2025
and
W.M.P.Nos.47882 & 47883 of 2025

Tvl.Bharani Motors
Represented by its Partner
Thiru.K.R.Subramanian
No.208/1, Durugam Road
Kallakurichi
Villupuram 606 202. ... Petitioner

Vs.

1.The Deputy Commissioner
GST Appeals
Vellore 632 001.

2.The State Tax Officer
Inspection V
Office of Joint Commissioner(ST)
No.1, Vallar Nagar
Manjakuppam
Chennai 607 001. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records of the impugned order passed under Section 74 dated 30.04.2025 having GSTIN No.33AAIFB2316C1Z7 passed by the second respondent for the financial year of 2024-25 and to quash the same as without jurisdiction erroneous on facts and violative of principles of natural justice and consequently direct the 2nd respondent to issue a fresh DRC-07 by incorporating the disputed amount on account of stock difference so as to enable the petitioner to agitate the same by way of first appeal before the appellate authority.

For Petitioner	:	Mr.T.K.Venkataraman
For Respondents	:	Mr.V.Prashanth Kiran Government Advocate

ORDER

Mr.V.Prashanth Kiran, learned Government Advocate takes notice for the Respondents.

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 Special Government Pleader for the Respondents.

3. In this Writ Petition, the Petitioner has challenged the impugned Order dated 30.04.2025, in Form GST DRC-05 under Rules 142(3) of the respective GST Rules followed by a detailed summary in Form GST DRC-07 dated **12.05.2025**. The impugned order pertains to tax period 2024-25.

4. Earlier an inspection was carried out by the Intelligence Wing Officials of the State GST Departments on 03.09.2024 and 05.09.2024 pursuant to which a notice in DRC-01 dated 29.01.2025 was issued to the petitioner. The petitioner also filed a reply on 24.04.2025. Insofar Defect No.01 viz Stock Reconciliation in para No.5 the petitioner stated as follows:

> *"...In respect of the goods sent for sales on trial basis with delivery challan the entire transactions were duly accounted for the subsequent months and GST was paid during the month of September 2024 itself. However, we are unable to provide the copies of Delivery challan for the value of Rs.53,46,227/- at the time of inspection. Hence, we agree to pay the GST due towards stock difference along with penalty as below:*

GST Due at 12%	*Rs.6,41,547/-*
Penalty Due at 25% under Section 74	*Rs.1,60,387/-*
Total Due	*Rs.8,01,934/-*

> *Accordingly the payments are made as below vide DRC 03."*

5. The petitioner claims to have paid the amount on 24.04.2025 which has now culminated in the impugned order in DRC-05 dated 30.04.2025/summary of the order in DRC-07 dated **12.05.2025.** The case of the petitioner is that further reconciliation on the tax paid by the petitioner on 24.04.2025 and

amounts paid in excess is to be re-examined and excess paid is liable to be refunded or has to be made available for adjustment towards tax liability of the petitioner for the ensuing period as the petitioner has records to substantiate the case thus the petitioner had already paid the tax amount earlier.

6. The learned counsel for the petitioner would submit that since the demand has been dropped vide impugned order in view of the payments made by the petitioner on **24.04.2025**, the petitioner is also unable to file and upload an appeal electronically as the portal does not support filing of an appeal against the order dropping the demand.

7. It is further submitted that the petitioner has filed an appeal manually before the Appellate Authority on **01.09.2025**, one day after the expiry of the limitation from the order dated **30.04.2025** in DRC-05. However, if the date of the appeal filed on **30.08.2025** is reckoned from the communication of the order dated **12.05.2025**, the said appeal would be in time.

8. It is noticed that the present Writ Petition has also been filed on 30.10.2025. Thus, there is a marginal delay approaching this Court after the petitioner purportedly filed an appeal on **30.08.2025**. The learned counsel for

the petitioner further would submit that the petitioner has records to substantiate that indeed the petitioner was not liable to pay the tax again on **24.04.2025.**

9. The learned counsel for the respondents on the other hand would submit that the Writ Petition is liable to be dismissed.

10. It is submitted that the petitioner has filed an appeal manually and therefore, the petitioner can be given liberty to pursue the alternative remedy before the Appellate Authority. The learned counsel for the respondents also drew attention to Rule 142(3) of the respective GST Rules, 2017. It is submitted that having made payment after issuance of notice in DRC-01 dated 29.01.2025 without protest, the petitioner is estopped one asking for refund.

11. Rule 142(3) of the GST Rules, 2017, which reads as follows:

> *"(3). Where the person chargeable with tax makes payment of tax and interest under sub-Section (8) of Section 73 of under clause (ii) of sub-Section (8) of Section 74A, as the case may be, or tax, interest and penalty under sub-Section (8) of Section 74 or under clause (ii) of sub-Section (9) of Section 74A, as the case may be, within the period specified therein, or where the person concerned makes payment of the amount referred to in sub-Section (1) of Section 129 within seven days of the notice issued under sub-section (3) of*

> *the Section but before the issuance of order under the said sub-section (3), he shall intimate the proper officer of such payment in FORM GST DRC-03 and the property officer shall issue an intimation in FORM GST DRC-05 concluding the proceedings in respect of the said notice."*

Thus, it is submitted that the order is in accordance with the Rules and therefore, does not warrant any interference.

12. Considering the submissions made by the learned counsel for the petitioner and the learned Government Advocate for the respondents and hence, considering the fact that the petitioner had participated in the proceeding which culminated in the order dated 30.04.2025 in DRC-05 on 12.05.2025 vide order dropping the proceedings under Sections 73 & 74 was communicated in the light of the payment of tax on 24.04.2025 and considering the fact that the petitioner has already filed an appeal before the Appellate Authority, this Writ Petition is disposed of by directing the Appellate Authority namely, the Deputy Commissioner GST Appeals, Vellore, to dispose of the appeal on merits.

13. All the issues are left open to be canvassed by the petitioner before the aforesaid Appellate Authority namely, the first respondent herein. In case the said Appellate Authority concludes that tax was paid in excess, same shall be

ordered to be re-credited into the Electronic Cash Register or Electronic Credit Ledger from where the debit was earlier made together with interest if any.

14. 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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C.SARAVANAN, J.

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