**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

DATED : 20.11.2025

CORAM :

**THE HONOURABLE MR.JUSTICE C.SARAVANAN**

W.P.No.45364 of 2025
and
W.M.P.Nos.50534 and 50536 of 2025

Tvl.Sri Maruthi Jewels,
Represented by its Proprietrix
Sundareswaran Visalakshi ... Petitioner

Vs.

State Tax Officer,
Inspection – 6,
Coimbatore, Tamil Nadu – 641 018. ... Respondent

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 relating to the impugned order bearing Ref.No.ZD331124007366U dated 04.11.2024 for the Financial Year 2023-2024 for GST: 33ABTPV9753B1Z4, passed under Section 73 of the TNGST Act, 2017 by the Respondent, to quash the same and consequently direct the Respondent to drop all related proceeding.

| | | |
|---|---|---|
| For Petitioner | : | Mr.Shivakumar<br>for Mr.M.Velmurugan |
| For Respondent | : | Mr.T.N.C.Kaushik<br>Additional Government Pleader |

**ORDER**

Mr.T.N.C.Kaushik, learned Additional Government Pleader takes notice for the Respondent.

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 Respondent.

3. In this Writ Petition, the Petitioner has challenged the Order dated 04.11.2024 passed by the Respondent for the Tax Period between April 2023 and June 2023.

4. The impugned Order dated 04.11.2024 preceded a Show Cause Notice in GST DRC-01 dated 18.05.2024 imposing penalty under Section 122 of the respective GST enactments.

5. The Petitioner had also been issued with an Intimation Notice in GST DRC-01A dated 02.05.2024 pursuant to a surprise inspection held on 19.06.2023 and on 21.06.2023 at the Petitioner's place of business and the two other premises associated with the Petitioner.

6. Although the Petitioner filed a Reply on 17.09.2024 to the Show Cause Notice in GST DRC-01 dated 18.05.2024, the Petitioner failed to submit the necessary documents to substantiate the defence along with the Reply dated 17.09.2024.

7. Under these circumstances, the Petitioner has been imposed with a penalty of Rs.4,64,17,630/- vide impugned Order dated 04.11.2024 as

detailed below:-

| Defect No. | Description | Tax | | Penalty | | Total |
|---|---|---|---|---|---|---|
| | | SGST | CGST | CGST | SGST | |
| 1 | Non registration of business place | - | - | 10000 | 10000 | 20000 |
| 3 | Fake ITC reversed Penalty under Section 122(i)(vii) | - | - | 89655 | 89655 | 179310 |
| | Fake ITC reversed Penalty under Section 122(i)(ii) | - | - | 23109160 | 23109160 | 46218320 |
| | | **Total** | | **23208815** | **23208815** | **46417630** |

8. The case of the Petitioner is that there is no scope for imposing penalty vide impugned Order dated 04.11.2024 for the aforesaid sum contrary to the proposals in the Show Cause Notice in GST DRC-01 dated 18.05.2024.

9. Learned counsel for the Petitioner submits that the Petitioner is willing to deposit the entire amount of penalty that was proposed in the Show Cause Notice in GST DRC-01 dated 18.05.2024 for a sum of Rs.1,99,310/- as detailed below:-

| Defect No. | Description | Tax | | Total | Penalty | | Total |
|---|---|---|---|---|---|---|---|
| | | SGST | CGST | | CGST | SGST | |
| 1 | Non registration of business place | - | - | - | 10000 | 10000 | 20000 |
| 2 | Fake ITC reversed Penalty under Section 122(i)(vii) | - | - | - | 89655 | 89655 | 179310 |
| | | **Total** | | | **99655** | **99655** | **199310** |
| | | **Grand Total** | | | | | **199310** |

10. Learned Additional Government Pleader for the Respondent on the other hand would submit that under Section 122(1)(ii) of the respective GST enactments, the Petitioner is liable to pay penalty of Rs.10,000/- or an amount equivalent to the tax evaded or the tax not deducted under Section 51 or short-deducted or deducted but not paid to the Government or tax not collected under Section 52 or short-collected or collected but not paid to the Government or Input Tax Credit availed of or passed on or distributed irregularly, or the refund claimed fraudulently, whichever is higher.

11. It is therefore submitted that the impugned Order does not warrant any interference as it is perfectly lying with the requirements of Section 122(1) of the respective GST enactments. Hence, prays for dismissal of this Writ Petition.

12. Having considered the submissions made by the learned counsel for the Petitioner and the learned Additional Government Pleader for the Respondent and considering the fact that the serious allegations against the Petitioner has not been effectively defended by the Petitioner in the Reply dated 17.09.2024 by filing adequate / necessary documents, to balance the interest of both parties viz., the Assessee and the Revenue, this case is remitted back to the Respondent to pass a fresh order on merits subject to the Petitioner depositing a sum of Rs.25,00,000/- in cash 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.

13. Within such time, the Petitioner shall file necessary documents that may be required to establish a valid defence against the proposals in the Show Cause Notice in GST DRC-01 dated 18.05.2024 by treating the impugned Order dated 04.11.2024 as an addendum to the Show Cause Notice dated 18.05.2024.

14. 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. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

15. It is made clear that bank attachment shall be lifted subject to the deposit of Rs.25,00,000/- as ordered above and the Petitioner is not in

arrears of any other amount barring the amount demanded under the impugned Order.

16. 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.

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

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

**20.11.2025**
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To:

State Tax Officer,
Inspection – 6,
Coimbatore, Tamil Nadu – 641 018.

**C.SARAVANAN, J.**

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W.P.No.45364 of 2025

20.11.2025

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