BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 26.08.2025

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.(MD)No.23310 of 2025

M/s.K.S.Traders,
GSTIN 33AALFK3483E1ZD,
Represented by its Partner SKS Dilip,
1/755, Courtallam Road,
Piranoor, Shencottah – 627809. ... Petitioner

-vs-

The Deputy Commercial Tax Officer (INT),
Roving Squad,
Virudhunagar (Intelligence),
Virudhunagar. ... Respondent

Prayer:- Writ Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records culminating in the impugned penalty order No.: ZD3307250175869, dated 02.07.2025 (Case ID : AD330625068815S) passed by the respondent and quash the same as illegal, arbitrary and unsustainable and direct the respondent to refund the amount of Rs.4,42,672/- collected as penalty from the petitioner pursuant to the said impugned order, within a time frame to be fixed by this Court.

For Petitioner : Mr.N.Sudalai Muthu

For Respondent : Mr.R.Suresh Kumar
Additional Government Pleader

ORDER

The petitioner, an importer of timber, had dispatched a consignment to a customer named 'Revathi Vasudevan' in Vilathikulam, Thoothukudi District, and had raised an e-Invoice on 23.06.2025 at about 18:42 hours. In the said e-Invoice, the petitioner had indicated the details of the supplier as the petitioner's registered premises at Shencottah, namely, M/s.K.S.Traders, 1/755, Courtallam Road, Piranoor, Shencottah – 627 809.

2. The e-Way Bill, which was generated on the following day, *i.e.,* 24.06.2025, also contains the aforesaid details, except that the place of dispatch has been mentioned as 'Tuticorin, Tamil Nadu – 628 001'. The e-Way Bill also refers to the document details and Tax Invoice No.5 dated 23.06.2025, which had been generated by the petitioner at 18:42 hours on the same day.

3. Since there was a mismatch between the place of supply indicated in the e-Invoice dated 23.06.2025 and the place of dispatch mentioned in the e-Way Bill dated 24.06.2025, the consignment was intercepted and seized by the respondent. This action culminated in the issuance of orders in Form GST MOV-01 to GST MOV-09. The petitioner subsequently paid the tax and penalty amounts, as recorded in the release order issued in Form GST MOV-05.

4. The learned Additional Government Pleader appearing for the respondent submits that, once the amount has been paid, the issue has attained finality in view of Section 129(5) of the respective GST enactments.

5. On the other hand, the learned counsel for the petitioner places reliance on the decision of this Court in **M/s.Jindal Pipes Limited, rep. by its Authorized Signatory, Anand Garg** vs. **Deputy State Tax Officer (Int.), Roving Squad - I, Madurai**, **2021 (8) TMI 72**, rendered on 25.07.2024 in W.P.(MD)No.17211 of 2024.

6. Having considered the submissions made by the learned counsel for the petitioner and the learned Additional Government Pleader for the respondent, I am of the view that the issue is now squarely covered in favour of the petitioner in terms of the decision of this Court in **M/s.Jindal Pipes Limited** [cited supra], wherein this Court took note of the scheme of the Act and the Circular issued in this regard by the Central Board of Indirect Taxes and Customs (CBIC) dated 14.09.2018, vide Circular No.64/38/2018-GST.

7. The relevant portion of the order of this Court in **M/s.Jindal Pipes Limited** [cited supra] reads as under:-

> *"13. That apart, it is submitted that at best, the petitioner can be given a liberty in filing statutory appeal, if any.*
>
> *14. Finally, the learned Additional Government Pleader for the respondent has drawn attention to the decision of the Hon'ble Division Bench of the High Court of Allahabad in Libra International Limited vs. Assistant Commissioner, Commercial Tax and another reported in 2020 SCC Online All 1523: (2021) 145 ALR (SUM 5) 3: (2021) 51 GSTL 284: ILR (2021) 1 All 702.*
>
> *15. Specifically, it is submitted that in the said decision, the Hon'ble Division Bench of the High Court of Allahabad has held as follows:-*
>
>> *"15. The challenge sought to be raised to the order dated 15.2.2018 passed under Section 129(3) of the Act, 2017, having been made at a belated stage, we are of the view that the relief claimed in this regard in terms of relief clause (I), would be barred by laches; moreso, in the light*

> *of the fact that the petitioner claims to have deposited the entire amount of tax and penalty determined under the said order, and by virtue of the deeming provision under sub-section (5) all proceedings in respect of the notice specified under subsection (3) shall be deemed to be concluded."*

16. Having considered the submissions made by the learned counsel for the petitioner and learned Additional Government Pleader for the respondent, having considered the documents filed by the petitioner and having considered the Circular No.64/38/2018-GST dated 14.09.2018 issued by the Central Board of Indirect Taxes and Customs, the content, which has been extracted above, the Court is of the view that the petitioner cannot be mulcted with unjust penalty due to a minor discrepancy in the PIN code in the GST Registration and the Tax Invoices is to be construed as a minor violation of the provisions of respective GST enactments.

17. It is noticed that the difference in the address given in the E-Way Bill and the address in the Tax Invoices are only on account of the difference in the Head Office and the actual place from which the delivery was made. The petitioner had earlier obtained registration under VAT Act, for the place from where the despatch was made. The Tax Invoices, that has been raised by the petitioner, is from the same address at earlier obtained registration from VAT Authority.

18. It appears that the petitioner has a separate office from where the Tax Invoices are raised, whereas the despatches are made from the godown where the pipes manufactured by the petitioner's factory are stored.

19. In my view, the imposition of penalty for technical venial breach of the provisions or the minor discrepancy in the variance in the address in the Tax Invoices and the E-Way Bill would not justify the penalty under Section 129(5) of the respective GST enactments. Although the petitioner has come long after the impugned order was passed, the Court is of the view that the philosophy under the respective GST enactments is not to levy unjust tax and burden on assessee, who is otherwise regular in paying tax and complies with the law.

20. Under these circumstances, the impugned order passed by the respondent is quashed. In view of this order, the respondent is directed to either refund the amount paid by the petitioner or allow the petitioner to take credit in their Electronic Cash Register or Electronic Cash for adjustment towards future tax liability of the petitioner.

This Writ Petition is disposed of with above directions. No costs. Consequently, connected miscellaneous petitions are closed."

8. It is informed that the said order has not been appealed against and the issue has thus attained finality. That being the case, the Writ Petition deserves to be allowed and is accordingly allowed. The amount paid by the petitioner shall be credited to the electronic cash ledger of the petitioner, to be adjusted towards the petitioner's future tax liability. No costs.

26.08.2025

NCC : Yes / No
Index : Yes / No
smn2

To:-

The Deputy Commercial Tax Officer (INT),
Roving Squad,
Virudhunagar (Intelligence),
Virudhunagar.

C.SARAVANAN, J.

smn2

W.P.(MD)No.23310 of 2025

26.08.2025