IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 25-02-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 6871 of 2026
and W.M.P.Nos.7477 & 7479 of 2026

Cosmo Granites Pvt Ltd
Rep by its Authorized Signatory V Senthil,
No.6, Ranjith Road,
Kotturpuram,
Chennai- 600085

..Petitioner(s)

Vs

Joint Commissioner
GST and Central Excise Chennai South
Commissionerate,
No.692, MHU complex,
5th Floor,
Anna salai
Nandanam
Chennai-600 035

..Respondent(s)

Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of a writ of certiorarified mandamus to call for the impugned order passed by the respondent in Order In Original No.122/2025 GST JC dated 23-10-2025 and quash the same.

For Petitioner(s): Mr.N Murali

For Respondent(s): Mr.K.S.Ramasamy,
Senior Counsel

ORDER

Heard Mr.N.Murali, the learned counsel for the petitioner and Mr.K.S.Ramasamy, the learned Senior Standing Counsel 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. This is the second round of litigation before this Court.

4. The petitioner had filed an application for rectification on 22.11.2025 under Section 161 of the respective GST Enactments against the impugned order dated 23.10.2025 in Form GST DRC – 07 passed for the tax period 2018 - 2019. Since the application was not considered, the petitioner moved this Court in W.P.No.49986 of 2025. This Court vide order dated 19.12.2025 directed the respondent to consider the application filed for rectification on 22.11.2025.

5. Subsequently, by an order dated 10.02.2026, the rectification application filed by the petitioner was dismissed by the Respondent with the following observation:-

“ The taxpayer, M/s COSMO GRANITES PVT. LTD., submitted an application filed vide ARN No. AD331125038350N dated 22.11.2025

under Section 161 of the CGST Act, 2017 seeking rectification of alleged errors apparent on the face of the record in the adjudication order issued vide OIO No. 122/2025-GST(JC) dated 23.10.2025.

*2. **PERSONAL HEARING***

A personal hearing was granted on 12.02.2025. However, as per the request of the taxpayer, the personal hearing was advanced and duly conducted on 10.02.2025 which was attended by Sh. Senthil V, GM Operations as their authorized representative. During the course of the hearing, the taxpayer reiterated the facts mentioned in the submissions which were furnished along with their application of Rectification and requested that as per the available records, the case may be decided accordingly.

*3. **FINDINGS***

After thorough examination of the submissions and documents provided by the taxpayer and considering the record of personal hearing, it has been observed that the
Error mentioned in the application of rectification does not fall within the scope of "errors apparent on the face of the record," as outlined under Section 161 of the CGST/TNGST Act.

The provision for rectification is strictly limited to clerical, arithmetical, typographical errors, or other mistakes that are self-evident and do not require further investigation or detailed scrutiny. Since the issue raised in the rectification application requires substantive examination beyond the scope of apparent errors, the request for rectification cannot be entertained.

*4. **ORDER***

In view of the above, it is found that the issues raised in the rectification application do not qualify as "errors apparent on the face of the record" as envisaged under Section 161 of the CGST Act, 2017. The impugned Order-in-Original does not suffer from any such mistake warranting rectification. Accordingly, the application for rectification is hereby rejected."

6. It is in this background, the petitioner has now challenged the impugned order in Original No.122/2025 GST JC dated 23-10-2025 in Form GST DRC – 07 passed for the tax period 2018 – 2019.

7. The case of the petitioner is that the impugned order suffers from jurisdictional error in as much as there is no power vested with the respondents to initiate assessment proceedings under the provisions of the respective GST Enactments.

8. The dispute has arisen on account of an invoice raised by the petitioner on 08.08.2019 in favour of the consignee namely M/s.Renovo Enertech Private Limited, for a total sum of Rs.2,38,22,097/-. The petitioner appears to have sold 5154 Cft of teak wood to the aforesaid company and had transported the same in 11 canter trucks.

9. The case of the petitioner is that the aforesaid quantity of teak wood could not have been transported in a single vehicle and therefore, the petitioner has raised 11 E-way bills. However, the respondent has confirmed the demand stating that petitioner has not produced records to establish payment from the said supplier. Paragraph Nos.10.6, 10.7, 10.8, 10.9 & 10.10 of the impugned order which records the conclusion are reproduced below:-

" 10.6 I find that the taxpayer has also submitted a declaration dated 14.07.2025 from the purchaser in support of their reply that they had used 11 canter trucks on different dates for lifting of 5154 Cft. Teak wood consignment and raised 11 Eway bills for single sale invoice viz GST/18-19/1810 dated 03.08.2018.

10.7 I find that the taxpayer has submitted declaration and their explanation in their reply. However, the taxpayer has not submitted any Bank Statement regarding the transaction that had occurred between them and M/s. Renovo Enertech Private Limited. Further, I find that a mere submission of declaration does not prove that the Eway bills raised on single invoice are genuine. The taxpayer has failed to submit the details of transactions that had occurred for the invoice and hence, it cannot be concluded whether the sale was in order or not. Hence, the contention of the taxpayer as per their reply cannot be accepted.

10.8 I find that the taxpayer has generated duplicate E-way bills using the same invoice and thereby under-declared of invoice details in GSTR-1, resulting in short payment of GST. There was duplication/misuse of e-way bills with an intention to contravene GST provisions. The taxpayer's failure to submit documents as evidence to demonstrate that each e-way bill corresponds to a distinct consignment transported *separately under the same invoice are sufficient to confirm the demand raised in the Show Cause Notice.*

10.9 Therefore, it appears that the taxpayer contravened the provisions of Rule 138 of the CGST Rules, 2017, in respect of the taxable supplies against which E-Way Bill have been issued using the same invoice but the same has not been reported in corresponding month GSTR-1 and thus the applicable GST against such taxable supplies would not have been paid through the corresponding GSTR-3B Returns. Further, it also appears that they have also contravened the provisions of Section 49 of the CGST Act, 2017/TNGST Act, 2017 and hence are liable to pay the GST on the differential value in terms of Section 49(8) of the CGST Act, 2017/TNGST Act, 2017 and interest as per Section 50(1) of CGST Act, 2017/TNGST Act, 2017. The total GST to be paid on the differential taxable supplies which were not declared in GSTR-1 and GSTR3B returns during the period from April-2018 to March-2019, works out to Rs.3,99,72,672/- (CGST: Rs 1,99,86,336/-and SGST: Rs.1,99,86,336/-).

10.10 I find that the notice proposed invocation of Section 74 of the CGST/TNGST Act, 2017. In this regard, the taxpayer contended that there is no suppression and hence the proceedings under Section 74 are not applicable Section 74(1) of the CGST Act, 2017 provides for determination of tax not paid or short paid or input tax credit wrongly availed or utilized by reason of fraud or any wilful misstatement or suppression of facts and reads as follows:

> *(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid*

or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty equivalent to the tax specified in the notice."

10. The conclusion in Paragraph No.10.8 of the impugned order makes it clear that the petitioner has generated E-way bills by using the same invoice number and therefore had under declared the invoice details in GSTR – 1 resulting in short payment of tax. The conclusion in the impugned order warrants re-adjudication of the issue as the quantum declared in the invoice is 16787 numbers of packages of 5154 Cft. teak wood.

11. There should have been a proper determination in the impugned order as to whether a single vehicle could have transported 5,154 Cft. of Teakwood or whether it required 10 separate lorries for transportation of the same to the consignee. *Prima facie,* there are indications that this exercise has not been carried out by the respondent while passing the impugned order.

12. Therefore, the impugned order is quashed and the case is remitted back to the respondent to pass a fresh order on merits. The petitioner will have to establish by way of proper records as to the quantum of items were transported in a vehicle warranting issuance of 10 E-way bills covered by the

aforesaid invoice and amount recovered towards sale of 5154 Cft. of teak wood by producing the bank statements.

13. The Petitioner shall file a proper reply together with proper evidence and thereafter, the respondent shall proceed to pass a final order on merits and in accordance with law as expeditiously as possible.

14. This Writ Petition is disposed of with the above observations. No costs. Consequently, connected miscellaneous petitions are closed.

25-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
BKN

C.SARAVANAN, J.

BKN

To:

Joint Commissioner
GST and Central Excise Chennai South Commissionerate,
No.692, MHU complex,
5th Floor, Anna salai
Nandanam
Chennai-600 035

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