IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27-11-2025

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 13037 of 2025
and W.M.P.No.14551 of 2025

Elgi Sauer Compressors Ltd,
No.111,Elgi Industrial Complex III,
Singanallur, Coimbatore,
Tamil Nadu- 641005.

..Petitioner

Vs

1. STATE TAX OFFICER,
   Singanallur South Circle,
   Coimbatore.

2. The Assistant Commissioner (ST)
   Kuniyamuthur Assessment circle,
   Coimbatore.

3. The State Tax Officer (Circle),
   Singanallur (South),
   Coimbatore.

..Respondents

PRAYER – This Writ Petition is filed under Article 226 of the Constitution of India, seeking a Writ of Certiorari, calling for the records of the 1st Respondent herein in Impugned order U/s 74 read with Section 65 of the TNGST Act, 2017 passed in GSTIN 33AACCE0460H1Z5/2017-18 dated 05.02.2025 for the F.Y.2017-18 and quash the same.

For Petitioner(s): M/s. G Vardini Karthik

For Respondent(s): Ms.P.Selvi,
Government Advocate (tax)

ORDER

In this Writ Petition, the Petitioner has challenged the impugned order dated 05.02.2025 passed in GSTIN 33AACCE0460H1Z5/2017-18, whereby the demand proposed in show cause notice dated 16.08.2024 issued for the tax period July 2017 – March 2018 has been confirmed.

2.The Petitioner had given a reply to the show cause notice wherein the Petitioner has taken only a legal plea on the ground of finality and in view of the dropping of the proceedings initiated earlier in DRC – 01A dated 25.03.2022 and DRC-01 dated 25.04.2022.

3.The entire proceedings is in the background of an audit conducted on 28.02.2022, wherein certain discrepancies were pointed out in Pre-show cause notice in DRC-01A dated 25.03.2022 issued by the 3rd Respondent, followed by a DRC-01 dated 25.04.2022 and a communication dated 06.10.2023.

4.As far as the impugned order is concerned, pursuant to the show cause notice in DRC-01 dated 16.08.2024, the demand that has been confirmed is for a sum of Rs.1,64,02,442/- towards the tax and further amount towards interest under Section 50 and penalty under Section 74 of the respective GST enactments.

5.The Petitioner has now challenged the impugned order on the ground that there is no case available for invoking extended period of limitation under Section 74 of TNGST Act, and that the show cause notice that preceded the impugned order on 16.08.2024 is also unclear and is purely based on the audit report.

6.That apart, it is submitted that the dispute has arisen on account of mismatch between GSTR 2A and GSTR 3B. It is submitted that during the period in dispute, there was a technical glitch and that the GST portal was not fully synchronized with Icegate portal, therefore there were difficulties in claiming input tax credit on account of IGST Transaction. This aspect ought to have been part of the reply of the Petitioner to the show cause notice dated 16.08.2024 issued to the Petitioner.

7.Instead, the Petitioner has confined the reply to few legal submissions without any reference on the merits of the allegation and de-merits of the allegation in show cause notice in DRC-01 dated 16.08.2024. Therefore, the challenge to the impugned order passed by the Respondent cannot be countenanced as the Respondent was left with no other option, except to confirm the demand. It is also not open for the Petitioner to challenge the proceeding on the ground of limitation under Section 74 without appropriate reply on merits.

8.To appreciate whether indeed a case was made out or not for invoking extended period of limitation or not, the Petitioner should have given a proper reply on merits as well together and combine it with legal submissions on the law.

9.Since the Petitioner has approached this Court almost immediately after the impugned order came to be passed, the case is remitted back to the Respondent by quashing the impugned order, subject to the Petitioner depositing 10% of the disputed tax 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.

10.Within such time, the Petitioner shall also file a reply to the Show Cause Notice in GST DRC-01 dated 16.08.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 05.02.2025 as an addendum to the Show Cause Notice dated 16.08.2024.

11.In case the Petitioner complies with the above stipulations, the Respondents 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.

12. It is made clear that bank attachment shall be lifted subject to the deposit of 10% of the disputed tax as ordered above and no other amount is in arrears barring the amount demanded under the impugned Order.

13. In case the Petitioner fails to comply with any of the stipulations, the Respondents are 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.

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

15.This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petition is closed.

27-11-2025

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

GSA

To

1. STATE TAX OFFICER, Singanallur South Circle,
   Singanallur South Circle, Coimbatore.
2. Assistant Commissioner (ST)
   Kuniyamuthur Assessment circle, Coimbatore.
3. State Tax Officer (Circle),
   Singanallur (South), Coimbatore.

C.SARAVANAN, J.

GSA

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