IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03-03-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 8187 of 2026
and WMP Nos.8869 and 8870 of 2026

Tvl. Palepu Pharma Private Limited,
Rep by its Director Mr Pakepu Srinivasa Gopal,
Having its Place of business at
Old No. 507, New No. 329,
Near West Ramalingam Road, Thadagam Road,
R.S. Puram,
Coimbatore-641002

..Petitioner(s)

Vs

1. The State Tax Officer,
   R.S. Puram Circle,
   Coimbatore -18, TamilNadu.

2. The Assistant Commissioner (ST)
   R.S. Puram Assessment Circle,
   Coimbatore- 18, Tamil Nadu.

..Respondent(s)

Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorari, calling for the records relating to the Order in Form GST DRC-07 dated 23.08.2024 bearing reference no. ZD330824205296G passed by the 1st Respondent, and suo moto rectification order dated 27.12.2024 bearing reference no. ZD331224246238K passed by the 2nd Respondent for the assessment year 2019-20, to quash the same.

For Petitioner(s): M/S. Adithya Reddy

For Respondent(s): Mrs.K.Vasanthamala
Government Advocate

ORDER

The Petitioner is before this Court against the Impugned Order dated 23.08.2024 for Assessment year 2019-2020 whereby the following demand has been confirmed against the Petitioner:

Tax Demand

S.No.	Issue	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7
1	Total tax due in (Under declaration of output tax) + (Excess claim of ITC) above	792030	792031	603615	0	2187676
2	Interest	661269	661270	503961	0	1826500
3	Penalty on amount in S.No.1	79203	79203	60362	0	218768
	Total (1+2+3)	1532502	1532504	1167938	0	4232944

2. The learned counsel for the Petitioner submitted that a portion of the demand pertains to the excess claim of ITC amounting to a total sum of Rs.3,97,983/- out of the above demand confirmed vide Impugned Order.

3. It is further submitted that in collateral proceedings initiated for the same Tax period vide Assessment order dated 19.12.2024, the aforesaid demand of Rs.3,97,983/- was also confirmed under Defect No.I as detailed below:

"It was therefore they were requested to pay the above amount tune of Rs.344516/- IGST, Rs.26,734/- asCGST, Rs.26734/- as SGST along with Penalty and interest and interest under Section 50(1) of the TNGST/CGST Act 2017."

4. It is also submitted that the Petitioner had successfully challenged the aforesaid Assessment order dated 19.12.2024 before the Appellate Authority and by order dated 16.12.2025, the demand insofar as the above defect was dropped. Relevant portion of the aforesaid order dated 16.12.2025 relating to the dropping of the aforesaid demand reads as under:

"6) As per the circular no.193/15/2023 dated 17.07.2023, the disputed ITC under IGST, CGST & SGST, was below 10% of the eligible claim of ITC reflected in GSTR -2A at Rs.1,00,24,653/- under IGST, and Rs.17,92,32,179/- each under SGST & CGST covered by the requisite certificates. Hence the appellant was eligible to claim the disputed ITC of Rs.3,44,516/- under IGST and Rs.26,734/- each under CGST & SGST, as per the circular no.193/15/2023 dated 17.07.2023 as rightly argued by the authorised representative, since the disputed ITC were covered by the required certificates obtained from the concerned suppliers and the same was found to be admissible and consequently the appeal was allowed."

5. It is noticed that the Impugned Order dated 23.08.2024 has been passed in the absence of the reply to the Show Cause Notice in Form GST DRC 01 dated 20.05.2024.

6. At this stage, the learned counsel for the Petitioner submits that the Petitioner is however willing to pre-deposit 50% of the disputed tax for *denovo* adjudication and has also made a following endorsement to that effect in the Court bundle which has been extracted hereunder:-

> *"The petitioner undertakes to deposit 50% of the tax demand less the amount adjudicated in Appellate order dated 16.12.2025, against assessment order dated 19.12.2024."*

7. Under similar circumstances, Orders have been quashed and cases have been remitted back to the Respondent to pass a fresh order on terms subject to such Assessee depositing 25% to 100% of the disputed tax depending upon the length of delay in approaching the Court. I do not find any reason to take a different view in this case.

8. Considering the above facts and circumstances and following the consistent view taken by this Court under similar circumstances, the impugned

order is quashed and the case is remitted back to the first respondent to pass a fresh order on merits subject to the Petitioner depositing 50% of the disputed tax in cash or 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, less the amount which is covered by the order of the Appellate Authority dated 16.12.2025 wherein the demand confirmed on account of identical defect by the Assessment order dated amount on 19.12.2024 has been dropped.

9. Within such time, the Petitioner shall also file a reply to the Show Cause Notice in GST DRC-01 dated 20.05.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 23.08.2024 as an addendum to the Show Cause Notice dated 20.05.2024.

10. In case the Petitioner complies with the above stipulations, the first 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 if any, shall also stand automatically vacated.

11. It is made clear that bank attachment shall be lifted subject to the Petitioner depositing 50% of the disputed tax as ordered above and the

Petitioner not being in arrears of any other amount for any other tax period barring the amount demanded under the impugned Order.

12. In case the Petitioner fails to comply with any of the stipulations, the first 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.

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

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

03-03-2026

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

jv

To

1. The State Tax Officer
   R.S. Puram Circle,
   Coimbatore -18, TamilNadu

2. The Assistant Commissioner ST
   R.S. Puram Assessment Circle,
   Coimbatore- 18, Tamil Nadu

C.SARAVANAN, J.

jv

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