IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	26.11.2025
Pronounced on	08.06.2026

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.Nos.21110, 21113, 21115, 21122, 21126, 20374, 20390, 20394, 20406 & 20410 of 2024
and
W.M.P.Nos.23041, 23044, 23046, 23047, 23051, 23053, 23060, 23061, 23065, 23066, 22306, 22309, 22317, 22318, 22326, 22327, 22337, 22338, 22342 & 22343 of 2024

W.P.Nos.21110, 21113, 21115, 21122 & 21126 of 2024

M/s.Southern Steels,
Represented by its Partner
C.Krishnamurthy ... Petitioner in all W.Ps

Vs.

1.The Assistant Commissioner (ST),
Thindal Assessment Circle,
Erode, Erode District – 638 001.

2.The Appellate Deputy Commissioner (GST),
Brough Road,
Commercial Tax Office Building,
3rd Floor,
Erode – 638 001. ... Respondents in all W.Ps

W.P.Nos.20374, 20390, 20394, 20406 & 20410 of 2024

M/s.Southern Steels,
Represented by its Partner
C.Krishnamurthy ... Petitioner in all W.Ps

Vs.

The Assistant Commissioner (ST),
Sathyamangalam Main Road,
Gobichettipalayam,
Erode District – 638 452. ... Respondent in all W.Ps

Prayer in W.P.No.21110 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the 1st Respondent in GSTIN: 33ACVFS3268F1ZQ/2021-2022 dated 29.09.2023 and quash the same.

Prayer in W.P.No.21113 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the 1st Respondent in GSTIN: 33ACVFS3268F1ZQ/2017-2018 dated 29.09.2023 and quash the same.

Prayer in W.P.No.21115 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the 1st Respondent in GSTIN: 33ACVFS3268F1ZQ/2018-2019 dated 26.09.2023 and quash the same.

Prayer in W.P.No.21122 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the 1st Respondent in GSTIN: 33ACVFS3268F1ZQ/2019-2020 dated 26.09.2023 and quash the same.

Prayer in W.P.No.21126 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the 1st Respondent in GSTIN: 33ACVFS3268F1ZQ/2020-2021 dated 27.09.2023 and quash the same.

Prayer in W.P.No.20374 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the Respondent in GSTIN: 33ADGFS0181D1ZH/2017-2018 dated 05.07.2023 and quash the same.

Prayer in W.P.No.20390 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the Respondent in GSTIN: 33ADGFS0181D1ZH/2018-2019 dated 05.07.2023 and quash the same.

Prayer in W.P.No.20394 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the Respondent in GSTIN: 33ADGFS0181D1ZH/2019-2020 dated 05.07.2023 and quash the same.

Prayer in W.P.No.20406 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the Respondent in GSTIN: 33ADGFS0181D1ZH/2020-2021 dated 05.07.2023 and quash the same.

Prayer in W.P.No.20410 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for impugned order passed by the Respondent in GSTIN: 33ADGFS0181D1ZH/2021-2022 dated 05.07.2023 and quash the same.

W.P.Nos.21110, 21113, 21115, 21122 & 21126 of 2024

For Petitioner : Mr.K.Raja
(In all W.Ps)

For Respondents : Mr.C.Harsharaj
(In all W.Ps) Special Government Pleader

W.P.Nos.20374, 20390, 20394, 20406 & 20410 of 2024

For Petitioner : Mr.K.Raja
(In all W.Ps) For Mr.P.Muthukrishnan

For Respondents : Mr.C.Harsharaj
(In all W.Ps) Special Government Pleader

ORDER

By this Common Order, all these writ petitions have been disposed of.

2. These cases were heard along with a batch of 250 writ petitions and as one of the 53 writ petitions which were finally heard on the larger issue regarding the challenge to the proceedings under Section 74 of the respective GST Enactments.

3. By a separate order today in **W.P.Nos.2142 of 2026** [**Turbo Energy Private Limited**], **W.P.Nos.35967 of 2024** [**Fastenex Private Limited**], **W.P.Nos.14487 of 2025** [**Ispahani Estates**] etc., a detailed order has been passed insofar as the invocation of extended period of limitation under Section 74 of the respective GST Enactments.

4. In these writ petitions, the petitioners have challenged two separate sets of orders passed under Section 74 of the respective GST enactments in respect of two separate GST Registration of the petitioner at Erode and Gobichettipalayam, which were preceded by an inspection on **09.09.2021**. The details of the impugned orders in the two sets of writ petitions are extracted below:

Table-1

GOBICHETTIPALAYAM [GSTIN: 33ADGFS0181D1ZH]

<table>
<tr><th>S.No</th><th>W.P.Nos.</th><th>TP</th><th>Date of Inspection</th><th>ASMT-10</th><th>Date of Reply</th><th>ASMT-13</th><th>1st Round of Ligation (W.P.Nos)</th><th>DRC-07</th></tr>
<tr><td>1</td><td>20374/2024</td><td>2017-2018</td><td>09.09.2021</td><td>09.12.2021</td><td rowspan="5">05.01.2022
02.03.2022
21.07.2022
15.09.2022
26.10.2022
20.03.2023
27.03.2023
28.03.2023
12.04.2023</td><td>17.01.2022</td><td>4378/2022</td><td>05.07.2023</td></tr>
<tr><td>2</td><td>20390/2024</td><td>2018-2019</td><td>09.09.2021</td><td>09.12.2021</td><td>19.01.2022</td><td>4379/2023</td><td>05.07.2023</td></tr>
<tr><td>3</td><td>20394/2024</td><td>2019-2020</td><td>09.09.2021</td><td>09.12.2021</td><td>19.01.2022</td><td>4380/2023</td><td>05.07.2023</td></tr>
<tr><td>4</td><td>20406/2024</td><td>2020-2021</td><td>09.09.2021</td><td>09.12.2021</td><td>19.01.2022</td><td>4381/2023</td><td>05.07.2023</td></tr>
<tr><td>5</td><td>20410/2024</td><td>2021-2022</td><td>09.09.2021</td><td>09.12.2021</td><td>19.01.2022</td><td>4383/2023</td><td>05.07.2023</td></tr>
</table>

Table-2

ERODE, PERUNDURAI ROAD [GSTIN: 33ACVFS3268F1ZQ]

S. No.	W.P.Nos.	TP	Date of Inspection	DRC-01A	DRC-01	DRC-06	DRC-07
1.	21113/2024	2017-2018	09.09.2021	07.12.2021	08.02.2022	12.03.2022	29.09.2023
2.	21115/2024	2018-2019	09.09.2021	07.12.2021	09.02.2022	12.03.2022	26.09.2023
3.	21122/2024	2019-2020	09.09.2021	07.12.2021	11.02.2022	12.03.2022	26.09.2023
4.	21126/2024	2020-2021	09.09.2021	07.12.2021	11.02.2022	12.03.2022	27.09.2023
5.	21110/2024	2021-2022	09.09.2021	07.12.2021	11.02.2022	12.03.2022	29.09.2023

5. In W.P.Nos.20374, 20390, 20394, 20406 & 20410 of 2024, the petitioner has challenged the impugned orders dated 05.07.2023 passed for the Assessment Years 2017-2022, after having successfully challenged the

ASMT-13 issued under Section 62 read with Rule 100(1) in the 1st round of litigation in **W.P.Nos.4378, 4379, 4380, 4381 and 4383 of 2022**.

6. This Court vide its Order dated 01.03.2022 had interfered with the ASMT-13. The relevant portion of the said order dated 01.03.2022 reads as under:

> "*16. In that view of the matter, this court is inclined to dispose of the writ petitions with the following directions:-*
>
> *(i) That the impugned orders in each of these writ petitions are hereby set aside. The matters are remitted to the respondent for reconsideration. While reconsidering the same within a period of two weeks from the date of receipt of a copy of this order, a day may be fixed by the respondent and that shall be communicated to the petitioner. On the date, as the same shall be treated as a Personal Hearing date, the petitioner without fail, shall appear before the respondent with relevant documents, inputs, Books of Accounts, etc., with reply or defense anything and place all those documents and reply before the respondent in support of the cause of the petitioners.*
>
> *(ii) This court feels that a chance may also be given to the petitioner in the morning session on the hearing date, to peruse the records and documents on the files of the respondent, so that an effective reply and defence can be made by the petitioner and after perusal of the records and in addition to that with further records and inputs, if any, available with the petitioner, an effective defense may be made by the petitioner in the afternoon session and considering the same, final orders can be passed by the respondent thereafter.*"

7. Pursuant to the above Order dated 01.03.2022 in W.P.Nos.20374, 20390, 20394, 20406 & 20410 of 2024 of this Court, Impugned Orders dated 05.07.2023 have been passed, which are subject matter of challenge in the writ petitions in Table-1. The petitioner has challenged the respective impugned orders passed in DRC-07 dated 05.07.2023, whereby the following amounts have been confirmed vide impugned orders challenged in the writ petitions in Table-1:

Table-3

S. No.	W.P.Nos.	AY	DRC-07	Tax Liability (In Rs.)
1.	20374/2024	2017-2018	05.07.2023	3329473
2.	20390/2024	2018-2019	05.07.2023	8912397
3.	20394/2024	2019-2020	05.07.2023	11565584
4.	20406/2024	2020-2021	05.07.2023	15097489
5.	20410/2024	2021-2022	05.07.2023	13375883

8. Impugned Orders in the writ petitions in Table-2 viz., W.P.Nos.21113, 21115, 21122, 21126 and 21110 of 2024 were preceded by an intimation in DRC-01A, a notice in DRC-01 and a reply of the petitioner in DRC-06. The amounts confirmed in the respective impugned orders are as under:

Table-4

S. No.	W.P.Nos.	AY	DRC-07	Tax Liability (In Rs.)
1.	21113/2024	2017-2018	29.09.2023	3499390
2.	21115/2024	2018-2019	26.09.2023	9012282
3.	21122/2024	2019-2020	26.09.2023	8755050
4.	21126/2024	2020-2021	27.09.2023	7163888
5.	21110/2024	2021-2022	29.09.2023	2832004

9. Both the set of the impugned proceedings were preceded by an inspection on 09.09.2021. The contents of which would have been communicated to the petitioner in a notice in INS-01, and thereafter, in a report in INS-02. However, the pleading is silent on the same.

10. The impugned orders dated 05.07.2023 impugned in W.P.Nos.20374, 20390, 20394, 20406 & 20410 of 2024 indicates that the demand has been confirmed pursuant to the inspection held on 09.09.2021 and was followed by Notice in ASMT-10 and proceedings in ASMT-13 and DRC-07 passed between July 2023 and September 2023.

11. The scheme under the GST law has been spelt out in detail in the orders referred to in Paragraph No.2 of this order.

12. During scrutiny of Return under Section 61 of the respective GST enactments, a proposal/intimation in ASMT-10 dated 09.12.2021 was issued to the petitioner. This was in the background of inspection on 09.09.2021, wherein the petitioner was found to have been indulged in Circular / Reciprocal transactions, and for having passed on fictitious Input Tax Credit on non supplies to other Tax Payers. Thus, the proceedings have been justified by the respondent both under Section 74 and also Section 122 of the respective GST enactments.

13. The above facts *prima facie* justify the invocation of extended period of limitation under Section 74 of the respective GST enactments, as there is no doubt that there were adequate material available for justifying its invocation. This was in the light of inspection held on 09.09.2021, followed by an intimation in ASMT-10 and thereafter in ASMT-13, which were impugned in W.P.Nos.4378, 4379, 4380, 4381 and 4383 of 2022, and have culminated in order dated 05.07.2023, which are put to challenge in the present writ petitions in W.P.Nos.20374, 20390, 20394, 20406 & 20410 of 2024. Therefore, challenge to the invocation of extended period of limitation against the petitioner under Section 74 cannot be assailed.

14. Once ASMT-10 is issued and a reply is filed in ASMT-11, it has to either conclude in ASMT-12 or an Intimation in DRC-01A followed by a Notice in DRC-01. ASMT-13 is applicable only for non-filers of return under Section 62 read with Rule 10. Therefore, order under ASMT-13, after issuance of a Notice in ASMT-10 and a reply in ASMT-11 is puzzling and not in consonance with the scheme of the provision.

15. Before passing the impugned orders in DRC-07 dated 05.07.2023, pursuant to the earlier order of this Court dated 01.03.2022 in W.P.Nos.4378, 4379, 4380, 4381 and 4383 of 2022, a Notice in DRC-01 under Section 74 ought to have been issued. The impugned orders dated 05.07.2023 have been issued perhaps, in view of the order passed on 01.03.2022 earlier in W.P.Nos.4378, 4379, 4380, 4381 and 4383 of 2022. Therefore, the impugned orders dated 05.07.2023, are liable to be set aside for *de novo* adjudication, by treating them as notice in DRC-01 under Section 74.

16. Insofar as the impugned orders challenged in W.P.Nos.21113, 21115, 21122, 21126 and 21110 of 2024 are concerned, they cannot be interfered with, as no procedural irregularity has been committed by the respondent, while passing these orders. The petitioner was privy to the

inspection conducted on 09.09.2021 and the subsequent proceedings viz., Intimation in DRC-01A followed by a Show Cause Notice in DRC-01 and thereafter the Impugned Assessment Order. There are adequate materials on record to inform the petitioner of the lapses to invoke Section 74 of the respective GST enatments. in view of the decision in the Common Order passed today in a batch by separate orders. There, it has been explained in detail that the threshold for invoking the extended period of limitation under Section 74 of the respective GST enactments is much lower compared to the threshold under earlier Indirect Tax Legislations.

17. In the result,

(i) The Writ Petitions in W.P.Nos.20374, 20390, 20394, 20406 & 20410 of 2024 are disposed of by setting aside the impugned orders dated 05.07.2023 passed by the respondent.

(ii) The above impugned orders dated 05.07.2023 shall be treated as DRC-01 notices under Section 74. The respondent shall thereafter pass orders, after complying with the principles of natural justice. The time during which proceedings are pending shall stand excluded for computation of limitation.

(iii) Since Writ Petition Nos.21110, 21113, 21115, 21122 & 21126 of 2024 are liable to be dismissed, and are dismissed. Liberty is given to the petitioner to file appeals against the impugned orders dated 05.07.2023, within a period of 30 days from the date of receipt of a copy of this order, subject to the petitioner depositing 50% of the disputed tax liability, within the aforesaid period. No costs. Connected miscellaneous petitions are closed.

08.06.2026

raja

Neutral Citation : Yes / No

To

1.The Assistant Commissioner (ST),
Thindal Assessment Circle,
Erode, Erode District – 638 001.

2.The Appellate Deputy Commissioner (GST),
Brough Road,
Commercial Tax Office Building,
3rd Floor, Erode – 638 001.

3.The Assistant Commissioner (ST),
Sathyamangalam Main Road,
Gobichettipalayam,
Erode District – 638 452.

C.SARAVANAN, J.

raja

Pre-delivery Order in
W.P.Nos.21110, 21113, 21115, 21122, 21126, 20374,
20390, 20394, 20406 & 20410 of 2024

08.06.2026