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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 31-08-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 27570 of 2026
and WMP.Nos.30214 & 30215 of 2026

Ind Tech Lifts
Rep. by its Managing Partner P.Gopinathar,
Having its place of business at
No.129 D1, Crystal garden,
Sri Lakshmi Nagar 2nd Main Road,
Sri devi Kuppam Road, Valasaravakkam,
Chennai 600 008.
GSTIN 33AAGFI9277H1Z2

..Petitioner

Vs

The Deputy State Tax Officer - I
Porur Assessment Circle, No.4/109, 1st Floor,
Integrated State Taxes, Offices Building,
Chennai-Bangalore Highway, Varadharajapuram,
Nazarathpet, Chennai-600 123.

..Respondent

Prayer: Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorarified Mandamus calling for the records relating to the Impugned order vide Form GST DRC-07 bearing Reference No. ZD330226157417F dated 18.02.2026 passed by the Respondent, in respect of the Petitioner bearing GSTIN : 33AAGFI9277H1Z2 and quash the same and consequently direct the Respondent to adjust the tax already paid by the Petitioner under the CGST and SGST heads towards the admitted IGST liability, without insisting upon a fresh payment of IGST, and pass appropriate orders.

For Petitioner: Ms. K.Sri Rudhra
For Respondent: Ms. G. Dhana Madhri
Special Government Pleader (Tax)

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ORDER

In the GSTR 1 return, the petitioner had declared outward supply liability of Rs.8,90,892/- towards IGST. While filing the GSTR 3B return for said month (October 2019), the petitioner asserts that tax was paid inadvertently under CGST and SGST. The order imposing tax and interest in relation to the above issue is challenged in this writ petition.

2. Referring to the impugned order, learned counsel points out that the proper officer acknowledges that an inadvertent error was made. She points out that said order was issued after recording that there is no mechanism by which tax deposited as CGST and SGST can be transferred to the head of IGST.

3. Ms. G. Dhana Madhri, learned Special Government Pleader (Tax), appears on behalf of the respondent. She points out that the only remedy provided under applicable statute is for the taxable person to discharge the liability and apply for and obtain a refund of amounts paid by mistake.

4. Section 77 of applicable GST statutes reads as under:

> *"77. Tax wrongfully collected and paid to Central Government or State Government.— (1) A registered person who has paid the Central tax and State tax or, as the case may be, the Central tax and the Union territory tax on a*

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transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall be refunded the amount of taxes so paid in such manner and subject to such conditions as may be prescribed.

(2) A registered person who has paid integrated tax on a transaction considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall not be required to pay any interest on the amount of central tax and State tax or, as the case may be, the Central tax and the Union territory tax payable. ”

This provision applies to a case where Central Tax and State Tax are paid erroneously under the misconception that it is an intra-State supply, whereas it is subsequently held to be an inter-State supply. In such cases, the law envisages refund and also provides that no interest is payable.

5. The present situation is not envisaged and provided for in applicable GST statutes, including Section 77. In other words, in this case, the petitioner made an inadvertent clerical error while remitting taxes under the CGST and SGST heads instead of making such payment under the IGST head. The principle incorporated in Section 77 may apply to the extent that interest should not be charged because the taxable person has remitted necessary taxes. In *SYA Homes v. Assistant Commissioner (ST) and two others, W.P.No.23463 of 2026, dated 07.07.2026*, in a substantially similar situation, an order was issued in

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favour of the petitioner therein. The petitioner herein has discharged the entire tax liability within the prescribed period. Therefore, the petitioner cannot be penalised by being directed to first pay taxes and thereafter seek the refund.

6. Accordingly, the writ petition is disposed of on the following terms:

(i) The petitioner shall file an application requesting that the aggregate sum of Rs.8,90,892/-, which was inadvertently remitted under the CGST and SGST heads, be appropriated towards the liability under the IGST head.

(ii) If procedurally necessary for this purpose, an application for refund may be submitted.

(iii) Within 30 days from the date of receipt of an application from the petitioner, the respondents are directed to appropriate the amounts already available towards the IGST liability of the petitioner.

(iv). The petitioner is also permitted to submit a refund application in respect of the 25% deposit made in terms of the earlier order of this Court dated 17.04.2025 in Writ Petition No.13695 of 2025. Upon receipt thereof, the respondent is directed to consider and dispose of said refund application expeditiously. There will be no order as to costs. Consequently, connected miscellaneous petitions are closed.

31-08-2026

Index : Yes/No
Neutral Citation : Yes/No
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SENTHILKUMAR RAMAMOORTHY, J.

KJ

To

The Deputy State Tax Officer - I
Porur Assessment Circle,
No.4/109, 1st Floor, Integrated State Taxes,
Offices Building, Chennai-Bangalore
Highway, Varadharajapuram,
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