IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.02.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.40504 of 2025
and
W.M.P.Nos.45453 and 45455 of 2025

M/s.Hoscar System Private Limited,
Represented by its Director
Dr. Rose Raichel … Petitioner

Vs.

1.The Assistant Commissioner [ST],
Nolambur Assessment Circle,
333, 3rd Floor,
Nandanam,
Chennai – 600 035.

2.The Branch Manager,
ICICI Bank Limited,
Thirumudivakkam Branch,
Ground Floor,
PP3 TIEMA Centre,
1st Main Road,
SIDCO Industrial Estate,
Thirumudivakkam,
Chennai – 600 132. … Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records connected with order bearing No. GSTIN 33AADCH9315B1Z1/2017-18 dated 22.12.2023 passed by the 1st Respondent herein and to quash the same for having been passed without jurisdiction, contrary to law and committing gross violation to the Principles of Natural Justice and to consequently direct the 2nd Respondent to de-freeze the bank accounts of the Petitioner Company as well as the personal SB accounts of the Directors maintained with the 2nd Respondent at the instance of the 1st Respondent vide his Letter dated 19.06.2025 addressed to the ICICI Bank Limited, West Mogappair Branch with Form DRC 13 dated 19.06.2025.

For Petitioner	:	Mr.N.Viswanathan
For Respondents	:	
For R1	:	Mr.T.N.C.Kaushik Additional Government Pleader

ORDER

In this Writ Petition, the Petitioner has challenged the impugned Order long after it came to be passed on 22.12.2023 in Form GST DRC-07 for the tax period 2017-2018 under Section 73 of the respective GST Enactments.

2. By the impugned Order, the proposal in the Show Cause Notice in GST DRC-01 dated 26.09.2023 was not confirmed against the Petitioner in the absence of a reply.

3. The impugned Order has been passed after the Petitioner's GST Registration was cancelled on 01.10.2018 with effect from 01.08.2017 after the Petitioner was issued with a Show Cause Notice dated 14.09.2018.

4. Operative portion of the impugned Order insofar as the confirmation of the tax is concerned reads as under:-

"Tvl.Hoscar Systems Private Limited are registered tax payer under TNGST Act 2017 / CGST Act 2017, in the books of Nolambur Assessment Circle.

1) On comparison of the Input Tax Credit tax availed by the tax payer through GSTR-3B returns filed for the financial year 2017-18 with the auto drafter Input Tax Credit statement (GSTR-2A) and Form GSTR-1, from the corresponding suppliers revealed that there was a significant differences or anomalies in the claim of Input Tax Credit made by the tax payer as reported to GSTR-2A and thus, they were wrongly availed Input Tax Credits for the tax period of from: 2017-18 as follows:-

Particulars	**IGST**	**CGST**	**SGST**	**CESS**
GSTR-3B	0	251997	251797	0.00
GSTR-2B	482361	435890	435890	0.00
MISMATCH	-482361	-184093	-184093	0.00

2) The tax payer availed the above Input Tax Credit and also utilised certain Input Tax Credit to various liabilities under IGST / CGST / SGST in the monthly returns filed and the extract proportion of wrongly utilisation of Input Tax Credit was not ascertained. Hence, the above total difference of Input Tax Credit which were wrongly availed is proposed to be determined the taxes short paid thereon. The tax payer is also liable for the penalty at 10% of the excess availed Input Tax Credit or Rs.10,000.00/- whichever is higher under Section 73 of the TNGST Act, 2017 as detailed below:

Return Period	**IGST payable**	**SGST payable**	**CGST payable**	**IGST penalty**	**CGST penalty u/s 73**	**SGST penalty u/s 73**
2017-18	482361	184093	184093	0.00	18409	18409

Total	482361	184093	184093	0.00	18409	18409

INTEREST:-

You are also liable for interest @ 18% per annum under Section 50 of the Act for the number of days delayed to be calculated from the due date for corresponding monthly returns and up to the date of payment of difference of taxes through DRC-03. Your attention is drawn to the provisions of Section 75(9) of the Act which stipulates that "the interest on the tax short paid or not paid shall be payable whether or not specified in the order determining the tax liability".

IGST Tax	SGST Tax	CGST Tax	Due date	Date till	Number of days	IGST Interest	CGST Interest	SGST Interest
482361	184093	184093	20.04.2018	22.12.2023	1971	468855	178938	183798

SCN ISSUED AND NOT RESPONDED:

In the view of the above facts, detailed note in Form GST DRC-01, dated : 25.09.2023 under Section 73 of the TNGST Act, 2017. But, the till date no response were received from their end.

OPPORTUNITY AND PERSONAL HEARING:

The Taxpayer is also given an opportunity of personal hearing to appear before the undersigned on 04.12.2023, at No.353, 3rd Floor, Office of the Assistant Commissioner (ST), Nolambur Assessment Circle, Integrated Commercial Taxes Building, Nandanam, Chennai – 600 035. After receipt of the Notice in DRC-01, they have not paid Tax, Interest and Penalty dues through DRC-03 for the year 2017-18 so far. Also the taxable person has not appear for personal hearing. No objections or reply received from the tax payer so far. Therefore Tax, Interest and Penalty due determined as per Section 73 of the TNGST Act, 2017 for the year 2017-18 as under:

TOTAL ABSTRACT OF DEMAND PROPOSED:-

ACT	TAX	INTEREST	PENALTY	TOTAL
IGST	482361	468855	0	951216
CGST	184093	178938	18409	381440
SGST	184093	178938	18409	381440
Total	850547	826731	36818	1714096

(Interest calculated upto the date of order, it may be vary up to the date of payment) A Form in DRC-07 issued separately."

5. It appears that excess Input Tax Credit has been availed by the Petitioner at Integrated Goods and Services Tax (IGST) which seems to have however remained unutilized by the Petitioner. However, whether the Petitioner had utilized the same or not is not evident from the reading of the impugned Order.

6. Considering the same, the impugned Order is quashed and the case is remitted back to the 1st Respondent to pass a fresh order on merits, after hearing the Petitioner, as expeditiously as possible, preferably within a period of three (3) months from the date of receipt of a copy of this order.

7. Within such time, the Petitioner shall file a reply along with the requisite documents to the Show Cause Notice in GST DRC-01 dated 26.09.2023 by treating the impugned Order as an addendum to the Show Cause Notice dated 26.09.2023.

8. Since the case is being remitted back to the 1st Respondent, all recovery proceedings initiated against the Petitioner / Director of the Petitioner Company shall be kept in abeyance pending further order in the *de novo* proceedings.

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

12.02.2026

Neutral Citation : Yes / No

arb

To:

1.The Assistant Commissioner [ST],
Nolambur Assessment Circle,
333, 3rd Floor,
Nandanam,
Chennai – 600 035.

2.The Branch Manager,
ICICI Bank Limited,
Thirumudivakkam Branch,
Ground Floor,
PP3 TIEMA Centre,
1st Main Road,
SIDCO Industrial Estate,
Thirumudivakkam,
Chennai – 600 132.

C.SARAVANAN, J.

arb

W.P.No.40504 of 2025
and
W.M.P.Nos.45453 and 45455 of 2025

12.02.2026