



W.P.No.10774 of 2025

WEB COPY IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.11.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.10774 of 2025
and
W.M.P.No.12128 of 2025

M/s. Sasco Engineering (India) Pvt Ltd,
Represented by its Director,
Mr. Kanaka Sabapathy (M/A 65 years),
No.11, Boopathy Nagar, Industrial Area,
Keelkatalai, Chennai 600 117.

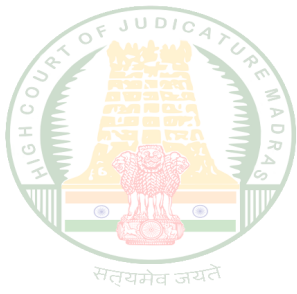
... Petitioner

Vs.

The Assistant Commissioner (ST)
Madipakkam Assessment Circle,
Nandanam, Chennai – 035.

... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari calling for the records on the file of the respondent and to quash the impugned assessment order dated 31.01.2025 bearing no.33AAECS8002K2ZF/2017-18 passed by the respondent as arbitrary and thus render justice.



W.P.No.10774 of 2025

WEB COPY

For Petitioner : Mr. J.Ashish

For Respondent : Mr.T.N.C. Kaushik
Additional Government Pleader

ORDER

In this Writ Petition, the Petitioner has challenged the impugned order dated 31.01.2025 passed for the tax 2017-2018 by the respondent. The impugned order was preceded a Show Cause Notice in Form GST DRC-01 dated 28.08.2023. The petitioner was also issued with Notices in DRC-01A dated 11.08.2023.

2. The petitioner had responded to the Show Cause Notice in Form GST DRC – 01 dated 28.08.2023 by filing a detailed reply on 05.12.2023, which has been extracted in the impugned order along with the certificates submitted by the petitioner vide reply dated 05.12.2023. After extracting the reply, the respondent in the impugned order states as under:-

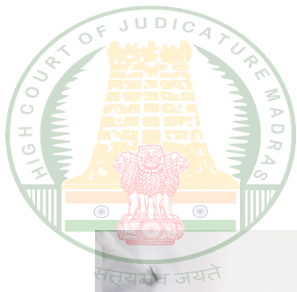


WEB COPY

Pt. III	Details of ITC for the financial year					
Sr.No	Description	Type	Central Tax(₹)	State Tax / UT Tax(₹)	Integrated Tax(₹)	Cess(₹)
	1	2	3	4	5	6
6	Details of ITC availed during the financial year					
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)		62,76,933.05	62,76,933.05	2,67,644.00	0.00
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	62,09,108.35	62,09,108.35	2,67,644.00	0
		Capital Goods	0	0	0	0
		Input Services	0	0	0	0
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	Inputs	67,824.70	67,824.70	0	0
		Capital Goods	0	0	0	0
		Input Services	0	0	0	0

After considering their above said replies the net excess ITC which are not covered by Certificates as prescribed in the CBIC Circular No.183/2022 dt 27.12.2022 are arrived as detailed below:

	IGST	CGST	SGST	Total
Excess ITC availed as per workings which admitted after due verification	922-	125821-	125821-	252564-
(-) Less: Certificates filed	0	49867-	49867-	99734-
(-) Less: Declaration filed as per personal hearing	0	19537	19537-	39074-
Net Excess ITC availed	922-	56417-	56417-	113756-



W.P.No.10774 of 2025

WEB COPY

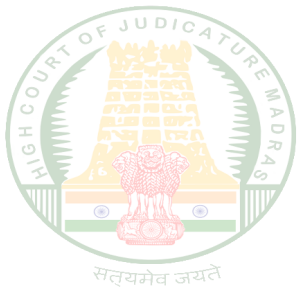
In view of the above facts and circumstances I hereby passed the demand recovery in
FORM GST DRC-07 for the year 2017-18 under section 74(9) of the GST Act

SUMMURY OF ORDER							
Description	Tax Period	T.O.	Rate of Tax	PoS	IGST Tax due 18% (Rs.)	IGST Penalty at 100% u/s 74(1) (Rs.)	IGST Interest at 18% u/s 50(3) from 20.04.2018 to 29.01.2025 (2476 days)
Excess ITC availed in 3-B than GSTR-2A	2017-18		18%	TN	922-	922-	1126-

SUMMARY OF ORDER									
Description	Tax Period	T.O.	Rate of Tax	PoS	CGST Tax due @9% (Rs.)	SGST Tax due @9% (Rs.)	CGST Penalty at 100% u/s 74 (Rs)	SGST Penalty at 100% u/s 74 (Rs)	
Excess ITC availed in 3-B than GSTR-2A	2017-18		18%	TN	56417-	56417-	56417-	56417-	
			Total		56417-	56417-	56417-	56417-	

Interest at 18% u/s 50(1)

Tax amount	CGST Interest at 18% from 20.04.2018 to 29.01.2025 (2476 days)	SGST Interest at 18% from 20.04.2018 to 29.01.2025 (2476 days)	Total Interest amount
CGST:Rs.56417	68887-		68887-
SGST:Rs.56417		68887-	68887-
		Total	137774-



W.P.No.10774 of 2025

WEB COPY

Note:1

The Tax payer is hereby informed that if they have paid the above said entire tax amount with Interest and penalty at 50% with in 30 days from the date of communication of order they need not pay the remaining 50% Penalty as per section 74(11) of the GST Act.

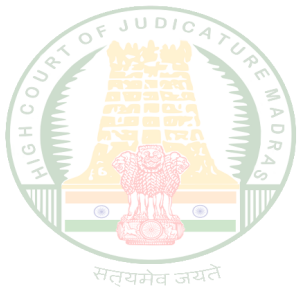
Note:2

The Tax payer is hereby informed that the above said interest amount was worked out from the due date to order date. But they shall pay the interest amount at 18% u/s 50(1) of the GST Act from the due date to till the date of payment made by them.

Thus, a negligible amount of tax has been demanded from the petitioner.

However, the petitioner is subjected to interest at 18% under Section 15(1) of the respective GST enactments under impugned order.

3. The impugned order dated 31.01.2025 has been challenged belatedly, as the prescribed period for filing a statutory appeal expired on 17.03.2025. The petitioner ought to have filed an appeal before the Appellate Authority. Be that as it may, the reply submitted by the petitioner to the Show Cause Notice in Form GST DRC-01 dated 28.08.2023 has not been properly considered by the respondent while passing the impugned order.



W.P.No.10774 of 2025

WEB COPY

4. Considering the above, the impugned order is quashed and the case is remitted back to the respondent to pass a fresh speaking order on merits, without reference to limitation, after considering the reply given by 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.

5. Needless to state, before passing any such order, the respondent shall give due notice to the petitioner.

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

26.11.2025

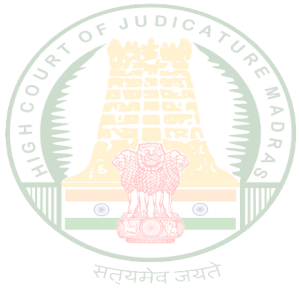
Index : Yes/No

Neutral Citation : Yes/No

av

To:

The Assistant Commissioner (ST)
Madipakkam Assessment Circle,
Nandanam, Chennai – 035.



WEB COPY



W.P.No.10774 of 2025

C.SARAVANAN, J.

av

W.P.No.10774 of 2025
and
W.M.P.No.12128 of 2025

26.11.2025