IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.02.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.47643 of 2025
and
W.M.P.Nos.53167 and 53168 of 2025

M/s.Goal Closures,
Represented by its Partner
V.Ponnusamy … Petitioner

Vs.

1.The State Tax Officer (Int)-1,
Legal and Revision,
State Intelligence Wing,
Commercial Taxes Complex,
Dr.Balasundaram Road,
Coimbatore – 641 018.

2.The Joint Commissioner (ST),
State Intelligence Wing,
Commercial Taxes Complex,
Dr.Balasundaram Road,
Coimbatore – 641 018. … 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 of the impugned proceedings in INS-02 in Ref.ZD330224168115Q in case ID AD3312230684549 dated 27.02.2024 and order of prohibition of assets in INS-03 dated 07.02.2024, and quash the same.

For Petitioner : Mr.G.Natarajan
For Respondents : Mr.C.Harsharaj
Special Government Pleader

ORDER

The Petitioner is before this Court against the impugned Order of Prohibition of Assets in Form GST INS-03 dated 07.02.2024 and impugned proceedings in Form GST INS-02 dated 27.02.2024, passed pursuant to an inspection and search conducted under Section 67 of the respective GST Enactments.

2. The facts on records reveal that the Petitioner's place of business was inspected on 07.02.2024. Thereafter, the goods specified in impugned Prohibition Order in Form GST INS-03 dated 07.02.2024 were handed over for safe keeping to Tmt.R.Vichitraa, W/o.R.V.Ramachandran with a direction that the specified 13 items shall not be removed or parted with or otherwise dealt with the goods or things or intellectual rights except with the prior permission of the State Tax Officer namely the 1st Respondent.

3. The impugned Prohibition Order dated 07.02.2024 in Form GST INS-03 accompanied the impugned Seizure Order dated 27.02.2024 in Form GST INS-02.

4. The allegations against the Petitioner at that stage was that the Petitioner had belatedly availed Input Tax Credit under Section 16(4) of the respective GST Enactments for the tax period from 2017-2018 to 2023-2024.

5. *Post facto*, Show Cause Notice in GST DRC-01 was issued to the Petitioner on 24.05.2024 which culminated in an Order dated 03.12.2024 in Form GST DRC-07. This was subject matter of challenge before this Court in W.P.No.8284 of 2025.

6. This Court in the light of the statutory intervention vide Order dated 12.03.2025 in W.P.No.8284 of 2025, quashed the Assessment Order in GST DRC-07 dated 03.12.2024 with the following observations:-

> *"5. In view of the above, this Court passes the following:*
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> *i) The orders impugned herein is quashed insofar as it relates to the claim made by the petitioners for ITC which is barred by limitation in terms of Section 16(4) of the CGST Act, 2017 but, within the period prescribed in terms of Section 16(5) of the said Act.*
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> *ii) Therefore, the respondent-Department is restrained from initiating any proceedings against the petitioners by virtue of the impugned orders based on the issue of limitation.*

iii) In view of the fact that the impugned orders are quashed, the respondent-Department is directed to take immediate steps towards de-freezure of the concerned petitioners bank accounts, which have been freezed in furtherance of the impugned orders, by sending intimation to the concerned bankers.

iv) In the event, in the interregnum, i.e. during the pendency of these Writ Petitions, if any orders are proposed to be passed towards recovery, same shall be dropped immediately upon production of the order copy by the petitioners, in whichever case, where, there is no interim order.

v) It is also made clear that if at all, if there is any tax amounts were collected from the petitioner based on the impugned assessment order from the cash ledgers/credit ledgers of the petitioner concerned, the same shall be refunded to them or by means of orders of this Court or even in the absence of any order from this Court, if any amount is deposited either in the cash ledgers/credit ledgers of the petitioner concerned, the same is permitted to be utilized/adjusted by the petitioners towards payment of future tax.

vi) Insofar as the apprehension expressed by the learned Special Government Pleader for the respondent-Department that in certain Writ Petition apart from the issue on limitation, challenges have also been made to the order related to issues such as discrepancies in availing the ITC/wrong availment of ITC/excess claim of ITC/Fake ITC claim, as the case may be, or such other issues, liberty is be granted to the respondent-Department to proceed against the assessee/petitioner in furtherance of the impugned order in accordance with law."

7. It is confirmed both by the learned counsel for the Petitioner and the learned Special Government Pleader for the Respondents that no *de novo* orders have been passed pursuant to the Order dated 12.03.2025 in W.P.No.8284 of 2025.

8. Thus, the issue that remains to be considered is whether the impugned Prohibition Order dated 07.02.2024 in Form GST INS-03 accompanied by the impugned Seizure Order dated 27.02.2024 in Form GST INS-02 can be continued in the light of the remand proceedings pursuant to the order of this Court.

9. It is confirmed by the learned counsel for the Petitioner and the learned Special Government Pleader for the Respondents that there has been no proposal in the Notices that have been issued to the Petitioner for confiscation of the seized goods in accordance with Section 67(2) of the respective GST Enactments.

10. In absence of such a proposal, continuance of the Prohibition Order or Seizure Order cannot be countenanced. Therefore, the impugned Orders are liable to be quashed and are accordingly quashed.

11. This Writ Petition is accordingly allowed. No costs. Connected Writ Miscellaneous Petitions are closed.

18.02.2026

Neutral Citation : Yes / No

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To:

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C.SARAVANAN, J.

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