# IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 17.03.2026

CORAM :

**THE HONOURABLE MR. JUSTICE C. SARAVANAN**

W.P.No.10443 of 2026
and
W.M.P.Nos.11313 and 11320 of 2026

Tvl.V.Ramya Textiles
(Represent by its Proprietor : Mr. Vadivel)
No.88/118C, Periyar Nagar,
Ammapet, Salem-636 003. ... Petitioner

Vs.

Assistant Commissioner (ST) (FAC)
Salem Town West Circle, Salem. ... Respondent

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records on the files of the Respondent herein in FORM GST DRC-07 with Reference No: ZD331025343643P dated 29.10.2025 in GSTIN: 33BHHPR6518P1ZP/2021-22 dated 29.10.2025 and quash the same.

For Petitioner : Mr. N. Chandrasekar

For Respondent : Mrs. K. Vasanthamala,
Government Advocate

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## ORDER

Mrs. K. Vasanthamala, learned Government Advocate, takes notice for the Respondent.

2. This Writ Petition is being disposed of at the stage of admission itself with the consent of the learned counsel for the Petitioner and the learned Government Advocate for the Respondent.

3. The Petitioner is before this Court is against the Impugned Order dated 29.10.2025 whereby the proposal in Show Cause Notice under Form GST DRC-01 dated 07.06.2025 has been confirmed. While passing the Impugned Order, the reply of the Petitioner under Form GST DRC - 01 dated 28.10.2025 has not been considered.

4. The learned counsel for the Petitioner submitted that the Petitioner is engaged in the business of purchase and sale of raw cotton, and therefore, no liability towards value added tax in respect of this type of specific variations.

5. On the above submission, the learned Government Advocate for the Respondent was unable to confirm the same.

6. Even if the Petitioner was entitled to exemption, it was incumbent upon the Petitioner to submit a proper reply with specific

reference to the relevant notification governing the supply in question. As such, in the absence of such particulars, I do not find any irregularity on the Impugned Order passed by the Respondent. However, considering the fact that the Petitioner is required to send a proper and detailed reply to the Show Cause Notice dated 07.06.2025, this Court is inclined to remit the case back to the Respondent subject to depositing 10% of the disputed tax.

7. The learned counsel for the Petitioner agrees to the same and has also made an endorsement in the bundle to that effect, which reads as follows:-

*"For Petitioner 10% willing to pay"*

8. Recording the same, the Impugned Order is set aside and the case is remitted back to the Respondent for fresh consideration subject to the Petitioner depositing 10% of the disputed tax, in cash or from the Petitioner's Electronic Cash Register within a period of thirty (30) days from the date of receipt of a copy of this order.

9. Within such time, the Petitioner shall also file a reply to the Show Cause Notice in GST DRC-01 dated 07.06.2025 together with proper

reference to the relevant notification for claiming exemption under the supply in the hands of the Petitioner, and exemption from the income tax, including other documents to substantiate the case by treating the impugned Order dated 29.10.2025 as an addendum to the Show Cause Notice dated 07.06.2025.

10. Needless to state, any amount recovered from the Petitioner / paid by the Petitioner, towards the tax liability confirmed vide impugned order, shall be adjusted towards the aforesaid pre-deposit of 10% as ordered above. This will be however subject to verification by the Respondent.

11. In case the Petitioner complies with the above stipulations, the Respondent shall proceed to pass a final order on merits and in accordance with law as expeditiously as possible, preferably, within a period of three (3) months of such reply/pre-deposit. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

12. It is made clear that bank attachment shall be lifted subject to the Petitioner depositing 10% of the disputed tax as ordered above and the

Petitioner not being in arrears of any other amount for any other tax period barring the amount demanded under the impugned Order.

13. In case the Petitioner fails to comply with any of the stipulations, the Respondent is at liberty to proceed against the Petitioner to recover the tax in accordance with law as if this Writ Petition was dismissed *in limine* today.

14. Needless to state, before passing any such order, the Respondent shall give due notice to the Petitioner.

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

**17.03.2026**

Neutral Citations: Yes/No
klt

To

The Assistant Commissioner (ST) (FAC)
Salem Town West Circle, Salem.

**C.SARAVANAN, J.**

klt

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