IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.03.2026

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

W.P.No.10646 of 2026
and
W.M.P.Nos.11549 & 11551 of 2026

M/s.No.1 Transport
Rep. By its Prop. Kadappamadai Thirumoorthy Gowtham Sellappan
No.88/H, M.C.Road Cross Street-2
Perundurai, Perundurai
Erode, Tamil Nadu – 638 052. ... Petitioner

Vs.

The Deputy State Tax Officer-1
O/o. The Deputy Commercial Tax officer
Perundurai Assessment Circle
Integrated Commercial Taxes Building
3rd Floor, S.F.No.400/1, 7, 8
46, Pudhur 'B' Village
Ring Road, Erode, Tamil Nadu – 638 002. ... Respondent

Prayer:

Writ Petition filed under Article 226 of Constitution of India, praying to issuance of Writ of Certiorari, calling for the records on the files of the original impugned order in GSTIN:33CJSPG5784J1ZL/2021-22 along with the consequential proceedings in GST DRC-07 vide ref.No.ZD331225401391Z dated 26.12.2025 passed by the respondent under Section 73 for the FY 2021-2022 and quash the same.

For Petitioner	:	Ms.R.Hemalatha
For Respondent	:	Ms.P.Selvi Government Advocate

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ORDER

Ms.P.Selvi, learned Government Advocate, accepts notice for the respondent.

2. This Writ Petition is being disposed of at the time of admission 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 challenging the impugned order dated 26.12.2025, whereby the proposal in show cause notice in DRC-01 dated 22.09.2025 has been confirmed in the absence of a proper evidence to support the claim for exemption. The impugned order extracts the content of the show cause notice wherein, it has been stated as under:

> In the absence relevant supportive documents to substantiate thei claim of exempted turnover, the disputed outward supply of amountin Rs.1,57,87,227.00 reported in the Table 8 of GSTR-1 and Table 3.1 o GSTR-3B (3.1(c) + 3.1(e)) is proposed in the Table 8 of GSTR-1 and Tabl 3.1 of GSTR-3B (3.1(c) + 3.1(e)) is confirmed as suppressed taxable turnover.

4. The petitioner's reply has also been extracted in the impugned order which reads as follows:

Reply for Defect: 1

With reference to the above notice, I wish to submit that I have availed Goods Transport Agency (GTA) services during the period Apr 2021 – Mar 2022. The liability to pay GST under Reverse Charge Mechanism (RCM) on GTA services rests with the recipient of services as per Notification No. 13/2017 – Central Tax (Rate) dated 28.06.2017.

I confirm that the applicable GST under RCM @ 5% has been duly disclosed in my GSTR-1 party wise separately. For your reference I herewith enclosed detailed GSTR-1 for the year 2021-22 to verify my supply covered under GTA.

However, as per the provision of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017 certain services provided by a Goods Transport Agency (GTA) are exempt from GST, particularly when the service is provided to:

- RCM does not apply because the recipient is unregistered
- If the GTA has opted RCM @ 5% rate (Without ITC), it cannot charge GST to unregistered persons – such supplies are Exempt under Notification No. 12/2017 – Central Tax (Rate)

Based on above provision I disclosed supply to unregistered persons under exempted category. This is the reason I have reported my Exempt supply in Table 8 of GSTR-1 and Table 3.1 of GSTR-3B [3.1(c)].

Therefore now I request you to Drop Tax, Interest and Penalty proposals mentioned in your office notice for the year 2021-22.

This is for your kind information.

Kindly do the needful.

Thanking You,

Yours Faithfully

Place: Perundurai For No.1 TRANSPORRT

Date: 19.10.2025 Sd/-

Proprietor

5. The present Writ Petition has been filed on 12.03.2026, within the limitation prescribed for filing an appeal under Section 107 of the respective GST Enactments.

6. At this stage, the learned counsel for the Petitioner submits that the Petitioner is willing to pre-deposit 10% of the disputed tax as a condition for *de novo* adjudication.

7. The learned counsel for the petitioner has made an endorsement to that effect, which is extracted hereunder:-

"petitioner willing to pay 10%"

8. Recording the above consent given by the petitioner, the case is remitted back to the Respondent to pass a fresh order subject to the Petitioner depositing 10% of the disputed tax in cash 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 22.09.2025 together with requisite documents to substantiate the case by treating the impugned Order dated 26.12.2025 as an addendum to the Show Cause Notice dated 22.09.2025.

10. 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.

11. It is made clear that bank attachment shall be lifted subject to the deposit of 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.

12. 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.

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

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

18.03.2026

Index: Yes/No
Speaking Order : Yes/No
Neutral Citation Case : Yes/No

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To
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O/o. The Deputy Commercial Tax officer
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C.SARAVANAN, J

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