IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.11.2025

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.43241 of 2025
and
W.M.P.Nos.48421 & 48422 of 2025

M/s. Dhanapal.D Surya Granites
395, Govindhasamy Nagar,
Mettupatti / Harur, Dharmapuri – 636903
Rep. by its Proprietor
Mr. D. Dhanapal ... Petitioner

Vs.

Assistant Commissioner
Salem-I
106, Varalakshmi Orchid, Ramakrishna Road,
Salem – 636007. ... Respondent

Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records of the Respondent leading to issuance of Impugned Order in Original No. 13/2025 dated 05.02.2025 and quash the same.

For Petitioner : Mr.S.Sathyanarayanan

For Respondent : Mrs.Revathi Manivannan
Senior Standing Counsel

ORDER

Mrs.Revathi Manivannan, learned Senior Standing Counsel, takes notice for the respondent.

2. The petitioner is before this Court against the impugned Order-In-Original No.13/2025 dated 05.02.2025. By the impugned order, the demand proposed in Show Cause Notice-06/2024-GST-AC dated 15.11.2024 has been confirmed against the petitioner.

3. Operative portion of the impugned Order dated 05.02.2025 reads as under:

> *"23.1 I confirm the demand of GST of Rs.30,29,130/- (CGST-Rs.15,14,565/- + SGST-Rs.15,14,565/-)* ***(Rupees Thirty Lakh Twenty Nine Thousand One hundred and Thirty only)*** *being the tax not paid under RCM during the period from FY 2020-21 to FY 2023-24 as discussed supra under Section 73(1) of CGST/TNGST Act, 2017;*
>
> *23.2 I appropriate the amount of* ***Rs.5,34,420/- (CGST - Rs 2,67,210/- and SGST - Rs.2,67,210/-) (Rupees Five Lakh Thirty Four Thousand Four Hundred and Twenty only)*** *paid by them under RCM through GSTR-3B return of Sep-24 towards the demand in Para 23.1 above as discussed in Paras supra;*
>
> *23.3 I confirm the demand of Interest under Section 50(1) of the CGST/TNGST Act, 2017 from the taxpayer on the amount confirmed in Para 23.1 above;*

23.4 I impose a Penalty of ***Rs 3,02,914/-(CGST: Rs.1,51,457/- and SGST- Rs.1,51,457/-) (Rupees Three Lakh Two Thousand Nine hundred and Fourteen only)*** *under Section 73(9) of the CGST/TNGST Act, 2017 read with Section 122(2) (a) of the CGST/TNGST Act, 2017 as discussed supra.*

Adjudicating authority reserves the right to rectify the order as provided under section 161 of CGST/TNGST ACT, 2017."

4. The issue raised in the show cause notice confirmed by the impugned order on merits pertain to the payment of GST on 'Seigniorage Fee'. This issue is now pending before the Hon'ble Supreme Court.

5. Under similar circumstances, several orders have been quashed and cases have been remitted back to the respondent to pass a fresh order on merits, after the decision of the Hon'ble Supreme Court on the aforesaid issue, subject to such assessees depositing 10% of the disputed tax confirmed in the assessment orders impugned in those cases.

6. A reading of order impugned in this writ petition indicates that out of the total tax liability of Rs.30,29,130/- confirmed under the impugned order, the petitioner has already deposited a sum of Rs.5,34,420/- on 22.10.2024, which is approximately 18% of the disputed tax.

7. Considering the same, the impugned order is quashed and the case is remitted back to the respondent to pass a fresh order on merits, after the aforesaid issue is decided by the Hon’ble Supreme Court.

8. Accordingly, this Writ Petition stands disposed of. Consequently, connected miscellaneous petitions are closed. No costs.

18.11.2025

raja

Neutral Citation : Yes / No

To

The Assistant Commissioner,
Salem-I
106, Varalakshmi Orchid, Ramakrishna Road,
Salem – 636007.

C.SARAVANAN, J.

raja

W.P.No.43241 of 2025

18.11.2025