IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05-02-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP.Nos. 3034 & 3041 of 2026
and
WMP.Nos.3435, 3436, 3441 & 3442 of 2026

Tvl.Raj Blue Metal
(Represented by its Proprietor Mr.Amirtharaj)
118/1A, Chinnamanali , Tiruchengode Taluk,
Namakkal-637 410.

..Petitioner in both WPs

Vs

Assistant Commissioner(ST)(FAC)
(Also Known as Commercial Tax Officer)
Tiruchengode (Rural), Namakkal.

..Respondent in both WPs

Prayer in W.P.No.3034 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certioraricalling for the records on the files of the Respondent herein in FORM GST DRC 07 with Reference No. ZD3304251282100 dated 17.04.2025 issued along with detailed order in GSTIN 33AGSPA0131E1Z4/2021-22 also dated 16.04.2025 and quash the same.

Prayer in W.P.No.3034 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certioraricalling for the records on the files of the Respondent herein in FORM GST DRC 07 with Reference

No. ZD330425128191S dated 17.04.2025 issued along with detailed order in GSTIN:33AGSPA0131E1Z4/2022-23 also dated 17.04.2025 and quash the same.

For Petitioner(s): Mr.N.Chandirasekar in both WPs

For Respondent(s): Ms. Amirtha Poonkodi Dinakaran
Government Advocate in both WPs

COMMON ORDER

Ms. Amirtha Poonkodi Dinakaran, 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. In these writ petitions, the petitioner has challenged the impugned Assessment orders both dated 17.04.2025 passed by the respondent under Section 74 of the respective GST Enactments for the tax periods 2021-2022 and 2022-2023 respectively.

4. The impugned Assessment orders, were preceded by the respective Show Cause Notices in Form GST DRC – 01 both dated 09.08.2024 to which

the petitioner failed to file replies. Thus the impugned Assessment orders have been passed.

5. The demand has been confirmed on account of the following two defects pointed out in the aforesaid notice DRC – 01 dated 09.08.2024.

Defect No.1: Short payment of Tax due in WP.No.3034 of 2026

Quantity of rough stone Excavated		**Rate per Unit of Blue Metal as per PWD**	**Total value of material excavated**	**Outward supply reported in the month returns**	**Short reported turnover**	**CGST Due 2.5%**	**SGST Due 2.5%**
In CBM	**No.of Units**						
Rough Stone – Gravels -	Rough Stone – Gravels -	Rs.2000/- Rs.2000/-	2432680	0	2432680	60817	60817
Rough Stone – Gravels -	Rough Stone – Gravels	Rs.2000/- Rs.2000/-	7377820	0	7377820	184446	184446
					9810500	245263	245263

The taxable person is requested to pay the above tax due along with interest under Section 50 of the TNGST Act 2017 & CGST Act 2017 penalty u/s 74 and for short payment of tax due.

Defect No.2 Non-payment of Tax due on Seigniorage Fees under RCM in WP.No.3034 of 2026

As per entry 5-A of the CGST notification No.13 /2017

"Services supplied by the Central Government, State government, Union territory or local authority to a business entity excluding, (1) renting of immovable property, and (2) services specified below- (i)

Service by the Department of posts by way of sped post, express parcel post, life insurance, and agency services provided to a person other than Central Government, State Government or Union Territory or local authority; ii) services in relation to an aircraft or a vessel, inside or outside precincts of a port or an airport; (iii) transport of goods or passengers, Any business entity located in the taxable territory is liable to pay tax under RCM. According you have receiving rights to excavate minerals for which you have paid a sum of Rs.108855/- + Rs.589410/- to the Government of Tamilnadu as seigniorage fees which is liable for RCM @ 18% as detailed below:

YEAR	**SEIGNIORAGE FEES**	**TAX DUE UNDER RCM**	
		CGST @ 9%	**CGST @ 9%**
2021-22	698265	62844	62844

Defect No.1: Short payment of Tax due in WP.No.3041 of 2026

Quantity of Rough stone Excavated		**Rate per Unit of Blue Metal as per PWD**	**Total value of material excavated**	**Outward supply reported in the month returns**	**Short reported turnover**	**CGST Due 2.5%**	**SGST Due 2.5%**
In CBM	**No.of Units**						
Rough Stone – Gravels -	Rough Stone – Gravels	Rs.2000/- Rs.2000/-	13293360	0	13293360	332334	332334

The taxable person is requested to pay the above tax due along with interest under Section 50 of the TNGST Act 2017 & CGST Act 2017 penalty u/s 74 and for short payment of tax due.

Defect No.2 Non-payment of Tax due on Seigniorage Fees under RCM in WP.No.3041 of 2026

As per entry 5-A of the CGST notification No.13 /2017

"Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding, (1)

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renting of immovable property, and (2) services specified below- (i) Service by the Department of posts by way of sped post, express parcel post, life insurance, and agency services provided to a person other than Central Government, State Government or Union Territory or local authority; ii) services in relation to an aircraft or a vessel, inside or outside precincts of a port or an airport; (iii) transport of goods or passengers, Any business entity located in the taxable territory is liable to pay tax under RCM. According you have receiving rights to excavate minerals for which you have paid a sum of Rs.1062000/- to the Government of Tamilnadu as seigniorage fees which is liable for RCM @ 18% as detailed below:

YEAR	**SEIGNIORAGE FEES**	**TAX DUE UNDER RCM**	
		CGST @ 9%	**CGST @ 9%**
2022-23	1062000	95580	95580

6. Considering the above and following the consistent view taken by this Court under similar circumstances, the cases are remitted back to the respondent subject to the Petitioner depositing following pre-deposit 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 :-

(i) 25% of the disputed tax confirmed on account of Defect No.1 in the both of these writ petitions.

(ii) 10% of the disputed tax confirmed on account of Defect No.2 in both of these writ petitions.

7. Within such time, the Petitioner shall also file separate replies to the respective Show Cause Notices in GST DRC-01 dated 09.08.2024 for Defect

No.1 and Defect No.2 together with requisite documents to substantiate the case by treating the respective impugned Orders dated 17.04.2025 as an addendum to the respective Show Cause Notices dated 09.08.2024.

8. In case the Petitioner complies with the above stipulations, the Respondent shall

(i) pass a final order on merits and in accordance with law as expeditiously as possible, insofar as Defect No.1 is concerned, preferably . within a period of three (3) months of such reply/pre-deposit.

(ii) Insofar as the defect No.2 in both of these writ petitions are concerned the Respondent shall pass separate orders after the decision of the Hon'ble Supreme Court on the issue regarding taxability of Seigniorage Fees on Reverse Charge Mechanism (RCM) is available.

9. Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall also stand automatically vacated.

10. It is made clear that bank attachment shall be lifted subject to the Petitioner depositing 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.

11. 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.

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

13. These Writ Petitions stand disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

05-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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To

Assistant Commissioner(ST)(FAC)
(Also Known as Commercial Tax Officer)
Tiruchengode (Rural), Namakkal.

C. SARAVANAN, J.

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