IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27-01-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 2535 of 2026

AND

WMP NO. 2767 OF 2026,WMP NO. 2766 OF 2026

M/s.Venkateswara Blue Metals
Rep by its Proprietor - Venkatachalam Vadivel,
No.325, Deevattipatti, Omalur,
Salem 636 351

..Petitioner(s)

Vs

State Tax Officer
Roving squad- II / Adjudication Intelligence,
office of The Commercial Tax Officer,
No.3rd Floor, commercial Taxes Office Building,
Pitchards Road,Hasthampatty,
Salem-7.

..Respondent(s)

PRAYER

Writ Petition filed under Art. 226 of Constitution of India seeking for issuance of Writ of Certiorari, calling for the records relating to the impugned proceedings passed by the Respondent the Impugned Order in GSTIN 33ADJPV1562G1ZH/2020-21 dated 23.09.2024 along with the Consequential Order U/s 74 with Ref ZD330924148787T dated 23.09.2024 for the Period 2020-21 to quash the same.

For Petitioner(s): Ms. Devanand J.R

For Respondent(s): Mr.C.Harsharaj,
Special Government Pleader

ORDER

Mr.C.Harsharaj, learned Special Government Pleader 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 Special Government Pleader forthe Respondent.

3. In this Writ Petition, the Petitioner has challenged the impugned Order dated 23.09.2024 issued in Form GST DRC-07, which was preceded by a Show Cause Notice in GST DRC-01 dated 30.05.2024, wherein the Petitioner was called upon to appear for personal hearing on 28.06.2024. However, the Petitioner had not taken advantage of the same and thus, suffered the impugned Order dated 23.09.2024.

4. The Petitioner was also issued with Reminders on 10.07.2024, 17.07.2024 and 30.07.2024, which called upon the Petitioner to file a reply and to appear for a personal hearing on 12.07.2024, 19.07.2024 and 06.08.2024.

The Petitioner however neither filed any reply nor appeared for the personal hearing fixed on on 12.07.2024, 19.07.2024 and 06.08.2024. Thus, the impugned Order has been passed.

5. It is noticed that the limitation for filing an appeal under Section 107 of the respective GST enactments, 2017 against the impugned Order has already expired. The present Writ Petition has been filed only on 20.01.2026.

6.Both the learned counsel for petitioner and learned Special Government Pleader for respondents confirmed that the issue is now *subjudice* before the Hon'ble Supreme Court of India in respect of the preliminary issue regarding levy of tax on seigniorage charges on the mining royalty payable to the State Government towards license under the Mines and Minerals (Development and Regulation) Act, 1957 on reverse charge basis.

7.Under similar circumstances, Orders have been quashed and cases have been remitted back to the Respondent to pass a fresh order on terms subject to such Assessee depositing 25% to 100% of the disputed tax depending upon the length of delay in approaching the Court. I do not find any reason to take a different view in this case.

8.Therefore, to balance the interest of both parties viz., the Assessee and the Revenue, the case is remitted back to the Respondent to pass a fresh order on merits subject to the decision to be taken by Hon'ble Supreme Court of India on account of tax to be paid on Seigniorage fees to the mining department and re-do the exercise 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 30.05.2024 together with requisite documents to substantiate the case by treating the impugned Order dated 23.09.2024 as an addendum to the Show Cause Notice dated 30.05.2024.

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 confirmed 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.

27-01-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

RPP

To
State Tax Officer

Roving squad- II / Adjudication Intelligence,

office of The Commercial Tax Officer,

No.3rd Floor, commercial Taxes Office Building,

Pitchards Road,Hasthampatty, Salem-7.

C.SARAVANAN J.

RPP

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