IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 16.02.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.Nos.5400, 5408 and 5421 of 2026
and
W.M.P.Nos.5926, 5939 and 5950 of 2026

1.B.Sakthivel	... Petitioner in W.P.Nos.5400 and 5421 of 2026
2.R.Vijayakumar	… Petitioner in W.P.No.5408 of 2026

Vs.

The Assistant Commissioner (ST),
Villupuram – II Assessment Circle,
Commercial Taxes Building,
Integrated Master Plan Complex,
Villupuram – 605 602. ... Respondent in all W.Ps.

Prayer in W.P.No.5400 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for records relating to the impugned Notice of the Respondent dated 21.08.2025, for levying GST on the Seigniorage fee/Royalty paid for quarrying and transporting mineral for the Tax Period from 2021-2022 and quash the same.

Prayer in W.P.No.5408 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for records relating to the impugned Notice of the Respondent dated 21.08.2025, for levying GST on the Seigniorage fee/Royalty paid for quarrying and transporting mineral for the Tax Period from 2020-2021 and quash the same.

Prayer in W.P.No.5421 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for records relating to the impugned Notice of the Respondent dated 21.08.2025, for levying GST on the Seigniorage fee/Royalty paid for quarrying and transporting mineral for the Tax Period from 2020-2021 and quash the same.

For Petitioners (in all W.Ps)	:	Mr.T.R.Sathiyamohan
For Respondent (in all W.Ps)	:	Mr.TNC.Kaushik Additional Government Pleader

COMMON ORDER

Mr.TNC.Kaushik, learned Additional Government Pleader takes notice for the Respondent.

2. By this common order, all these Writ Petitions are being disposed of at the stage of admission itself with the consent of the learned counsel for the Petitioner and the learned Additional Government Pleader for the Respondent.

3. In these Writ Petitions, the Petitioners have challenged the respective impugned Show Cause Notices in Form GST DRC – 01 all dated 21.08.2025 for the tax periods 2020 – 2021 and 2021 – 2022 respectively. By the aforesaid Show Cause Notices, the Petitioners were proposed with demands on account of seigniorage fee / Royalty fee paid to the Government on reversed charge mechanism.

4. Under similar circumstances, cases have been remitted back to the Respondent to pass a order(s) on terms subject to such Assessee depositing 10% 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.

5. Therefore, these cases are remitted back to the Respondent to pass orders subject to the Petitioners depositing 10% of the disputed tax proposed vide each of the respective impugned Show Cause Notices 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.

6. However, the issue relating to levy of Seigniorage fee or Royalty fee for quarrying in the present case is pending consideration before the Hon'ble Supreme Court. Therefore, the recovery of balance tax shall be however subject to orders of the Hon'ble Supreme Court on payment of Seigniorage fee or Royalty fee for quarrying.

7. In case decision of the Hon'ble Supreme Court is in favour of the Petitioners, the tax amount now directed to be pre-deposit shall be refunded back or re-credited in the respective Electronic Cash Registers of the Petitioners. In case, the Hon'ble Supreme Court decides the case against the Petitioners, the Petitioners shall pay the tax amount subject to such amount as may be ordered to be paid.

8. Therefore, the Petitioners shall file separate replies to the respective Show Cause Notices all dated 21.08.2025 in GST DRC-01 together with requisite documents to substantiate the case.

9. In case the Petitioners complies with the above stipulations, the Respondent shall proceed to pass a final order on merits and in accordance

with the decision of the Hon'ble Supreme Court on the issue relating to Seigniorage fee or Royalty fee for quarrying. Subject to the Petitioners complying with the above stipulations, the attachment of the bank account of the Petitioners shall also stand automatically vacated.

10. It is made clear that bank attachment shall be lifted subject to the Petitioners depositing 10% of the disputed tax proposed vide each of the respective Show Cause Notices as ordered above and the Petitioners not being in arrears of any other amount for any other tax period barring the amount proposed under the impugned Show Cause Notices.

11. In case the Petitioners fails to comply with any of the stipulations, the Respondent is at liberty to proceed against the Petitioners to recover the tax in accordance with law as if these Writ Petitions were dismissed *in limine* today.

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

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

16.02.2026

Neutral Citation: Yes / No
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To:

The Assistant Commissioner (ST),
Villupuram – II Assessment Circle,
Commercial Taxes Building,
Integrated Master Plan Complex,
Villupuram – 605 602.

C.SARAVANAN, J.

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