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IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 05.02.2026
Coram

The Honourable **Mr.Justice C.Saravanan**

W.P.No.4084 of 2026
and
W.M.P.Nos.4551 & 4553 of 2026

M/s. SKT Mines
Rep by its Partner Kathirvelu Ruthrakotti
No.19-C, Villakadi Koil, Thoppu Street
Kancheepuram, Tamil Nadu 631501. ...Petitioner

Vs.

The Assistant Commissioner (ST)
O/O. The Assistant Commissioner
Kancheepuram Assessment circle,
CT Building, First Floor, Collectorate Campus
Kancheepuram 631 501. ...Respondent

Prayer :-

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari to call for records relating to the impugned proceedings initiated by the Respondent in FORM GST DRC 07 bearing ref No.ZD331025372459B dated 31.10.2025 along with Annexure vide GSTIN/33ADOFS7408M1ZI/ 2020-21 dated 31.10.2025 passed by the respondent for the AY 2020-21 under section 74 of the Act to quash the same.

For Petitioner : Mrs.R.Hemalatha

For Respondent : Mrs.P.Selvi, Government Advocate

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Order

With the consent of Mrs.R.Hemalatha, the learned counsel appearing for the Petitioner and Mrs.P.Selvi, learned Government Advocate, who accepts notice on behalf of the Respondent, this Writ Petition is being disposed of at the time of admission.

2. The Petitioner is before this Court challenging the Order dated 31.10.2025, passed under Section 74 of the respective GST Enactments by the Respondent, whereby, the proposal in the Show Cause Notice in Form GST DRC-01 dated 23.07.2025 for the tax period April 2020-March, 2021 has been confirmed.

3. The impugned Order is a contested Order, as the Petitioner had filed a Reply in Form GST DRC-06 to the aforesaid Show Cause Notice in Form DRC-01, on 09.09.2025. However, the Petitioner had failed to substantiate the defence taken in the Reply by way of supporting documents.

4. It is noticed that in the Show Cause Notice in Form DRC-01 dated 23.07.2025, four defects have been pointed out by the Respondent and that

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on the basis of the Petitioner's reply dated 09.09.2025, proposal in respect of defect No.1 has been dropped and so far as other defects, viz., defect Nos.2 to 4 are concerned, the same have been confirmed vide the impugned Order.

5. So far as Defect No.2, viz., **Non-payment of tax under Reverse Charge Mechanism on Seigniorage Fee paid** is concerned, the said issue is now subjudiced before the Hon'ble Supreme Court. However, in the light of the consistent view taken by this Court, this Court is inclined to remit back this case to the Respondent to pass a fresh order on merits, however, on terms.

6. Accordingly, there will be a direction to the Petitioner to deposit 10% of the disputed tax within a period of 30 days from the date of receipt of a copy of this Order, in which case, the Respondent shall proceed to pass fresh orders based on the decision of the Hon'ble Supreme Court pertaining to the issue on Non-payment of tax under Reverse Charge Mechanism on Seigniorage Fee paid on merits and in accordance with law.

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7. So far as defect Nos.3 and 4 are concerned, viz**., 'Undischarged tax liability due to under reporting of sales in GST return**s and **Non-raising of eway bill for outward suppliers,** the case is remitted back to the Respondent to pass a fresh order on merits, subject to the Petitioner depositing 10% of the disputed tax as defect Nos.1 & 3 and the entire amount of penalty as assessed in the impugned Order insofar as defect 4 is concerned within 30 days of receipt of this order. .

8. The Petitioner shall file necessary documents to substantiate the defence taken in the Reply dated 09.09.2025 filed in response to the Show Cause Notice in Form GST DRC-01 dated 23.07.2025 issued to the Petitioner for the aforesaid tax period.

9. 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* by this Court by it's today's Order.

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10. It is needless to state that, before passing any such order, the petitioner shall be heard.

11. With the above directions, this Writ Petition stands disposed of. Consequently, connected miscellaneous petitions are closed. No costs.

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Index : yes/no
Neutral Citation : yes/no

To

The Assistant Commissioner (ST)
O/O. The Assistant Commissioner
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CT Building, First Floor, Collectorate Campus
Kancheepuram 631 501.

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C.Saravanan,J.,

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