IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30-06-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 23191 of 2026
and W.M.P.Nos.25142 & 25143 of 2026

M Jafarset Earth And Rough Stone
Rep. by Thiru.Mohamed Routher Jafarsait
No.8/49, RCC Building /912
Salem Main Road, Elavanasoorkottai,
Villupuram, Tamil Nadu-607 202

..Petitioner(s)

Vs

The Deputy State Tax officer-2
Villupuram-2 Assessment Circle,
Commercial Taxes Building, Integrated Master
Plan Complex, Villupuram-605 602

..Respondent(s)

PRAYER: Writ Petition filed under Article 226 of The Constitution of India praying for the issuance of a Writ of Certiorari, calling for the records relating to the order No.33BNGPJ9057ALZB/ 2021-22 dated 05.01.2026 issued by the Deputy State Tax officer-2, Villupuram-2 Assessment circle, the Respondent herein for levying GST on the Seigniorage fees/royalty paid for quarrying and transporting mineral for the Tax Period 2021-2022 and quash the same.

For Petitioner(s): Mr.T.R.Sathiyamohan

For Respondent(s): Ms.G.Dhana Madhri,
Government Counsel (Tax)

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ORDER

In this writ petition, an order imposing GST on seigniorage / royalty is challenged on the ground of breach of principles of natural justice.

2. Learned counsel for the petitioner relies on an earlier order of this Court dated 17.04.2026 in W.P.No.15121 of 2026.

3. Ms.G.Dhana Madhri, learned Government Counsel, accepts notice for the respondent.

4. In similar cases, wherever an assessment order has been issued, such order has been set aside subject to the condition that the petitioner remits 10% of the tax demanded under the impugned order. On instructions, learned counsel for the petitioner agrees to remit 10% of the tax demand under the order impugned herein. He has made an endorsement to that effect on the bundle.

5. Since the legal issue as to whether GST may be imposed on seigniorage is pending consideration before the Hon'ble Supreme Court, any

order passed pursuant to this remand shall be subject to the outcome of proceedings before the Supreme Court. Therefore, such order shall not be implemented until the decision of the Supreme Court is received.

6. With these observations, the order impugned herein is set aside and this matter is remanded for re-consideration, subject to the condition that the petitioner remits 10% of the tax demand within ***thirty days*** from the date of receipt of a copy of this order. After providing a reasonable opportunity to the petitioner, a fresh order shall be issued within ***three months*** from the date of remittance of 10% of the tax demand by the petitioner.

7. This writ petition is disposed of on the above terms. There shall be no order as to costs. Consequently, the connected writ miscellaneous petitions are closed.

30-06-2026
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Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
RNA
To

The Deputy State Tax officer-2
Villupuram-2 Assessment Circle,
Commercial Taxes Building,
Integrated Master Plan Complex,
Villupuram-605 602

SENTHILKUMAR RAMAMOORTHY, J.

RNA

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