IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18-06-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP Nos. 21789 & 21875 of 2026
and W.M.P.Nos.23616, 23619, 23720 & 23721 of 2026

K and V MERCANTILE Represented by its
Proprietor Mr Karthik
No.37/32-A, Gandhi Street,Nehru Nagar East
Kalapatti Road,Coimbatore, Tamil Nadu 641014

..Petitioner(s) in both WP's

Vs

THE STATE TAX OFFICER (FAC) (Formerly
known as Commercial Tax Officer)
Avarampalayam Assessment circle, commercial
taxes building, Dr Balasundaram road, coimbatore,
Tamilnadu - 641018.

..Respondent(s) in both WP's

PRAYER in W.P.No.21789 of 2026: 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 impugned order in Reference No. ZD 331 225 433 330Z/2021-22 DATED 29.12.2025 passed by the Respondent and quash the same as arbitrary, illegal.

PRAYER in W.P.No.21875 of 2026: 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 impugned order in Reference No. ZD 330

326 118 019O/2022-23 DATED 13.03.2026 passed by the Respondent and quash the same as arbitrary, illegal.

For Petitioner(s): in both WP's — Ms.V.Vijayalakshmi

For Respondent(s): in both WP's — Ms.G.Dhana Madhri, Government Counsel (Tax)

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COMMON ORDER

In both these writ petitions, orders imposing GST on seigniorage / royalty are 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, which pertains to the same petitioner.

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 orders have 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 both orders impugned herein. She 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 orders passed pursuant to this remand shall be subject to the outcome of proceedings before the Supreme Court. Therefore, such orders shall not be implemented until the decision of the Supreme Court is received.

6. With these observations, the orders impugned herein are set aside and these matters are 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, fresh orders shall be issued within ***three months*** from the date remittance of 10% of the tax demand by the petitioner.

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

18-06-2026

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

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SENTHILKUMAR RAMAMOORTHY, J.

RNA

To

THE STATE TAX OFFICER (FAC) (Formerly known as Commercial Tax Officer)
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