IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI
(SPECIAL ORIGINAL JURISDICTION)

THURSDAY, THE SEVENTH DAY OF MAY

TWO THOUSAND AND TWENTY SIX

:PRESENT:
HONOURABLE THE CHIEF MRS JUSTICE LISA GILL
AND
THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO
WP.No.10563 of 2026 along with W.P.10739 of 2026

WRIT PETITION NO: 10563 OF 2026
Between:

M/s.Katragadda Srinivasa Chakravarthi, D.No. 12-39, Flat No.306, Sai Sownnya Apartments, Guntupalli Village, Paritala, Krishna District. Rep.by its Proprietor Mr.Katragadda S. Chakravarthi Aged 58 years, Occ.Business

Petitioner

AND

1. The Assistant Commissioner (ST), Ibrahimpatnam Circle, Vijayawada-1.
2. The State of Andhra Pradesh, Rep. by its Principal Secretary, Revenue Department, A.P. Secretariat Velagapudi - 522 237.
3. The Industries & Commerce (MIII) Department, Rep. by its Secretary to Government, A.P. Secretariat, Velagapudi - 522 237.
4. The Central Board of Indirect Taxes and Customs, Rep. by its Chairman, Ministry of Finance, Department of Revenue, North Block, Central Secretariat, New Delhi - 100 001.

Respondents

Petition under Article 226 of the Constitution of India is filed praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue Writ of Mandamus or any other appropriate Writ or Order or Direction declaring

(1) the Circular No. 164/20/2021-GST, dated 06.10.2021 issued by the CBIC, which clarifies in respect of services by way of grant of

mineral exploration and mining rights attracting GST, as ultra vires to the Constitution of India, with reference to Entry No.50 in List II of the VII Schedule read with Article 246 of the Constitution of India and consequently the validity of .Entry No.17(viii)(SAC-9973) of Notification No. 13/2017-Central Tax (Rate)dated 28.06.2017 and G.O.Ms.No.42, dated 07.06.2021 issued by the Industries and Commerce (MIII) Department and

(2) the action of the 1st Respondent in issuing the Summary of Show Cause Notice in Form GST DRC-01, dated 23.02.2026 (Annexure P5) proposing to levy Tax of CGST of Rs.10,25,500/- and SGST of Rs.10,25,500/- along with interest of Rs.6,80,708/- and Penalty of Rs.2,05,100/- under the provisions of Section 73 of the CGST Act 2017, for the tax period 2023-24 under the CGST/SGST Act 2017, towards RCM on Royalty and Consideration Charges, though the GST on Royalty and Consideration charges, though the GST on Royalty and Consideration Charges is not liable to pay, as arbitrary, contrary to the provisions of the CGST/SGST Acts 2017; without jurisdiction, frivolous, and in violation of Principles of Natural Justice and contrary to Article 14, 19(i)(g) and 265 of the Constitution of India and consequently set aside Summary of Show Cause Notice in Form GST DRC-01, dated 23.02.2026 issued by the 1st Respondent for the tax period 2023-24 under the CGST/SGST Act 2017 under Section 73 of the CGST/SGST Act 2017, as null and void;

IA NO: 1 OF 2026

Petition under Section 151 CPC is filed praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the operation of the Show Cause Notice in Form GST DRC-01, dated 23.02.2026 issued by the 1st Respondent for the tax period 2023-24 under the CGST/SGST Act 2017 under Section 73 of the CGST/SGST Act 2017, Pending disposal of WP 10563 of 2026, on the file of the High Court.

The petition, coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and the order of the High Court order dated 21.04.2026 made herein and upon hearing the arguments of Sri SHAIK JEELANI BASHA Advocate for the Petitioner, GP for Commercial Tax for R1 to R3, Sri Shanti Chandra, Standing counsel for R4 Advocate for the Respondent(s) and the Court made the following.

WRIT PETITION NO: 10739 OF 2026

Between:

1. M/S Katragadda Srinivasa Chakravarthi, D.No.12-39, Flat No.306, Sai Sowmya Apartments Guntupalli Village, Paritala, Krishna District. Rep.by its Proprietor Mr.Katragadda S. Chakravarthi Aged 58 years, Occ. Business

Petitioner

AND

1. The Assistant Commissioner(ST), Ibrahimpatnam Circle, Vijayawada-1.
2. The State of Andhra Pradesh, Rep. by its Principal Secretary, Revenue Department, A.P. Secretariat, Velagapudi - 522 237.
3. The Industries & Commerce (Mill) Department, Rep. by its Secretary to Government, A.P. Secretariat. Velagapudi - 522 237.
4. The Central Board of Indirect Taxes and Customs, Rep. by its Chairman, Ministry of Finance, Department of Revenue, North Block, Central Secretariat, New Delhi - 100 001.

Respondents

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue Writ of Mandamus or any other appropriate Writ or Order or Direction declaring (1) the Circular No.164/20/2021-GST, dated 06.10.2021 issued by the CBIC, which clarifies in respect of services by way of grant of mineral exploration and mining rights attracting GST, as ultra vires to the Constitution of India, with reference to Entry No.50 in List II of the VII Schedule read with Article 246 of the Constitution of india and consequently the validity of Entry No.17(viii)(SAC-9973) of Notification No. 13/2017-Central Tax (Rate), dated 28.06.2017 and G.C.Ms.No.42, dated 07.06.2021 issued by the Industries AND Commerce (MIN) Department and (2) the action of the 1ST Respondent in issuing the Summary of Show Cause Notice in Form GST DRC-01, dated 23.02.2026 proposing to levy Tax of CGST of Rs. 15,23,500/- and SGST of Rs. 15,23,500/- along with interest of Rs.4,62,810/- and Penalty of Rs.2,05,200/- under the provisions of Section 73 of the CGST Act 2017, for the tax period 2024-25 under the CGST/SGST Act 2017, towards RCM on Royalty and Consideration Charges, though the GST on Royalty and Consideration Charges is not liable to pay, as arbitrary, contrary to the provisions of the CGST/SGST Acts 2017 without jurisdiction, frivolous, and in violation of Principles of Natural Justice and contrary to Article 14, 19(i)(g) and 265 of the Constitution of India and consequently set aside. Summary of Show Cause Notice in Form GST DRC-01, dated 23.02.2026 issued by the 1ST Respondent for the tax period 2024-25 under the CGST/SGST Act 2017 under Section 73 of the CGST/SGST Act 2017, as null and void

IA NO: 1 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the operation of the Show Cause Notice in Form GST DRC-01, dated 23.02.2026 issued by the 1st Respondent for the tax period 2024-25 under the CGST/SGST Act 2017 under Section 73 of the CGST/SGST Act 2017, pending disposal of the above Writ Petition, as otherwise, the Petitioner will be put to severe loss and hardship., Pending disposal of WP 10739 of 2026, on the file of the High Court.

The petition, coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and the order of the High Court order dated 22.04.2026 made herein and upon hearing the arguments of Sri SHAIK JEELANI BASHA Advocate for the Petitioner(s), GP FOR COMMERCIAL TAX for the Respondent Nos. 1 to 3, Sri. Shanthi Chandra for respondent No.4, and the Court made the following:

ORDER

Learned counsel for parties submit that Special Leave to Appeal (C).No.28263 of 2023 decision of which shall have a direct bearing on this matter is still pending adjudication before Hon'ble Supreme Court.

List on 13.07.2026 along with WP.No.25198 of 2024 and batch.

In the meanwhile, pleadings be completed.

Interim order to continue till next date of hearing.

SD/- J.GAYATRI DEVI
//TRUE COPY// ASSISTANT REGISTRAR

SECTION OFFICER

To,

1. One CC to SRI. SHAIK JEELANI BASHA Advocate [OPUC]
2. One CC to Sri Shanti Chandra, Standing counsel [OPUC]
3. Two CCs to GP for Commercial Tax, High Court of A.P. [OUT]
4. Two spare copies.

HIGH COURT

HC,J &
RRR,J

DATED:07/05/2026

LIST ON 13.07.2026 ALONG WITH WP.NO.25198 OF 2024 AND BATCH

ORDER

WP.No.10563 of 2026 along with W.P.10739 of 2026

INTERIM ORDER EXTENDED