HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

TUESDAY, THE FIFTH DAY OF MAY
TWO THOUSAND AND TWENTY SIX

:PRESENT:

THE HONOURABLE SRI JUSTICE P.SAM KOSHY
AND
THE HONOURABLE SRI JUSTICE NARSING RAO NANDIKONDA

WP NOS: 15196 AND 15209 OF 2026

Between:

M/s. J. Satyanatayana Rao, Age 62 years, Rep. by its Proprietor.Mr. Sathyanarayana Rao Juvvadi, Sy.No.643, Molangur Village, Shankarapatnam Mandal, Karimnagar, Telangana-505 470.

.....PETITIONER IN BOTH WP'S

AND

1. The Assistant Commissioner (ST), Siricilla Circle, Karimnagar Division, Karimnagar.

2. The Appellate Joint Commissioner (ST), Hyderabad Rural Division, Hyderabad.

3. State of Telangana, Rep. by its Secretary to Government (Revenue) CT-II, State Taxes / Commercial Taxes Department, Secretariat, Hyderabad.

4. The Union of India, Rep. by its Secretary, Ministry of Finance, North Block, New Delhi-110 001.

5. 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 IN BOTH WP'S.

WP No. 15196 OF 2026

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 Entry 17(viii) of Notification No.11/2017-Central Tax (Rate), dated 28/6/2017 as amended from time to time, read with Entry 257 of the Annexure thereto and corresponding State Tax Notification in G.O.Ms.No.110, dated 29/6/2017 to the extent it seeks to levy GST on the amounts deducted towards Royalty as Un-Constitutional, without Authority of Law, apart from being violative of Article 14, 19(1)(g) and 265 of the Constitution of India and the action of the 2nd Respondent in passing the Appeal Order dated 06/12/2025 in affirming the assessment order dated 19/7/2025 along with the Summary of the Order in Form GST DRC-07 dated 19/7/2025 passed by the 1st Respondent for the tax period 2020-21 under the CGST/TGST

Act 2017, levying Tax and Penalty on the supply of services by way of granting mineral exploration and mining rights on the taxpayer who has paid certain amounts to carry on quarrying operations on payment of Seigniorage and other charges to the Government in the name of Royalty/Seigniorage Charges, stating that the taxpayer is liable to pay GST @ 18 percent on Royalty amounts under RCM, under Section 74 of the CGST/TGST Act 2017, as arbitrary, contrary to the provisions of the CGST/TGST Act 2017, barred by limitation, 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.

I.A. NO: 1 OF 2026

Petition under Section 151 of C.P.C praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to suspend the operation of the appeal order, dated 6/12/2025 passed by the 2nd Respondent and the assessment order dated 19/7/2025 along with the summary of the order in Form GST DRC-07 dated 19/7/2025 as passed by the 1st Respondent, for the tax period 2020-21 under the CGST/TGST Act, 2017, pending disposal of WP No 15196 of 2026, on the file of the High Court.

WP No. 15209 OF 2026

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 Entry 17(viii) of Notification No.11/2017-Central Tax (Rate), dated 28.6.2017 as amended from time to time, read with Entry 257 of the Annexure there to and corresponding State Tax Notification in G.O.Ms.No.110, dated 29.6.2017 to the extent it seeks to levy GST on the amounts deducted towards Royalty as Un-Constitutional, without Authority of Law, apart from being violative of Article 14, 19(1)(g) and 265 of the Constitution of India and the action of the 2nd Respondent in passing the Appeal Order dated 6.12.2025 in affirming the assessment order dated 19.7.2025 along with the summary of the order in Form GST DRC-07 dated 19.7.2025 passed by the 1st Respondent for the tax period 2019-20 under the CGST/TGST Act 2017, levying Tax and Penalty on the supply of services by way of granting mineral exploration and mining rights on the taxpayer who has paid certain amounts to carry on quarrying operations on payment of Seigniorage and other charges to the Government in the name of Royalty/Seigniorage Charges, stating that the taxpayer is liable to pay GST alias 18percent on Royalty amounts under RCM, under Section 74 of the CGST/TGST Act 2017, as arbitrary, contrary to the provisions of the CGST/TGST Act 2017, barred by limitation, 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.

I.A. NO: 1 OF 2026

Petition under Section 151 of C.P.C praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to suspend the operation of the appeal order, dated 6.12.2025 passed by the 2nd Respondent and the assessment order dated 19.7.2025 along with the Summary of the order in Form GST DRC-07 dated 19.7.2025 as passed by the 1st Respondent, for the tax period 2019-20 under the CGST/TGST Act, 2017, pending disposal of WP No 15209 of 2026, on the file of the High Court.

These petition coming on for hearing, upon perusing the petition and the affidavit filed in support thereof and upon hearing the arguments of SRI K.P. AMARNATH REDDY Advocate for the Petitioners, SRI SWAROOP OORILLA, SPECIAL GOVERNMENT PLEADER FOR STATE TAX for the Respondents no.1 to 3, SRI N. BHUJANGA RAO, DEPUTY SOLICITOR GENERAL OF INDIA for the Respondent no.4 and SRI DOMINIC FERNANDES, SENIOR STANDING COUNSEL FOR CBIC for the Respondent no.5, the Court made the following.

COMMON ORDER:

Mr. K.P. Amarnath, learned counsel appears for the petitioner.

Mr. Swaroop Oorilla, learned Special Government Pleader for State Tax appears for respondent Nos. 1 to 3.

The present writ petition seeks to challenge Entry 17(viii) of Notification No.11/2017-Central Tax (rate) dated 28.06.2017 as amended from time to time, read with Entry 257 of the Annexure thereto and corresponding State Tax Notification in G.O.Ms.No.110 dated 29.06.2017 to the extent it seeks to levy GST on the amounts deducted towards Royalty/Seigniorage, DMF as unconstitutional, without authority of law and violative of Articles 14, 19(1)(g) and 265 of the Constitution of India. The petitioner has preferred the writ petition also assailing the order passed in appeal dated 06.12.2025 affirming the order-in-original dated 29.06.2024, the Summary of the order in Form GST DRC-07 of the same date, which is for the period 2020-21 as it levies tax and penalty on the supply of services by way of granting mineral exploration and mining rights on the tax payer who has paid certain amounts to carry on quarrying operations on payment of Seigniorage and other charges to the Government in the name of Royalty/Seigniorage charges at the rate of 18% on Royalty amounts under RCM under Section 74 of the Central Goods and Services Tax Act, 2017/State Goods and Services Tax, 2017 though the GST on Royalty is not payable.

Learned counsel for the petitioner submits that similar issue is pending before this Court in W.P.No.32794 of 2023 and other analogous cases in which an interim order has been passed by this Court, which continues till date. It is prayed that the matter may be tagged along with the said batch and interim order in similar terms may be granted.

Learned Special Government Pleader for respondent Nos.1 to 3 also submits that the issue involved in this writ petition is identical to W.P.No.32794 of 2023 and batch. This Court has adjourned the matter sine die in view of the pendency of the Transfer

Petitions pending before the Apex Court. He submits that in maintaining parity, similar interim order can be passed in this case as well.

Let counter affidavit be filed in three weeks.

List the matter along with W.P.No.37599 of 2025 and batch.

Maintaining parity with the batch of other cases, there shall be interim suspension as prayed for till the next date of hearing.

Registry is directed to print the name of Mr. B. Raghavendra Rao, learned Standing Counsel for CBIC appearing for respondents by the next date of hearing.

Sd/- P.CH.NAGABHUSHAMBA
DEPUTY REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Assistant Commissioner (ST), Siricilla Circle, Karimnagar Division, Karimnagar.
2. The Appellate Joint Commissioner (ST), Hyderabad Rural Division, Hyderabad.
3. The Secretary to Government (Revenue) CT-II, State Taxes / Commercial Taxes Department, Secretariat, State of Telangana, Hyderabad.
4. The Secretary, Ministry of Finance, North Block, Union of India, New Delhi-110 001.
5. The Chairman, Central Board of Indirect Taxes and Customs, Ministry of Finance, Department of Revenue, North Block, Central Secretariat, New Delhi-100 001.
   (Addressees 1 to 5 BY SPAD)
6. The Section Officer, Writ (DB) High Court at Hyderabad.
7. One CC to SRI K.P. AMARNATH REDDY Advocate [OPUC]
8. Two CCs to SPECIAL GP FOR STATE TAX, High Court for the State of Telangana at Hyderabad.[OUT]
9. Two spare copies.

HIGH COURT

PSK, J
&
NNR, J

DATED: 05-05-2026

LIST THE MATTER ALONG WITH W.P.NO.37599 OF 2025 AND BATCH.

ORDER

WP.Nos.15196 AND 15209 OF 2026

INTERIM SUSPENSION