



## MAJESTY LEGAL

Advocates & Solicitors

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### **SUPREME COURT :-**

#### **(SHREE BASANT BHANDAR UDYOG V. UNION OF INDIA<sup>1</sup>)**

A Petition for Special Leave to Appeal<sup>2</sup> was filed before the Hon'ble Supreme Court against the Order and Judgment passed by the Rajasthan High Court, in which a notice was issued on the prayer for interim relief. In the impugned order Rajasthan High Court it was held that as per the Reverse Charge Mechanism the royalty paid by the mining lease holder the Government on mining lease services provided by it to them was liable to charge GST.

### **HIGHLIGHTS OF THE CASE:**

- A number of writ petitions were filed before the Hon'ble Rajasthan High Court involving the issue of permissibility of raising demand of GST on royalty. The Petitioners have challenged the notification which stated that royalty paid on mining activity is being subjected to GST.
- Earlier, the Rajasthan High Court while referring to the case of M/s Shivalik Silica v. Union of India<sup>3</sup> held that the Udaipur Chambers of Commerce & Industry remain in abeyance, because in this case the Apex Court has stayed payment of service tax from grant of mining lease/royalty. And the Rajasthan High Court directed that in the proposed recovery of GST on royalty shall remain stayed quo all the writ petitioners.

### **TEAM MAJESTY LEGAL<sup>4</sup>**

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<sup>1</sup> 2020

<sup>2</sup> 1653 of 2023

<sup>3</sup> D.B. Civil Writ Petition No. 14849/2021)

<sup>4</sup> Majesty legal is a LAW FIRM established in 2013 by Ms. MahiYadav. Objective of the above findings is to provide insights on law, statutes and is personal in nature, not to be deemed as legal advice.