

M/s Goldstone Infra v. Additional Commissioner, Customs and Central Tax, and Another

Case number: W.P. No. 1498 of 2026

Citation: No neutral citation printed in the official source

Decision date: 27 January 2026

Composite Section 74 proceedings across financial years and the prejudice test for non-issuance of DRC-01A

Court: Telangana High Court

Bench: Hon'ble the Chief Justice Aparesh Kumar Singh and Hon'ble Sri Justice G.M. Mohiuddin

Decision stage: Final High Court dismissal of three legal/procedural objections; direct Supreme Court special-leave challenge pending as checked on 13 October 2026. Individual tax merits remain for statutory appeal.

01 Facts of case and issues

Goldstone Infra challenged a Section 74 notice dated 21 March 2025 and adjudication order dated 13 October 2025 covering FY 2018-19 to 2023-24. The notice alleged unpaid GST on construction services to buyers and landowners, ineligible ITC and turnover differences, with interest and penalties. These were departmental allegations, not fresh High Court findings on each demand.

The petitioner objected to absence of a hearing after its belated reply, consolidation of several financial years, and non-issuance of DRC-01A for periods preceding the 15 October 2020 amendment to Rule 142(1A).

Pinpoint: Unnumbered opening paragraphs, physical pp. 3-5; issues and notice contents, physical pp. 9-11 (judgment pp. 7-9).

02 Discussion by Hon'ble Court

The Court found repeated personal-hearing opportunities, including 10 September 2025, which the petitioner had not used. Filing a late reply after those opportunities did not establish non-compliance with Sections 75(4) and 75(5), or require another hearing on these facts.

Adopting the Delhi approach in Mathur Polymers and Ambika Traders, the Bench contrasted the period-based language in Sections 74(3) and 74(4) with the financial-year limitation in Section 74(10). Consolidation can expose fraudulent transaction chains spanning years. The Court expressly rejected the distinction that Goldstone's notice also included issues other than ITC. It found the order timely even for the earliest financial year and rejected prejudice from consolidation in these circumstances.

02 Discussion by Hon'ble Court

On DRC-01A, the Court noted that Rule 142(1A) does not refer to a tax period and that the amendment deliberately replaced mandatory language with discretion. More importantly, Goldstone had contested the demand and demonstrated no prejudice from omitted pre-notice intimation. Applying the Supreme Court's prejudice jurisprudence, the Bench declined a futile procedural remand. It distinguished DBL-Deco as a consent order and treated New Morning Star Travels as sub silentio on the unexamined prejudice question.

Pinpoint: Hearing: physical pp. 11-12 (judgment pp. 9-10); consolidation: physical pp. 12-17 (judgment pp. 10-15); DRC-01A: physical pp. 17-23 (judgment pp. 15-21). Numbered passages are quotations from other decisions, not paragraph numbers assigned to this order.

03 Judicial decision and operative relief

The writ petition was dismissed without costs and miscellaneous applications closed. The notice and adjudication order were left undisturbed. Goldstone could pursue statutory appeal on available grounds of law and fact. The appellate authority was to consider any delay explanation, taking account of prosecution of the writ. This did not automatically condone delay, create a fresh appeal period or grant a recovery stay.

Pinpoint: Physical pp. 23-24 (judgment pp. 21-22), concluding unnumbered paragraphs.

04 In favour of

Revenue on the three writ objections. The petitioner retained statutory appeal liberty; the Court did not finally determine each construction-service or ITC liability. A direct Supreme Court special-leave challenge is pending.

Substantive legal and procedural objections were adjudicated before dismissal; this is not a bare alternative-remedy disposal. Individual tax liability remained open to statutory appeal. No quashing, refund, remand or recovery protection was granted by the High Court.

Pinpoint: Physical pp. 11-24 (judgment pp. 9-22), particularly the final two pages.

05 AKHB REVIEW POINT

AKHB analysis: Prepare a year-wise schedule of allegations, amounts, applicable provisions and limitation even when answering one consolidated notice. Preserve hearing notices, attendance records, adjournment requests and reply acknowledgments. A procedural challenge should identify the actual opportunity or settlement benefit lost.

Do not treat consolidation as permission to revive a time-barred year, or this dismissal as proof of fraudulent ITC. Protect appeal requirements independently. Divergent High Court approaches and the direct Supreme Court proceeding require current, case-specific verification before relying on this ruling.

Pinpoint: AKHB commentary based on physical pp. 11-24; not an additional judicial holding.

Sources and limitations

Relevant provisions

CGST Act 2017: Sections 2(106), 73(3)-(4), 74(1), 74(3)-(5), 74(8)-(10), 75(4)-(5) and 107(1); CGST Rules 2017: Rule 142(1A), Form GST DRC-01A; Constitution of India: Article 226. CGST/TGST Acts 2017: Section 122 appears in the demand background; corresponding IGST provisions are also invoked there.

Statutory note

Checked 13 October 2026. Notification 79/2020-Central Tax dated 15 October 2020 amended Rule 142(1A), replacing “proper officer shall” with “proper officer may” and “shall communicate” with “communicate”. The operative pre-notice text and its timing must be distinguished from the financial years of the disputed supplies. The Court’s conclusion also rests on absence of demonstrated prejudice; it should not be restated as a universal rule that procedural omissions never matter.

The India Code CGST compilation as at 11 June 2026 retains Section 74 for determination relating to periods through FY 2023-24. Section 74A applies to FY 2024-25 onward. Notification 20/2024-Central Tax, rule 13(b), added Section 74A to Rule 142(1A) with effect from 1 November 2024. Goldstone’s holding concerns Section 74 and does not decide the application of Section 74A to a different dispute.

Section 74(10) links limitation to each financial year’s annual-return due date, or the erroneous-refund date. On judgment p. 14 the Court records 31 December 2025 as the FY 2018-19 endpoint. It refers to an unspecified CBIC circular; no circular number is invented here. Section 75(4) continues to require a hearing on written request or where an adverse decision is contemplated; Section 75(5) governs reasoned adjournments for sufficient cause. The judgment’s factual finding of repeated unused opportunities must accompany reliance on its hearing conclusion.

Treatment note

Checked 13 October 2026: a direct Supreme Court challenge is pending. In *M/s Goldstone Infra v. Additional Commissioner and Another*, SLP(C) Diary 36408/2026, the order dated 28 July 2026 expressly identifies this High Court judgment, issued notice on the special-leave petition and interim prayer, and tagged it with Diary 60097/2025. That order grants no stay and does not decide the merits. The official case-status result records PENDING. Notice on an interim prayer must not be described as interim protection or appellate approval.

The tagged lead, *Joint Commissioner (Intelligence and Enforcement) v. Lakshmi Mobile Accessories*, Diary 60097/2025, concerns Kerala W.A. 258/2025. Its 14 November 2025 order issued notice; the 28 January 2026 order is a Registrar’s procedural direction, rather than a final decision on consolidated notices. Its 24 July 2026 order directs posting with SLP(C) 21345/2026. The official returned list included tagged matters through 5 October 2026. All 27 unique returned post-28 July order PDFs were checked for Goldstone identification and their operative sections examined; no later Goldstone-specific stay or merits order was identified. The newest entry concerns *State of Andhra Pradesh v. Suma Infra*, not a Goldstone merits disposition. This bounded check does not exclude unuploaded orders or every related proceeding.

The High Court records the earlier dismissal of the *Mathur Polymers* SLP, Diary 50279/2025, on 7 November 2025. This note does not equate that leave-stage dismissal with a reasoned Supreme Court settlement of the conflicting High Court approaches. No final nationwide resolution or exhaustive registry/citator clearance is claimed.

Scope of source review

All 25 original physical pages were read and individually viewed. The reasoned order occupies physical pp. 3-24; its printed judgment pages are 1-22, with the first page unnumbered. Physical pp. 1-2 and 25 are registry/caption/dispatch material. The judgment has no separately numbered substantive paragraphs, so physical and printed page pinpoints are used. Fresh official retrieval succeeded on 13 October 2026 after an initial HTTP 502 response and matches the retained original exactly. Notification 79/2020 was checked in its commencement and Rule 142 amendment provisions on physical pp. 1-2, both read and visually inspected. Targeted web text of India Code's current CGST Act was read for Sections 74, 74A and 75; local download timed out, so no whole-Act or visual review is claimed. Other authorities are described as treated by this Bench unless separately identified. The complete one-page Supreme Court Goldstone order dated 28 July 2026 was independently read and individually viewed by this note's AI author. Supreme Court current-status and tagged-order verification is separately evidenced; no cryptographic signature validity is claimed. The three identified Lakshmi records of proceedings were independently read and all five pages individually viewed by the author. The later tagged-order check examined identification and operative sections; it is not a full substantive review of every tagged dispute.

Source notes

The supplied official document is a scanned true copy with imperfect OCR. Identity, bench, decision date, statutory references and operative relief were checked against individual page images. The dispatch stamp is 27 February 2026; it is not the decision date. No cryptographic-signature validation is claimed.

The submissions on judgment p. 2 refer to a reply dated 22 September 2025, while the Court's findings on judgment p. 9 use 10 September 2025 and an email on 11 September. This note follows the Court's findings and does not resolve the underlying annexures independently. Judgment p. 10 refers to the definition under "Section 106"; the correct reference, also reproduced on judgment p. 12, is Section 2(106). Quoted general observations about fraudulent ITC are not presented as individual findings against Goldstone.

Primary source

Source description: Complete official 25-page order, including registry pages; all pages read and individually viewed. Fresh official download is byte-identical to the retained original.

Official source: [Open source document](#)

Source pages: 25

Judgment author: Aparesh Kumar Singh, CJ

Outcome type: final high court legal procedural ruling with appeal liberty

Additional source

CBIC Notification 79/2020-Central Tax, 15 October 2020, hosted by GST Council

Official source: [Open source document](#)

Pinpoint: Physical pp. 1-2, rules 1(2) and 6: commencement and amendment to Rule 142(1A); both pages read and individually viewed.

India Code: CGST Act, official compilation as at 11 June 2026

Official source: [Open source document](#)

Pinpoint: Targeted web text, physical pp. 68-72: Sections 74, 74A and 75, particularly Sections 74(10)/(12), 74A(12) and 75(4)-(5); no whole-Act or visual review.

CBIC Notification 20/2024-Central Tax, 8 October 2024, hosted by GST Council

Official source: [Open source document](#)

Pinpoint: Rule 13(b): Section 74A inserted in Rule 142(1A) with effect from 1 November 2024; targeted official web-text check.

Supreme Court: Goldstone Infra, SLP(C) Diary 36408/2026, order dated 28 July 2026

Official source: [Open source document](#)

Pinpoint: Complete one-page record of proceedings: exact High Court identity, notice on SLP and interim prayer, and tagging with Diary 60097/2025. No stay or merits decision in this order.

Supreme Court official case-status search by diary number

Official source: [Open source document](#)

Pinpoint: Diary 36408/2026, checked 13 October 2026: PENDING, last listed 28 July 2026. A computer-generated likely listing is not a confirmed hearing date.

Supreme Court: Lakshmi Mobile Accessories, Diary 60097/2025, 14 November 2025

Official source: [Open source document](#)

Pinpoint: Complete one-page order: notice on delay-condonation application and SLP; no merits ruling.

Supreme Court: Lakshmi Mobile Accessories, Diary 60097/2025, 28 January 2026

Official source: [Open source document](#)

Pinpoint: Complete two-page Registrar order: spare-copy and service/listing directions; not a decision on the multi-year issue.

Supreme Court: Lakshmi Mobile Accessories, Diary 60097/2025, 24 July 2026

Official source: [Open source document](#)

Pinpoint: Complete two-page record; operative direction on p. 2 posts the matters with SLP(C) 21345/2026.

Disclosures and source rights

AI disclosure: Prepared with AI assistance from the complete official judgment and identified primary sources. No human legal review is claimed.

General disclaimer: For professional information only; not legal advice. Read the full judgment and applicable law, verify current appellate orders and obtain case-specific professional advice before acting.

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Source checked: 13 October 2026