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W.P.Nos.35453, 35458 and 35463 of 2024

**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

Reserved On	26.11.2025
Pronounced On	12.06.2026

CORAM :

**THE HONOURABLE MR.JUSTICE C.SARAVANAN**

W.P.Nos.35453, 35458 and 35463 of 2024  
and  
W.M.P.Nos.38346, 38355 and 38364 of 2024

KPR Enterprises  
Represented by its Proprietor

... Petitioner in all W.Ps

Vs.

The State Tax Officer,  
Inspection Cell-5,  
Office of the Joint Commissioner (ST) (Int),  
No.3/47, Sathagiri Complex,  
Hosur Division, Hosur.

... Respondent in all W.Ps

Prayer in W.P.No.35453 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records of the Respondent leading to issuance of Impugned Order dated 15.07.2024 vide GSTIN/YEAR: 33CUDPP8192B1ZM/2018-2019 and quash the same and direct the Respondent to pass order after considering the reply to be filed by the Petitioner.



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Prayer in W.P.No.35458 of 2024 : Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records of the Respondent leading to issuance of Impugned Order dated 15.07.2024 vide GSTIN/YEAR: 33CUDPP8192B1ZM/2019-2020 and quash the same and direct the Respondent to pass order after considering the reply to be filed by the Petitioner.

Prayer in W.P.No.35463 of 2024: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records of the Respondent leading to issuance of Impugned Order dated 15.07.2024 vide GSTIN/YEAR: 33CUDPP8192B1ZM/2020-2021 and quash the same and direct the Respondent to pass order after considering the reply to be filed by the Petitioner.

For Petitioner : Dr.S.Sathyannarayanan  
(In all W.Ps)

For Respondent : Mr.V.Prashanth Kiran  
(In all W.Ps) Government Advocate

### **COMMON ORDER**

By this Common Order, all these Writ Petitions are being disposed of.

2. In these Writ Petitions, the Petitioner has challenged the respective impugned Orders all dated 15.07.2024 passed for the Tax Period 2018-2019,



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2019-2020 and 2020-2021, as detailed below:

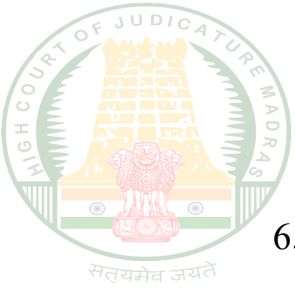
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S. No.	Writ Petition No.	Tax Period	DRC-01A	Date of Reply to DRC-01A	DRC-01	Date of Reply to DRC-01	DRC-07
1	35453/2024	2018-2019	20.03.2024	23.03.2024	02.04.2024	25.06.2024	15.07.2024
2	35458/2024	2019-2020	20.03.2024	23.03.2024	02.04.2024	25.06.2024	15.07.2024
3	35463/2024	2020-2021	20.03.2024	23.03.2024	02.04.2024	25.06.2024	15.07.2024

3. The impugned Orders have preceded Intimation Notices in GST DRC-01A followed by the Show Cause Notices in GST DRC-01 to which the Petitioner has given reply.

4. The case of the Petitioner appears to be that the Petitioner was unable to carry on the business and therefore entered into a contract with one B.T.Nagaraj Reddy, who extracted the boulders from the site and the price was fixed based on the provisional advisor consultations / instructions and GST was duly discharged.

5. It is submitted that despite no incriminating being unearthed in the inspection during March 2024, Intimation Notices in DRC-01A were issued to the petitioner to which the Petitioner had replied.



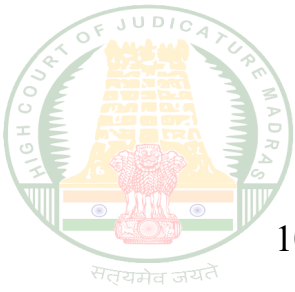
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6. It is submitted that the Petitioner was also issued with Show Cause Notices in GST DRC-01 to which also, the Petitioner has replied. It is further submitted that the finding arrived in the impugned Orders regarding “fraud”, “willful-misstatement” and “suppression of fact” is absent.

7. It is further submitted that the Petitioner sold only rock boulders which are not capable of being used or even followed by the measurements and that the said Contractor namely B.T.Nagaraj Reddy had discharged the tax liability, who extracted the boulders, and sold them from the Petitioner’s site. Hence, there is no loss to the exchequers.

8. That apart, it is submitted that the impugned Orders have been passed without the Petitioner being given an opportunity of being heard and therefore the impugned Orders are liable to be quashed and the Writ Petitions be allowed.

9. Learned Government Advocate for the Respondent on the other hand would submit that the impugned Orders are detailed Orders and does not merit any interference and therefore these Writ Petitions are liable to be dismissed with exemplary costs.



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10. By the impugned order, the demand has been confirmed based on the seigniorage fee paid by the petitioner. In the show cause notice, the department has arrived at the quantity of boulders cleared by the petitioner in Cubic Meters and Tons, which are extracted below:

S.Nos.	W.P.Nos.	Tax Period	Seignorage fee	Quantity of boulders in Cubic Meters	Tax Liability
1	35453/2024	2018-2019	708000	12000	10,17,750
2	35458/2024	2019-2020	2478000	42000	14,09,568
3	35463/2024	2020-2021	2832000	48000	16,38,650

The petitioner has, however, declared the value of the supply in GSTR-1 as 34,09,433/-.

11. I have considered the arguments advanced by the learned counsel for the petitioner and the learned Government Advocate for the respondent. I have also perused the records and the provisions of the respective GST enactments and the Rules made thereunder.

12. This case was heard along with the batch, and decisions were pronounced in **W.P.Nos.2142 of 2026 [Turbo Energy Private Limited]**, **W.P.Nos.35967 of 2024 [Fastenex Private Limited]**, **W.P.Nos.14487 of**



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2025 [Ispahani Estates] etc., wherein a detailed order has been passed

insofar as the invocation of extended period of limitation under Section 74 of the respective GST Enactments.

13. The arguments in this case were advanced along with the arguments heard in the 53 cases which were disposed by two separate orders, whereby orders were pronounced in the aforesaid cases.

14. A reading of the impugned order reveals that the inspection was held prior to the issuance of the above information on 19.03.2024.

15. As far as the tax payable on the seigniorage fee is concerned, the matter is pending before the Hon'ble Supreme Court and the same has been kept in abeyance. As far as the difference in the value of supply is concerned, the respondent has arrived at the tax based on the inference that there was a suppression of the value of supply of boulders in GSTR-1, warranting the invocation of the extended period of limitation under Section 74 of the respective GST enactments.

16. The facts on record and the above tabulation would reveal that the



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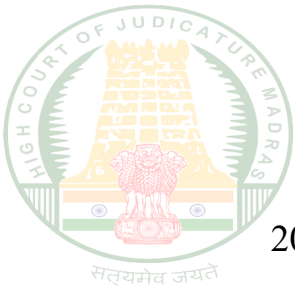
petitioner has suppressed turn over, warranting the initiation of proceedings

under Section 74 of the respective GST enactments.

17. It is evident that the respondent has estimated the escaped turnover based on the National Standard Method in order to arrive at the value of supply short declared by the petitioner in the Returns to invoke the machinery under Section 74 of the respective GST enactments. It is also highly improbable for the petitioner to have paid the higher amounts towards the seigniorage fee as compared to lesser quantity of minerals extracted and supplied during the respective tax periods.

18. It is in this background, the value was arrived and the demand has been confirmed.

19. In the show cause notice also, it has been clearly stated that the petitioner has suppressed the value of the output supply of goods in GSTR-1, based on the calculation given therein. Thus, there were sufficient materials / foundational facts available for the issuance of a notice under Section 74 to demand tax for the above tax period.



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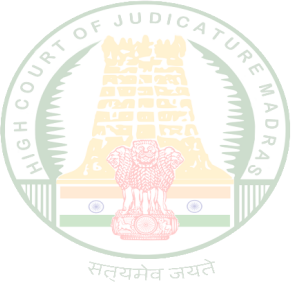
20. Since the petitioner has paid a huge amount for the seigniorage fee,

but has under-declared the value of the outward supply, it is evident that a *prima facie* case was made out for the invocation of the extended period of limitation under Section 74 of the respective GST enactments, as both under Section 73 and 74 of the respective GST enactments, the expression used is **“Where it appears”**.

21. As such, the challenge to the impugned order on the ground that there is no basis for invoking the extended period of limitation under Section 74 of the respective GST enactments, cannot be countenanced.

22. As such, I am unable to discern any any procedural irregularity committed by the respondent while passing the respective impugned orders so as to interfere with the present writ petitions

23. Therefore, these writ petitions are liable to be dismissed, and are accordingly, dismissed. However, liberty is given to the petitioner to file a statutory appeal before the appellate authority, if so desired, in compliance with the requirements under Section 74, within a period of 30 days form the date of receipt of a copy of this order.



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**WEB COPY** 24. If such an appeal is filed within the specified time, the appellate authority shall take up the appeal and dispose the same on merits without reference to limitation.

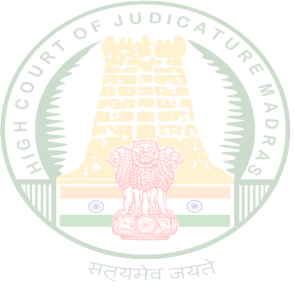
25. It is needless to state that, before passing any orders, the petitioner shall be heard. No costs. Connected miscellaneous petitions are closed.

12.06.2026

Neutral Citation : Yes / No  
arb / raja

To

The State Tax Officer,  
Inspection Cell-5,  
Office of the Joint Commissioner (ST) (Int),  
No.3/47, Saphagiri Complex,  
Hosur Division, Hosur.



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**C.SARAVANAN, J.**

arb / raja

Pre-delivery Order in  
W.P.Nos.35453, 35458 &35463 of 2024  
and  
W.M.P.Nos.38346, 38355 and 38364 of 2024

12.06.2026