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Judgements and Rulings

Special Leave Petitions against constitutionality of Section 16(2)(c) dismissed | Supreme Court | Bhandari Scrap Traders[1]

Issue for consideration

- Whether Section 16(2)(c) of the Central Goods and Services Act, 2017 ('CGST Act') which requires a purchasing dealer's entitlement to Input Tax Credit ('ITC') on actual payment of tax by the supplier to the Government is unconstitutional or ought to be read down to protect *bona fide* purchasing dealers who are unable to verify or compel such payment?

Facts

- A batch of writ petitions before the Gujarat High Court, with Maruti Enterprise[2] as the lead matter, challenged Section 16(2)(c) of the CGST Act as arbitrary and violative of Articles 14, 19(1)(g), 265, and 300A, on the ground that denial of ITC to a *bona fide* purchaser for the supplier's default in depositing tax is beyond the purchaser's control and results in double taxation. In the alternative, the petitioners sought that the provision be read down to apply only to fraudulent or collusive transactions.
- The petitioners relied principally on the Delhi High Court's decision in **On Quest Merchandising India**[3], which had read down the analogous Section 9(2)(g) of the Delhi VAT Act, 2004 as affirmed by the Supreme Court in **Arise India[4] and Shanti Kiran India[5]**, and on the Tripura High Court's subsequent decision in **Sahil Enterprises[6]**, which had applied the same reasoning to read down Section 16(2)(c) of the CGST Act.
- The Gujarat High Court, by a common judgment dated May 1, 2026, upheld the constitutional validity of Section 16(2)(c) of the CGST Act and declined to read it down. The assessees filed Special Leave Petitions ('SLP') before the Supreme Court, which were heard taking into cognizance a separately pending SLP against the Tripura High Court's decision in **Sahil Enterprises** (*supra*).

Findings of the Gujarat High Court

- The Court held that the Statement of Objects and Reasons of the CGST Bill, 2017 expressly links availability of ITC to "taxes paid," and that Section 16(2) is a composite, cumulative provision under which clauses (a) to (d) must all be satisfied; the Revenue is not confined to examining genuineness only up to clause (b), and clause (c)'s requirement of actual tax payment cannot be severed from the scheme.
- Distinguishing **On Quest Merchandising** *(supra)* and **Sahil Enterprises** (*supra*), the Court found that Section 9(2)(g) of the Delhi VAT Act lacked any counterpart to particularly to Section 41(2), which permits re-availment of reversed ITC once the supplier pays tax, Section 53 allowing inter-state transfer of tax components and Section 155 imposing burden of proof on the person claiming ITC had no counterpart under the Delhi VAT Act, therefore, parity could not be drawn between the two regimes.
- It held that under the GST framework, ITC is not vested permanently in a defaulting chain and that Rule 37A of the Central Goods and Services Tax Rules, 2017 ('CGST Rules') allows a purchasing dealer to re-avail reversed credit in the month following the supplier's discharge of tax, and Sections 73/74 of the CGST Act empower the Revenue to recover from the defaulting supplier directly, so the purchaser is not left remediless.
- Applying the doctrine of reading down as explained in Authorized Officer, **Central Bank of India v. Shanmugavelu[7]**, the Court held that reading down is available only where a provision's plain meaning is ambiguous or leads to constitutional infirmity; since Section 16(2)(c) was clear, self-explanatory and workable when read with Sections 41(2), 53 and 155 of the CGST Act, no case for reading it down was made out.
- Mere hardship or practical difficulty in fulfilling a fiscal condition was held insufficient to invalidate the provision, and ITC was reiterated to be a statutory concession rather than a vested or constitutional right.
- While upholding the provision, the Court flagged the genuine hardship faced by bona fide purchasers and urged the Government to consider legislative or technological

[1] Bhandari Scrap Traders v. Union of India, [TS-538-SC-2026-GST]
[2] Maruti Enterprise v. Union of India [TS-312-HC(GUJ)-2026-GST]
[3] Quest Merchandising India. v. Government of NCT of Delhi, [2017] 87 taxmann.com 179
[4] Commissioner of Trade & Tax, Delhi v. Arise India, 2022 (60) GSTL 215 (SC),
[5] The Commissioner Trade and Tax Delhi v. Shanti Kiran India (P) Ltd [TS-691-SC-2025-VAT
[6] Sahil Enterprises v. Union of India & Ors. [TS-02-HC(TRI)-2026-GST]
[7] [(2024) 6 SCC 641]

measures such as real-time payment-tracking against invoices to insulate honest recipients from supplier defaults, though it declined to grant relief on this basis.

Findings of the Supreme Court

- The Supreme Court noted that a separate SLP against the Tripura High Court's decision in **Sahil Enterprises *(supra)*** was pending but observed that the Tripura High Court had not undertaken the same detailed comparative analysis of the Delhi VAT Act and CGST Act schemes that the Gujarat High Court had carried out, including the scheme for availing ITC.
- The Court held that this analysis demonstrated no parity could be drawn between the two enactments so as, to treat a purchasing dealer under the CGST Act on the same footing as a purchasing dealer under the Delhi VAT Act, where the supplier fails to pay tax.
- The Court specifically endorsed the Gujarat High Court's reliance on Section 41 and Sections 73/74 of the CGST Act insofar as they entitle the purchasing dealer to re-avail reversed ITC once the supplier is made to discharge the tax liability.
- On this basis, the Supreme Court held that the Gujarat High Court was fully justified in declining to declare Section 16(2)(c) of the CGST Act unconstitutional or to read it down and expressed complete and respectful agreement with the Gujarat High Court's reasoning.

Conclusion

- The Supreme Court dismissed the SLP affirming and upholding the Gujarat High Court's judgment upholding the constitutional validity of Section 16(2)(c) of the CGST Act.

Dhruva Comments

This SLP dismissal is a significant development with respect to the ongoing litigation on ITC denial on GST-eligible procurement to recipients on account of supplier's default. By upholding the recovery and re-availment mechanism under Sections 41 and 73/74, the Supreme Court has clearly separated GST from the older VAT-era view (as taken in **Arise India** (*supra*) and has held that ITC is a conditional statutory concession not an absolute right.

For businesses, this means vendor compliance checks now carry real financial stakes. If a vendor doesn't pay tax, the buyer's only remedy is Rule 37A which allows reclaiming reversed credit after the supplier eventually remits the taxes. Given this, businesses should treat vendor tax compliance as a live financial risk and not a background compliance issue. Practically, this calls for real-time monitoring to flag non-filing or defaulting vendors early, rather than discovering the issue at reconciliation and restructuring vendor agreements so that payments, or commercial terms are tied to actual GSTR-3B tax discharge by the supplier, not just invoice issuance.

Retrospective withdrawal of a fiscal exemption is valid, but penalty and interest cannot be imposed on dealers who relied in good faith on the exemption as it stood and as applied by the Department | Supreme Court | Asia Sugar & Chemical[8]

Issue for consideration

- Whether imported sugar was covered by the pre-2001 exemption entry for "sugar" under the Karnataka Sales Tax Act, 1957, and whether the retrospective insertion of the words "produced or manufactured in India" into that entry by Karnataka Act No. 5 of 2001 could validly be enforced against dealers who had already been granted exemption on imported sugar and had not collected tax from their purchasers?

Facts

- Sugar was an exempted commodity under Entry 31-B, later renumbered Entry 51, of the Fifth Schedule to the Karnataka Sales Tax Act, 1957. From 1992 the entry described sugar by reference to Column 3 of the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957, without using any words such as "produced in India" or "manufactured in India."
- Asia Sugar & Chemical, Indian Sugar and General Export Import Corporation imported sugar from 1994 to 1996 and sold it within Karnataka and in inter-state trade, treating it as exempt and not collecting sales tax from

[8] Asia Sugar & Chemical Co. v. State of Karnataka, [TS-210-SC 2026]

purchasers. The original assessments were completed by the Department itself granting exemption on the imported sugar, with the reassessment notice issued to Asia Sugar & Chemical Co. expressly recording that exemption had been allowed by relying on the Kerala High Court decision in **State Trading Corporation of India Ltd**[9], which had been affirmed by the Supreme Court in **State Trading Corporation of India Ltd**[10].

- Karnataka Act No. 5 of 2001 inserted the words "produced or manufactured in India" after the word "Sugar" with a deeming clause stating the words shall be deemed always to have been inserted, thereby withdrawing the exemption from imported sugar retrospectively. Reassessment notices were issued imposing tax, and the assessees challenged the constitutional validity of the retrospective amendment.
- The Single Judge of the Karnataka High Court struck down the retrospective operation of the amendment as violative of Article 19(1)(g), holding that it imposed an unreasonable burden on dealers who had not collected tax. The Division Bench reversed this, upheld the amendment, and restored the reassessment proceedings, giving rise to the appeals before the Supreme Court.

Findings of the Supreme Court

- On the first issue, the Court examined whether the pre-2001 entry, which described sugar by reference to Column 3 of the First Schedule to the Additional Duties of Excise Act, carried an implicit origin-based restriction. The Court held that a statutory entry may incorporate a definition from another enactment either to import that enactment's entire scheme or merely to identify the commodity, and that which purpose is intended depends on the text, context and purpose of incorporation.
- Because the entry used the phrase "sugar as described" rather than any language tied to liability for additional excise duty, the Court held the reference was only to identify the commodity and did not import a territorial limitation.
- Relying on the Kerala High Court's reasoning in State Trading Corporation of India Ltd (*supra*), affirmed by the Supreme Court, and on the Department's own conduct in granting exemption on imported sugar in the original assessments, the Court held that imported sugar was covered by the pre-2001 exemption entry.
- The Court held that Karnataka Act No. 5 of 2001 was within the legislative competence of the State under Entry 54 of List II, that the power to grant exemption includes the power to withdraw it in this regard reliance was placed on **Kasinka Trading**[11] and **Shrijee Sales Corporation**[12] which held that a concession granted in public interest may equally be withdrawn in public interest. The amendment was accordingly held to be constitutionally valid, and the contention that retrospectivity by itself renders a taxing statute unconstitutional was rejected. The Court further held that retrospective fiscal legislation is not *per se* unconstitutional, relying on **Rai Ramkrishna**[13], **Epari Chinna Krishna Moorthy**[14], **Hiralal Rattanlal**[15] and **P. Kannadasan**[16], all of which recognised the legislative power to retrospectively alter fiscal law within the field of legislative competence.
- However, the Court distinguished the present case from an ordinary validation of a defective levy, noting that the exemption had genuinely existed, had been granted by the Department itself, and the assessees had not collected tax from purchasers because the law as it then stood, and as applied by the Department, treated the transactions as exempt. The Court held that penalty, which presupposes culpability or default, could not be imposed on dealers who acted in accordance with the law and the Department's own understanding of it. Interest was also held not to be leviable from the date of the original transaction, as this would operate punitively rather than compensatorily where the liability itself arose only by virtue of the subsequent retrospective amendment.
- On issue concerning inter-state sales, the Court held that the validity of the retrospective amendment under the Karnataka Sales Tax Act did not dispense with the requirement of separately complying with the Central Sales Tax Act, 1956, including the concessional rate provisions of Section 8(2) wherever applicable, and declined to finally compute the resultant liability itself,

[9] State Trading Corporation of India Ltd v. State of Kerala, (1986) 61 STC 190 (Ker)
[10] State of Kerala v. State Trading Corporation of India Ltd, (1999) 9 SCC 102
[11] Kasinka Trading v. Union of India, (1995) 1 SCC 274
[12] Shrijee Sales Corporation v. Union of India, (1997) 3 SCC 398
[13] Rai Ramkrishna v. State of Bihar, AIR 1963 SC 1667
[14] Epari Chinna Krishna Moorthy v. State of Orissa, AIR 1964 SC 1581
[15] Hiralal Rattanlal v. State of U.P, (1973) 1 SCC 216
[16] P. Kannadasan v. State of Tamil Nadu, (1996) 5 SCC 670

instead remitting that computation to the assessing authority.

Conclusion

- The Supreme Court allowed the appeals in part. It affirmed the Division Bench's judgment insofar as it upheld the validity of Karnataka Act No. 5 of 2001, but modified it to direct that reassessment proceedings may continue only for determination of principal tax liability, that no penalty shall be imposed or recovered for transactions effected prior to the 2001 amendment, that interest shall be computed only from the date of lawful demand raised pursuant to reassessment and not from the date of the original transaction, and that inter-state sales liability shall be recomputed strictly in accordance with the Central Sales Tax Act, 1956.
- Any amount already recovered towards penalty or interest contrary to these directions was directed to be adjusted against lawful principal tax dues, and any excess refunded.

Dhruva Comments

This judgment introduces a vital doctrine of proportionality into retrospective fiscal legislation. While affirming the State's expansive sovereign power to alter tax exemptions retroactively, the Apex Court draws a sharp, clear line between a retrospective tax levy and its penal consequences. By wiping out penalties and deferring interest calculations to the post-reassessment demand stage, the Court recognizes the commercial reality of "*bona fide* reliance" on the law as it stood. This serves as an invaluable shield for taxpayers facing retrospective amendments. While the legislature can amend the provision to collect principal tax, the executive cannot penalize a taxpayer for failing to predict the future, or for failing to collect an exemption-era tax from customers who have long moved on.

This judgment provides a strong defense against interest and penalty demands arising from the retrospective amendment to Section 17(5)(d) of the CGST Act. It establishes that retrospectivity cannot be punitive. Because taxpayers claimed construction ITC in good faith under the pre-amended law, the Department cannot levy penalties for past periods, and interest can only accrue from the date of a fresh demand, not from the original transaction date.

Apprehension of a future departmental appeal cannot justify refusing to consider a GST refund application under Section 54(11) | Orissa High Court | Rashmi Agency[17]

Issue for consideration

- Whether a proper officer can refuse to even consider a refund application under Section 54 of the GST Act on the ground that the appellate order giving rise to the refund has not attained finality, where no appeal or other proceeding is pending on the date of refusal?

Facts

- A sum of Rs. 33,00,000/- was recovered by way of issuance of Show Cause Notice ('SCN') against Hotel Rashmi Plaza bearing GSTIN: 21ABTPR8681C2Z9 in furtherance of a DGGI investigation conducted under Section 67 of the CGST Act but was inadvertently deposited against the GSTIN of the petitioner, Rashmi Agency, a separate registered entity.
- The petitioner's appeal under Section 107 against the original refusal was allowed in full by the Additional Commissioner of State Tax on February 27, 2026, which recorded that the collection during inspection contravened Central Board of Indirect Taxes and Customs ('CBIC') Instruction No. 01/2022-23 and reduced the demand to nil, directing refund of any excess payment.
- The petitioner filed a fresh refund application in Form GST RFD-01 on March 5, 2026. Pursuant to SCN dated April 24, 2026, and the petitioner's reply dated April 29, 2026, an Order dated May 2, 2026, in Form GST RFD-06 was passed by the Deputy Commissioner ('DC') declining to even consider the refund application, reasoning that Section 112(3) gave the State six months to appeal to the Tribunal, and that grant of refund at that stage would be premature and adverse to Revenue's interest.
- Crucially, as brought on record during the hearing via a Provisional Acknowledgement in Form GST APL-02A, the State's appeal before the GST Appellate Tribunal was filed

[17] Rashmi Agency Vs Deputy Commissioner CT & GST, [TS-475-HC(ORI)-2026-GST]

only on June 24, 2026, i.e., after the Order rejecting the refund and after the writ petition itself was filed.

- The petitioner argued the DC had no authority to withhold refund at all under Section 54(11) of the CGST Act, as that power vests in the Commissioner, not the DC, and that no appeal/proceeding was pending as of the date of refusal.
- Revenue, on the other hand, argued that granting refund before the appeal-filing window lapsed would create recovery difficulties if the State ultimately succeeded before the Tribunal.

Findings of the High Court

- The Court emphasized that Section 54(11) of the CGST Act permits withholding of refund only where an order is actually the subject matter of a pending appeal/proceeding, and the Commissioner has formed an opinion that refund would adversely affect revenue due to malfeasance/fraud both conditions must coexist and be recorded in Form GST RFD-07 under Rule 92(2) of the CGST Rules.
- Examining the DC's order on this touchstone, the High Court found it "exceptionable," noting a complete absence of any reference to the mandatory safeguards or eventualities under Section 54(11) of the CGST Act. The DC neither recorded that any proceeding was in fact pending, nor formed any independent opinion on adverse revenue impact grounded in malfeasance or fraud.
- Applying the settled principle that a power exercised must accord with the manner prescribed or not at all[18] and the Orissa High Court's own recent articulation in **Sarda Mines Pvt. Ltd.**[19] that a mere existence of a power does not justify its exercise absent the jurisdictional facts the Court held that even assuming the DC had some residual authority, it could not be exercised in the absence of a pending appeal or proceeding.
- Relying on Delhi HC rulings in **Truth Fashion**[20] and **Shalender Kumar**[21], the Court held that the Revenue's mere "decision to prefer or institute an appeal" does not attract Section 54(11) of the CGST Ac, and appellate orders must be respected until validly stayed or reversed.
- Since no appeal or proceeding was pending as on May 2, 2026, the date of the impugned order, the DC had no jurisdiction to invoke Section 54(11) of the CGST Act or Rule 92(2) of the CGST Rules to refuse consideration of the refund application.

Conclusion

- The Orissa High Court set aside the Order dated May 2, 2026, and remitted the matter for fresh consideration of the refund application within two weeks, directing that a reasoned order after affording a hearing and considering the petitioner's reply and CBIC Instruction No. 01/2022-23. Liberty was expressly reserved to the petitioner to raise all contentions, including regarding the DC's jurisdiction to invoke Section 54(11) of the CGST Act.

Dhruva Comments

The ruling stalled the departmental practice of using perennial future litigation as a pretext to block legally due refunds. The High Court strictly read the dual conditionalities of Section 54(11)—requiring an *actual* pending appeal alongside a formal, concurrent opinion on revenue risk recorded by the Commissioner, not subordinate officers. For corporate treasuries, this confirms that an appellate order allowing refund must be honoured immediately unless the Revenue has successfully obtained a specific, operational stay from a higher forum. A mere internal "decision to appeal" or an unexpired statutory window cannot be used by the department as a tool to withhold refunds.

Uploading notices/orders on the GST Common Portal alone doesn't amount to valid service since the portal was never notified for that purpose under Section 146 | Punjab and Haryana HC | Luxmi Traders[22]

Issue for consideration

- Whether uploading of SCN /order-in-original ('OIO') on the tab "View Additional Notices and Orders" on the GST Common Portal[23] amounts to valid "service" under Section 169 read with Section 146 of the CGST Act, so as

[18] Taylor v. Taylor [L.R.] 1 Ch. 426

[19] Sarda Mines Pvt. Ltd. v. State of Odisha, 2026 SCC OnLine Ori 2303

[20] Truth Fashion v. Commissioner of DGST Delhi, W.P.(C) NO.486 of 2025

[21] Shalender Kumar v. Commissioner Delhi West CGST Commissionerate, W.P.(C) No.3824 of 2025

[22] Luxmi Traders & Ors. v. Union Territory of Chandigarh, [TS-526-HC(P&H)-2026-GST]

[23] www.gst.gov.in

to trigger the limitation period for filing an appeal under Section 107 of the CGST Act?

Facts

- In the lead case, the petitioner's OIO dated December 28, 2023, was never served by any conventional mode (post/hand delivery/direct tender); it was only uploaded on the Common Portal, and an intimation e-mail (without the order attached) was sent.
- The batch comprised 42 connected petitions with substantially similar facts. In several connected matters, statutory appeals had already been filed but dismissed on the ground of limitation, since the Department treated the date of portal-upload under "View Additional Notices and Orders" as the date of deemed service.
- Petitioners argued the uploading did not amount to valid service, depriving them of the Section 107 of the CGST Act appeal remedy.
- Revenue argued that portal-upload is a statutorily recognized mode under Section 169(1)(d) of the CGST Act, reinforced by e-mail intimation under Section 169(1)(c) of the CGST Act.

Findings of the High Court

- The High Court noted that Section 169(1)(d) of the CGST Act allows service "on the common portal" but the term "common portal" is defined in Section 146 of the CGST Act, which requires the Government to specifically notify a portal for that purpose. The Court took note that only three such notifications have been issued so far for registration/tax payment/returns, for e-way bills, and portals for e-invoicing. None of these notifications have notified any portal for serving notices or orders.
- The High Court further took note of the fact that the e-mails sent to taxpayers only specified that "an order has been uploaded" and did not attach the actual notice/order or its contents. Since the document itself is never sent via email, this doesn't satisfy Section 169(1)(c) of the CGST Act either.
- Applying the settled principle that a statutory manner of doing a thing excludes all other methods and the Court held that without a proper Section 146 notification, portal-upload cannot substitute for valid service.
- The Court examined the actual navigation path and noted that a taxpayer's dashboard shows no alert of any pending case and clicking "Services" tab opens several unrelated sub-tabs. Further the "User Services" tab reveals 14 more sub-tabs, one being "Notices and Orders" and even that tab shows nothing until a further sub-tab, "View Additional Notices and Orders," is clicked. The Court called this "virtually playing a game of treasure hunt" and held that a compliance platform shouldn't hide serious legal consequences behind such an unintuitive maze.
- The Court acknowledged a Haryana Excise Department instruction dated June 1, 2026, issued after complaints from trade bodies that now requires notices/orders to be additionally sent by registered/speed post, over and above portal upload. The Court treated this as the administration's own admission that portal-only service isn't good enough.
- However, the Court also noted that where a taxpayer actually saw the SCN and filed a reply contesting it cannot can't later claim non-service just because it was only uploaded on the portal and that the present findings of the Court is only to help genuinely unaware taxpayers and not those who already engaged with the proceedings.

Conclusion

- The Court held that www.gst.gov.in is not a portal notified for service of notices/orders, and uploading SCNs/orders thereon does not amount to valid service under Section 169 of the CGST Act.
- It laid down a five-part relief matrix:
  a. Mere portal-upload service is insufficient unless acknowledged/replied to;
  b. Where an SCN was served only via portal and an *ex-parte* order followed, proceedings stand restored to SCN stage with 4 weeks to reply;
  c. Where an OIO (passed after contest) was served only via portal, limitation for appeal is not triggered and 4 weeks' time was granted;
  d. In cases where appeals were dismissed on limitation in such portal-only-service cases stand restored to be heard on merits;
  e. Where both SCN and appeal were decided *ex parte*/dismissed for delay due to portal-only service, both orders are set aside and proceedings restored to SCN stage.
- The Court also directed GST authorities to introduce dashboard alerts, pop-up notifications, OTP-based acknowledgements, and SMS alerts for statutory communications.

Dhruva Comments

By characterizing the navigation maze of the "View Additional Notices" tab as a virtual "treasure hunt," the High Court introduces much-needed pragmatism into the concept of digital service by the department. The ruling establishes that technological deployment by tax administrations must enhance compliance transparency, must not aid concealment of legal liabilities. While the decision provides massive relief to genuinely unaware, taxpayers, it triggers a sharp national divergence against the stricter pro-portal views of the Madras High Court[24]. Given this systemic split over when the limitation clock begins to tick, this issue is fast tracking toward a definitive Supreme Court showdown. In the interim, corporate tax teams must treat dashboard checking as a regular compliance drill. Notable that this emerging litigation is exactly what forced the GSTN to finally delete the separate "Additional Notices and Orders" tab on February 5, 2026.

GST registration cancellation order is quashed for being based on a ground never disclosed in the SCN, in violation of natural justice | Telangana High Court | A.P. Enterprises[25]

Issue for consideration

- Whether an order cancelling GST registration can be sustained where it is passed on a ground never proposed in the SCN preceding it, and whether such action is violative of the principles of natural justice?

Facts

- An SCN was issued to the petitioner, Adil Malik, proprietor of A.P. Enterprises, proposing cancellation of GST registration on the grounds that the registration was obtained by means of fraud, willful misstatement or suppression of facts under Section 29(2)(e) of the CGST Act; issuance of invoices or bills without supply of goods or services in violation of Rule 21(b) of the CGST Rules; and not conducting business from the declared place of business under Rule 21(a) of the CGST Rules.
- The notice also suspended the petitioner's registration with effect from July 17, 2025, and directed the petitioner to appear for personal hearing on July 25, 2025, and to file a reply within seven working days, failing which the matter would be decided *ex parte*.
- On August 4, 2025, an Order for Cancellation of Registration in Form GST REG-19 which recited the same three grounds from the SCN, but in its operative remarks stated that the registration was being cancelled for non-furnishing of six consecutive returns, and that the order was issued under Section 29(2) of the CGST Act read with Rule 22 of the CGST Rules for that reason, with the effective date of cancellation being June 1, 2025.
- The petitioner challenged the cancellation order by way of writ petition, contending among other grounds that the order was based on a plea alien to the SCN. The Senior Standing Counsel for CBIC contested the other grounds raised and filed a counter affidavit on behalf of the Revenue.

Findings of the High Court

- The High Court undertook a direct comparison of the SCN and the cancellation order and found a clear mismatch between the ground relied upon to cancel the registration and the grounds on which the petitioner had been called upon to show cause.
- The SCN had invoked three specific and legally distinct grounds being obtaining registration by means of fraud, willful misstatement or suppression of facts; issuance of invoices or bills without corresponding supply of goods or services in violation of Rule 21(b) of the CGST Rules; and failure to conduct business from the declared place of business or the place of business not being found, in violation of Rule 21(a) of the CGST Rules.
- The High Court observed that although the cancellation order formally reproduced these same three grounds in its recital, its substantive operative reasoning and remarks disclosed that the actual basis for cancellation was entirely different, namely the taxpayer's alleged non-furnishing of six consecutive returns, a distinct default falling within the scope of Rule 21(h) of the CGST Rules, and that the order was expressly issued under Section 29(2) of the CGST Act read with Rule 22 for that reason.

[24] Poomika Infra Developers v. State Tax Officer (2025) 29 Centax 394 (Mad.)

[25] A.P. Enterprises v. Superintendent of Central Tax 2026 SCC OnLine TS 7156

- The High Court held that Rule 21(h), being a wholly separate species of default from fraud, invoice manipulation, or absence of a place of business, was never put to the petitioner at any stage, whether in the SCN, the remarks accompanying it, or the personal hearing that followed.
- The High Court held that this divergence went to the root of the proceeding and was not a mere irregularity, since the fundamental purpose of an SCN is to inform the noticee of the precise case they are required to defend, so that they may address a reply and make submissions specifically directed at the ground that will ultimately determine the outcome.
- Given that the petitioner was never called upon to explain or contest the allegation of non-furnishing of returns, the High Court held that the petitioner had no meaningful opportunity to respond to the ground on which the registration was in fact cancelled, and that the cancellation order was accordingly rendered a violation of the principles of natural justice. The High Court gave its verdict irrespective of the merits of the other contentions raised by the petitioner or the Revenue's counter affidavit, which the High Court did not find it necessary to separately adjudicate given the fatal nature of the defect contended by the petitioner.

Conclusion

- The High Court allowed the writ petition, quashing both the impugned cancellation order and the SCN, and restored the petitioner's GST registration.
- Liberty was granted to the Revenue to issue a fresh SCN if grounds for proposed cancellation exist, on the condition that any such fresh notice must contain specific grounds along with supporting documents so that the petitioner can submit a reply, following which the proper officer may take a decision in accordance with law in a time-bound manner.

Dhruva Comments

This judgment serves as a reminder of the non-negotiable boundaries of administrative law within a digitized tax ecosystem. By quashing a cancellation order that was based on a new ground (non-furnishing of returns) that was entirely absent from the SCN, the High Court enforces strict structural discipline on the Revenue. The ruling firmly establishes that a SCN is not a broad fishing expedition or a mere procedural formality; it defines the exact legal perimeter of the dispute. For taxpayers, this reinforces a powerful defense line: an adjudicating authority cannot travel outside the four corners of their own notice to pass an adverse order, regardless of how valid the unstated ground might be on merits. This prevents field officers from using generic templates to mask casual, shift-of-stance orders that violate a taxpayer's right to a meaningful defense.

An order digitally signed within limitation but uploaded/communicated after that date is validly "issued" under Section 73(10) of the GST Act | Calcutta High Court | M. M. Motors[26]

Issue for consideration

- Whether an adjudication order under Section 73 of the CGST Act, digitally signed within the extended limitation period but uploaded on the GST portal/communicated to the taxpayer only after the limitation period expired, is validly “issued” within limitation under Section 73(10) of the CGST Act, or whether it becomes time-barred and unenforceable for want of timely service?

Facts

- An SCN under Section 73(1) of the CGST Act was issued to the petitioners on December 20, 2023, for the tax period April 2018-March 2019.
- The last date for passing an adjudication order under Section 73(9) of the CGST Act as extended under Section 168A notifications (Notification No. 9/2023 dated March 31, 2023, and Notification No. 56/2023 dated December 28, 2023), was April 30, 2024.
- The proper officer digitally signed the order on April 30, 2024, at approximately 21:15:13 hrs, but the summary of the order in Form GST DRC-07 was uploaded on the common portal only on May 1, 2024, one day after the limitation period had expired.
- The petitioners had previously filed a statutory appeal under Section 107 (with the requisite pre-deposit), which was partly allowed, resulting in a fresh demand in Form

[26] M. M. Motors & Anr. v. The Senior Joint Commissioner of Revenue, [TS-504-HC(CAL)-2026-GST

APL-04. They did not challenge the merits of the demand but confined this writ petition solely to the jurisdictional question of limitation.

- The petitioners contended that "issue" and "service" are interchangeable under tax statutes and relied on provisions of the IT Act, 2000 regarding electronic records. The Revenue submitted that Section 169 (service) is distinct from passing an order, while the Amicus Curiae highlighted three distinct stages: making, issuance, and communication of an order.

Findings of the High Court

- The High Court structured its analysis around three core questions regarding under Section 73(10) of the CGST Act: (a) Whether the officer could enforce an order served beyond limitation? (b) Whether limitation attaches to the decision itself or its communication? and (c) Whether an order must be set in motion for delivery to constitute issuance?
- Analyzing the statutory text, the High Court observed that Section 73 of the CGST Act consciously contemplates distinct stages. Sub-sections (2), (9), and (10) explicitly use the word "issue" regarding orders and notices, whereas sub-section (1) uses "serve." Crucially, nowhere in Section 73 is a limitation period tied to the "service" of an order.
- The High Court highlighted that the manner of service is segregated into Section 169 of the CGST Act, which provides six alternative modes of service including portal upload, email, and post. Portal upload in Form GST DRC-07 under Rule 142(5) of the CGST Act is merely one permissible mode of service/recovery mechanism, not a precondition for the "issuance" or completion of the order itself.
- Re-tracing predecessor regimes under Section 73 of the Finance Act, 1994, and Section 37(c) of the Central Excise Act, 1944 the Court noted that earlier laws expressly tied limitation to "service." The CGST Act deliberately departed from this by using "issue," reflecting a conscious legislative intent to delink limitation from the variable process of actual service.
- Adopting Black's Law Dictionary, the Court demarcated the three stages and held that "making" requires exercise of jurisdiction; "issuance" means to formally send forth or put into circulation and the same stand satisfied when signed and authenticated by the authority; and "communication"/ "service" triggers downstream events like appeal timelines and recovery.
- Distinguishing precedents under the Income-tax Act, 1961 such as **Banarasi Debi**[27] and **Daujee Abhushan Bhandar**[28], the High Court relied on **R.K. Upadhyay**[29], holding that under the CGST scheme, service is not a condition precedent under Section 73(10). The High Court also rejected arguments based on Section 13 of the IT Act, 2000, holding that the IT Act is invoked under GST Rules only for authentication under Rule 26(3), which was fully satisfied when the digital signature was affixed on April 30, 2024.

Conclusion

- The High Court held that limitation under Section 73(10) of the CGST Act attaches strictly to the "issuance" of the order, not to its "Service" under Section 169 of the CGST Act.
- Since the adjudication order was digitally signed on April 30, 2024, within the extended limitation period the fact that its upload on the portal occurred on May 1, 2024, does not render it time-barred or void.

The writ petition was accordingly dismissed, upholding the adjudication order as valid and within limitation.

Dhruva Comments

This ruling draws a crucial, fine-line distinction between the "issuance" of a tax order and its subsequent "service," creating a vital compliance guideline for limitation timelines. By ruling that a digital signature affixed within the limitation period satisfies Section 73(10)—even if the order sits in the digital queue and hits the portal a day late—the Calcutta High Court has insulated the Revenue from minor systemic transmission delays. This effectively closes a popular legal loophole where taxpayers sought quashing of orders based on time stamp as per the common portal. As per this ruling, taxpayers cannot rely on portal upload dates or email headers to argue an SCN or order is time-barred. Consequentially, the internal metadata of the digital signature is arbiter of limitation as per the Calcutta High Court, though the actual date of communication will still dictate the downstream timeline for filing an appeal.

[27] Banarasi Debi v. ITO, reported in AIR 1964 SC 1742
[28] Daujee Abhushan Bhandar v. Union of India, (2022) 444 ITR 41
[29] R.K. Upadhyay v. Shanabhai P. Patel, reported in (1987) 3 SCC

Section 73(2) timeline restriction relates to the limitation deadline, not the order date; mutually contradictory assessment orders quashed | Madras High Court | Raj Machine Tools[30]

Issue for consideration

- Whether Section 73(2) of the CGST/TNGST Act mandates a compulsory three-month interval between the issuance of an SCN and the final assessment order?
- Whether separate assessment orders for the same period can stand when they arrive at completely contradictory conclusions regarding the taxability of the same transactions?

Facts

- The petitioner, Raj Machine Tools, was issued two separate assessment orders under Section 73 of the GST Act, both dated November 13, 2025, for the financial year 2021-2022.
- The petitioner challenged both orders via writ petitions before the Madras High Court, arguing that the department violated Section 73(2) by failing to maintain a minimum three-month gap between the issuance of the SCN and the final adjudication order.
- The petitioner relied heavily on the Bombay High Court ruling in **AM Market Places**[31], which had read sub-section (4) and (5) of the provision to mean that a three-month gap is mandatory.
- Furthermore, the petitioner highlighted a fatal flaw in the department's adjudication: the first order in W.P. No. 25946 of 2026 alleged that the petitioner wrongly availed ITC on *exempt* supplies. Contradictorily, the second order in W.P. No. 25947 of 2026 proceeded on the basis that the exact same supplies were *taxable* and not exempt.
- Without prejudice, the petitioner offered to deposit 25% of the disputed tax demand under the first order to seek a conditional remand of both matters. The Revenue contested the petitions, arguing that Section 73(2) imposes no such mechanical gap and that the petitioner had approached the court belatedly.

Findings of the High Court

- The High Court analyzed the text of Section 73(2) structurally considering Section 73(10), which sets the ultimate three-year limitation period for concluding adjudications from the due date of the annual return.
- It interpreted Section 73(2) as a backward-looking discipline tool. The provision mandates that an SCN must be issued *at least three months before the expiry of the limitation period* specified under Section 73(10).
- The High Court clarified that the objective of Section 73(2) is strictly to protect taxpayers from rushed, last-minute notices issued days before the final deadline expires. It does not impose a mandatory cooling-off period of three months between an SCN and an order if the SCN itself was issued well in advance of the statutory limitation deadline.
- Rejecting the legal position of the Bombay High Court in **AM Market Places** (*supra*), the Madras High Court held that while natural justice requires a "reasonable interval" for taxpayers to reply, an absolute three-month freeze cannot be engineered into Section 73.
- On the second issue, the Court found immense merit in the petitioner's claim of mutual contradiction. It held that the Revenue cannot maintain two diametrically opposite positions for the same transaction during the same assessment period—classifying it as exempt in one order and taxable in another.

Conclusion

- The Madras High Court held that the condition of issuance of SCN three months prior to the order is not a mandatory condition but a backward-looking discipline tool. Further, the Court sided with the petitioner's contention that two separate orders for the same issue cannot be passed on two diametrically opposite positions and accordingly disposed of the writ petitions by setting aside both impugned assessment orders and remanding the matters back to the assessing officer for fresh, unified consideration.
- This relief was made conditional upon the petitioner remitting 25% of the tax demand from the first order within thirty days (after adjusting previous recoveries). Upon remittance, the proper officer is directed to pass a fresh, legally consistent order within three months after affording a meaningful hearing. The connected bank

[30] Raj Machine Tools v. The Assistant Commissioner (ST), [TS-539-HC(MAD)-2026 GST]

[31] AM Market Places Private Limited v. The Union of India (W.P. No. 7941 of 2025)

attachments were directed to be lifted upon fulfilment of the deposit.

Dhruva Comments

Madras High Court in this ruling has taken a liberal viewpoint in favour of the Revenue on the fine line separating natural justice from statutory deadlines. By decoupling the three-month timeline in Section 73(2) from the final order date, the Madras High Court has stopped taxpayers from using early-issued adjudication orders as a technical escape route. The judgment effectively leads to a direct national split against the stricter stance of the Bombay High Court in **AM Market Places**[32], which mandated a strict cooling-off period.

Crucially, an identical statutory interpretation dispute actively mirrors this issue under the extended fraud/suppression matrix of Section 74(2) of the CGST Act, 2017. While Section 73(2) provides a three-month backward notice buffer, Section 74(2) mandates a six-month window. This specific Section 74(2) timeline controversy is now sub judice before the Supreme Court of India in the matter of **Bengal Cold Rollers**[33]. There, the Supreme Court issued an interim stay on July 21, 2026, to examine whether the six-month time limit for issuing a show cause notice is strictly mandatory or merely directory—challenging a lower court's finding that time limits lack consequences if no explicit prejudice is caused.

Statutory printing of manufacturer details for food-safety compliance isn't "branding," and bulk institutional supplies aren't "pre-packaged," so the GST exemption survives | GSTAT | Godrej Tyson Foods[34]

Issue for consideration

- Whether statutory printing of the manufacturer's corporate name and address on unit-container packaging, mandated under the Food Safety and Standards Act, 2006 ('FSS Act') and the Legal Metrology Act, 2009 ('LM Act'), constitutes use of a "brand name" so as to deny exemption under Sl. No. 9 of Notification No. 02/2017-CT)?
- Whether bulk supplies to institutional consumers qualify as "pre-packaged and labelled" commodities under the amended Notification No. 7/2022-CT(R) dated July 13, 2022?

Facts

- The respondent supplied frozen chicken products to a QSR franchisee under a Supply Agreement. It discharged GST at 5% while using the registered brand logos "Godrej Tyson"/ "Godrej Real Good" for the period April 1, 2020, to January 4, 2021.
- From January 5, 2021, to July 17, 2022, the respondent removed the brand logos from institutional packaging, retaining only statutorily mandated corporate name/address/FSSAI license details, and claimed Nil exemption under Sl. No. 9 of Notification No. 02/2017-CT(R).
- From July 18, 2022, to March 31, 2023, post the amendment introducing the "pre-packaged and labelled" test, the exemption was claimed on the ground that institutional supplies fall outside that category.
- Revenue issued an SCN dated February 15, 2024, and confirmed a demand with interest and 100% penalty under Section 74(1) of the CGST Act, alleging that retention of the corporate name still established brand recognition, that invoices continued to bear the brand name, and that the respondent had failed to file the affidavit voluntarily foregoing its actionable claim on the brand, as required for exemption. The demand was fully dropped by the Appellate Authority, prompting Revenue's appeal to the GSTAT.

Findings of the GSTAT

- The GSTAT separated its analysis by period, given the differing exemption architecture pre- and post- July 18, 2022.
- For the pre-July 18, 2022, period, the notification denied exemption only where goods bore a "registered brand name" or a brand name on which an actionable claim

[32] AM Market Places Private Limited v. The Union of India (W.P. No. 7941 of 2025)

[33] Bengal Cold Rollers Private Limited v. The Assistant Commissioner (ST), Basheerbagh-Nampally-1 Circle & Ors. [Writ Petition (Civil) No. 836/2026 / SLP(C) No. 23718/2026]

[34] Commissioner, CGST & Central Excise v. Godrej Tyson Foods, [TS-525-GSTAT-2026-GST]

existed. The Tribunal found on record that the respondent had, from January 5, 2021, ceased using the specific logos "Godrej Tyson" and "Godrej Real Good". It held that the statutory requirement to print manufacturer name/address under the FSS (Labelling and Display) Regulations, 2020 and the LM Act, 2009 is a compliance obligation for traceability and safety, and cannot be equated with the use of a brand name intended to indicate a commercial trade connection to enhance the product's value in the market and the two serve fundamentally different legal purposes. The GSTAT in this regard relied on **RDB Textiles**[35], **Tarai Foods**[36], **and Narasus Sarathy Enterprises**[37].

- For the post- July 18, 2022, period, the exemption regime shifted to taxing "pre-packaged and labelled" goods. The GSTAT relied on Rule 3 of the LM (Packaged Commodities) Rules, 2011 to hold that packages intended for institutional consumers do not qualify as "pre-packaged commodities meant for retail sale" and Revenue had brought forth no evidence to counter this legal position specific to institutional supply chains.
- On Revenue's argument regarding contents on the invoice, the Tribunal drew a sharp distinction between the goods/packaging and the commercial invoice, holding that the exemption conditions attach to the physical goods and their packaging, not to the tax invoice. The mere fact that an invoice bore the brand name does not retroactively render the physical goods "branded" where the goods themselves do not bear the mark. Distinguishing the ruling of **Australian Foods**[38] and **Grasim Industries**[39] as relied by the Revenue where branding was voluntary, not statutorily compelled.
- The GSTAT held that Advance Ruling Authority orders relied upon by the Adjudicating Authority were not binding on the GSTAT and contrary to Supreme Court precedents[40], hence are of no assistance to Revenue.

Conclusion

- The GSTAT held that cessation of brand-logo use while continuing statutorily mandated corporate-name printing does not amount to affixing a "brand name," and that institutional-consumer packages do not qualify as "pre-packaged and labelled" goods even in the post-18 July 2022 regime. Accordingly, it dismissed all three Revenue appeals and upheld the Appellate Authority's order dropping the entire demand along with interest and penalty.

Dhruva Comments

The GSTAT's decision untangles a complex compliance knot where statutory safety regulations intersect with fiscal exemptions. By drawing a clear distinction between mandatory corporate disclosures under the FSS Act and voluntary commercial branding, this GSTAT ruling protects the FMCG sector from an aggressive tax reclassification by the revenue based on regulatory disclosures. The ruling recognizes that printing an address for consumer traceability is a legal requirement, not an active market branding strategy to enhance product premiumization. Furthermore, by the ruling that description on tax invoices cannot alter the physical nature of institutional bulk shipments, the GSTAT affords certainty and security to corporate supply chains.

Statutory CAMPA/NPV deposits paid for forest clearance are consideration for a taxable government service, liable to GST under reverse charge | Odisha AAR | TP Paradeep Transmission Limited[41]

Issue for consideration

- Whether statutory compensatory Afforestation Fund Management and Planning Authority ('CAMPA') deposits (Net Present Value, Compensatory Afforestation, Wildlife Conservation, Dwarf Plantation charges, etc.) paid for obtaining forest clearance constitute "consideration" for a "supply of service" under Section 7 of the CGST/OGST Act; if so, whether exempt under Notification No. 12/2017-CT(Rate) dated 28th June 2017 and if taxable, whether payable on forward charge or reverse charge basis?

Facts

- The applicant, a wholly owned subsidiary of Tata Power engaged in transmission line/substation construction in

[35] 2018 (359) E.L.T. 433 (S.C.)
[36] 2006 (198) E.L.T. 323 (S.C.)
[37] 2026 VIL 299 (MAD)
[38] CCE v. Australian Foods [2013 (287) E.L.T 385 (S.C)]
[39] CCE v. Grasim Industries [2005 (183) E.L.T. 123 (S.C.)]
[40] RDB Textiles (*Supra*), Tarai Foods (*supra*)
[41] TP Paradeep Transmission Limited, [TS-487-AAR(OD)-2026 GST]

Odisha, is required to divert forest land under the Forest (Conservation) Act, 1980, for which it must deposit NPV, Compensatory Afforestation and allied charges into the CAMPA Fund as a precondition for forest clearance.

- The applicant contended these were statutory compensatory payments for loss of forest land, not consideration for any service, and in any case exempt as government functions under Entry Nos. 4 and 5 of Notification No. 12/2017-CT(Rate).

Findings of the Advance Ruling Authority ('AAR')

- The AAR reasoned that diversion of forest land for non-forest purposes is statutorily prohibited except with prior Government approval under Section 2 of the Forest (Conservation) Act; since the State holds forest land in public trust, when a business entity like the applicant seeks diversion for a commercial transmission project, the Government's evaluation and grant of permission is not a passive sovereign act but a specific activity performed in furtherance of business, squarely falling within the wide definition of "service" under Section 2(102) of the CGST Act[42]. The grant confers a legally enforceable benefit enabling the applicant to divert land, construct infrastructure, and carry-on commercial operations none of which it could otherwise do as a matter of right.
- The Authority undertook a detailed dissection of Section 2(31) of the CGST Act, noting that the CAMPA payments are not voluntary but mandatory preconditions and without depositing NPV and allied charges, approval would not be granted, and forest land could not be diverted. This direct, undeniable nexus between payment and permission satisfies the definition of consideration, notwithstanding the proviso that deposits are not payment "for supply" unless applied as such by the supplier; here, the Government does apply the CAMPA fund as the price of granting diversion rights.
- The AAR specifically rejected the applicant's characterization of NPV/CAF payments as pure compensation for loss with no service element, holding that a settled principle exists whereby grants given freely, with no benefit flowing back to the grantor, fall outside GST's scope but where, as in the present case the Grantor/Government confers a reciprocal benefit in the form of permission. Thus, the payment is consideration in the course of furtherance of business, irrespective of any subsidy-like or compensatory characterization the applicant sought to place on it.
- The exemption under Entry Nos. 4 & 5 of Notification No. 12/2017-CT(Rate) is confined to functions entrusted to Municipalities (Article 243W) and Panchayats (Article 243G); since the transaction is a statutory regulatory function under the Forest (Conservation) Act it does not qualify as a municipal/panchayat function and the exemption as per the Notification does not apply.
- Persuasive reliance was placed on the Uttarakhand AAR ruling in **M.D. Power Transmission Corporation**[43], which reached an identical conclusion on similar facts.
- Since the supplier is Government/State authority and the recipient a "business entity," and the service does not fall within the exclusions of Entry No. 5 of Notification No. 13/2017-CT(Rate) (post, aircraft/vessel, goods/passenger transport), GST is payable by the applicant under Reverse Charge Mechanism ('RCM') under Section 9(3).
- The AAR further clarified that the destination or subsequent utilization of the funds i.e., that collections are channelled into the CAMPA Fund rather than retained by a specific department does not alter the taxability analysis; taxability turns on the existence of a supply and consideration at the point of transaction, not on downstream accounting treatment.

Conclusion

- The Odisha AAR ruled that the CAMPA-related deposits constitute consideration for a taxable supply of service and no exemption is available under Notification No. 12/2017-CT(Rate) while GST at 18% is payable by the applicant under RCM in terms of Entry No. 5 of Notification No. 13/2017-CT(Rate).

Dhruva Comments

This ruling cements an aggressive pan-India trend among AARs. By redefining mandatory environmental clearances (like forest land diversion) as a reciprocal, commercial "supply of service" by the State, the AAR effectively transcends a statutory sovereign function into a taxable

[42] Defines "services" as anything other than goods, money, and securities.

[43] M.D. Power Transmission Corporation of Uttaranchal Limited, 2022 (10) TMI 910

transaction under the RCM. The critical takeaway here is that the downstream accounting treatment—whether the payment collected goes to a specific state department or is locked in a central environmental fund like CAMPA—is entirely irrelevant to taxability.

This introduces an immediate 18% cash outflow and compliance hurdle for capital-heavy infrastructure, power, and mining projects. Companies must henceforth take into consideration these potential tax costs during the project budgeting and bidding stages.

Regulatory Updates

GSTN Advisory & FAQs[44] | Proposed E-Way Bill Enhancements Kept on Hold Indefinitely[45]

- GSTN has issued an Advisory dated July 29, 2026, and a subsequent communication dated July 30, 2026, informing stakeholders that the implementation of the proposed e-way bill ('EWB') enhancements has been kept on hold until further notice.
- The two major proposed features—Voluntary EWB Closure and Mandatory Ship-to GSTIN—were originally scheduled for June 15, 2026, and subsequently deferred to August 1, 2026, following industry representations seeking time for system/API/ERP readiness.
- Voluntary EWB Closure was intended to allow a formal "closure" of an EWB after delivery by the supplier, recipient, transporter, or driver on the date of delivery or the next day, remaining available up to one day after expiry.
- Mandatory Ship-to GSTIN was proposed to capture the registered party's GSTIN (or "URP" if unregistered) in Bill-to/Ship-to and Combination transactions, while masking the field on printed EWBs and GET EWB APIs to protect commercial confidentiality.
- Taxpayers, transporters, ERP providers, GSPs, and other stakeholders are advised that no changes are required to be implemented in the production environment pursuant to the earlier advisories at this junction.
- GSTN has officially withdrawn the previously issued advisories (dated June 9 and June 17, 2026) and the detailed FAQs (dated July 1 and July 2, 2026) from the GST Portal; stakeholders must rely only on official portal communications and await instructions on future rollouts.

CBIC Circular | Procedure for Departmental GSTAT Appeals in DGGI Common Adjudication Cases

- Circular No. 256/02/2026-GST dated July 25, 2026, outlines the specific procedure for filing departmental appeals with the GSTAT, regarding cases investigated by the DGGI and where a Common Adjudicating Authority (CAA) passed the original order.
- The circular introduces a streamlined process where the Order-in-Appeal is sent to the Commissioner supervising the CAA for review and necessary input from DGGI.
- The circular defines the reviewing authority, the responsible jurisdictional commissionerate, and the correct territorial GSTAT bench for filing appeals.
- This addresses scenarios where Additional/Joint Commissioners act as CAAs with All India jurisdiction for multi-state/centralized investigations.
- The jurisdictional commissioner is legally mandated to share a copy of the final appeal or a non-appeal decision back to the CAA's supervising commissioner for record keeping. Field formations must strictly adhere to these new workflows to ensure uniformity and avoid jurisdictional issues before the Tribunal.

[44] FAQ on Voluntary Closure of e-Way Bill and FAQ on Ship-to GSTIN in Bill-to/Ship-to Transactions dated July 1, 2026.

[45] GSTN Advisory No. 668 dated July 29, 2026

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