70th Edition

ICAI-GST NEWSLETTER

ICAI - SET UP BY AN ACT OF PARLIAMENT | SEPTEMBER 2026



Newsletter from The Institute of Chartered Accountants of India

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Contents

- President's Communication 3
- Photographs 4
- Chairman's Communication 5
- Condonation of Delay Beyond Section 107(4) of the CGST Act: Does the GST Appellate Tribunal Have the Power to Grant Relief? 6
- GST Compliance Schedule 9
- Judicial Pronouncements 10
- GSTN Advisory 17
- Quiz 18
- Publication 19



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President's Communication



Dear Professional Colleagues,

Greetings!

It gives me immense pleasure to extend my warm greetings to all the professionals, taxpayers and stakeholders who contribute to strengthening the Goods and Services Tax (GST) ecosystem.

The indirect tax landscape in India witnessed a significant milestone in September 2026, reflecting sustained economic activity, enhanced tax compliance and the continued formalisation of the economy. As per the data released by the Goods and Services Tax Network (GSTN), gross GST revenue collections for September 2026 stood at ₹2,03,521 crore, surpassing the ₹2 lakh crore mark. This represents a year-on-year growth of 14.7% over the ₹1,77,365 crore collected in September 2025, reaffirming the resilience of the Indian economy and the sustained momentum in domestic revenue mobilisation.

As a key knowledge partner in the indirect tax domain, ICAI, through its GST & Indirect Taxes Committee, continues to support the Government by providing policy recommendations and technical inputs on matters relating to indirect taxation. The Committee has recently submitted its suggestions on GST Registration and Refund Processes as well as Select Issues in GST, aimed at strengthening the GST ecosystem. The suggestions may be accessed at https://idtc.icai.org/budget-memorandum.html

The Committee also remains committed to strengthening the capabilities of GST stakeholders through capacity-building and knowledge-enhancement initiatives. In collaboration with NACIN, the Committee has been providing faculty support for programmes organised for Central/Union Territory and State Tax Officials. Recently, faculty support was extended for capacity-building programmes organised for CGST & Central Excise Officers at Kolkata from 1st to 3rd September 2026 and at Chennai from 7th to 11th September 2026. Such initiatives contribute towards strengthening institutional capacity and promoting greater consistency, responsiveness and efficiency in tax administration.

The Committee also undertook initiatives to enhance awareness of the newly operationalised GST Appellate Tribunal (GSTAT), recognising its significance in strengthening the institutional framework for GST dispute resolution. A Public Outreach Programme was organised at Tiruchirappalli on 19th September 2026, with Shri S. Gnanakumar, Hon'ble Member (State), GSTAT, Tamil Nadu Bench, delivering the Keynote Address. Shri Shaik Kader Rahman, Hon'ble Member (Technical), GSTAT, Chennai Bench, provided an overview of the legal and procedural aspects of proceedings before the GSTAT and interacted with the participants. The operationalisation of GSTAT represents an important step towards facilitating timely, accessible and effective resolution of tax disputes and strengthening confidence in the GST dispute resolution mechanism.

As India progresses towards the vision of Viksit Bharat 2047, a technology-enabled, transparent and responsive tax ecosystem will remain a critical enabler of sustainable economic growth and global competitiveness.

I am confident that the members of the Institute will continue to uphold the highest standards of professional excellence, embrace emerging opportunities and contribute meaningfully to the nation's economic transformation. Through our collective endeavours, we can further strengthen the GST framework and support the journey towards a more resilient, inclusive and prosperous India.

With warm regards,

CA. Prasanna Kumar D

President

The Institute of Chartered Accountants of India

PHOTOGRAPHS



CA. Umesh Sharma, Chairman, and CA. Rajendra Kumar P, Vice-Chairman, GST & Indirect Taxes Committee of ICAI, met Justice (Dr.) Sanjaya Kumar Mishra, Hon'ble President, GSTAT, on 08.09.2026.



CA. Umesh Sharma, Chairman; CA. Rajendra Kumar P, Vice-Chairman; and CA. Smita Mishra, Secretary to the GST & Indirect Taxes Committee of ICAI, met Shri Sanjay Mangal, Hon'ble Member (GST, CX & ST), Central Board of Indirect Taxes & Customs (CBIC) on 17.09.2026.



CA. Umesh Sharma, Chairman, and CA. Rajendra Kumar P, Vice-Chairman, GST & Indirect Taxes Committee of ICAI, met Shri Sachin Jain, Hon'ble Joint Secretary (Tax Research Unit), Ministry of Finance on17.09.2026. The meeting provided an opportunity to discuss ways in which ICAI can support the Government in enhancing GST awareness and outreach.



CA. Umesh Sharma, Chairman; CA. Rajendra Kumar P, Vice-Chairman; and CA. Smita Mishra, Secretary to the GST & Indirect Taxes Committee of ICAI, met Shri Gaurav Singh, Hon'ble Commissioner, GST Policy Wing on17.09.2026. The meeting reiterated ICAI's continued commitment to collaborating with the Government to enhance the effectiveness and efficiency of the GST framework.



The GST & IDTC of ICAI organised a Public Outreach Prog. on GSTAT at Tiruchirappalli on 19.09.2026, featuring Shri S. Gnanakumar, Hon'ble Member (State), GSTAT, Tamil Nadu Bench, & Shri Shaikh Khader Rahman, Hon'ble Member (Technical), GSTAT, Chennai Bench.



The revised and updated edition of the publication "Handbook on E-Way Bill under GST", by the GST & Indirect Taxes Committee, was released during the 110th Meeting of the Committee held on 18.09.2026.

Chairman's Communication



Esteemed Members,

Warm Greetings!

As we conclude the first half of the financial year 2026–27 with the close of September 2026, and mark one year since the GST rate rationalisation, the GST landscape continues to evolve through significant policy, legal and administrative developments aimed at strengthening transparency, improving compliance, and enhancing efficiency. It is a matter of great pride to present the 70th Edition of the GST Newsletter, marking yet another milestone in the Committee's continued endeavour to keep our esteemed readers informed and abreast of the latest developments in the GST regime.

Among the significant judicial developments, the Hon'ble Supreme Court, in Union of India v. Sunil Biyani, clarified important safeguards relating to arrest and pre-arrest bail under the CGST Act. The Court held that a court, while dismissing a pre-arrest bail application as not maintainable, cannot grant or continue protection from arrest by way of interim relief. It further held that an order under Section 69 of the CGST Act authorising arrest must be communicated to the person concerned before arrest, enabling the person to avail appropriate legal remedies. The Court also reiterated that the mere issuance of summons under Section 70 of the CGST Act does not, by itself, make the person summoned an accused. The judgment reinforces the principles of due process, personal liberty and procedural safeguards in the administration and enforcement of GST law.

On the technology and compliance front, GSTN has removed the portal validation that earlier restricted taxpayers from filing appeals against demand orders reflecting a NIL or Zero demand. Taxpayers can now file appeals in FORM GST APL-01 where a dispute regarding tax liability subsists, even where the demand is reflected as NIL or Zero on account of payment having been made prior to the issuance of the demand order, subject to the applicable statutory provisions and prescribed conditions.

The Committee also continued its endeavour to facilitate continuous professional learning through focused knowledge-sharing initiatives. During September 2026, four webinars were conducted covering important areas such as adjudication, export incentive schemes, registration and reverse charge mechanism. Members who were unable to attend these sessions may access the recordings through the Committee's website.

Furthering its commitment to strengthening sector-specific professional knowledge, the Committee has launched the Industry-Specific GST Publication Series and released its third publication, GST Sectoral Guide on Education and Training Services. The publication provides a comprehensive overview of the GST framework applicable to the education and training sector and serves as a useful reference for professionals and stakeholders.

I sincerely hope that the initiatives, publications and knowledge resources of the GST & Indirect Taxes Committee will continue to contribute meaningfully to the professional development of our members and enable them to navigate the evolving GST landscape with greater clarity, confidence and competence.

CA. Umesh Sharma
Chairman
GST & Indirect Taxes Committee
The Institute of Chartered Accountants of India

Condonation of Delay Beyond Section 107(4) of the CGST Act: Does the GST Appellate Tribunal Have the Power to Grant Relief?

Executive Summary

This article discusses a very distinct issue that has appeared after the constitution of the GST Appellate Tribunal (GSTAT). Whether the GSTAT appellate tribunal can condone the delay beyond section 107(4) of the CGST Act, which specifically prescribed the further time limit of one month in addition to the time limit for filing the first appeal within three months from the date of the decision or order communicated to the person under section 107(1) of the CGST Act, 2017. Considering the volume and uniformity of the cases, the Principal Bench, in Pattinam Chettiar Kalamkandavengai v. DSTO-I, Thuraiyur Assessment Circle, has identified 504 appeals in nine state benches. This article discusses the present issue, statutory provisions, relevant case laws, and juridical arguments.

1. Introduction

The Goods and Services Tax (GST) was introduced on July 1, 2017, which has replaced the old statutes like Central excise, State VAT, service tax and other indirect levies with a single unified indirect tax regime. The transition was unprecedented in its scale and not only in the complexity of the substantive law but also introduced equally in the dispute resolution architecture it created. Under that architecture, an aggrieved person dissatisfied with an order of an adjudicating authority, could prefer an appeal before the First Appellate Authority under section 107. Further, Section 109 of the CGST Act contemplated a second appellate tier, the GST Appellate Tribunal, and Section 112 of the CGST Act, 2017 dealt with appeals to it.

The challenge was that when the GST was implemented, this second tier was not put into place for over eight years. The Tribunal was not set up, judges were not recruited, and appeals could not be filed with it. Consequently, a First Appellate Authority order was not subject to any statutory recourse for either the Revenue or the taxpayers. A taxpayer who had been affected by an unfavorable First Appellate Authority order and the Revenue also had no choice but to file a writ petition before the jurisdictional High Court under Article 226 of the Constitution. That is not a statutory appeal, but rather an unusual remedy with its own set of procedural limitations. Acknowledging the institutional void, High Courts typically considered these petitions; however, this led to inconsistent decisions and a progressive overload of constitutional courts with cases that were really tax disputes.

The Scenario has been drastically changed when GSTAT formally came into picture. The New Delhi Principal Bench of GSTAT was constituted in 2023, formally launched in September 2025, and began hearing cases in February 2026. State Benches followed next, and as of today, thirty-one State Benches are in service nationwide. There is now a dedicated second appellate forum, which hasn't existed since the start of GST.

This forum is now the conduit for the first time for accumulated disputes, some of which are several years old. As an outcome, procedural and jurisdictional questions that were never tested are now being tested and argued in earnest. There are implications that extend far beyond any single case when one of these questions is asked. By statute, the GSTAT is established. It is set up because of the CGST Act, and its authority is derived exclusively from the Act and the Rules that have been established under it. It cannot assume jurisdiction that the legislature did not grant, regardless of how equitable the facts of a particular case may appear.

Therefore, the question arises whether the Tribunal has the authority to provide a remedy that the same act specifically barred from the first appellate forum, provided that it operates strictly within the limits of its enabling statute.

A first appeal under Section 107 must be filed within three months of the order being communicated. Under Section 107(4), the Appellate Authority may grant an additional month of condonation if there is sufficient cause. The First Appellate Authority's condonation authority is constrained by the cumulative four-month period, as per accepted judicial precedent and a simple interpretation of the statutory text. For a variety of reasons, including as actual hardship, inadequate order communication, first-year unfamiliarity with GST procedures, and, in certain situations, simple oversight, many taxpayers filed their first appeals outside this four-month window. These appeals were rejected by the First Appellate Authority solely on the grounds of limitation rather than the merits of the underlying demand. The legitimacy of the demand, including the validity of the taxpayer's arguments and the legality of the assessment, was never addressed.

These taxpayers are now under Section 112 of the CGST Act, are challenging the rejection orders of First Appellate Authority before the GSTAT. This brings up the crucial question: can Tribunal decide the matter on its merits and condone the delay beyond section 107(4)? Or is the taxpayer compelled to fight a tax demand that has reached finality without ever being decided on merits by going to the High Court under Article 226 and using natural justice principles?

There are other issues with the High Court writ process.

A court with writ authority often does not consider the substantive merits of a tax demand in the exact same way as a tribunal; it does not sit as an appeals court. It is unclear whether the High Court would address the underlying demand on natural justice grounds or whether it would use the same textual reasoning that excludes the general law of limitation at the first-appeal stage when faced with a taxpayer who has lost the first appeal solely based on limitation and may find no remedy before the Tribunal.

For many taxpayers, this set of questions has immediate, practical implications. Given the issue's magnitude and uniformity, the GSTAT Principal Bench set up a Special Bench to decide the jurisdictional issue uniformly across all State Benches, as opposed to letting fragmented and perhaps contradictory responses emerge.

2. What the GSTAT is Doing: The Special Bench Order

On July 1, 2026, in Pattinam Chettiar Kalamkandavengai v. DSTO-I, Thuraiyur Assessment Circle, D. Gunasekaran & Ors. (Appeal/PB/D4/2025 and related cases), a three-member bench of the GSTAT Principal Bench, issued a major procedural order. The Bench did not rule on the jurisdictional question. However, after considering the same question namely, whether the Tribunal has the authority to condone a delay in a first appeal beyond the Section 107(4) timeline, the Principal Bench ordered the Registry to compile the specifics of all pending appeals and present them to the Bench for a consolidated hearing. Because it frequently came up on several State Benches, there was a chance that the results would be conflicting. The tribunal acknowledged that the matter is really unsettled and important enough to require a consistent, legally enforceable decision rather than scattered, conflicting bench-by-bench decisions.

Nine State Benches mentioned in the order had identified 504 appeals raising the same jurisdictional question at the time of the ruling. The number of pending appeals related to the same question alone explains why a consolidated Special Bench determination was both necessary and appropriate.

3. The Limitation Act, 1963

Section 5, Limitation Act, 1963:"Extension of prescribed period in certain cases. Any appeal or any application, other than an application under any of the provisions of Order XXI of the Code of Civil Procedure, 1908 (5 of 1908), may be admitted after the prescribed period if the appellant or the applicant satisfies the court that he had sufficient cause for not preferring the appeal or making the application within such period.

Explanation.The fact that the appellant or the applicant was misled by any order, practice or judgment of the High Court in ascertaining or computing the prescribed period may be sufficient cause within the meaning of this section."

Section 29(2), Limitation Act, 1963: "Where any special or local law prescribes for any suit, appeal or application a period of limitation different from the period prescribed by the Schedule, the provisions of section 3 shall apply as if such period were the period prescribed by the Schedule and for the purpose of determining any period of limitation prescribed for any suit, appeal or application by any special or local law, the provisions contained in sections 4 to 24 (inclusive) shall apply only in so far as, and to the extent to which, they are not expressly excluded by such special or local law."

Section 5 provides for general equitable remedy, allowing the filing of an appeal or application after the time limit if the applicant shows "sufficient cause" for the delay.

Further, section 29(2) of the Limitation Act 1963, connects special statutes to the general law of limitation. It states that where a special law prescribes a limitation period different from the Schedule to the Limitation Act, the general provisions contained in Sections 4 to 24 (including Section 5) shall automatically apply to such special law, unless they are expressly excluded by the special statute.

Now, the question that has emerged for the consideration for the Special Bench is not without any judicial precedents. Similar cases on the very issue have been seen under the Central Excise Act, 1944 and the Income-tax Act, 1961 and a body of authority has developed both in the Supreme Court and in various High Courts on the matter of interaction between the fiscal limitation provisions and the general law of limitation under the Limitation Act, 1963.

4. Judicial Precedent: Key Rulings from Courts and Tribunals

Singh Enterprises v. Commissioner of C. Ex., Jamshedpur-2008 (221) E.L.T. 163 (S.C.)

The two-judge bench comprising Justices Dr. Arijit Pasayat and Aftab Alam decided on a strict statutory position on the limits of condoning delay. The appellant challenged the orders of the Commissioner (Appeals) and the High Court, which dismissed its appeal on the ground of an abnormal delay of over 20 months in challenging a Central Excise order. An appeal under Section 35 of the Central Excise Act, 1944 has to be filed within 60 days with a proviso that the appellate authority may condone further delay of 30 days on "sufficient cause". The appellant urged that the delay should be condoned on the logic of section 5 of the Limitation Act, 1963 or in terms of the powers available to the High Court under article 226 of the Constitution.

The Court affirmed the dismissal through the following pronged legal reasoning:

First, it observed that statutory authorities are creatures of statute and cannot act beyond the express statutory boundaries. Thus, the proviso to Section 35 is in terms of the power to condone delay for a maximum period of 30 days beyond the initial period of 60 days. The express language of the provision indicates that the legislative intent is to exclude the application of Section 5 of the Limitation Act in its entirety and the appellate authority has no jurisdiction to entertain an appeal beyond the statutory limit.

Second, the Court considered the submission made on behalf of the appellant that the High Court or the Supreme Court can condone delay by invoking its inherent or

constitutional power (referring to I.T.C. Ltd. v. Union of India). The Court held that I.T.C. was decided on its own facts and did not lay down any general rule of law. To direct or to grant condonation of delay where a statute clearly prohibits it would be to override clear legislation and make the statutory limitation provision completely otiose.

In Commissioner of Customs & Central Excise v. Hongo India (P) Ltd. - 2009 (236) E.L.T. 417 (S.C.)

The three-judge Bench of Chief Justice K.G. Balakrishnan applied the Singh Enterprises principles to the High Court's jurisdiction and held the statutory limitation periods under special tax statutes to be mandatory. The Revenue argued that the High Court has inherent plenary powers under Article 215 to condone delay under Section 5 of the Limitation Act, 1963 for reference applications made beyond a period of 180 days under unamended Section 35H(1) of the Central Excise Act, 1944. The Supreme Court rejected this argument holding that the Central Excise Act itself is a complete code and by virtue of the legislative intent, it has carved out an exception to the general principles of limitation.

The Court compared the statutory provisions and found that Section 35 provides for condonable period of 30 days while Section 35H provides a generous period of 180 days without condonation clause. The Court held that absence of condonation clause implies a complete and deliberate exclusion of Section 5. The inherent power of the High Court and s 29(2) of the Limitation Act cannot override express statutory time limits, because to do so would defeat legislative intent and make special limitation provisions otiose. Thus, the High Court has no jurisdiction to condone the delay beyond the statutory period of 180 days.

In S.K. Chakraborty & Sons v. Union of India (2023), the Calcutta High Court rendered a relevant and taxpayer-friendly decision during the GST era. The Appellate Authority was instructed to consider a condonation application on its merits even though the appeal was filed after the four-month cumulative period because the Court decided that Section 107 of the CGST Act did not, either explicitly or by necessary implication, exclude Section 5 of the Limitation Act. The practical landscape for delay condonation under GST at the first-appeal stage itself would have been drastically changed if this decision had been upheld.

It was not upright. In Joint Commissioner v. S.K. Chakraborty & Sons (SLP (Civil) Diary No. 20272 of 2024), the Supreme Court stayed the Calcutta High Court's ruling on August 30, 2024. Although the stay does not represent a final decision on the merits, it made it quite evident that the Supreme Court was not convinced that the High Court's opinion could not be challenged. This stance is in line with Singh Enterprises and Hongo India. As a practical result, the Appellate Authority is currently unable to oppose the four-month ceiling under Section 107(4). The Special Bench now must decide exactly what the GSTAT can do at the second-appeal stage.

M/s. Agrawal Enterprises v. State of Gujarat & Ors., R/ Special Civil Application No. 386 of 2026, Gujarat High Court, 3827-DB [16-01-2026]

The principles laid down in Singh Enterprises and Hongo India have been subsequently applied directly to the GST regime. The Division Bench of the Gujarat High Court, the Justices, dealt with whether delay in filing a first appeal under the CGST/SGST Act could be condoned in writ jurisdiction beyond the period permissible under the statute. A demand order under section 74(5) has been passed against the petitioner on 21.03.2024. The petitioner filed its appeal under Section 107 belatedly after 284 days—well beyond the initial 90-day appeal period and the additional 30-day condonable period under Section 107(4), which together allow a maximum aggregate period of 120 days. The only explanation could be that the petitioner was not computer literate and had relied upon a part time accountant who was not aware of the passing of the order. The Appellate Authority dismissed the appeal as time barred. The petitioner has filed the petition under Article 226 of the Constitution challenging the rejection of the appeal and prayed for condoning the delay in the interest of justice.

The High Court dismissed the petition through the following reasoning:

First, the Court relied on Assistant Commissioner (CT) LTU, Kakinada v. Glaxo Smith Kline Consumer Health Care Ltd., (2020) 19 SCC 681. That decision holds that the wide powers of the High Court under Article 226 are not wider than the Supreme Court's plenary powers under Article 142, and that even those powers cannot be exercised so as to render a statutory limitation provision otiose. Where the legislature has fixed a maximum condonable period, a constitutional court must respect that intent and cannot entertain a belated challenge as a matter of course.

Second, in ONGC v. Gujarat Energy Transmission Corporation Ltd., (2017) 5 SCC 42, the Court traced this principle back to the line of authority that started with Singh Enterprises and Hongo India. Section 5 of the Limitation Act, 1963 cannot be used to sustain an appeal when a special act establishes a statute of limitations with a specified outer limit for condonation. In relation to Section 107(4), The Court decided that the High Court cannot use Article 226 to undermine the legislative intent by re-examining "sufficient cause," and that the appellate authority's discretion ends after the additional thirty days.

Third, the Court made it clear when a writ would be appropriate. It observed that an assessee may approach the High Court before the statutory appeal period expires, on grounds such as lack of jurisdiction or violation of natural justice, and the Court may then decide whether to entertain the challenge despite an alternative remedy. The petitioner who comes before the Court after the expiry of the maximum period of limitation cannot take resort to the writ jurisdiction to avoid the statutory bar. The Court also stayed away from going further into the validity of the original demand order as the petitioner had already opted for the statutory appellate remedy and no question of

natural justice or jurisdiction was raised at the appropriate stage.

Fourth, the Court found unconvincing the explanation offered for the delay on the facts. It followed Singh Enterprises in rejecting lack of experience or inadequate business arrangements as sufficient cause. It further said that taxpayers are expected to remain vigilant and cross-check the orders on the GST portal and taxing statutes run in strict timelines, any relaxation to which would have cascading effect on revenue administration. The Court also added that even if a valid sufficient cause was shown, it could not condone delay beyond 120 days.

The Court therefore dismissed the writ petition, holding that delay beyond the aggregate statutory period under Section 107 cannot be condoned under Article 226.

5. Way Forward

It would be inaccurate to assert that the Tribunal has no authority at all to grant relief in connection with a first appeal rejection beyond time limit given under Section 107(4) of CGST Act, as the Principal Bench of Tribunal is still actively considering the matter. It would be similarly wrong to assume that such relief is readily available given the strength of the Revenue's argument and the direction of recent judicial rulings on the link between fiscal limitation provisions and the general rule of limitation.

This, however, raises an unanswered question that the profession has yet to address: what remedy, if any, remains if the Special Bench ultimately rules that its Section 112 jurisdiction cannot be expanded to condone a delay that Section 107(4) was unable to allow? Would a taxpayer whose first appeal was denied solely on the basis of the time limit, with no examination of the underlying matter, be able to file a writ petition before the jurisdictional High Court under Article 226 of the Constitution, invoking, perhaps, natural justice principles on the basis that a demand has attained finality without ever being tested on merits? The same statutory objections that currently limit provisions of limitation under Sections 107 and 112, namely that a self-contained fiscal code cannot be circumvented by invoking constitutional once statutory remedies have been taken into consideration, may still apply to such a writ petition. In the end, the position will be contingent on how the Special Bench presents its ruling, particularly whether it completely prohibits remedy or limits it to the statutory forum, a key issue for professionals to observe as it evolves.

Contributed by CA Shikha Maurya

GST Compliance Schedule

Compliances for the month of October 2026

Forms	Compliance Particulars	Due Dates
GSTR 7	Return to be furnished by the registered persons who are required to deduct tax at source.	10.11.2026
GSTR 8	Return to be furnished by the registered electronic commerce operators who are required to collect tax at source on the net value of taxable supplies made through it.	10.11.2026
GSTR 1	Statement of outward supplies by the taxpayers having an aggregate turnover of more than Rs. 5 crore or the taxpayers who have opted for monthly return filing.	11.11.2026
GSTR 1A	Amendment of outward supplies of goods or services for the current tax period.	
IFF	Statement of outward supplies by the taxpayers having an aggregate turnover up to ₹ 5 crore and who have opted for the QRMP scheme.	13.11.2026
GSTR 5	Return to be furnished by the non-resident taxable persons containing details of outward supplies and inward supplies.	13.11.2026
GSTR 6	Return to be furnished by every Input Service Distributor (ISD) containing details of the input tax credit received and its distribution.	13.11.2026
GSTR 3B	Return to be furnished by all the taxpayers other than who have opted for QRMP scheme comprising consolidated summary of outward and inward supplies.	20.11.2026
GSTR 5A	Return to be furnished by Online Information and Data base Access or Retrieval (OIDAR) services provider for providing services from a place outside India to non-taxable online recipient (as defined in Integrated Goods and Services Tax Act, 2017) and to registered persons in India and details of supplies of online money gaming by a person outside India to a person in India.	20.11.2026
PMT-06	Payment of GST for a taxpayer with aggregate turnover up to ₹ 5 crores during the previous year and who has opted for quarterly filing of return under QRMP scheme.	25.11.2026
GSTR-11	Statement of inward supplies by persons having Unique Identification Number (UIN)	28.11.2026

JUDICIAL PRONOUNCEMENTS

1. Imposition of 200% penalty under section 129(1a) solely for non-extension of E-waybill during transit violates principles of natural justice; recovered penalty directed to be refunded *[Ratnaka Enterprises Versus State of West Bengal – High Court of Calcutta – W.P.A. No. 24249 of 2024 – decided on 10.09.2026]*

Background

The petitioner, M/s Ratnaka Enterprises, transported goods under E-Invoice No. RE/23-24/528 and E-Waybill No. 86134792638, both dated 26.09.2023, the E-Waybill being valid up to midnight of 01.10.2023. The vehicle was intercepted by the Deputy Commissioner of Police (Respondent No. 3) at Taraganj Club, Coochbehar, when the E-Waybill had expired. Penalty at 200% of tax under Section 129(1a) of the West Bengal Goods and Services Tax Act, 2017 was imposed and Rs. 12,77,812/- was recovered from the petitioner. The petitioner contended that the delay was caused by traffic restrictions imposed by the Deputy Commissioner of Police, and that the date of expiry was a Sunday followed by a national holiday, so there was no intent to evade tax. Aggrieved, the petitioner approached the High Court at Calcutta by way of writ petition.

Issue Involved

Whether penalty at 200% of tax under Section 129(1a) of the West Bengal GST Act, 2017 can be imposed on goods in transit solely on account of the expiry of the E-Waybill, without any finding of intent to evade tax or lack of bona fides.

Contentions of the Respondent

The learned advocate for the State submitted that the E-Waybill was found invalid at the time of interception, and the penalty was therefore rightly imposed. It was further contended that the petitioner took no steps to revalidate the E-Waybill after it expired.

Court's Observations

The Court took judicial notice of all documents annexed to the writ petition, including the judgment relied on by the petitioner. It was satisfied that the petitioner had made out a prima facie case for intervention and that the entire penalty pertained only to non-extension of the E-Waybill. The Court held that imposing a 200% penalty for failure to reach the destination within the validity period violated the principles of natural justice. It followed the Division Bench in Hindusthan Biri Leaves (supra), which observed that even where extension of the E-Waybill is sought beyond the statutory period, the extension is to be allowed by condoning the delay. In that case, no 200% penalty was found sustainable as the Revenue could not demonstrate lack of bona fides.

Order

The Calcutta High Court directed the authorities to refund the penalty of Rs. 12,77,812/-, as evidenced by the challan. The petitioner was directed to file an application before the proper officer within two weeks, and the refund was to be made preferably within ten weeks of such application. The writ petition was disposed of without going into the merits. Since no affidavits were called for, the allegations in the petition were deemed not admitted by the respondents.

2. Unsigned show cause notice and order-in-original uploaded on GST portal without digital or physical signature are non est in law for want of authentication under rule 26(3); consequent recovery notice and bank attachment quashed *[Star Raison Landmarks Versus Chief Commissioner State Tax, Commercial Taxes Department, Jaipur – High Court of Rajasthan – D.B. Civil Writ Petition No. 8893 of 2024 – decided on 15.09.2026]*

Background

The petitioner, M/s Star Raison Landmarks, a real estate developer, was subjected to scrutiny through Form ASMT-10 dated 29.11.2022, to which it replied in Form ASMT-11 on 25.04.2023. A Show Cause Notice dated 23.09.2023 under Section 73 of the CGST Act, 2017 and an Order-in-Original dated 19.12.2023 were thereafter uploaded on the GST portal without any physical or digital signature. A recovery notice under Section 79 in Form DRC-13 dated 27.03.2024 was issued to the petitioner's banker, and its bank account was attached. The petitioner learnt of the demand of Rs. 11,76,97,600/- only when its banking transactions were disrupted in April 2024.

The petitioner's earlier writ petition (D.B. Civil Writ Petition No. 7722/2024) was withdrawn on 20.05.2024 with liberty to file afresh. In the present petition, its original challenge to the Section 168A notifications and State circulars was given up during the pendency of the proceedings. Aggrieved, the petitioner approached the High Court of Rajasthan by way of the present writ petition, confining its challenge to the Show Cause Notice, the Order-in-Original and the recovery notice.

Issue Involved

Whether a Show Cause Notice and an Order-in-Original under Section 73 of the CGST Act, 2017 that bear neither a digital signature nor a physical signature can be sustained in law, having regard to Rule 26(3) of the CGST Rules, 2017.

Contentions of the Respondent

The learned counsel for the respondents submitted that the petitioner bypassed the statutory appeal under Section 107 and the petition should be dismissed on that ground alone. It was contended that a document can be uploaded on the BOWEB portal only after the officer logs in using a

digital signature, and that an ARN and reference number are generated only when a digital signature is used, so the signature may not appear on the printout but must be presumed. Reliance was placed on Vishwa Enterprise v. State of Gujarat, (2025).

Court's Observations

The Court held that Rule 26(3) is mandatory, as the word "shall" requires every notice and order to be issued electronically and authenticated by a digital signature certificate, e-signature, or another mode notified by the Board. No such notification was placed before it. The respondents' plea of a "deemed digital signature" was rejected, since the rule requires authentication of the document and not of the officer's session on the portal. A login authenticates access, while a signature authenticates content. Accepting the plea would dilute accountability and transparency and lead to arbitrariness, and the possibility of later alteration of an unsigned document could not be ruled out.

Vishwa Enterprise was distinguished, as the documents there carried a digital signature and the grievance was only about its display. Here there was no signature at all, and the documents carried only system-generated reference numbers. The Court followed Mayur Timber v. State of Rajasthan, (2026), holding that an unsigned notice and order are no notice and no order in the eyes of law. The defect is jurisdictional and cannot be saved by Section 160, as there is nothing in existence to be saved. The objection of alternative remedy also failed, since an appeal under Section 107 presupposes an order, and the very existence of the order was in question. The contentions on knowledge, service and opportunity of hearing were left open.

Order

The Rajasthan High Court allowed the writ petition and quashed the Show Cause Notice dated 23.09.2023 and the Order-in-Original dated 19.12.2023. The recovery notice dated 27.03.2024 in Form DRC-13 and the consequent attachment of the bank account were also set aside. Liberty was reserved to the competent authority to pass fresh orders in accordance with law, which must bear a physical or digital signature as required by Rule 26(3) and be duly served on the petitioner, who remains at liberty to challenge any such proceeding. All pending applications were disposed of.

3. Section 6(2)(b) bar on parallel proceedings does not apply where state GST proceedings for short payment and ITC ineligibility concern a different subject matter from DGGI proceedings for fraudulent ITC; writ also fails for non-availment of appeal and delay *[Vertilink Media Solutions Pvt. Ltd. Versus Anti Evasion Branch – High Court of Delhi – W.P.(C) No. 13077 of 2026 and C.M. Appl. Nos. 60825 and 60826 of 2026 – decided on 25.09.2026]*

Background

The petitioner, Vertilink Media Solutions Pvt. Ltd., a Delhi-registered private limited company providing script services to Zee Entertainment Enterprises Ltd., was searched on 03.03.2021, and the investigation was thereafter transferred to the DGGI, Mumbai Zonal Unit. On 31.03.2023, the DGGI issued a common Show Cause Notice to 45 noticees, including the petitioner, alleging fraudulent availment of ITC. While those proceedings were pending, the Sales Tax Officer, Delhi (Respondent No. 2) issued a separate Show Cause Notice dated 29.05.2024 under Section 73 of the CGST Act, 2017 for the period April 2019 to March 2020, alleging that the petitioner had not declared its correct tax liability. By order dated 29.08.2024, ITC was denied under Section 16(2)(c) as the suppliers had not paid tax, and a demand of Rs. 10,57,75,250/- was created.

The petitioner did not file an appeal and instead filed a rectification application on 07.04.2025, citing the bar under Section 6(2)(b). Meanwhile, the DGGI proceedings concluded after the principal noticee, Zee Entertainment, paid the entire ITC demanded with interest and 25% penalty, and the proceedings against the co-noticees were treated as concluded under Explanation 1 to Section 74. The rectification application remained pending. Aggrieved, the petitioner approached the High Court of Delhi in August 2026 by way of writ petition, seeking quashing of the Show Cause Notice and the order dated 29.08.2024.

Issue Involved

Whether the Show Cause Notice and order passed by the State GST officer under Section 73 of the CGST Act, 2017 are barred by Section 6(2)(b) as proceedings on the same subject matter as the DGGI proceedings, and whether the conclusion of the DGGI proceedings or Section 75(13) renders the demand unsustainable.

Contentions of the Petitioner

The learned counsel for the petitioner submitted that, once the investigation had been transferred to the DGGI and a comprehensive Show Cause Notice issued, the proceedings by Respondent No. 2 on the same transactions and period were barred under Section 6(2)(b). Reliance was placed on Amit Gupta v. Union of India, (2023). It was further argued that the conclusion of the DGGI proceedings precluded a separate demand on the same transactions, and that under Section 75(13) the petitioner could not be penalised twice for the same act or omission.

Court's Observations

The Court first held that the petitioner had bypassed the statutory appeal and that the petition suffered from unexplained delay and laches, as the order of 29.08.2024 was challenged only in August 2026. The pendency of a rectification application could not extend limitation or explain the delay.

On merits, the Court held that Section 6(2)(b) bars parallel proceedings only on the "same subject matter". The same

assessee, an overlapping period or common transactions do not establish this. The Section 73 proceedings concerned the petitioner's correct tax liability, including ITC denial for supplier non-payment, whereas the DGGI proceedings under Section 74 concerned fraudulent ITC without actual supply across 45 noticees. The statutory provisions, nature of allegations and liability were materially different. The transfer of investigation to the DGGI did not oust the jurisdiction of the Delhi officer, and Amit Gupta (supra) was distinguished since it does not dispense with the requirement of identity of subject matter.

The conclusion of the DGGI proceedings only meant that nothing was recoverable from the petitioner in that matter, and it could not retrospectively invalidate an independent proceeding on a different statutory basis. Section 75(13) was held inapplicable as it presupposes a prior penalty on the petitioner for the same act, and no order imposing tax, interest or penalty on the petitioner in the DGGI proceedings was shown. Mere mention as a co-noticee does not attract the bar.

Order

The Delhi High Court dismissed the writ petition as devoid of merit, holding that it failed on four grounds: non-availment of the statutory appeal, unexplained delay and laches, absence of identity of subject matter under Section 6(2)(b), and inapplicability of Section 75(13). The petitioner was granted liberty to avail such remedy as may be available against any order passed on its pending rectification application, if maintainable in law. The observations were not to be construed as a final expression on the merits of any such proceedings, and all pending applications were closed.

4. Invocation of section 74 and imposition of 100% penalty is unjustified for ITC mismatch between GSTR-3B and GSTR-2A where tax and interest were paid before the show cause notice and no link to fraud, wilful misstatement or suppression is established; matter falls under section 73 *[I-Nxt Versus Sandeep Banga, Commissioner, Bengaluru Zone & Ors. – GSTAT Bengaluru – No. APL/16/BUR/2026 – decided on 15.09.2026]*

Background

The appellant, I-Nxt, was alleged by the Anti-Evasion Wing, Bengaluru West GST Commissionerate, to have a mismatch between ITC claimed in Form GSTR-3B and ITC available in Form GSTR-2A for July 2017 to November 2021, resulting in excess ITC of Rs. 2,74,20,293/-. On 18.01.2022, the appellant admitted the lapse, attributing it to oversight, and paid the tax with interest by debiting the electronic credit ledger. It stated that the excess ITC had not been utilised. The payment was made in response to a departmental communication dated 28.12.2021 calling for details of inward supplies, and before the investigation was formally initiated vide O.R. No. 52/2021-22 dated 21.01.2022.

A Show Cause Notice dated 28.02.2023 invoked the extended period under Section 74 of the CGST Act, 2017, alleging suppression. By Order-in-Original dated 17.01.2024, the Joint Commissioner confirmed the demand with interest under Section 50 and imposed a penalty of Rs. 2,74,20,293/- (100% of the tax), as the 15% penalty had not been paid with the tax and interest. The Commissioner (Appeals), Mysuru dismissed the appeal on 29.06.2024. Aggrieved, the appellant approached the GSTAT, Bengaluru, contending that tax and interest were paid before the notice, the mismatch arose from third-party supplier default, and there was no intent to evade tax.

Issue Involved

Whether the invocation of Section 74 of the CGST Act, 2017 and the consequent imposition of 100% penalty is just and proper where the demand arose from a mismatch between Form GSTR-3B and Form GSTR-2A and the entire tax along with interest was paid before the issue of the Show Cause Notice.

Contentions of the Respondent

The learned Assistant Commissioner for the respondents supported the findings of the Adjudicating Authority and the Appellate Authority. It was submitted that the excess ITC came to light only on verification by the Anti-Evasion Wing, and that the payment was made only pursuant to the investigation and audit objections. The non-declaration of the excess credit was said to constitute "suppression of facts", so Section 74 was rightly invoked.

Court's Observations

The Tribunal observed that Section 73 applies where ITC is wrongly availed without fraud, wilful misstatement or suppression, while Section 74 requires such conduct. Relying on Tata Steel Ltd. v. Union of India, (2026) (SC), it held that even in a mismatch case, the officer must be satisfied that fraud, wilful misstatement or suppression led to the mismatch, and the foundational facts must be evident from the notice itself. It also noted that the Telangana High Court has held that such a case falls strictly under Sections 73(5) and 73(6), and the Madras High Court has held that Section 74 cannot be invoked merely because tax was paid pursuant to an investigation.

The Tribunal held that a mismatch allows determination of liability under Section 73, but Section 74 needs a clear link between the mismatch and culpable conduct. Under Sections 73(5) and 73(6), tax paid with interest before the notice, even as ascertained by the proper officer, bars the issue of a notice. "Suppression" means deliberate non-declaration, whereas here it was alleged merely on the basis of a mismatch that arose from a third-party supplier's default, which cannot be attributed to the appellant. No such link was established and the genuineness of the transactions was not disputed, so the matter was governed by Section 73.

Order

The GSTAT, Bengaluru set aside the Order-in-Appeal dated 29.06.2024, held that the imposition of penalty under Section 74 was invalid and unjustified, and allowed the appeal.

5. Turnover of zero-rated supply for refund of ITC under rule 89(4) is determined by date of invoice within the relevant period and not by actual date of export; marginal ineligible ITC does not warrant disturbing refund sanctioned *[Shruti Bansal Versus Solitaire Pharmacia Pvt. Ltd. – GSTAT, Division Bench, Chandigarh – APL/1/CHD/2026 – decided on 24.09.2026]*

Background

The respondent, M/s Solitaire Pharmacia Pvt. Ltd., Chandigarh, an exporter, filed a refund claim of Rs. 18,28,146/- of unutilised ITC under Rule 89(4) of the CGST Rules, 2017 for exports without payment of tax under bond/LUT for the period 01.10.2021 to 31.12.2021, in respect of goods valued at Rs. 3,17,03,825/-. The Deputy Commissioner, CGST Division-III, Chandigarh sanctioned the refund on 02.05.2023 (RFD-06).

On review under Section 107(2) of the CGST Act, 2017, the Department appealed on the grounds that four shipping bills pertained to goods exported in January 2022, beyond the relevant period, and that ineligible ITC of Rs. 23,560/- had been included in Net ITC. It contended that the eligible refund was only Rs. 12,58,188/-, so Rs. 5,69,958/- was sanctioned in excess. The Additional Commissioner (Appeals), Chandigarh dismissed the appeal by Order-in-Appeal dated 21.05.2024. Aggrieved, the Department filed an appeal before the GSTAT, Chandigarh.

Issue Involved

Whether refund of ITC under Rule 89(4) is inadmissible for four invoices issued within the relevant period where the goods were actually exported in a subsequent period, and whether Net ITC for computing the refund must be reduced by the alleged inadmissible ITC.

Contentions of the Respondent

The respondent exporter, through its advocate and chartered accountant, filed a para-wise reply on the portal on 19.08.2026 with supporting documents and argued in support of the Impugned Order.

Court's Observations

The Tribunal observed that the Rule 89(4) formula uses Net ITC, turnover of zero-rated supply of goods and Adjusted Total Turnover, all for the same relevant period. Under GST law, turnover is the sum of invoices issued for supplies in that period. Under Sections 12 and 31 of the CGST Act, supply of export goods takes place on removal with the tax invoice issued before or at removal, even under bond/LUT, although the goods are treated as exported only on leaving India. Invoices issued during the relevant period are therefore included in the turnover of zero-rated supply, irrespective of the actual date of export, provided export is established before refund is granted.

It was undisputed that the invoices for the four shipping bills were issued in the relevant period and that the goods were in fact exported, so there was no reason to deny refund. On the second issue, the alleged ineligible ITC of Rs. 23,560/- was marginal, as held by the First Appellate Authority. It did not materially change the maximum admissible refund under Rule 89(4), which remained much higher than the refund claimed.

Order

The GSTAT, Chandigarh upheld the Order-in-Appeal dated 21.05.2024 and dismissed the Department's appeal.

6. Post-death determination of penalty against legal representative under section 93 CGST Act permissible; constitutional challenge to section 93(1)(b) rejected; department directed to account for Rs. 15.40 lakh retained cash *[Jaiwanti Versus Union of India – High Court of Delhi – W.P.(C) No. 7254 of 2025, decided on 25.09.2026]*

Background

The petitioner, Jaiwanti, is the widow of late Sh. Ankit Dabas. The DGGI investigated alleged fraudulent availment and passing on of ITC and IGST refunds without actual supply of goods, attributing a role to her late husband in relation to three entities. On 23.07.2020, his residence was searched and cash of Rs. 15,40,000 was recovered. The SCN recorded that he had voluntarily submitted it as security pending investigation, and it was kept in a fixed deposit with SBI. The petitioner disputed the legality of its taking and retention.

Sh. Ankit Dabas died on 06.05.2021, and the Department was informed of his death by a letter dated 05.10.2021. On 31.07.2024, more than three years after his death, an SCN was issued to the petitioner as his legal representative under Section 93, proposing a penalty under Section 122(3)(a) and appropriation of the Rs. 15,40,000. The Order-in-Original dated 01.02.2025 was passed ex parte, as the petitioner claimed non-receipt of the notice.

The petitioner contended that "is determined after his death" in Section 93(1) permits only completion of proceedings begun in the deceased's lifetime. She argued that Section 122(3)(a) liability rests on personal conduct which a legal representative cannot meaningfully answer (Section 126(3)), making Section 93(1)(b) arbitrary and violative of Article 14. She also disputed service and retention of the cash.

Issue Involved

1. Whether Section 93(1) permits proceedings to be commenced after death, or only completion of those begun during lifetime.
2. Whether Section 93(1)(b) violates Article 14.
3. Whether the Department can retain the seized Rs. 15,40,000 indefinitely on the basis of an alleged voluntary deposit

Contentions of the Respondents

The Revenue contended that Section 93 expressly contemplates determination of tax, interest or penalty after death and contains no requirement that proceedings must have commenced during the deceased's lifetime. It was urged that investigation had commenced and the deceased's statement had been recorded during his lifetime; that penalty under Section 122 constitutes a civil liability and principles governing abatement of criminal proceedings are inapplicable; that the SCN was duly served through modes prescribed under Section 169; and that the writ petition was not maintainable given the availability of a statutory appeal remedy.

Court's Observations

The Court held that the phrase "is determined after his death" in Section 93 contains no qualification requiring a pre-death SCN or prior commencement of proceedings. Investigation and adjudication are distinct stages, and the statute does not make issuance of a notice during the deceased's lifetime a condition precedent to post-death determination. Section 93 is not an independent penal provision against the legal representative — under clause (b), liability attaches only to the estate of the deceased and only to the extent it is capable of meeting the charge. On the constitutional challenge, the Court held that Section 93(1)(b) draws a rational distinction, does not deem the representative a wrongdoer, and preserves effective hearing and appeal safeguards — inability to narrate the deceased's affairs is not an admission. The provision's statutory purpose, representative procedure and limitation to estate assets provide adequate constitutional basis. On the retained amount, the Court held that a deposit pending investigation does not justify indefinite retention — the Department is required to establish a subsisting lawful basis and furnish a complete account of the principal and interest actually earned on the fixed deposit. The Court further clarified that, although the lapse of three years after death creates no bar under Section 93, the judgment confers no exemption from any applicable limitation requirement.

Order

The jurisdictional challenge to the SCN and the constitutional challenge to Section 93(1)(b) were rejected. All merit-based issues — including service of SCN, proof of contravention, satisfaction of conditions under Section 93(1)(b), computation of penalty and the effect of the inconsistent clauses AD and AE of the OIO were left open for adjudication in statutory appeal, with liberty granted to file appeal within four weeks, which, if so filed, is to be decided on merits and not rejected on the ground of limitation. The Respondents were directed to furnish a complete account of Rs. 15,40,000/- within three weeks, and any amount for which no lawful basis of retention is established is to be released to the petitioner along with interest actually earned.

7. Search of advocate's office under section 67(2) CGST Act not illegal merely because of advocate-client privilege where advocate's own role is under investigation; safeguards imposed for unrelated client data *[Puneet Batra Versus Union of India – High Court of Delhi – W.P.(C) No. 11021 of 2025, decided on 18.09.2026]*

Background

Puneet Batra, an advocate and former partner of Bass Legal LLP, provided tax and legal services to M/s Matkarma Technology Pvt. Ltd. (MTPL), an online gaming company. The GST department is investigating MTPL for allegedly routing payments for offshore gambling websites without paying the correct GST. It alleges that Batra was not merely MTPL's lawyer but was involved in its affairs and received 0.7% of user deposits.

On 25.07.2025, officers searched Bass Legal's office under Section 67(2) of the CGST Act. They took MTPL-related documents and the CPU from Batra's cabin in his absence. Batra challenged the search, arguing that it violated advocate-client privilege over MTPL's and other clients' data. He also argued that sealed cover material was not shared with him, that no SCN had been issued to MTPL, that the department had changed its stand, that its own instructions were not followed, and that reasons to believe were not recorded. During the case, the Court allowed the CPU to be examined and cloned only in the presence of Batra, his counsel and Court-appointed IT officials.

Issue Involved

1. Whether advocate-client privilege invalidated the search and seizure.
2. Whether sealed cover material had to be disclosed.
3. Whether the absence of an SCN, an alleged change of stand, or non-compliance with departmental instructions vitiated the search.
4. Whether valid reasons to believe supported the authorization.

Contentions of the Respondent

The Revenue contended that the search was validly authorized under Section 67(2) and the petitioner's cabin, being an integral part of Bass Legal's premises, was covered by the authorisation. Material collected during investigation — including statements of multiple witnesses — prima facie established that the petitioner was personally involved in and financially benefitting from MTPL's operations, placing him beyond the protection of advocate-client privilege. It was further submitted that disclosure of sealed cover material comprising statements of witnesses could prejudice the ongoing investigation, that the absence of an SCN was irrelevant at the investigation stage, and that the subsequent attribution of a role to the petitioner did not constitute any change of investigative stand.

Court's Observations

The Court held that advocate-client privilege attaches to the nature and circumstances of professional communications and not to every item found in an advocate's possession — it cannot operate as an absolute bar against investigation into the advocate's own conduct where prima facie material indicates personal involvement beyond professional representation. The reasons recorded disclosed sufficient statutory basis for the search authorisation. On sealed cover material, the Court held that investigative records comprising witness statements need not be disclosed at the investigation stage, as disclosure could prejudice the ongoing investigation. Absence of an SCN against MTPL did not invalidate the search, since a SCN is an adjudicatory step following investigation. Administrative instructions and the Master Circular cannot curtail or override statutory search powers under Section 67 — procedural departures not amounting to breach of a mandatory jurisdictional requirement do not void a search. The petitioner's cabin, being part and parcel of Bass Legal's office, was covered by the search authorisation. The later attribution of a role to the petitioner was not an impermissible change of stand, as an investigation is not static, and no personal hearing was required before seizure of the CPU during an authorised search. The MTPL Board Resolution dated 29.09.2025 consenting to handover of its material was noted, but it could not retrospectively validate the search or permit access to other clients' data. The Court also noted the petitioner's admission that certain files were deleted remotely while the search was underway, a circumstance the Revenue is entitled to examine, and that he had declined the Court's offer to identify his other clients' files for exclusion. The Court however maintained safeguards throughout to protect privileged communications and data of unconnected third-party clients.

Order

The High Court found no ground to interfere with the search or seizure and dismissed the writ petition. The interim orders were vacated, except the safeguards on examination and use of the seized data. The Respondents remain bound by those safeguards regarding Batra's privileged communications and his other clients' confidential information, and may continue the investigation in accordance with law. They must use only the cloned copy, confine examination to relevant material, and not open data of other clients unrelated to MTPL, though they may seek the Court's orders if such material becomes relevant. The Court clarified that the judgment does not dilute advocate-client privilege generally or permit unrestricted search of an advocate's premises. It is confined to the facts, where the advocate's own role is under investigation. Batra's request for a one-week stay was declined.

8. DGGI validly investigated and issued common SCN despite state administrative allocation of taxpayer; allocation of adjudication to CGST Delhi north based on highest demand upheld; petitioner relegated to statutory appeal *[RPP Infra Projects Ltd. Versus Union of India – High Court of Delhi – W.P.(C) Nos. 10852, 10853 and 10861 of 2025, decided on 16.09.2026]*

Background

The petitioner, an infrastructure company, held three GST registrations in Karnataka, Tamil Nadu and Telangana — all administratively assigned to State tax authorities. DGGI, Kanpur, commenced an intelligence-based investigation into an alleged cross-State chain of invoices without corresponding supplies, whereby ITC was allegedly passed through M/s Club Axe Clothing, M/s Footprints and M/s Disha Traders to M/s Univista Contractors Ltd., which in turn passed it to several recipients including the petitioner. The petitioner's case was that M/s Sunil Hitech Engineers Ltd. had awarded construction work to it, which was subcontracted to Univista on a back-to-back basis with a 5% margin — and that Univista had actually executed the work, supported by work orders, invoices, ledgers and bank records. A common SCN dated 29.04.2022 was issued to 95 noticees and the petitioner filed a detailed reply dated 17.04.2024 along with voluminous documents. The OIO dated 04.02.2025 confirmed ITC demands of Rs. 2,62,74,687/- (Karnataka), Rs. 10,57,452/- (Tamil Nadu) and Rs. 2,94,30,991/- (Telangana), each carrying interest, an equal penalty and a further penalty of Rs. 50,000/- under Section 122(3)(a). The petitioner challenged the OIO in writ jurisdiction on three grounds: that its reply was not considered; that DGGI lacked jurisdiction since its registrations were assigned to State authorities, and that the adjudication should have been at Chennai or Rangareddy rather than Delhi North in view of Circular No. 239/33/2024-GST; and that Circular No. 171/03/2022-GST dated 06.07.2022 barred the demand under Section 74.

Issue Involved

1. Whether the order was vitiated because the petitioner's reply and documents were not considered.
2. Whether DGGI could investigate and issue the SCN to a taxpayer assigned to State authorities.
3. Whether the Additional/Joint Commissioner, CGST Delhi North, had jurisdiction to adjudicate the common SCN.
4. Whether Circular No. 171/03/2022-GST barred the demand under Section 74.

Contentions of the Respondent

The Revenue contended that all three objections raised by the petitioner were squarely amenable to examination in the statutory appeal under Section 107 and did not warrant invocation of writ jurisdiction. It was submitted that the petitioner's reply was inadvertently not reproduced in the OIO but was duly considered, as evidenced by the personal hearing. Reliance was placed on Notification No. 14/2017-CT conferring all-India powers on DGGI officers

and on Notification No. 02/2022-CT read with Circular No. 169/01/2022-GST validly allocating adjudication to Delhi North on account of Disha Traders carrying the highest demand in the common SCN.

Court's Observations

On DGGI jurisdiction, the Court held that Notification No. 14/2017-CT appointed DGGI officers as Central tax officers with powers of corresponding rank exercisable throughout India. Administrative allocation of taxpayers to State authorities does not exclude intelligence-based enforcement by DGGI (as explained in Armour Security (India) Ltd. v. Commissioner, (2025) (SC)), particularly where the investigation arose from intelligence concerning a cross-State chain of transactions. On adjudication jurisdiction, Notification No. 02/2022-CT and Circular No. 169/01/2022-GST designated Delhi North for adjudication of the common SCN, as Table III thereof showed the highest demand of Rs. 20,65,43,038/- against Disha Traders, Delhi. The later Notification No. 27/2024-CT and Circular No. 239/33/2024-GST mapped both Delhi East and Delhi North to a common adjudicating authority at Delhi North — and since Disha Traders' address falls within Delhi East, Delhi North remained the designated Commissionerate under the revised allocation too. On non-consideration of reply, the Court held that mere non-reproduction does not establish that the reply was ignored — what matters is whether the order discloses reasons for rejection, which it did. The applicability of Circular No. 171/03/2022-GST and the character of inward and outward transactions are matters squarely within appellate jurisdiction. The Appellate Authority, under Section 107(11), can itself examine the documents and decide the entitlement. The contention of parallel proceedings under Section 6(2)(b), based on separate DGGI Mumbai proceedings, was not pressed at the final hearing and was not examined.

Order

The writ petitions were disposed of. The jurisdictional objections were decided in terms of the order. All remaining grounds — on demand, interest, penalty and applicability of Circular No. 171/03/2022-GST — were left open for appeal. The petitioner was granted liberty to file statutory appeals within four weeks along with the requisite pre-deposit, to be decided on merits without dismissal on the ground of limitation, with interim protection continuing for that period, after which the statutory protection under Section 107(7) would operate.

9. Interim protection from arrest cannot be granted while dismissing pre-arrest bail application as not maintainable; order under section 69 CGST Act must be communicated to person sought to be arrested

[Union of India Versus Sunil Biyani – Supreme Court of India – Criminal Appeal No. 3795 of 2026, decided on 12.08.2026]

Background

DGGI, Mumbai Zonal Unit, was investigating M/s Alphaneon Techsolutions Pvt. Ltd. and its group entities for alleged wrongful availment and passing of ITC without actual supply of goods or services, circular invoicing, and non-payment of GST on import of services. During inspection, the respondent Sunil Biyani was found present at the premises. Three summonses under Section 70 of the CGST Act were issued to him, which he did not comply with, seeking adjournments instead. His application for anticipatory bail before the Sessions Court, Mumbai was rejected on 14.10.2025, following which he approached the Bombay High Court. Pursuant to the High Court's interim directions, he appeared before the Department and his statement was recorded. During hearing, the Department filed an affidavit stating that no order under Section 69 had been passed as the investigation was still at a nascent stage. The High Court, while rejecting the pre-arrest bail application on the ground that absence of a Section 69 order meant there was no apprehension of arrest, nonetheless granted the respondent protection from arrest for a period of one week from the date of intimation of any order that may be passed under Section 69. The respondent did not challenge the rejection of his bail application before the Supreme Court, and Union of India appealed against the one-week protective order.

Issue Involved

Whether the High Court could have granted the relief of protection from arrest for a period of one week of communication of the order passed under Section 69, CGST Act while dismissing the application.

Contentions of the Respondent

The respondent contended that an order under Section 69 is a sine qua non for maintaining an application for anticipatory bail — and unless such order is communicated to the person sought to be arrested, he can neither apply for anticipatory bail nor challenge the order. It was therefore urged that by extension of principles of natural justice and fairness in administrative action, communication of the Section 69 order to the accused before arrest must be read into the statute as a mandatory requirement.

Court's Observations

The Court held that it is a settled position of law that even in cases where a petition seeking quashing of an FIR or chargesheet is dismissed, no interim relief can be granted — an interim relief being only in aid of and ancillary to the main relief, it cannot be granted as the sole final relief once the petition itself is dismissed (State of Orissa v. Madan Gopal Rungta; Hema Mishra v. State of U.P.). This principle applies with equal force to applications for pre-arrest bail — while dismissing such an application on the ground that it is not maintainable, a High Court or Sessions Court cannot extend or grant protection which is in the nature of interim relief that could have been granted during the pendency of the application. Relying on Radhika Agarwal v. Union of India, the Court noted that mere issuance of summons under Section 70 does not make the person

summoned an accused, and the rejection of the pre-arrest bail application therefore stood affirmed. On the subsidiary question, the Court accepted the respondent's contention and held that since a Section 69 order is a sine qua non for seeking anticipatory bail, it would be anomalous to hold that the order need not be communicated before arrest. Communication of the order would not obstruct the investigation and would reinforce the accused's right to seek anticipatory bail and to judicially review the reasons to believe recorded by the Commissioner. The Court also noted that Rule 8 of the CGST Rules mandates furnishing of email address and mobile number at registration, making electronic communication of the order feasible.

Order

The one-week protective order granted by the Bombay High Court was set aside. The Commissioner was directed to communicate the Section 69 order to the respondent through electronic and all other permissible modes, whereafter the respondent may pursue such remedy as he may be advised. The Court reiterated that without such communication, the question of arrest would not arise. The criminal appeal was disposed of accordingly, with the observation that the pending investigation shall proceed uninfluenced by the Court's observations.

10. Penalty imposed in excess of amount proposed in show cause notice suffers from jurisdictional error under section 75(7); order set aside and matter remitted

[Jay Dee Enterprises Versus Deputy Commissioner State Tax SGST – High Court Allahabad – Writ Tax No. 2908 of 2026, decided on 06.07.2026]

Background

The petitioner, Jay Dee Enterprises, challenged the order dated 21.12.2023 passed under Section 73 of the UPGST Act, 2017 for the tax period 2017-18. The show cause notice had proposed a penalty of Rs. 4,60,542 only, whereas the impugned order imposed a penalty of Rs. 9,21,084, which is double the amount proposed. The petitioner approached the High Court under writ jurisdiction, contending that the order suffered from a defect of jurisdiction, as it was passed in clear violation of the mandatory provisions of Section 75(7) of the Act.

Issue Involved

Whether an order confirming penalty in excess of the amount proposed in the show cause notice is sustainable in view of Section 75(7) of the CGST/UPGST Act, 2017.

Court's Observations

The Court observed that the Act contains a clear prohibition against confirming tax or penalty liability in excess of that proposed in the show cause notice. Since the penalty imposed in the impugned order was more than the amount proposed in the notice, a clear jurisdictional error existed. On being queried, the learned Standing Counsel could not deny this position in fact and in law. The Court therefore held that interference was warranted.

Order

The Allahabad High Court set aside the impugned order dated 21.12.2023 and remitted the matter to the adjudicating authority to pass a fresh order. The authority must afford the petitioner an opportunity of personal hearing and deal with the petitioner's objections, if any. It must decide the matter as expeditiously as possible, preferably within three months from the date of the order. The writ petition was disposed of accordingly.

Contributed By CA Shikha Maurya and CA Jaya Sharma

GSTN ADVISORY

Enabling Filing of Appeals in Cases Involving NIL or Zero Demand Amount – reg.

In cases where a dispute regarding liability exists but the demand amount is reflected as "NIL" or "Zero" in the demand order, and payment has been made by the taxpayer prior to the issuance of the demand order, the previous validation restricting the filing of an appeal against such demand orders has been removed from the GST Portal. Accordingly, taxpayers are now enabled to file an appeal in Form GST APL-01 against demand orders reflecting a NIL or Zero demand amount.Taxpayers facing the above issue may now file an appeal in Form GST APL-01 against such demand orders.In case of any query or difficulty while filing the appeal, taxpayers may raise a ticket with the GST Helpdesk for assistance.



QUIZ

1. **RST Steels Pvt Ltd, a registered supplier of taxable goods in Delhi, has an aggregate turnover (PAN based) of Rs.12 crore in 2025-26. On 25th September 2026, it generated an IRN on the Invoice Registration Portal (IRP) for a B2B invoice of Rs.8 lakh issued to registered dealer in Haryana. On 26th September 2026, the supplier noticed that buyer's GSTIN has been wrongly entered on the invoice. Invoice has not been reported in GSTR-1. Supplier now want to correct buyer's GSTIN.**
   Which of the following statements is correct ?
   A) The supplier can edit the buyer's GSTIN directly on the IRP and the same IRN will be retained for the corrected invoice.
   B) The supplier can cancel the IRN on the IRP within 24 hours of generation, and then issue a fresh invoice and generate a new IRN for it.
   C) The supplier must issue a credit note for the original invoice, as an IRN once generated cannot be cancelled on the IRP.
   D) The supplier can amend the invoice by declaring the correction in the amendment table of GSTR-1, and no change is needed on IRP.
2. **M/s. VK Enterprises, a registered taxpayer in Haryana, having aggregate turnover in FY 2024-25 of Rs.15 crore. GSTR-9 was filed on 20th March,2026 and GSTR-9C was filed on 30th March,2026.**
   What is the total late fees payable under Section 47 of the CGST Act, 2017?
   A) 17,800
   B) 7,50,000
   C) 8,900
   D) 60,000
3. **JK Enterprises is a regular taxpayer filing GSTR-3B monthly. For the September 2026 return period, the following supplier reported records are displayed on its IMS dashboard. The taxpayer took the actions as mentioned below :**

Item	Tax (in Rupees)	Action taken by taxpayer
Invoice 1	2,00,000	Accepted
Invoice 2	1,50,000	Rejected
Invoice 3	90,000	No action taken
Invoice 4	85,000	Pending
Credit Note 1	20,000	Pending

   What will be the net ITC that will flow to JK Enterprise's recomputed GSTR-2B for the month of September 2026 and be available to claim in September GSTR 3B?
   A) Rs.2,00,000
   B) Rs.2,90,000
   C) Rs.3,55,000
   D) Rs.2,65,000
4. **Rahul Traders, a registered trader of goods in Gujarat, opted for composition scheme under Section 10 from 1 April 2026 by filing CMP-02. It makes only intra-state supplies of goods and has no other registration in India. Its aggregate turnover, including taxable and exempt, is Rs.1.48 crore on 14th August 2026. On 15th August,2026 it made a supply of Rs.14 lacs taking the aggregate turnover to Rs.1.62 crore. Rahul continued issuing bills of supply and paying tax under composition scheme until the end of August month.**
   What is the effective date from which Rahul Traders ceases to be a composition dealer and its related compliance timelines?
   A) The option lapses from 1 April 2027 & CMP-04 is to be filed by 31 March 2027
   B) The option lapses from 15 August 2026, CMP-04 is to be filed within 7 days of that date and ITC-01 within 30 days of that date.
   C) The option lapses from 1 September 2026, the first day of the month following the breach & CMP-04 is to be filed by 7 September 2026
   D) The option lapses from date on which Rahul files CMP-04. ITC-01 is to be filed within 30 days of that filing.
5. **KT Motors, a registered dealer of used vehicles. On 15th August a vehicle from a defaulting borrower, unregistered, paying the financier Rs.5,20,000 for its takeover. The borrower had bought the vehicle originally on 10 June 2024 for Rs.10,00,000. On 10th September 2026, KT Motors sold the vehicle for Rs.6,30,000 (excluding GST). The applicable rate of GST is 18%.**
   What is the value of GST payable by KT Motors on this sale as per Rule 32(5)?
   A) Rs. 19,800
   B) Rs. 1,13,400
   C) Rs. 14,400
   D) Rs. 5,400
6. **Under which of the following situations, ITC shall be available?**
   A) Cars purchased by manufacturing company for official use of its employees
   B) Aircraft purchased by a manufacturing company for official use of its CEO.
   C) General Insurance taken on a car used by employees of company for official use.
   D) Maintenance & repair services availed by company for trucks used in transporting its finished goods.

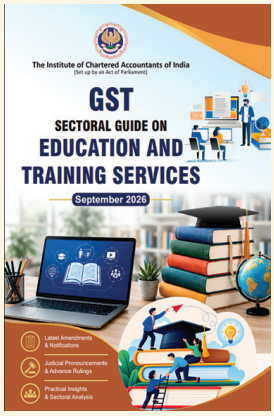
7. **Kamal, a registered trader in Delhi, had filed its annual return for FY 2019-20 on 31st December,2020. In 2024, the department initiated an investigation for offence under Chapter XIX of the CGST Act in respect of FY 2019-20. The investigation was finally disposed on 30 September,2026.**
   For which of the following period Kamal must retain the books & records relating to subject matter of investigation?
   A) 31st December 2026, (72 months from due date of the annual return)
   B) 30th September 2026, (the date of final disposal)
   C) 30th September 2027, (one year after final disposal)
   D) 31st December 2021, (one year after the due date of annual return)
8. **Which of the following transactions does not qualify as supply under GST?**
   A) Disposal of car without consideration and supplier claimed no ITC on car
   B) A company gifts goods worth Rs.80,000 to an employee in a financial year
   C) Transfer of goods from Delhi branch to Jaipur Branch
   D) Import of services by Mr. C without consideration for business purpose from his elder son, in Dubai
9. **Rathi Appliances Ltd, a registered supplier in Haryana, sends 10 air purifiers to VK Retail, a registered dealer in Delhi, on 10 April 2026 on a sale or return basis. A delivery challan is generated, and no invoice or payment is received at that time. On 20th August 2026, VK Retail approves the 10 units of air purifiers sent. Rathi issues tax invoice on 25th August 2026. What is the time of supply of the goods under Section 12 of the CGST Act?**
   A) 10 April 2026, the date of removal of the goods
   B) 20th August 2026, the date on which the supply of goods is approved
   C) 25th August 2026, the date of issue of the invoice.
   D) 10th October 2026, six months from the date of removal
10. **Which of the following statements are correct in relation to Sitting fees paid by a company to its independent director for attending board meetings.**
   A) Exempt from GST
   B) Taxable, director must charge and pay GST under forward charge
   C) Taxable under reverse charge and the company liable to pay GST
   D) Not a supply because directors are employees of the company.

The names of first five members who were the top scorers in the last Quiz are as under:

Name	Membership No.
CA. Piyush Manchanda	519254
CA. Akash Tyagi	550061
CA. Sanjiv Mehrotra	72103
CA. Prateek Kumar Agarwal	417025
CA. Aditya Dhanuka	305212

Please provide reply of the above MCQs in the link given below. ***Top five scorers will be awarded hard copy of the publication 'GST Act(s) and Rule(s)- Bare Law' & their names will be published in the next edition of the Newsletter.***
Link to reply: - ***https://forms.gle/cM5NFG9K5G68RMo59***

PUBLICATION



GST Sectoral Guide on Education and Training Services

The GST & Indirect Taxes Committee is pleased to present the GST Sectoral Guide on Education and Training Services, the third publication in its Industry-Specific GST Publication Series. The publication is organised into four chapters. Chapter 1 provides an overview of the industry, its business models and its interface with GST. Chapter 2 examines the relevant statutory provisions, notifications, exemptions and applicable compliance requirements. Chapter 3 analyses significant judicial decisions, advance rulings and emerging litigation trends. Chapter 4 highlights key sector-specific considerations, interpretational issues and practical compliance challenges, along with reasoned recommendations for the way forward.





For above register here: https://learning.icai.org/committee/gst/surat/batch-170/

For above register here: https://learning.icai.org/committee/gst/kolkata/batch-168/

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