

**DIRECTORATE OF TRAINING,**  
**EXCISE AND TAXATION DEPARTMENT,**  
**PUNJAB, PATIALA**

**GST UPDATE**  
**(January 2026)**

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## 1. Notification- Page No- 6 to 26

### **GST Advisory on Filing Opt-In Declaration for**

**Specified Premises, 2025**

**Press Release No. 645**

The GSTN advisory dated 4 January 2026 announces that opt-in declarations for declaring hotel accommodation premises as “specified premises,” earlier notified under Notification No. 05/2025–Central Tax (Rate), are now available online on the GST Portal. Regular registered taxpayers (including suspended registrations) and new registration applicants supplying hotel accommodation services can electronically file declarations

through Annexure VII (for existing registrants) or Annexure VIII (for applicants). Composition taxpayers, TDS/TCS registrants, SEZ units, casual taxpayers, and cancelled registrations are excluded. Existing taxpayers may file Annexure VII between 1 January and 31 March of the preceding financial year (for FY 2026–27: 01.01.2026–31.03.2026). New applicants must file Annexure VIII within 15 days of ARN generation. Declarations are submitted via EVC, allow up to 10 premises per filing, generate premise-wise reference numbers, and remain valid for subsequent years unless opted out via Annexure IX. Email/SMS confirmations

are issued upon successful filing. The advisory also requires re-filing electronically for FY 2026–27 where FY 2025–26 declarations were earlier submitted manually. **Goods and Services Tax Government of India, States and Union Territories**

**Advisory on Filing Opt-In Declaration for Specified Premises, 2025**

Jan 4th, 2026

Dear Taxpayers,

The relevant declarations issued vide Notification No.

05/2025 – Central Tax (Rate), dated 16th January 2025, are

now made available electronically on the GST Portal. These declarations may be opted for and filed by persons who are applying for registration or are already registered and supplying hotel accommodation services by declaring the premises as “specified premises”. Kindly take note of the following key points:

### **1. Who may opt and file the declaration**

- Regular taxpayers (active and suspended) supplying hotel accommodation service who want to declare their premises to be a “specified premises”

- Applicants for new GST registration who want to declare their premises to be a “Specified Premises”

The facility is not applicable to composition taxpayers, TDS/TCS taxpayers, SEZ units/developers, casual taxpayers, or cancelled registrations.

## **2. Types of Declarations**

The following declarations are made available on the portal:

- Annexure VII: Opt-In Declaration for Registered Person –

For existing registered taxpayers opting to declare premises as specified premises for a succeeding financial year.

2. Annexure VIII: Opt-In Declaration for Person Applying for Registration – For persons applying for new registration, to declare premises as specified premises from the effective date of registration.

### **3. Timeline for Filing Declarations**

#### **A.Existing Registered Taxpayers – Annexure VII**

- **Can be filed for the subsequent financial year during the specified window: 1st January to 31st March of the preceding financial year.**
- **For FY 2026-27, Annexure VII can be filed from 01.01.2026 to 31.03.2026.**

## **(B) New Registration Applicants – Annexure VIII**

- Can be filed within 15 days from the date of generation of ARN of the registration application.
- Filing is allowed irrespective of whether GSTIN has been allotted, provided the application is not rejected.
- After the lapse of 15 days, the opt-in declaration can be filed only when the window for Annexure VII is available, i.e., 1st January to 31st March.

- Taxpayers will not be able to file Annexure

VIII if the registration application is rejected,

irrespective of the fact that the 15 days have

lapsed or not.

#### 4. How to File the Declaration on GST Portal

1. Log in to the GST Portal

2. Navigate to: Services -> Registration -> Declaration for Specified Premises

3. Select the appropriate option:

- Opt-In Declaration for Specified Premises, or
- Download Annexure Filed

4. Select eligible premises, fill in the declaration, and submit using EVC.

On successful submission, an ARN will be generated.

### **5. Important Points to Note**

A maximum of 10 premises can be selected in one declaration. Additional declarations may be filed for remaining premises, if any. However, separate PDFs with reference numbers will be generated for each premise. If any premises are left for opt-in, the taxpayer may again file Annexure VII for that premise for the same financial year during the eligible window period. Suspended taxpayers are

allowed to file the declaration. However, cancelled taxpayers are barred from filing such declarations. The option exercised will continue for subsequent financial years unless an opt-out declaration (Annexure IX) is filed within the prescribed time.

## **6. Downloading of Filed Declarations**

- Filed Annexures (VII / VIII) can be downloaded from:

Services -> Registration -> Declaration for Specified

Premises -> Download

- Separate reference numbers are generated for each declared premise.

## 7. Email and SMS Intimation

Confirmation via email and SMS will be sent to all authorised signatories upon successful filing of the declaration.

Note:

1. For the first year, i.e., FY 2025–26, these declarations were filed manually with the jurisdictional authority.

However, since an online filing facility has now been made available, it is requested that such taxpayers shall file Annexure VII for the specified premises again electronically for FY 2026–27 from 1st January 2026 to

31st March 2026. 2. Declaring specified premises for the first time: Such taxpayers are required to file Annexure VII for FY 2026-27 from 1st January 2026 to 31st March 2026.

## **2. Notification- Page No- 6 to 26**

### **Customs & GST Portals Declared Protected Systems Under Information Technology Act**

#### **Notification No. S.O. 9 (E) | [F. No. N-24015/9/2025-Computer Cell]**

The Central Government has notified that key customs and indirect tax digital platforms—ICEGATE, its interconnected systems, the Express Cargo Clearance

System (ECCS), and the ACES–GST portal—are designated as “protected systems” and constitute Critical Information Infrastructure under Section 70 of the Information Technology Act, 2000. This declaration brings these systems and their associated databases under enhanced statutory protection to prevent unauthorised access, misuse, and cyber threats, given the sensitive trade and tax data they process. Access to these protected systems is now strictly limited to persons authorised in writing by the Central Board of

Indirect Taxes and Customs, including designated CBIC employees, approved contractual service providers or vendors with need-based access, and consultants, regulators, auditors, government officials, or stakeholders approved on a case-by-case basis.

Effective from the date of publication, the notification strengthens cybersecurity governance and establishes a clear legal framework for controlled, accountable access to core revenue administration infrastructure.

**MINISTRY OF FINANCE (Department of Revenue)**

**NOTIFICATION**

New Delhi, the 2nd January, 2026

S.O. 9(E).— In exercise of the powers conferred by sub-sections (1) and (2) of section 70 of the Information Technology Act, 2000 (21 of 2000) (hereinafter referred to as the said Act), the Central Government hereby declares the computer resources relating to systems/applications and their respective databases, namely Indian Customs Electronic Data Interchange Gateway (ICEGATE) Portal along with its

interconnected systems, Express Cargo Clearance

System (ECCS) and Automation of Central Excise and

Service Tax (ACES -GST) portal, being Critical

Information Infrastructure of Central Board of Indirect

Taxes & Customs, Department of Revenue, Ministry of

Finance and the computer resources of their associated

dependencies, to be protected systems for the purpose

of the said Act and authorises the following personnel

to access the protected systems, namely:

a. any designated employee of the Central Board of

Indirect Taxes and customs authorized in writing by the Central Board of Indirect Taxes and customs to access the protected system;

b. any team member of contractual managed service provider or third-party vendor who have been authorised in writing by the Central Board of Indirect Taxes and customs for need-based access; and

c. any consultant, regulator, Government official, auditor and stakeholder authorised in writing by the

Central Board of Indirect Taxes and customs on case-to-case basis.

2. This notification shall come into force on the date of its publication in the Official Gazette.

### **3. Notification- Page No- 6 to 26**

**GST Collections Rise in December 2025 Despite**

**Higher Refunds**

The Goods and Services Tax Network released provisional data on gross and net GST revenue

collections for December 2025, showing steady year-on-year growth despite higher refunds. Total gross GST revenue in December 2025 stood at ₹1,74,550 crore, reflecting 6.1% monthly growth over December 2024, driven by higher import IGST collections, which rose 19.7%. For the April–December period of FY 2025–26, gross GST reached ₹16.50 lakh crore, up 8.6% year-on-year. However, total refunds increased sharply by 30.9% in December 2025, moderating net revenues. Consequently, net GST revenue for December 2025

rose 2.2% to ₹1,45,570 crore, while cumulative net GST collections for the year-to-date period grew 6.8%. State-wise settlement data showed mixed trends, with several large states recording moderate growth in post-settlement SGST receipts. The figures are provisional and subject to final adjustments.

**Gross and Net GST revenue collections for the month of Dec, 2025 Jan 1st, 2026**

**Please click on the link below to view the gross and net GST revenue collections for the month of Dec,**

**2025.**

**<https://tutorial.gst.gov.in/downloads/news/monthly>**

**gst data for publishing dec 2025 final 01jan2026.**

**pdf**

## **1. Judgements Page No. 27 To 65**

**P&H HC Denied Anticipatory Bail Due to Alleged Fake**

**ITC Circulation**

**Case Law Details**

**Case Name:** Jitender Saharan Vs Senior Intelligence

Officer (Punjab Haryana High Court)

**Related Assessment Year:**

**Courts: All High Courts Panjab Haryana high court**

**Jitender Saharan Vs Senior Intelligence Officer**

**(Punjab Haryana High Court)**

The petitioner approached the Punjab and Haryana

High Court under Section 482 of the Bharatiya Nagarik

Suraksha Sanhita, 2023, seeking anticipatory bail in a

case registered by the Directorate General of GST

Intelligence (DGGI), Chandigarh Zonal Unit. The case

was initiated under Sections 132(1)(b), 132(1)(c) read

with Section 132(5) of the Central Goods and Services

Tax Act, 2017 and Section 20(xv) of the IGST Act,  
2017, alleging large-scale fraudulent availment and  
circulation of Input Tax

## **2. Judgements Page No.27 To 65**

**ITC Blocking Beyond One Year Invalid Without Fresh**

**Grounds: P&H HC**

**Case Law Details**

**Case Name: NB International Vs Commissioner**

**(Punjab and Haryana High Court)**

**Related Assessment Year:**

**Courts: All High Courts Panjab Haryana high court**

## **NB International Vs Commissioner (Punjab And Haryana High Court)**

The Punjab and Haryana High Court examined a writ petition seeking unblocking of Input Tax Credit (ITC) amounting to ₹82,50,038 lying in the petitioner's Electronic Credit Ledger (ECL). The petitioner, a partnership firm engaged in manufacturing brass and copper sheets and utensils in Haryana, was registered under the Central and Haryana Goods and Services Tax Acts, 2017. It had availed ITC in accordance with

Section 16 of the GST Act.

### **3. Judgements Page No.27 To 65**

**Orissa HC Quashes GST Order Over Identical Name**

**Confusion on WAMIS & IT Portal**

**Case Law Details**

**Case Name: Srikant Das Vs Joint Commissioner of**

**State Tax (Orissa High Court)**

**Related Assessment Year:**

**Courts: All High Courts Orissa High Court**

**Srikant Das Vs Joint Commissioner of State Tax**

**(Orissa High Court)**

**Srikant Das Vs Joint Commissioner of State Tax**

**(Orissa High Court)**

The Orissa High Court allowed the writ petition challenging an ex parte assessment and the consequent appellate order passed under the Goods and Services Tax law. The petitioner, a works contractor who had ceased business operations in 2016, had not obtained

registration after the introduction of the GST regime.

Despite this, proceedings were initiated against him

under Section 63 of the GST Act by generating a

temporary GSTIN and issuing a notice in Form GST

ASMT-14. As the petitioner was unaware of such

proceedings, he could not participate, resulting in an ex

parte assessment order dated 22.01.2022 treating him as

an unregistered taxable person and raising a demand.

The appeal filed under Section 107 of the GST Act was

also dismissed on 14.12.2023, thereby confirming the demand.

The petitioner contended that both the assessing and appellate authorities relied solely on data available on the Works and Accounts Management Information System (WAMIS) and the Income Tax portal, without granting an opportunity of hearing. It was argued that the demand arose due to incorrect data feeding and confusion caused by the existence of another contractor with the same name who was duly registered under

GST. The petitioner asserted that had a hearing been granted, the discrepancy could have been clarified.

During the proceedings, the State conceded, based on written instructions from departmental authorities and a clarification from the Superintending Engineer, that the GST returns reflected in WAMIS pertained to another person bearing an identical name who was registered under GST. It was acknowledged that the impugned assessment was erroneously passed against the petitioner due to this name-based confusion.

In view of the admitted factual error and the conceded position of the State, the High Court held that both the assessment order and the appellate order were unsustainable. Consequently, the orders dated 22.01.2022 and 14.12.2023 were quashed, and the writ petition was allowed.

## **FULL TEXT OF THE JUDGMENT/ORDER OF ORISSA**

### **HIGH COURT**

1. Petitioner, Works Contractor, having ceased to have business since 2016, did not choose to be registered

after introduction of the Central Goods and Services

Tax Act/the Odisha Goods and Services Tax Act, 2017

(Collectively, “GST Act”) and he has preferred the

instant writ petition challenging the impugned order

dated 22.01.2022 passed under Section 63 of the GST

Act by the Additional CT & GST Officer, Ganjam-II

Circle, Ganjam vide Annexure-2 and the appellate order

dated 14.12.2023 passed by the Joint Commissioner of

State Tax (Appeal), Territorial Range, Ganjam,

Berhampur vide Annexure-3.

2. It is submitted by Mr. Pranaya Kishore Harichandan, learned Advocate that by generating a temporary GSTIN 212100000505TMP, the Additional CT and GST Officer, Ganjam-II Circle, Ganjam initiated a proceeding under Section 63 of the GST Act by issue of notice in Form GST ASMT-14. Since the petitioner was unaware of the fact of such proceeding being initiated could not participate in the proceeding which led to passing of an ex parte order of assessment dated 22.01.2022 under the said provision treating the

petitioner as unregistered. It is further submitted that the appeal preferred under Section 107 of the GST Act against the said ex parte order of assessment stood dismissed by order dated 14.12.2023; thereby, the demand raised in the assessment got confirmed.

2.1. It is contended by Mr. Hari Chandan, learned Advocate that based on the data available on Works and Accounts Management Information System (for short, „WAMIS“), the Assessing Authority as well as the appellate authority proceeded to finalise the proceeding

under Section 63 of the GST Act. It is urged that had the authorities given an opportunity of hearing, the petitioner would have explained that due to wrong reporting and feeding of data in the portal in WAMIS and Income Tax Portal, the Executive Engineer R&B) Ganjam Division-I, Berhampur, an arbitrary demand has been raised by passing an order of assessment under Section 63 of the GST Act. It is impressed upon that another works contractor with the same name being available as registered under GST Act, confusion

appears to have crept in.

2.2. It is argued that the authorities could have called for appropriate information from the concerned authority instead of relying blindly on the data uploaded in the WAMIS and Income Tax Portal.

3. Mr. Sunil Mishra, learned Standing Counsel for CT and GST Organization having availed opportunities to obtain instruction (s) on earlier occasion (s), furnished the written instructions submitted by the Joint Commissioner of CT & GST, CT & GST Circle,

Ganjam-II, Berhampur wherein the copy of letter dated 13.01.2026 issued by the Superintending Engineer, Ganjam R & B Division-1, Berhampur is enclosed. It is asserted by the said Superintending Engineer that the information supplied in the letter dated 29.10.2025 issued by his Office under the Right to Information Act, 2005 was correct. It is clarified by Mr. Sunil Mishra, learned Standing Counsel with reference to letter dated 13.01.2026 that the return in the GST Act filed by the Office of Superintending Engineer was with respect to

transaction of a person who happens to be registered

under the GST Act assigned with GSTIN

21CFDPD1998GIZO with the identical name as that of

the petitioner. Mr. Sunil Mishra, learned Standing

Counsel conceded that the present assessment order

being passed against a person who remained

unregistered under the GST Act under an impression

that though he had turnover as uploaded in the WAMIS

against Srikant Das. He submitted that confusion arose

as the names of both the registered and unregistered

persons are identical.

4. In view of such conceded position and taking note of written instruction(s) of Joint Commissioner of CT & GST, CT & GST Circle, Ganjam-II as furnished by learned Standing Counsel, the impugned order dated 22.01.2022 passed under Section 63 of the GST Act by the Additional CT & GST Officer, Ganjam-II Circle, Ganjam and the appellate order dated 14.12.2023 passed by the Joint Commissioner of State Tax

(Appeal), Territorial Range, Ganjam, Berhampur cannot be sustained.

5. Hence, the aforesaid orders vide Annexures-2 and 3 are hereby quashed and set aside. The Writ Petition is allowed accordingly. Pending Interlocutory Application(s), if any, shall stand disposed of.

## **4. Judgements Page No.27 To 65**

**Orissa HC Disposed Writ Petition Due to**

**Availability of GST Appellate Tribunal Remedy**

**Case Law Details**

**Case Name: Cordant Engineerings India Private Ltd**

**Vs State Tax Officer (Orissa High Court)**

**Related Assessment Year:**

**Courts: All High Courts Orissa High Court**

## **Cordant Engineerings India Private Ltd Vs State**

### **Tax Officer (Orissa High Court)**

The petitioner challenged an order dated 20 January

2022 passed by the CT and GST Officer, Bhubaneswar-

III Circle, for the tax period April 2019 to March 2020

under Section 73 of the Central Goods and Services Tax

Act, 2017 and the Odisha Goods and Services Tax Act,

2017. The said order was affirmed by the Appellate

Authority on 5 September 2023. The challenge before

the High Court was primarily premised on the ground

that although a statutory remedy of appeal under Section 112 of the GST Act lies before the Goods and Services Tax Appellate Tribunal (GSTAT), such remedy was unavailable due to non-constitution and non-functionality of the Tribunal, rendering the petitioner remediless.

The Standing Counsel for the Department

acknowledged that the GSTAT had not been constituted or made functional at the relevant time. However, it was contended that this circumstance did not dispense with

the statutory requirement under Section 112(8) of the GST Act, which mandates pre-deposit of the admitted tax liability in full and an additional sum equal to ten per cent of the remaining disputed tax, subject to a ceiling of twenty crore rupees, as a condition precedent for filing an appeal.

The Court took note of a subsequent notification issued by the Department of Revenue, Ministry of Finance, dated 17 September 2025, which notified 30 June 2026 as the last date for filing appeals before the GSTAT in

respect of orders communicated prior to 1 April 2026.

For orders communicated on or after 1 April 2026,

appeals are to be filed within three months from the

date of communication. The Court also noted the

issuance of a “User Advisory for the GSTAT E-Filing

Portal,” which provided a staggered timeline for filing

second appeals under Section 112 based on the dates of

filing first appeals or issuance of revisional notices,

with filing windows extending up to 30 June 2026.

In view of the fact that the statutory appellate forum has now been provided for and made functional, and that sufficient time has been granted for filing appeals before the GSTAT through extended and staggered timelines, the Court held that it would not be appropriate to keep the writ petition pending. The dispute raised by the petitioner was capable of adjudication by the appellate tribunal.

Accordingly, the writ petition was disposed of with directions that the petitioner shall deposit the amount

required under Section 112(8) of the GST Act, if not already deposited, and file the appeal before the GSTAT strictly in accordance with the timelines prescribed in the User Advisory for the GSTAT e-Filing Portal. The Court further directed that if the appeal is filed in compliance with Section 112 and the relevant rules, the GSTAT shall entertain it. The Court clarified that it had expressed no opinion on the merits of the first appellate order, and all pending interlocutory applications stood disposed of.

1. The petitioner has challenged the order dated 20th January, 2022 passed by the CT and GST Officer, Bhubaneswar-III Circle, Bhubaneswar for the tax periods from April, 2019 to March, 2020 under Section 73 of the Central Goods and Services Tax Act, 2017/the Odisha Goods and Services Tax Act, 2017 (hereinafter referred to as “GST Act”), which was affirmed in an appeal by the Appellate Authority on 5th September, 2023.

2. According to learned advocate appearing for the petitioner, although the remedy by way of an appeal is provided under Section 112 of the GST Act under the Goods and Services Tax Appellate Tribunal (GSTAT) against the order in appeal, such remedy is not available as the GSTAT has not been constituted and made functional and, therefore, an aggrieved person cannot be rendered remediless.

3. Learned Standing Counsel appearing for the CT and GST Department corroborated the aforesaid stand of the

petitioner so far as it relates to non-constitution and non-functional of the GSTAT, but arduously submits that it does not absolve the aggrieved person in complying with the mandate envisaged under subsection (8) of Section 112 of the GST Act putting a restriction in filing the appeal unless the appellant paid in full, such part of the amount of tax, interest, fine, fee and penalty arising from the said order as admitted by him and a sum equivalent to ten per cent of the

remaining amount of tax in dispute subject to a maximum of twenty crore rupees.

4. It would be apposite to quote the said provision, which runs thus:- “(8) No appeal shall be filed under sub-section (1), unless the appellant has paid— (a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and (b) a sum, equal to ten per cent of the remaining amount of tax in dispute, in addition to the amount paid under

sub-section (6) of Section 107, arising from the said order, subject to a maximum of twenty crore rupees, in relation to which the appeal has been filed.”

4.1. It has been brought to our notice that the Department of Revenue, Ministry of Finance issued a notification being S.O. No.4220(E) dated 17th September, 2025 providing an opportunity to an aggrieved person to file an appeal in exercise of the powers conferred by sub-section (1) of Section 112 of

the Central Goods and Services Tax Act, 2017 in the

following:

“In exercise of the powers conferred by sub-section(1)

of Section 112 of the Central Goods and Services Tax

Act, 2017 (12 of 2017), the Government, on the

recommendations of the Council, hereby notifies the

30th day of June, 2026, as the date upto which appeal

may be filed by the Appellate Tribunal under this Act in

respect of all cases where the order sought to be

appealed against is communicated to the person

preferring the appeal before the 1st day of April, 2026 and all appeals in respect of order communicated on or after 1st April, 2026 may be filed before the Appellate Tribunal within three months from the date on which such order is communicated to the person preferring the appeal.”

4.2. Apropos the same and in order to facilitate smooth filing of an appeal before the said Tribunal, a “User Advisor for the GSTAT e-Filing Portal” is also issued by the authorities containing the timeline within which

the appeal can be filed before the GSTAT in the

following:

“User Advisory for the GSTAT E-Filing Portal Please

note that this advisory is only a snapshot for the entire

appeal filing process. For detailed understanding and in

order to have a seamless experience on the portal, users

are advised to refer to the E-filing user manual, FAQs

and user videos.

4.3. It is no longer *res integra* that the Writ Court can be

approached assailing an order for which the forum of

appeal is provided and the same is entertainable in the event the forum is not made functional or constituted as the person cannot be rendered remediless. Equally it is true that if conditions are attached to filing an appeal before such forum, the Writ Court shall ensure strict compliance thereof as a person cannot steal a march taking a shelter that there is no inhibition in the writ Court in entertaining the writ petition and passing an order taking departure from the said statutory provision.

5. Since the forum has already been provided in the

statute, which is now made functional and the period for filing the appeal has been extended in a fragmented manner, it would not be proper for the Writ Court to keep such writ petitions pending as the dispute raised by the petitioner in the instant writ petition can be adjudicated by the said forum and, therefore, the writ petition is disposed of with the following directions:

I. The petitioner is directed to deposit the amount if not already deposited, as required under sub-section (8) of

Section 112 of the GST Act before the GSTAT to file the appeal within the period specified in the timeline mentioned above.

II. The petitioner, as undertaken, shall file appeal as per the timeline given in the “User Advisor for the GSTAT e-Filing Portal”.

III. In the event the appeal is filed and the same is found to be in order as per the requirement of Section 112 of the GST Act read with relevant Rules framed thereunder, the same shall be entertained by the GSTAT.

6. This Court makes it clear that we have not expressed any opinion on the merits on the First Appellate Order.

As a result of disposal of the writ petition, pending

Interlocutory Application(s), if any, shall stand disposed

of.

## **1. Articles Page No 66 To 95**

### **GST on Foreign Patent Filing Fees: Understanding**

#### **Medtrainai Ruling**

The question of whether Indian companies must pay

GST on payments for filing patents abroad has been a

long-standing source of confusion for startups and

technology firms. Many companies assumed that if

patents are filed outside India through foreign patent

attorneys, and the payments are routed via an Indian

intermediary, such transactions would not attract GST.

This assumption has often led to delayed compliance or unplanned tax liabilities.

The West Bengal Authority for Advance Ruling (AAR) in

In re: Medtrainai Technologies Pvt. Ltd. provided clarity

on this issue. The AAR ruled that fees paid to foreign

patent attorneys for filing patents abroad are

considered import of services and are taxable at 18%

under the Reverse Charge Mechanism (RCM).

The ruling highlights several key points for Indian

businesses:

1. Foreign patent attorneys are not “advocates” under Indian law, so legal-service exemptions cannot be applied.

2. Labelling payments as “reimbursements” or routing them through Indian intermediaries does not remove GST liability.

3. Filing patents abroad is part of a company’s business activity in India, making it a taxable service.

This decision is especially relevant for technology startups and companies with cross-border intellectual

property (IP) portfolios, as it underscores the importance of planning for GST in global patent strategies.

## **Why Payments to Foreign Patent Attorneys Are**

### **Taxable**

- Medtrainai Technologies, a medical technology company, regularly files patents in foreign jurisdictions, including Japan, the USA, and the UK. To manage these filings efficiently, it engaged an

Indian company, Seenergi IPR, to act as a coordinator.

Seenergi's responsibilities included:

- Receiving payments from Medtrainai,
- Handling invoices for foreign patent attorneys, and
- Providing coordination and support services in India.

Seenergi raised invoices with two main components:

1. Amounts labeled as reimbursements for fees paid to

foreign patent attorneys.

2. Seenergi's own service and coordination charges.

While Medtrainai discharged GST on Seenergi's

service charges, it disputed the applicability of GST

on the reimbursement portion. Their argument

rested on three main points:

3. The services were performed entirely outside

India.

4. The payments were merely reimbursements

without any markup.

5. Filing patents abroad was not “received” in India

and therefore not taxable.

The AAR carefully examined these arguments and rejected all of them, setting a clear precedent.

The company argued that reimbursements are not consideration for a supply and therefore cannot attract GST. However, the AAR clarified that for a reimbursement to avoid GST, the service provider must first incur the expense and then recover it. In this case, Medtrainai transferred funds to Seenergi, which simply forwarded them to the foreign attorneys. This is not a reimbursement in the GST sense.

Furthermore, Medtrainai also attempted to rely on Rule 33 of the CGST Rules, 2017, which allows certain expenses to be recovered by a supplier acting as a pure agent without GST. A pure agent must have a formal contractual agreement authorizing them to incur expenditure on behalf of the recipient. The AAR found no such agreement existed, and simply describing payments as reimbursements or “coordination costs” does not qualify.

### **Section 13 of the IGST Act- Place of Supply**

Under Section 13 of the IGST Act, 2017:

section 13. Place of supply of services where location of supplier or location of recipient is outside India.-

(1) The provisions of this section shall apply to

determine the place of supply of services where the

location of the supplier of services or the location of

the recipient of services is outside India.

(2) The place of supply of services except the services

specified in sub-sections (3) to (13) shall be the location

of the recipient of services

Since Medtrainai is located in West Bengal, the place of supply is in India, making the foreign patent services an import of services. Consequently, GST under the Reverse Charge Mechanism at 18% applies automatically.

This point is crucial because many startups assumed that services rendered entirely outside India are outside the GST net. The ruling clarifies that location of the recipient, in this case, Medtrainai, is determinative unless specific exceptions apply.

## **Services Are in the Course or Furtherance of Business**

Medtrainai also argued that filing patents abroad does not qualify as being in the course or furtherance of business in India, since the protection is limited to foreign jurisdictions. The AAR rejected this, observing that intellectual property protection is integral to business strategy. Filing patents abroad safeguards innovation, secures competitive advantage, and preserves potential revenue streams, all of which are part of a company's business in India.

By classifying these foreign patent services as in the course of business, the AAR confirmed that they constitute a taxable supply, even though the service provider (foreign attorney) is located outside India.

## **Conclusion**

“This appears to be a dubious claim inasmuch as the act of filing a patent is to protect their intellectual property in the respective jurisdiction, which, in our view, is very much in the course or furtherance of the applicant’s business. However, the point of

determination on whether something is a supply is that whether the activity is in the course or furtherance of the business of the supplier of service, i.e. whether the legal services provided were in the course or furtherance of the business of the foreign attorneys, in this case. It is the second element that is the subject matter of the present application and we have no doubt that the service rendered by the foreign attorneys is a supply. So we find no force in the arguments put forward by the applicant.”

In conclusion, the AAR ruling firmly establishes that payments to foreign patent attorneys for filing patents abroad are taxable as import of services under GST via the Reverse Charge Mechanism. Indian intermediaries cannot avoid GST by labelling payments as reimbursements, and legal-service exemptions are strictly limited to Indian advocates. For startups and technology companies, the ruling underscores that foreign patent filings are part of doing business in India, and GST compliance must be integrated into financial

and IP strategies proactively. Companies must account for this liability in advance, ensuring proper planning for cash flow and input tax credit eligibility, rather than treating cross-border patent filings as optional or uncertain from a GST perspective.

## **2. Articles Page NO. 66 To 95**

### **Taxpayer's Parade: New Weapons of Income Tax and GST Authorities**

Using a Republic Day parade metaphor, the dialogue explains how India's tax authorities showcase their modern "weapons" to enforce compliance and curb evasion. On the Income Tax side, key tools include the upcoming Income Tax Act, 2025 effective from April 2026, strengthened search and seizure provisions, survey powers, revised limits for filing TDS revised

returns, and scrutiny through faceless assessments.

These measures emphasize deeper reach, tighter timelines, and technology-driven oversight. On the GST front, the focus is on data-driven compliance through GSTR-1/1A and GSTR-3B linkage, the invoice management system for ITC control, mandatory e-invoicing and e-way bills, intensified GST audits, and blocking of ITC where suppliers fail to pay tax. The central message is clear: as enforcement becomes smarter and more interconnected, taxpayers must

remain vigilant, transparent, and timely in compliance.

Preparedness, accurate reporting, and proactive

correction are essential to avoid disputes and penalties.

**Arjuna (Fictional Character):**

Krishna, on 26th January,

India celebrates its Republic Day. This day showcases

the might and strength of our country, as the Army,

Navy, and Air Force display their advanced weapons.

Can you tell me, what weapons are the tax departments

showcasing in the grand “Taxpayer’s Parade”?

**Krishna (Fictional Character):**

Arjuna, just as India’s Republic Day parade highlights the strength and unity of the nation, it’s also a demonstration of the powerful tools our tax authorities have to maintain law and order in the economic system.

The Income Tax and GST departments, in particular, have upgraded their inventory of weapons to ensure compliance and stop evasion.

**Arjuna:** Krishna, how will Income Tax department take

Taxpayer's Parade and what are the weapons which the Income Tax department have?

**Krishna:** Arjuna, The Income Tax department have the following weapons:

1. New Income Tax Act 2025 – A Parade of Reforms: A

new Income Tax Act 2025 has been introduced which

shall be applicable from 1st April 2026. It is also

expected that government may bring some changes in

the above act in this Budget 2026 to be announced on

1st February 2026. So taxpayers must wait to see

whether the changes are “missile” which brings significant changes or just a “bullet” which might be more of a small or minor adjustments to existing provisions.

2. Search and Seizure Missile- Section 132 of the Income Tax Act 1961, which has now been revised to Section 247 of the Income Tax Act 2025 gives power to Income Tax Department for conducting Search and Seizure. This weapon of Income tax does most damage to the taxpayers. Under new amendments under

Search and Seizure, the missile can harm the taxpayer in the past 6 years and a single assessment is made for the Block Period of 6 years in such cases. Here tax evaders should be aware of this.

### 3. Survey Bomb- Section 133A of the Income Tax Act

1961 which has now been revised to Section 253 of the

Income Tax Act 2025 gives power to Income Tax

Department for conducting Survey. The survey bomb

weapon does not have any impact at the start, but if

the Income Tax department finds a clue of any

concealment of Income, then this bomb makes a huge impact on the taxpayer.

#### 4. Limitation on TDS Revised Return – Due to

introduction of new Income Tax Act, 2025, w.e.f 1st

April 2026 TDS revised return can be filed only within

two years from the end of the tax year in which such

statement is required to be delivered.

#### 5. Scrutiny and Faceless Assessment This is the kind of

weapon where Income Tax sends in scrutiny notice

under section 143(2) of the Income Tax Act 1961 which

has now been revised to Section 270 of the Income Tax Act 2025. It is worth noting that nowadays the Assessments are held through faceless mechanism due to which the taxpayer is unaware which officer is conducting his assessment, it's just like a camouflage in a war situation where you are unaware that who is attacking you.

**Krishna (Fictional Character):** Arjuna, the GST

department has introduced several powerful weapons to tackle GST evasion. These “weapons” ensure better

compliance and help the department identify

discrepancies. Following are some of the weapons:

1. GSTR-1/1A and GSTR-3B Returns: The data entered in GSTR-1 (sales data) automatically gets populated in GSTR-3B return. The taxpayer cannot edit these auto-populated figures in GSTR-3B. So, if there's a mistake in GSTR-1 and it's not corrected in GSTR-1A, the taxpayer will be forced to file GSTR-3B with those incorrect figures, which could lead to issues down the line.

Therefore, for correcting the mistake a new important

weapon GSTR-1A is introduced for better compliance.

Before filing GSTR-3B any mismatch arises then correct

it by filing GSTR-1A.

2. Invoice Management System: The GST department

has introduced a new invoice management dashboard

for availment of input tax credit where taxpayers must

accept, reject, or keep invoices pending which are

reflecting in GSTR-2B. Currently non-compliance of

such dashboard may not result in penalties, but soon it

could become mandatory. This weapon ensures that

ITC is correctly claimed and are in line with the GST laws.

3. E-invoicing and E-way Bill System: Large businesses are now required to generate e-invoices and e-way bills in real-time on the GST portal. This ensures a continuous flow of data, allowing the department to track compliance effectively. Additionally, GST roving squads are actively intercepting vehicles to verify invoices and e-way bills. If any discrepancies are found

between the documents, it could lead to heavy penalties for non-compliance.

4. Conduct of GST Audits: The department has stepped up GST audits and anti-evasion measures. They are closely scrutinizing returns like GSTR-1, GSTR-3B, and GSTR-9, as well as taxpayers' books of accounts. Any mismatch between sales, purchases, or taxes could trigger notices and lead to penalties.

5. Blocking of Input Tax Credit (ITC) for Non-Payment of Taxes by Suppliers (Section 16(2)(c)): Taxpayers cannot

claim ITC on invoices where the supplier has not paid taxes to the government. This rule ensures that the entire supply chain remains tax compliant. If a taxpayer claims ITC in such cases, a notice may be issued by the department.

**Arjuna (Fictional Character):** Krishna, what lesson should one learn from this?

**Krishna (Fictional Character):** Arjuna, the lesson here is that vigilance, transparency, and timely action are essential for every taxpayer. Just as a soldier prepares

and stays alert in battle, a taxpayer must be proactive in filing returns, paying taxes, and maintaining accurate records. Ultimately, by staying prepared and responsible, taxpayers can navigate the system smoothly and avoid unnecessary trouble.