

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

**GST UPDATE**  
**(February- 2026)**

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## **1. Notification Page No. 5 To 25**

### **GSTN Enables Withdrawal from Rule 14A via Form GST REG-32 with Aadhaar Authentication**

**Press Release No. 650**

GSTN has introduced an online facility enabling eligible taxpayers registered under Rule 14A of the CGST Rules to apply for withdrawal (opt-out) by filing Form GST REG-32 on the GST Portal. The option is available only to active taxpayers registered under Rule 14A. Applicants must log in, navigate to the withdrawal application link, provide reasons, and complete Aadhaar authentication for the Primary Authorised Signatory and at least one Promoter/Partner. Key pre-conditions include filing prescribed returns—minimum three months' returns if

applied before 1 April 2026, and at least one tax period if applied on or after 1 April 2026—along with all pending returns from the effective registration date. Draft applications and Aadhaar authentication must be completed within 15 days. During processing, core and non-core amendments and self-cancellation are restricted. Upon approval through Form GST REG-33, taxpayers may furnish specified output tax liability details from the first day of the succeeding month.

Feb 21st, 2026

## **Goods and Services Tax**

**Government of India, States and Union Territories**

**Facility for Withdrawal from Rule 14A**

- GSTN has enabled a new online facility for eligible taxpayers to apply for withdrawal from the option availed under Rule 14A of the CGST Rules by filing Form GST REG-32 on the GST Portal.

### 1. Who can apply

- Active Taxpayers who are registered under Rule 14A, may apply for OPT OUT in accordance with the provisions of the law.

### 2. How to apply on the GST Portal

- After login, navigate to: Services -> Registration -> Application for Withdrawal from Rule 14A The link will be visible only if the taxpayer is registered under Rule 14A and is active.
- The field “Option for registration under Rule 14A” will be selected as “No” by default.

- Enter “Reason for withdrawal from Rule 14A”.
- Proceed to Aadhaar Authentication tab for Aadhaar

Authentication of Primary Authorised Signatory and one Promoter/Partner.

### 3. Key pre-conditions

The registered person shall not be allowed to file Form GST REG-32 unless he has furnished,

(a) returns for a period of minimum three months, if Form GST REG-32 is filed before 1st April, 2026;

(b) returns for a period of minimum one tax period, if Form GST REG-32 is filed on or after 1st April, 2026; and

- (c) all the returns due for the period from the effective date of registration till the date of filing of Form GST REG-32.

#### 4. Aadhaar authentication

- Based on data analysis, the taxpayer will have to undergo either OTP based Aadhaar authentication or Biometric based Aadhaar Authentication.
- Authentication is required for
- Primary Authorised Signatory (mandatory) and
- At least one Promoter/Partner (where applicable).
- ARN will be generated only after successful Aadhaar authentication.

#### 5. Important timelines

Draft application must be submitted within 15 days of creation.

- Aadhaar/Biometric authentication must be completed within 15 days from submission.
- If authentication is not completed within the prescribed time, ARN will not be generated.

#### 6. Restrictions during processing

- While Form GST REG-32 is pending after submission, Taxpayer cannot file Core amendment, non-core amendment and Self-cancellation application.

#### 7. Post-Sanction of Opt-Out

The taxpayer who has received an order in Form GST REG-33 allowing withdrawal shall be able to furnish the details of output

tax liability on supply of goods or services or both made to registered persons, exceeding the output tax liability of Rs.2.5 lakhs, from the first day of succeeding month in which the said order has been issued.

## **2. Notification Page No. 5 To 25**

### **Press Releases No. 649**

The Government of India, through GSTN, has issued an update dated February 19, 2026, regarding enhancements in GSTR-3B filing effective from the January 2026 tax period. The interest computation in Table 5.1 has been revised in line with the proviso to Rule 88B(1) of the CGST Rules, 2017, allowing deduction of the minimum cash balance available in the

Electronic Cash Ledger from the due date till payment. The system will auto-populate interest based on a revised formula, and such values will be non-editable downward, though taxpayers may increase them after self-assessment. The portal will also auto-populate the tax liability breakup table for prior-period supplies reported in current returns. Additionally, after exhausting IGST ITC, taxpayers can utilize CGST or SGST ITC in any order for IGST payment from February 2026 onwards. Interest on delayed final returns of cancelled registrations will be collected through GSTR-10.

## **Goods and Services Tax**

**Government of India, States and Union Territories**

## **Attention: Update on Advisory on Interest Collection and Related Enhancements in GSTR-3B**

In continuation to the advisory posted on the GST Portal on 30th January, 2026 on the above subject, it is hereby informed that the functionality to utilise CGST or SGST ITC for payment of IGST liability, in any order of payment after complete exhaustion of IGST Credit (ref point no 3 of the advisory), shall be available from February-2026 period. For detailed advisory posted earlier, kindly refer the below link:

[https://tutorial.gst.gov.in/downloads/news/advisory\\_on\\_interest\\_calculator.pdf](https://tutorial.gst.gov.in/downloads/news/advisory_on_interest_calculator.pdf) Thanks, Team GSTN Advisory on Interest

Collection and Related Enhancements in GSTR-3B It is hereby informed that from January-2026 period onwards, the following

enhancement have been made in filing of GSTR-3B:

### **Update in Interest Computation for GSTR-3B**

From January-2026 tax period onwards, the interest calculation in table 5.1 of GSTR-3B on portal has been enhanced, providing the benefit of the minimum cash balance available in the Electronic Cash Ledger of the taxpayer from the due date of return filing until the date of tax payment (offset) in line with the proviso to Rule 88B(1) of the CGST Rules, 2017.

The said change shall be applicable on the delayed returns filed for January 26' tax period for which interest shall be auto-populated in February 26' tax period's GSTR-3B. The revised interest computation formula is mentioned below for better understanding of the taxpayers.

## Revised Interest Computation Formula

$$\text{Interest} = (\text{Net Tax Liability} - \text{Minimum Cash Balance in ECL} \\ \text{from due date to date of debit}) \\ \times (\text{No. of days delayed} / 365) \times \text{Applicable Interest Rate}$$

### **1. System-Computed Interest in Table 5.1:**

The interest auto-populated on the basis of the revised computational formula mentioned above, in table 5.1 of GSTR-3B shall be non-editable and taxpayers would not be allowed to amend the auto-populated values downward. It may be noted that the interest auto-populated in GSTR-3B is only the minimum interest that is required to be paid by the taxpayer. However, the taxpayers needed to self-assess their correct

interest liability, and amend the auto-populated values upward, if required.

## **2. Auto-Population of Tax Liability Breakup Table in GSTR-3B**

The 'tax liability breakup table' in GSTR-3B capture the supplies of previous tax periods, reported in current period. The tax is being paid for such supplies in current tax period. Hence, for the filing of GSTR-3B from January-2026 tax period onwards, the GST Portal shall auto-populate the "Tax Liability Breakup Table" in GSTR-3B on the basis of date of documents related to supplies reported in GSTR-1 / GSTR-1A / IFF pertaining to any previous tax period. Where the corresponding

tax liability has been discharged in the current period's GSTR-3B.

### GSTN Advisory on Interest Collection and Related Enhancements in GSTR-3B

This enhancement is intended to assist taxpayers in accurate reporting of tax liability and align the computation of interest as per proviso of Section 50 of CGST Act, 2017.

### **3. Update in Table 6.1 – Suggestive Cross-Utilization of ITC**

From January-2026 period onwards, once the available IGST ITC has been fully exhausted, the GST Portal will allow to pay IGST liability in Table 6.1 of GSTR-3B using available CGST and SGST ITC in any sequence,

#### **4. Collection of Interest in GSTR-10 for Delayed Filing of Last Applicable GSTR-3B**

In case of cancelled taxpayers, if the last applicable GSTR-3B return has been filed after the due date, then the interest applicable on such delayed filing shall be levied and collected through the Final Return i.e., GSTR-10.

Disclaimer – This advisory has been prepared solely for educational purposes. It is not a legal advice hence; taxpayer must rely on statutory provisions for compliance requirements.

For any official or legal purpose, please refer to the applicable GST laws, rules, and notifications.

### **3. Notification Page No. 5 To 25**

**Govt Notifies DGGI ADG as IGST Nodal Officer; Afcom**

**Named Indian Carrier under GST**

**Notification No. S.O. 858(E) and S.O. 859(E)**

The Ministry of Finance, Department of Revenue, issued two notifications dated 17 February 2026. Vide S.O. 858(E), the

Central Government, in pursuance of clause (b) of sub-section (3) of section 79 of the Information Technology Act, 2000 read

with clause (d) of sub-rule (1) of rule 3 of the Information

Technology (Intermediary Guidelines and Digital Media Ethics

Code) Amendment Rules, 2025, and in supersession of

Notification S.O. 95(E) dated 6 January 2025, designated the

Principal Additional Director General/Additional Director

General (Intelligence) of the Directorate General of GST

Intelligence Headquarters (DGGI-HQ), Central Board of Indirect

Taxes and Customs, Department of Revenue, as the nodal

officer for the purposes of the said rules in respect of section

14A(3) of the Integrated Goods and Services Tax Act, 2017.

The notification states that it shall remain in force from the date

of its publication in the Official Gazette.

In a separate notification, S.O. 859(E), issued under sub-

section (5) of section 5 of the Central Sales Tax Act, 1956, the

Central Government specified M/s. Afcom Holdings Limited

(Afcom), having its registered office at No. 2, LIC Colony, Dr.

Radhakrishnan Nagar, Thiruvanmiyur, Chennai-600041, India,

as the “designated Indian carrier” for the purposes of the said

sub-section. Both notifications were issued by the Department of Revenue on 17 February 2026.

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

**NOTIFICATION New Delhi, the 17th February 2026**

**S.O. 858(E).**— In pursuance of clause (b) of sub-section (3) of section 79 of the Information Technology Act, 2000 (21 of 2000) read with clause (d) of sub-rule (1) of rule 3 of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2025 and in supersession of earlier Notification S.O. 95(E) dated 06.01.2025 issued in this regard, the Central Government hereby designates the Principal Additional Director General

/Additional Director General (Intelligence) of Directorate General of GST Intelligence Headquarters (DGGI-HQ), Central Board of Indirect Taxes and Customs, in Department of Revenue, Ministry of Finance, as the nodal officer for the purposes of the said rules in respect to section 14A(3) of Integrated Goods and Services Tax Act, 2017 (13 of 2017).

2. This Notification shall remain in force from the date of its publication in the Official Gazette.

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

### **NOTIFICATION**

**S.O. 859(E).**— In exercise of the powers conferred by sub-section (5) of section 5 of the Central Sales Tax Act, 1956 (74 of 1956), the Central Government hereby specifies M/s. Afcom

Holdings Limited (Afcom) having its registered office at No. 2, LIC Colony, Dr. Radhakrishnan Nagar, Thiruvanmiyur, Chennai-600041, India as “designated Indian carrier” for the purposes of the said sub-section.

#### **4. Notification Page No. 5 To 25**

#### **Gross & Net GST revenue collections for January 2026**

#### **Month**

#### **Press Release No. 648**

India’s Goods and Services Tax collections for January 2026

reflected steady growth across both gross and net revenues,

indicating sustained economic activity. Total gross GST

revenue stood at ₹1,93,384 crore, registering a 6.2% year-on-

year increase, driven by growth in domestic collections (up 4.8%) and a stronger rise in import-related IGST (up 10.1%).

After accounting for domestic and export refunds, net GST revenue reached ₹1,70,719 crore, marking a 7.6% annual growth. On a cumulative basis for April 2025 to January 2026, gross GST collections grew by 8.3%, while net collections rose 6.8% year-on-year. Refund outflows increased on a yearly basis, particularly export refunds, though monthly refunds declined marginally. Compensation cess collections fell sharply in January 2026, reflecting the winding-down of the transitory cess mechanism. Overall, the data released by Goods and Services Tax Network highlights stable revenue momentum

with notable contribution from imports and improved net realizations.

**Goods and Services Tax Government of India, States  
and Union Territories**

Gross and Net GST revenue collections for the month of Jan,  
2026 Feb 1st, 2026 Please click on the link below to view the  
gross and net GST revenue collections for the month of Jan,  
2026.

[https://tutorial.gst.gov.in/downloads/news/final\\_approved\\_monthly\\_gst\\_data\\_for\\_publishing\\_jan\\_2026\\_01022026.pdf](https://tutorial.gst.gov.in/downloads/news/final_approved_monthly_gst_data_for_publishing_jan_2026_01022026.pdf)

## **1. Judgements Page No. 26 To 103**

**Filing Not Streamlined No Ground to Bypass GST Appellate**

**Tribunal: Gujarat HC**

Case Name : **Natubhai Uttambhai ODD Vs Additional**

Commissioner (Gujarat High Court) Appeal Number and Date of

Judgement/Order are available only for members.

Related Assessment Year :

Courts : **All High Courts (21276) Gujarat High Court (1567)**

**Natubhai Uttambhai ODD Vs Additional**

**commissioner (Gujarat High Court)**

The petitioner filed the present writ petition seeking quashing of

(i) the appellate order dated 29.09.2025 passed under Section 107

of the Central Goods and Services Tax Act, 2017, (ii) the order-in-original dated 20.01.2025 passed under Section 74 of the Act, and (iii) the show cause notice dated 03.08.2024 along with corrigendum dated 08.08.2024 issued under Section 74. The petitioner also sought interim relief staying the operation of the impugned appellate and original orders.

At the outset, the Court pointed out the availability of an alternative statutory remedy by way of appeal before the Appellate Tribunal.

The petitioner's counsel submitted that the filing of appeals before the Tribunal was not yet streamlined and that legal issues involved in the petition required adjudication by the High Court.

The respondents relied upon a Notification dated 17.09.2025 issued by the Ministry of Finance under Section 112(1) of the CGST Act, notifying 30.06.2026 as the last date for filing appeals before the Appellate Tribunal in respect of orders communicated before 01.04.2026. For orders communicated on or after 01.04.2026, appeals could be filed within three months from the date of communication.

In view of the said Notification and the availability of an alternative remedy, the Court held that the factual aspects and observations of the appellate authority could be examined by the Appellate Tribunal, which was already constituted. The Court observed that merely because the filing process was not streamlined would not

dilute the statutory provisions governing appeal against the impugned orders.

The Court further held that no jurisdictional error had been committed by the appellate authority and the impugned order was not without jurisdiction. Therefore, the contentions raised in the writ petition could appropriately be addressed before the Tribunal.

On this ground, the writ petition was rejected, as the petitioner had an alternative remedy of filing an appeal before the Appellate Tribunal.

At that stage, the petitioner sought liberty to approach the Court in case the Tribunal did not take up the appeal within a reasonable time and recovery proceedings were initiated. The Court clarified

that the petitioner could file an appropriate application seeking stay of recovery before the Tribunal. If the Tribunal did not pass any order on such application or rejected the prayer, it would remain open for the petitioner to initiate appropriate proceedings before the High Court.

Accordingly, the writ petition stood rejected on the ground of availability of an alternative statutory remedy.

**FULL TEXT OF THE JUDGMENT/ORDER OF GUJARAT HIGH COURT**

1. The present writ petition has been filed for the following reliefs:

“(A) YOUR LORDSHIP may be pleased to admit and allow the present petition;

(B) YOUR LORDSHIP may be pleased to issue writ of certiorari or any other appropriate writ, order or direction quashing and setting

aside the impugned order in appeal dated 29.09.2025 passed u/s

107 of the Central Goods and Services Tax Act, 2017 by

Respondent No. 3 (Annexure-A);

(C) YOUR LORDSHIP may be pleased to issue writ of certiorari

or any other appropriate writ, order or direction quashing and

setting aside the impugned order in original dated 20.01.2025

passed u/s 74 of the Central Goods and Services Tax Act, 2017

by Respondent No. 2 (Annexure – B);

(D) YOUR LORDSHIP may be pleased to issue writ of certiorari or

any other appropriate writ, order or direction quashing and setting

aside the impugned show cause notice dated 03.08.2024 along

with corrigendum dated 08.08.2024 issued u/s 74 of the Central Goods and Services Tax Act, 2017 by Respondent No.

1 (Annexure-C); (E) Pending hearing and final disposal of the present petition, YOUR LORDSHIP may be pleased to stay the implementation and operation of the impugned order in appeal dated 29.09.2025 as well as impugned order in original dated 20.01.2025.”

2. At the outset, this Court had specifically pointed out to the learned advocate Mr. Vijay Patel for the petitioner about the alternative remedy he is having to approach before the Appellate Tribunal. However, he has submitted that filing of the appeals before the Tribunal are not yet streamlined and since there is a

legal issues which are involved in the present writ petition, the same are required to be advanced before this Court and adjudicated by this Court.

3. Learned Senior Standing Counsel Ms. Vidhi Vyas appearing for the respondents has referred to the Notification dated 17.09.2025 issued by the Ministry of Finance relating to the filing of appeal before the Appellate Tribunal under the Act, on or before 30.06.2026. "MINISTRY OF FINANCE (Department of Revenue) NOTIFICATION New Delhi, the 17th September, 2025 S.O. 4220(E)-In exercise of the powers conferred by subsection (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 30 day of June, 2026, as the date upto which appeal may be filed before 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 1 day of April, 2026 and all appeals in respect of order communicated on or after 1 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. Thus, in view of the aforesaid availability of the alternative remedy, the submissions advanced by learned advocate Mr. Patel for the petitioner pointing out the factual aspects and the observations of the Appellate Court relating to the issues, can always be dealt by an appropriate Tribunal, which is already

constituted. Merely because the filing is not streamlined, will not dilute the statutory provisions of filing the appeal against the impugned order.

5. Since we do not find that there is any jurisdictional error committed by the appellate authority and the order is bereft of any jurisdiction, all the contentions which are raised before us in the writ petition, will always be taken care by the Tribunal. Under the circumstances, the present writ petition stands rejected since the petitioner is having alternative remedy of filing an appeal before the Appellate Tribunal.

6. At this stage, learned advocate Mr. Patel requested that in case the Tribunal does not take up the appeal within a reasonable time,

liberty may be reserved in favour of the petitioner to challenge the recovery proceedings before this Court.

7. We clarify that it is always open for the petitioner to make appropriate application/ prayer for staying the recovery and in case the Tribunal does not pass any order on the application or such prayer or passes an order rejecting the such prayer, it is always open for the petitioner to file appropriate proceedings before this Court.

## **2. Judgements Page No. 26 To 103**

**Provisional Bank Account Attachment under GST Ceases**

**After One Year: Calcutta HC**

Case Name : **Amit Metaliks Limited Vs Commissioner**

**(Calcutta High Court) Appeal Number and Date of**

**Judgement/Order are available only for members.**

Related Assessment Year :

Courts: **All High Courts (21276) Calcutta High Court (1404)**

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**Amit Metaliks Limited Vs Commissioner (Calcutta High Court)**

The Calcutta High Court partly allowed two writ petitions challenging a provisional attachment order dated 3rd January, 2025 issued under Section 83 of the Central Goods and Services Tax Act, 2017 by the Commissioner, CGST & Central Excise, Patna-II. The order had attached the petitioner's property, including bank accounts situated within the jurisdiction of the Court.

In WPA/1940/2025, the petitioner initially sought a declaration that the proceedings under Section 83, including the attachment order issued in Form GST DRC-22, were void on the ground that the Commissioner lacked jurisdiction and competence. However, during the hearing, it was submitted that since more than one year had elapsed from the date of the provisional attachment order,

further consideration of jurisdictional issues was no longer necessary. Reliance was placed on Section 83(2) of the Act, which provides that every provisional attachment shall cease to have effect after the expiry of one year from the date of the order under Section 83(1).

The petitioner submitted that although the statutory period of one year had expired, and letters dated 21st January, 2026 and 27th January, 2026 were sent to the Commissioner and the State Bank of India requesting defreezing of the bank account, no action was taken. A further request dated 29th January, 2026 was also made to the bank, but the account remained frozen. The petitioner relied on the Supreme Court's judgment in *Kesari Nandan Mobile v. Office of Assistant Commissioner of State Tax (2), Enforcement*

Division–5, reported in 2025 INSC 983, which clarified that the statute does not permit extension of provisional attachment beyond one year, and no such extension is permissible.

The CGST authorities submitted that since the petitioner was no longer pressing the issue of competence, no further arguments were necessary, and that the effect of Section 83(2) would follow.

It was also contended that the petition could not be converted into one seeking a mandatory direction to the bank.

The Court noted that the provisional attachment order dated 3rd January, 2025 had been issued under Section 83(1) and digitally signed on 6th January, 2025. Section 83(2) clearly states that such attachment shall cease to have effect after one year from the

date of the order. It was undisputed that the one-year period had expired.

Referring to Section 83 and paragraphs 14, 39, 40 and 41 of the Supreme Court's judgment in *Kesari Nandan Mobile*, the Court observed that the Supreme Court had held that once the statutory period of one year expires, the provisional attachment ceases by operation of law. The Supreme Court had further clarified that when a statute does not provide for extension, renewal or re-issuance, the executive cannot extend such attachment. In that case, subsequent provisional attachment orders were held impermissible after expiry of the initial one-year period, and the attached bank accounts were directed to be defreezed.

Applying the statutory provision and the Supreme Court's

interpretation, the High Court held that the provisional attachment order dated 3rd January, 2025 had ceased to have effect upon expiry of one year. Consequently, neither the Commissioner nor the petitioner's banker could continue freezing the petitioner's property or bank accounts on the basis of that order.

The writ petition was partly allowed to this extent, without examining the issue of jurisdiction or competence of the Commissioner at the time of issuing the order.

In WPA/3057/2025, which also challenged the same provisional attachment order dated 3rd January, 2025, the Court observed that in light of the judgment delivered in WPA/1940/2025 and the expiry of the one-year period under Section 83(2), nothing further survived for consideration. The writ petition was partly allowed with

similar observations that the attachment had ceased by operation of law and could not continue.

The Court directed that urgent certified copies of the order be made available upon compliance with formalities.

**FULL TEXT OF THE JUDGMENT/ORDER OF CALCUTTA HIGH COURT**

1. Heard in part.

In Re: WPA/1940/2025

2. Challenging an order of provisional attachment of property dated 3rd January, 2025, issued under Section 83 of the Central Goods & Services Tax Act, 2017 (hereinafter referred to as the “said Act”) by the Commissioner, CGST & Central Excise Patna-II, thereby attaching the bank accounts of the petitioner situated

within the jurisdiction of this Court, the instant writ petition has been filed. Initially, the petitioner had also sought for a declaration that the proceedings initiated against the petitioner under Section 83 of the said Act including the order dated 3rd January, 2025, issued in Form GST DRC – 22, is void as according to the petitioner, the Commissioner, Central GST and Central Excise, Patna-II did not have the jurisdiction and/or competence to pass the above order.

3. Although, this Court has heard the learned Advocates appearing for the respective parties on merits of the case, however, in the interregnum since, a period of one year has already elapsed from the date of passing of the provisional order of attachment, the learned advocate for the petitioner contends that, it may not be

relevant any longer to consider the other aspects as by passage of time and having regard to the provisions contained in Section 83(2) of the said Act, a provisional attachment shall cease to have effect after expiry of the period of one year from the date of the order passed under sub-section (1) of Section 83 of the said Act.

4. Mr. Bagaria, learned Advocate representing the petitioner, submits that though immediately upon expiry of the period of one year, the order of provisional attachment has lost its force and ceases to have an effect in terms of the statutory mandate and though, the petitioner had requested the Commissioner, CGST & Central Excise Patna-II as also its Banker vide letters dated 21st January, 2026 and 27th January, 2026 respectively, to defreeze the petitioner's Bank account maintained with the State Bank of India,

Commercial Branch, Kolkata, the petitioner's Banker has chosen not to act on the basis of the aforesaid requisition. He submits that there is also no response from the Office of the Commissioner, CGST & Central Excise Patna-II. Copies of the aforesaid communications dated 21st January, 2026 and 27th January, 2026, as placed before this Court, are taken on record. By placing before this Court a further communication dated 29th January, 2026, he also submits that although, a further request was made to the petitioner's Banker being State Bank of India, Overseas Branch, Kolkata, to defreeze the petitioner's Bank account and to permit the petitioner to continue the banking operations, the same has also not been done. He submits that the issue as to whether provisional attachment order ceases to have effect having regard to the

provisions contained in sub-section (2) of Section 83 of the said Act is no longer res Integra. The Hon'ble Supreme Court, in the judgment delivered in the case of Kesari Nandan Mobile v. Office of Assistant Commissioner of State Tax (2), Enforcement Division –5 reported in 2025 INSC 983, in no uncertain terms has clarified that since the statute does not recognize an extension, no extension of such provision is permissible. In the changed circumstances as aforesaid, he submits that the order of provisional attachment dated 3rd January, 2025, issued by the Commissioner, CGST & Central Excise Patna-II can no longer have the effect of provisionally attaching the petitioner's property including its Bank accounts, and a declaration to such effect should be given so that the petitioner can use and utilize its property without any fetter.

5. Mr. Banerjee, learned Advocate representing the CGST authorities, submits that since the petitioner at this stage is no longer interested to seek a decision on the issue of competence of the Commissioner, CGST & Central Excise Patna-II, he does not want to advance any further arguments save that the effect of provisions of Section 83(2) of the said Act would follow. In any event, he submits that the present petition cannot be converted by the petitioner to a petition seeking for mandatory direction on the Bank to permit operation of the Bank accounts.

6. Having heard the learned Advocates appearing for the respective parties and having considered the materials on record, I find that undisputedly, an order dated 3rd January, 2025, in Form GST DRC – 22 had been issued on the petitioner attaching the

petitioner's property including its Bank accounts under Section 83(1) of the said Act. From the tenor of the order it is apparent that the provisions of Section 83(1) of the said Act had been invoked.

The order dated 3rd January, 2025 had since been digitally signed by the Commissioner on 6th January, 2025 at about 18:16:28

hours. Having regard to the provisions contained in Section 83(2)

of the said Act, it is apparent and clear that the above provisional

attachment shall cease to have effect after expiry of the period of

one year from the date of the order passed under sub-section (1)

of Section 83 of the said Act. It is an admitted position that the

above period has already expired. In this context, it would be

relevant to refer to Section 83 of the said Act and the paragraphs

14, 39, 40 and 41 of the judgment delivered in the case of Kesari

Nandan Mobile (supra). The relevant statutory provision and the relevant paragraphs are extracted hereinbelow:-

83. Provisional attachment to protect revenue in certain cases.—

[(1) Where, after the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue it is necessary so to do, he may, by order in writing, attach provisionally, any property, including bank account, belonging to the taxable person or any person specified in sub-section (1A) of Section 122, in such manner as may be prescribed.]

(2) Every such provisional attachment shall cease to have effect after the expiry of a period of one year from the date of the order

made under sub-section (1).”

14. The question of law arising for decision in this appeal is:

whether the CGST Act or any other law in force permits issuance

of a second provisional attachment order under sub-section (1) of

Section 83 of the CGST Act after the initial provisional attachment

order issued thereunder ceases, by reason of efflux of a year from

the date of its issuance, in terms of sub-section (2) thereof? xxx

xxx xxx

39. The appellant’s argument that the Parliament, being cognizant

of other taxing statutes, deliberately chose not to incorporate an

extension provision in the section, also carries considerable merit.

The procedure of provisional attachment is not alien to tax

jurisprudence. Such preemptive measure can be found in several

statutes, including the Customs Act and the Excise Act, and the Income Tax Act, 1961 as well. Ergo, when the statute does provide for an extension, the authority thereunder is free to do so, subject to such restrictions as may be imposed. Conversely, when a statute does not provide for an extension, renewal, re-issuance, revival — whatever be the nomenclature — the executive cannot overreach the statute to do so.

40. Lastly, insofar as the issue of delegation and assumption of jurisdiction as alleged by the appellant is concerned, we have not considered the contention in view of the impugned provisional attachment orders being liable to be set aside on the point of law discussed above.

41. For the foregoing reasons, the question in paragraph 14 is answered in the negative. We hold that the respondent could not have issued the impugned provisional attachment orders dated 13th November, 2024 and 18th December, 2024 upon the previous ones having ceased to have any effect by operation of law after a year of its issuance. The bank accounts attached by the respondent shall stand de-frozen and be made operable forthwith upon production of a copy of this judgment before the banks where the appellant maintains its accounts.”

7. As would appear from the above, that not only the provision of the said Act clearly provides that the order under Section 83(1) of the said Act in terms of Section 83(2) ceases to have effect after expiry of the period of one year from the date of the order, the

Hon'ble Supreme Court has also while interpreting the above section in no uncertain terms held that by efflux of time of one year in terms of the provisions of Section 83(2) of the said Act the order of provisional attachment ceases to have effect. Accordingly, in my view, the order of attachment dated 3rd January, 2025 which is clearly beyond the period of one year, cannot be continued any further.

8. Since, by efflux of time and having regard to the provisions contained in Section 83(2) of the said Act, the provisional attachment order has ceased, neither can the Commissioner, CGST and Central Excise Patna-II, nor can the petitioner's Banker continue with the freezing of the petitioner's property and/or the

bank accounts on the basis of the above order of provisional attachment.

9. In the light of the above, the writ petition is partly allowed to the extent noted above without going into the issue as to whether the Commissioner, CGST & Central Excise Patna-II has the jurisdiction and/or competence to pass the order at the first instance. In Re: WPA/3057/2025

10. The present writ petition has also been filed, inter alia, challenging the provisional order of attachment of property under Section 83 of the said Act dated 3rd January, 2025, issued by the Commissioner, CGST & Central Excise, Patna-II.

11. Having heard the learned Advocates appearing for the respective parties and having regard to the judgment delivered today in the case of M/S. AMIT METALIKS LIMITED v. THE COMMISSIONER, CENTRAL GST & CENTRAL EXCISE, PATNA – II, COMMISSIONERATE & ORS. (WPA/1940/2025) and the period of one year having already expired from the date of the order under Section 83(1) of the said Act, nothing survives in the instant writ petition for fresh consideration.

12. The writ petition is partly allowed by observing that not only the provision of the said Act clearly provide that the order under Section 83(1) of the said Act in terms of Section 83(2) ceases to have effect after expiry of the period of one year from the date of the order, the Hon'ble Supreme Court in the case of Kesari

Nandan Mobile (supra), has also while interpreting the above section in no uncertain terms held that by efflux of time of one year in terms of the provisions of Section 83(2) of the said Act the order of provisional attachment ceases to have effect. Accordingly, in my view, the order of attachment dated 3rd January, 2025 which is clearly beyond the period of one year, cannot be continued any further.

13. Since, by efflux of time and having regard to the provisions contained in Section 83(2) of the said Act, the provisional attachment order has ceased, neither can the Commissioner, CGST and Central Excise Patna-II, nor can the petitioner's Banker continue with the freezing of the petitioner's property and/or the

bank accounts on the basis of the above order of provisional attachment.

14. Urgent Photostat certified copy of this order, if applied for, be made available to the parties, upon compliance with all requisite formaliti

### **3. Judgements Page No. 26 TO 103**

**Gujarat HC Quashes IGST Refund Rejections Because Repealed GST Rule Stands Obliterated**

Case Name: **Sopariwala India LLP Vs Union of India Ors. (Gujarat High Court) Appeal Number and Date of Judgement/Order are available only for members.**

Related Assessment Year :

Courts : **All High Courts (21289) Gujarat High Court (1568)**

**Sopariwala India LLP Vs Union of India Ors. (Gujarat High Court)**

The Gujarat High Court considered the writ petition in light of its earlier judgment dated 20.11.2025 passed in a group of matters concerning Notification No. 20/2024 dated 8th October 2024. At the outset, both parties agreed that the present petition could be disposed of in terms of the earlier judgment.

In the earlier decision, the Court had examined the effect of Notification No. 20/2024, which omitted Rule 96(10) of the CGST Rules prospectively and without any saving clause. The

Coordinate Bench had held that although the omission operated prospectively, it would also apply to all pending proceedings where final adjudication had not taken place as of 8th October 2024. It was clarified that petitions challenging show-cause notices and orders-in-original invoking Rule 96(10) constituted pending proceedings. Accordingly, the omission of Rule 96(10) would apply to such pending cases, and no further proceedings were required to be carried forward. The petitioners were held entitled to maintain refund claims for IGST paid on export of goods under Rule 96 of the CGST Rules.

The Court further referred to the Bombay High Court decision in Hikal Limited & Ors., which addressed the omission of Rules 89(4B) and 96(10) without a saving clause. The Bombay High

Court held that in the absence of a saving clause or the applicability of Section 6 of the General Clauses Act, the common law principle regarding repeal would apply. Under this principle, except for “transactions past and closed,” the repealed provision is treated as obliterated as if it had never existed. Pending proceedings, unless finally concluded, would not survive the repeal. The Bombay High Court held that undisposed show-cause notices, orders passed after 8th October 2024, or even orders passed before that date but not yet finalized due to appeals or challenges would not constitute “transactions past and closed” and would stand lapsed.

A combined reading of these judgments led the Gujarat High Court to conclude that the repeal of Rules 89(4B) and 96(10) without a

saving clause rendered those provisions redundant from inception for all pending matters. The omission would apply to proceedings, cases, and petitions pending either before the High Court or the adjudicating authority, including orders passed before 8th October 2024 that had not attained finality.

The Court also clarified that the remedy of appeal before the Appellate Tribunal was not available since the Tribunal had not been constituted. Therefore, it could not be said that the orders-in-appeal had attained finality or constituted “transactions past and closed.” As a result, the impugned orders challenged in the writ petitions stood lapsed in view of the omission of the rules.

Accordingly, all writ petitions were allowed. The impugned actions of the respondents were quashed and set aside. The petitioners

were held entitled to refund. All pending refund applications were directed to be processed. If applications had been rejected or refunds refused, they were to stand restored and further processed. The necessary steps were directed to be completed within twelve weeks from receipt of the writ of the order. Rule was made absolute with no order as to costs.

In view of the disposal of the main petition, the connected civil application for amendment was disposed of as not pressed.

**FULL TEXT OF THE JUDGMENT/ORDER OF GUJARAT HIGH  
COURT**

1. RULE returnable forthwith. Learned Senior Standing Counsel

Mr. Utkarsh Sharma for learned Senior Standing Counsel waives

service of notice of Rule on behalf of the respondents.

2. At the outset, learned advocates for the respective parties submitted that the present writ petition may be disposed of in terms of the Judgment and Order dated 20.11.2025 passed in group of matters being Special Civil Application No. 3081 of 2025 and allied matters.

3. In the similar set of facts as well as issue, the Court vide Judgment and Order dated 20.11.2025 has held thus: “5. It is not in dispute that the Coordinate Bench of this Court, in a group of matters being Special Civil Application No.22519 of 2019, vide judgment dated 13th June, 2025, has dealt with the issue with regard to Notification No.20/2024 dated 8th October, 2025,

repealing Rule 96(10) of the Rules without any saving clause, and has held as under :

“203. In view of above conspectus of law, it appears that the recommendations of the GST Council to omit Rule 96(10) prospectively would apply to all the pending proceedings and cases. However, the contention on behalf of the Revenue that the petitioners have filed these petitions challenging the validity of Rule 96(10) cannot be said to be pending proceedings is without any basis because the petitioners have also challenged the show cause notices as well as orders-in-original passed by the respondents by invoking Rule 96(10) for rejecting the refund claims of the petitioners and therefore, it can be said that these petitions are nothing but pending proceedings before the Court

which has not achieved finality when the Notification No.20/2024 came into force with effect from 8th October, 2024.

2054 By Notification No.20/2024 Rules, 2024 have been notified and as per Rule 10 of the said Rules, Rule 96(10) of the CGST Rules has been omitted with prospective effect. This would give rise to three situations, firstly, whether the same would be applicable retrospectively, or secondly, prospectively or thirdly, same would be applicable prospectively but also to “pending proceedings”. As discussed here-in-above, Rule 10 of Rules, 2024 is applicable prospectively and the same also would be applicable to pending proceedings.

205. Therefore, we are of the opinion that Notification No.20/2024 dated 8th October, 2024 would be applicable to all the pending proceedings/cases meaning thereby that Rule 96(10) would stand omitted prospectively but applicable to pending proceedings/cases where final adjudication has not taken place.

206. Therefore, in view of foregoing reasons, the omission of Rule 96(10) would apply to all the proceedings/cases/petitions which are pending for adjudication either before this Court or before the respondent adjudicating authority and no further proceedings are required to be carried forward and petitioners would be entitled to maintain refund claims of IGST paid on export of goods.

207. In view of above findings, as Rule 96(10) would not be applicable to the pending proceedings, in view of omission of Rule 96(10) by Notification No.20/2024 with effect from 8th October, 2024, the question of challenge to the vires and validity of rule 96(10) is not required to be considered at this stage.

208. The petitions therefore succeed in view of applicability of Notification No.20/2024 whereby Rule 96(10) is omitted and the said Notification would be applicable to all the pending proceedings/cases as on 8th October, 2024. The impugned show cause notices and the orders-in-original are therefore, quashed and set aside. The petitioners are therefore, entitled to maintain refund claims for IGST paid for the export of goods as per Rule 96 of the CGST Rules, 2017 in accordance with law.”

6. We may, at this stage, refer to the decision of the Bombay High Court in the case of Hikal Limited & Ors. (supra), wherein the Bombay High Court, while considering the Notification dated 8th October, 2024 and the provisions of Rules 89(4B) and 96(10) of the Rules, and the analogous issue, has held thus:

“59. From the above, it is indisputable that the impugned rules stand deleted. The only dispute revolves around the scope of such omission or repeal. The Petitioners contend that any savings clause did not back such omission or repeal, and therefore, the common law principle regarding repeals obliterating the repealed provision from the statute book or rule book would apply. The Respondents admit the omission or repeal but contend that the

common law rule would not apply because pending proceedings have been expressly saved.

60. Justice G P Singh, in his "Principles of Statutory Interpretation", 15th edition, has explained that under the common law, the consequences of the repeal of a statute are very drastic. Except as to transactions past and closed, a statute after its repeal is treated as completely obliterated as if it had never been enacted. The effect is to destroy all inchoate rights and all causes of action that may have arisen under the repealed statute. Therefore, leaving aside the cases where proceedings were commenced, prosecuted and brought to a finality before the repeal, no proceeding under the repealed statute can be commenced or continued after the repeal (See *Keshvan Vs State of Bombay*<sup>31</sup>, *State of Punjab Vs Mohar Singh*<sup>32</sup>, *Qudrat Ullah*

Vs Municipal Board, Bareilly<sup>33</sup>, State of Rajasthan Vs Mangilal

Pindwal<sup>34</sup> and Mohan Raj Vs Dimbeswari Saikia & Anr<sup>35</sup>).

68. In Keshvan Menon Vs State of Bombay (supra), the expression and concept of “transactions past and closed” was explained in the context of repeal of an Act in paragraph Nos. 11, 12 and 14, which are transcribed below for the convenience of reference: – “

11. This statement of law by Craies was referred to with Approval and adopted by the F. C. in J. K. Gas, Plant Manufacturing Co., (Rampur), Ltd. v. Emperor, (1947) F.C.R. 141 at p. 166: (A. I. R. (34) 1947 F.C. 38:48 Cr. L. J. 886). As to the effect of the repeal of an Act, the following passage from Craies’ book seems to sum up the legal

position as it obtained in England before the enactment of the

Interpretation Act of 1889 :

“When an Act of Parliament is repealed,” said Lord Tenterden in *Surtees v. Ellison*, (1829) 9 B. and C. 750 at p. 752: (7 L. J. K. B. 335), “it must be considered (except as to transactions past and closed) as if it had never existed. That is the general rule.” Tindal C. J. states the exception more widely. He says (in *Kay v. Goodwin*, (1830) 6 Bing. 576: (8 L.J.C.P. 212): “The effect of repealing a statute is to obliterate it as completely from the records of the Parliament as if it had never been passed; and it must be considered as a law that never existed except for the purpose of those actions which were commenced, prosecuted and concluded whilst it was an existing law.” (p. 350)”

12. Again, Crawford in his book on “Statutory Construction

“dealing with the general effect of the repeal of an Act states the law in America to be as follows: “A repeal will generally, therefore, divest all inchoate rights which have arisen under the repealed statute, and destroy all accrued causes of action based thereon. As a result, such a repeal, without a saving clause, will destroy any proceeding, whether not yet begun, or whether pending at the time of the enactment of the repealing Act, and not already prosecuted to a final judgment so as to create a vested right” (pp. 599-600).

14. The author then proceeds to quote the following passage from

Wall v. Chesapeake and Ohio Ry. Co., (125 N. E. 20) : “It is well settled that if a Statute giving a special remedy is repealed without a saving clause in favour of pending suits all suits must stop where the

repeal finds them. If final relief has not been granted before the repeal went into effect, it cannot be after. If a case is appealed, and pending the appeal the law is changed, the appellate Ct. must dispose of the case under the law in force when its decision was rendered. The effect of the repeal is to obliterate the Statute repealed as completely as if it had never been passed, and it must be considered as a law which never existed, except for the purposes of those actions or suits which were commenced, prosecuted and concluded while it was an existing law. Pending judicial proceedings based upon a Statute cannot proceed after its repeal. This rule holds true until the proceedings have reached a final judgment in the Ct. of last resort, for that Ct., when it comes to announce its decision, conforms it to the law then existing, and may, therefore, reverse a judgment which was correct when

pronounced in the subordinate tribunal from whence the appeal was taken, if it appears that pending the appeal a Statute which was necessary to support the judgment of the lower Ct. has been withdrawn by an absolute repeal.” (p. 601). XXX XXX XXX RELIEFS

122. Upon comprehensive review of all the above aspects, we hold that, following the omission or repeal of the impugned Rules, i.e., Rules 89(4B) and 96(10) of the CGST Rules via Notification dated 08 October 2024, and in the absence of any saving clauses or the benefit of Section 6 of the General Clauses Act, all pending proceedings—such as undisposed show cause notices, orders disposing of show cause notices issued after 08 October 2024, or even orders made before 08 October 2024 but not yet finalised due to appeals before the Appellate Authorities or challenges before this Court, thus not

constituting “transactions past and closed”—are not preserved and will stand lapsed

. 7. A combined reading of the aforesaid judgments, which have dealt with Notification No.20/24 dated 8th October, 2024, repealing the provisions of Rules 89(4B) and Rule 96(10), of the Rules exposit that the repealing of the provisions of the Rules without a saving clause renders the provisions redundant, right from the inception. The omission of the Rules would apply to all the proceedings/ cases/ petitions which are pending for adjudication either before this Court or before the respondent-adjudicating authority, or even to orders made before 8th October, 2024 but not yet finalized due to appeals before the Appellate Authorities or challenges before this Court, since the same will not constitute “transactions past and closed”, and do not get

preserved and will stand lapsed. We may also further clarify that the remedy of filing an appeal before the Appellate Tribunal is not available to the petitioners, since the Tribunal is not yet constituted, and hence they are constrained to file the writ petitions. Thus, since the petitioners have no remedy of filing an appeal because of the non-constitution of the Tribunal, it cannot be said that the OIAs have become final, and hence such orders will not constitute “transactions past and closed”. The orders which are challenged in the writ petitions will stand lapsed in view of the aforementioned decisions

. 7.1. Thus, all writ petitions are allowed; the impugned action of the respondents is quashed and set aside. The petitioners are entitled to refund. All the pending applications for refund shall be processed. In case the applications are rejected and the refund is refused, the same

shall stand restored and shall be further processed. Needful shall be done within a period of 12 (twelve) weeks from the date of receipt of the writ of the present order. Rule is made absolute. No order as to costs.

8. In view of above, learned advocate for the applicant does not press Civil Application (For Amendment) No.2 of 2025 in R/Special Civil Application No.10569 of 2025. Hence, the present Civil Application stands disposed of as not pressed.

4. Thus, this writ petition is disposed of in terms of the aforesaid Judgment and Order. Rule is made absolute. No order as to costs.

## **4. Judgements Page No . 26 TO 103**

### **Chhattisgarh High Court Refuses Writ Due to Availability of Alternative GST Remedies**

Case Law Details

Case Name : **M/s Shubham Sales Through Proprietor Mr.**

**Shubham Kumar Singh Vs State of Chhattisgarh (Chhattisgarh  
High Court)**

Related Assessment Year:

Courts **All High Courts Chhattisgarh High Court**

**M/s Shubham Sales Through Proprietor Mr. Shubham  
Kumar Singh Vs State of Chhattisgarh (Chhattisgarh High  
Court)**

The petitioner filed a writ petition under Article 226 of the Constitution seeking quashing of the order dated 26 May 2025 cancelling its GST registration on the ground that no business activity was found at the declared place of business. The petitioner contended that it was operating from the registered address and that the cancellation was made without providing any verification report or relevant documents, and without affording proper opportunity of hearing.

The State submitted that upon verification, no business activity was found at the declared premises. It further argued that the

petitioner had alternative statutory remedies, including filing an application for revocation of cancellation under Section 30 of the State GST Act, 2017 read with Rule 23 of the State GST Rules, 2017, or filing an appeal under Section 107 of the Act. Since these remedies were not availed, the writ petition was not maintainable.

The Court held that the petitioner had invoked extraordinary jurisdiction without exhausting alternative remedies available under the statute. Declining to entertain the writ petition, the Court disposed of the matter, observing that the petitioner may file appropriate application or appeal, which shall be decided in accordance with law.

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

**CHHATTISGARH HIGH COURT**

1. The petitioner has preferred this petition under Article 226 of the Constitution of India, seeking following relief(s):-

- i. To Set-Aside and Quash the Order dated 26th May 2025 passed by Respondent No.3 in violation of SGST Act and Rules.
- ii. Pass any other relief/order or direction, as this Hon'ble Court deems fit and proper looking to the facts and circumstances of the case and in the interest of justice, along with cost.

2. Learned Sr. counsel appearing on behalf of the petitioner submits that impugned Order dated 26.5.2025 (Annexure-P/4) has been passed against the petitioner, whereby its GST registration has been cancelled on the ground that it does not conduct any business from declared place of business/place of business not found. In this regard show-cause notice was also served to the

petitioner. Learned Sr. counsel further submits that the petitioner conducts its business from the place and address mentioned in the Registration Certificate (Annexure-P/1), but without providing any document, i.e. verification report or any other document with regard to enquiry made by the respondents, its GST registration has been cancelled with retrospective effect. Thus, due opportunity of hearing has not been provided, hence, the petition may be admitted for hearing.

3. Per contra, learned counsel for the State/respondents submits that vide impugned order (Annexure-P/4), GST Registration Certificate issued to the petitioner has been cancelled, as on verification of the place of business mentioned by the petitioner in its Registration Certificate, no business activities were found.

Learned counsel further submits that if the petitioner is aggrieved by the impugned order (Annexure-P/4), then it can file application for revocation of cancellation of registration under Section 30 of the State GST Act, 2017 read with Rule 23 of the State GST Rules, 2017.

The petitioner may also file appeal against the impugned order (Annexure-P/4) under Section 107 of the State GST Act, 2017, but without availing aforesaid remedy, the petitioner has directly filed instant petition before this Court, invoking extra ordinary jurisdiction, therefore, the petition is not maintainable.

4. I have heard learned counsel for the parties and perused the material available on record.

5. The petitioner has invoked extra ordinary jurisdiction of this Court under Article 226 of the Constitution of India, without availing alternative remedy available to the petitioner to challenge the impugned order dated 26.5.2025 (Annexure-P/4), either by filing application for revocation of cancellation of registration order or by filing appeal against said order, as has been provided in the State GST Act and State GST Rules. However, without availing such remedy, the petitioner has filed instant petition. Having considered the aforesaid alternative remedy available to the petitioner, I am not inclined to entertain this petition by invoking extra ordinary jurisdiction of this Court, rather it is observed that the petitioner may file appropriate application/appeal for redressal of its grievance, as provided under the State GST Act and State GST Rules. It is

further observed that, if such appeal/application is filed by the petitioner, it be decided by the respondent authorities strictly in accordance with law.

6. Accordingly, this writ petition stands disposed of.

## **5. Judgements Page No 26 TO 103**

### **Bombay HC Ordered Video Recording of Statements in GST Probe to Ensure Transparency**

Case Law Details

Case Name : **Suumaya Industries Ltd. Vs Union of India**

**and Ors. (Bombay High Court) Appeal Number and Date of**

**Judgement/Order are available only for members.**

Related Assessment Year :

Courts : **All High Courts (21318) Bombay High Court (2558)**

**Suumaya Industries Ltd. Vs Union of India and Ors.**

**(Bombay High Court)**

**Bombay High Court Refuses Exemption to Managing**

**Director from GST Summons as Petition Verified by**

**Him, MD Must Appear When Summoned in GST**

**Investigation Despite CFO Request, Advocate Allowed**

**During GST Statement Recording but Without Interference,**

**Rules Court, High Court Directs Supply of Panchanama**

**Copies Within Two Weeks in GST Inspection Case.**

In Suumaya Industries Ltd. Vs Union of India and Ors., the

Bombay High Court passed a consent order after hearing counsel for both sides, while keeping all rights and contentions open. The Court directed that all statements recorded pursuant to summons issued to the Directors/Employees of the petitioner under Section 70 of the Central Goods and Services Tax Act (CGST Act) shall be video recorded at the petitioner's cost. It further permitted an advocate to accompany the summoned person during recording of the statement, provided the advocate does not interfere, interrupt, or disturb the proceedings, and sits at a visible but not audible distance.

The Court also directed that copies of the panchanama pertaining to inspection proceedings under Section 67 of the CGST Act be provided to the petitioner within two weeks from

the upload of the order. Counsel for the petitioner assured the Court that all employees and directors would cooperate with the authorities, stating that the petitioner had no intention to evade tax. A request was made on behalf of the petitioner that only the Chief Finance Officer (CFO) be summoned and that the Chairman and Managing Director, Mr. Ushik Gala, be exempted on the ground that he was not fully aware of the facts.

This request was opposed by the respondents, who submitted that Mr. Gala had previously appeared and his statement had been recorded. It was also pointed out that a similar request had earlier been rejected and that Mr. Gala had required multiple summons due to non-cooperation.

The Court noted that the petition had been signed and verified by Mr. Gala, who affirmed the truth of its contents on oath. It therefore held that he would be aware of the relevant facts and declined to exempt him from appearance. The Court directed that he must appear as and when summoned and fully cooperate. Authorities were given liberty to summon the CFO or any other person if required.

Regarding refund, the Court observed that the petitioner may apply, and the authorities may consider the application in accordance with law. The petition was disposed of without costs, and the Court clarified that no views were expressed on the merits.

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

### **HIGH COURT**

1. Heard the counsel and keeping open all rights and

contentions of the parties following consent order is passed :-

(a) All statements recorded pursuant to the summons issued to

the Directors/Employees of Petitioner shall be video recorded

at the cost of Petitioner.

(b) An advocate may accompany the person who is summoned

and whose statement is being recorded under Section 70 of the

Central Goods and Service Tax (CGST) Act, but the advocate

shall not interfere, interrupt or disturb recording of statement.

The advocate may sit at visible distance but not at audible

distance.

(c) Copies of panchanama pertaining to inspection proceedings issued under Section 67 of the CGST Act shall be provided to Petitioner within two weeks from the time this order is uploaded.

d) Mr. Rastogi assures the Court that all employees/directors of Petitioner shall co-operate with the authorities because Petitioner has no intention to evade any tax.

2. Mr. Rastogi requested that the chairman and managing director may not be summoned and only the Chief Finance Officer (CFO) be summoned because only he knows everything. Mr. Rastogi stated that the chairman and managing director Mr. Ushik Gala would not know all facts and circumstances.

3. Mr. Jetly opposed this request saying that Mr. Ushik Gala had appeared earlier and his statement has been recorded. Mr. Jetly also stated that the same Mr. Ushik Gala is the managing director of another company Suumaya Corporation Ltd and similar request was made by Petitioners' counsel in Writ Petition (Lodging) No.26351 of 2021 and this court was pleased to reject the said request by order dated 17th November 2021. Mr. Jetly also stated that Court has recorded that the same Mr. Ushik Gala was not co-operating in the investigation and eight summons were required to be issued at that time.

4. Apart from Mr. Jetly's objection, we also find that Petition has been signed and verified by Mr. Ushik Gala and the said Mr. Ushik Gala has also verified on oath that the contents of

paragraphs 1 to 30 of this Petition are true to his knowledge.

Therefore, Mr. Ushik Gala certainly would be aware of the facts and circumstances. Hence he shall not be exempted from appearing. Mr. Ushik Gala shall appear before the concerned authorities as and when summoned and fully co-operate.

5. If the concerned authorities feel presence of CFO or anyone is required, they may issue appropriate summons at the appropriate time. All to whom summons is issued and served including Mr. Ushik Gala shall attend at the time and date fixed without fail.

6. As regards refund (Prayer clause (ii)), Petitioner may apply and authorities may consider the same in accordance with law.

7. Petition disposed. No order as to costs. 8. We clarify that we

have not expressed any views on the merits of the matter.

## **6.Judgements Page No . 26 TO 103**

**No Penalty for Minor Delay in E-Way Bill Extension During**

**Export Transit: Gujarat HC**

### **Case Law Details**

Case Name : **Balkrishna Industries Limited Vs Union of**

**India & Ors. (Gujarat High Court) Appeal Number and Date**

**of Judgement/Order are available only for members.**

Related Assessment Year :

Courts : **All High Courts (21318) Gujarat High Court (1569)**

## **Balkrishna Industries Limited Vs Union of India & Ors.**

### **(Gujarat High Court)**

The petitioner challenged orders dated 29.11.2025 and 02.12.2025 passed under Form GST APL-04 by the Deputy Commissioner of State Tax, Rajkot, whereby penalty of ₹18,00,140/- was imposed under Section 129(1)(a) of the CGST Act, 2017 for expiry of an E-way bill during transit of exported goods. The petitioner also sought declaration that penalty for expiry of E-way bill in case of exported goods is not imposable and prayed for refund of the amount.

At the preliminary stage, the Court noted that though an appeal remedy before the GST Appellate Tribunal (GSTAT) existed, the

issue raised was a pure question of law and was stated to be squarely covered by the decision of the Court in *Marco wagon Retail Pvt Ltd vs. Union of India*. Since it was informed that the GST Tribunal bench was not yet constituted, the Court proceeded to hear the matter. The State fairly submitted that the issue was covered by the aforesaid decision.

The Court referred to the earlier ruling in *Marco wagon Retail Pvt Ltd*, which dealt with transportation of goods in zero-rated supplies under Sections 5(1), 7(5), and 16(1) of the IGST Act, 2017, read with Rules 89 and 96 of the CGST Rules, 2017. The Court had held that although tax is leviable on inter-State supply, exports qualify as zero-rated supply and no tax is payable by the exporter. Where there is contravention of Rule 138 (relating to

E-way bills), Section 129 provides for levy of penalty; however, in absence of any tax payable, computation of penalty would fail.

In that case, considering the goods akin to exempted goods, the Court had reduced penalty to ₹25,000/-.

In the present case, it was undisputed that the E-way bill dated 21.03.2025 expired at 2400 hours on 22.03.2025. As per Rule 138(10), the transporter could have extended it by 0800 hours on 23.03.2025. The vehicle was intercepted at 15:22 hours on 23.03.2025, approximately 15 hours after expiry. It was also undisputed that due to breakdown of the conveyance, the E-way bill could not be extended and the management of the petitioner was unaware of the expiry during transit.

In view of these facts, the Court held that imposition of harsh

penalty under Section 129(3) of the CGST Act was uncalled for and beyond the scope of Section 129(1)(a). Since the issue was squarely covered by Marcowagon Retail Pvt Ltd and the State did not dispute applicability of that decision, the writ petition was allowed.

Accordingly, the impugned orders dated 29.11.2025 and 02.12.2025 were quashed and set aside. The respondents were directed to refund ₹18,00,140/- along with applicable interest within twelve weeks from receipt of the order. Rule was made absolute with no order as to costs.

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

### **HIGH COURT**

1. RULE. Learned Senior Standing Counsel Mr. Maunil Yajnik

waives service of notice of rule on behalf of the respondent no.

1 and learned Assistant Government Pleader Ms. Nimisha

Parekh waives service of notice of rule on behalf of the

respondents nos. 2 3 and 4. Since a pure question of law is

raised in the writ petition, the same was heard extensively and

is finally decided today by this present judgment and order.

2. This Court on 13.02.2026 had passed the following order :-

“At the outset, the petitioner has a remedy to file an appeal

before the Goods and Service Tax Appellate Tribunal (for short

“GSTAT”). However, since learned advocate Mr. Chiranjeev

Tandon appearing for the petitioner has submitted that the

issue is squarely covered by the decision of this Court in the

case of Marcowagon Retail Pvt Ltd vs. Union of India., reported

in (2025) 32 Centax 85 (Guj.), the learned Assistant Government Pleader shall take appropriate instructions as to whether the issue raised in the present petition is squarely covered or not.

in case it is found that the issue is squarely covered, we may not relegate the petitioner to approach the Tribunal as it is informed at this stage, that the filing of the appeals are permitted before the GST Tribunal, however the Bench is not yet constituted. List the matter on 20th February,2026.”

3. Today, learned Assistant Government Pleader Ms. Nimisha Parekh appearing for the respondents has submitted that the case of the petitioner is squarely covered by the decision of this

Court in case of Marcowagon Retail Pvt Ltd vs. Union of India., reported in (2025) 32 Centax 85 (Guj.).

4. By way of this writ petition, the petitioner has assailed the order dated 29.11.2025 and also the order dated 02.12.2026 under Form GST APL-04 passed by the respondent no. 3 – Deputy Commissioner of State Tax, Appeal Division-11, Rajkot.

A further prayer has also been made seeking direction for holding and declaring that for expiry of E-way Bill in case of exported goods, the penalty of Rs.18,00,140/- is not imposable under Section 129(1) (a) of the Cental Goods and Services Tax Act, 2017 (for short “CGST Act”) and further to issue direction to the respondents to refund the said amount.

5. In wake of such undisputed fact, the imposition of harsh

penalty under Section 129(3) of the CGST Act was uncalled for and is also beyond the scope of Section 129(1)(a) of the CGST Act. Hence, since the issue is squarely covered by the decision of this Court in case of Macrowagon Retail Pvt. Ltd. (supra) and which is not disputed by the respondent – State, the present petition succeeds. The impugned order dated 29.11.2025 and 02.12.2025 under Form GST APL-04 passed by the respondent no. 3 are hereby quashed and set aside. The respondents are directed to refund the amount of Rs.18,00,140/- along with applicable interest within a period of twelve weeks from the date of receipt of this order. Rule is made absolute to the aforesaid extent with no order as to costs