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GST Digest

- Recent case laws

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Where electronic credit ledger of assessee was blocked by invoking Rule 86A of CGST Rules, impugned order did not contain independent or cogent reasons to believe except that registered person/ supplier found to be non-existent or not to be conducting any business from registered place, impugned order was to be set aside-Karnataka HC

Where registration of assessee was cancelled and assessee filed instant petition, in view of order passed in Mohanty Enterprises v. Commissioner CT & GST [W.P.(C) No.30374 of 2022, dated 16-11-2022, delay in invoking provision to rule 23 was to be condoned and subject to assessee depositing all taxes, interest and penalty, assessee's application was to be considered-Orissa HC

Appellate Authority has a duty and an obligation to examine grounds raised by appellant in memorandum of appeal and decide issue on merits even if appeal is filed ex parte-Patna HC



Rule 96(10) of Central Goods and Services Tax Rules, 2017 is ultra vires section 16 of IGST Act and unenforceable as it imposes restriction on right of exporter to claim refund of IGST paid on export of goods or tax paid on input services or input goods used in export-Kerala HC

Where prosecution relied on statements of persons not made witnesses in complaint and investigation remained incomplete regarding actual beneficiaries and quantum of ITC evasion, bail was granted in GST fraud case considering compoundable nature of offense and lack of evidence for witness tampering-Rajasthan HC

Cancellation of GST registration without assigning reasons for non-filing of returns is invalid being a non-speaking order showing non-application of mind-Gauhati HC

The GST department has barred taxpayers from filing GST returns after expiry of a three-year period from due date of furnishing the said return. The changes, applicable for GSTR-1, GSTR 3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR 7, GSTR 8 and GSTR 9, are going to be implemented in the GST portal from early 2025.

Where assessee contended lack of notice and awareness of proceedings for belated GSTR-3B filing, impugned interest order set aside and matter remanded for fresh hearing, subject to 10% payment of demand-Madras HC

Goods and Services Tax collections rose to a six-month high of Rs 1.87 lakh crore in October, staying above the Rs 1.7 lakh crore mark for the eighth consecutive month, data released on November 1 showed.

Show cause notice demanding reversal of input tax credit on seconded employees and GST on external commercial borrowings to be decided in light of recent beneficial circulars and judicial precedents-Karnataka HC

1. Rajasthan HC in the case of Sumetco Alloys (P.) Ltd. Vs Deputy Commissioner[D.B. Civil Writ Petition No. 11921 of 2024 Dated 19.09.2024]

Assessee challenged order blocking electronic credit ledger under Rule 86A of RGST/CGST Rules. Notice issued by Joint Commissioner but order passed by Deputy Commissioner without hearing assessee.

HELD: Rule 86A requires Commissioner or authorized officer not below rank of Assistant Commissioner to pass order. Though rule does not expressly incorporate principles of natural justice, competent authority obliged to hear affected person. Prima facie violation of natural justice where notice given by incompetent authority and order passed by competent authority without hearing.

Action of blocking electronic credit ledger kept in abeyance pending final hearing . Writ petition to be listed for final hearing [Section 16 of Central Goods and Services Tax Act, 2017/Rajasthan Goods and Services Tax Act, 2017 - Rule 86A of Central Goods and Services Tax Rules, 2017/Rajasthan Goods and Services Tax Rules, 2017]