

GST NEWSLETTER

COMMERCIAL TAX DEPARTMENT, GOVERNMENT OF KARNATAKA

COMMERCIAL TAX OFFICES
GANDHINAGAR, BANGALORE - 560 009.

Edition : 3, January 2026

E-mail: gstctdkarnataka@gmail.com

Ph. No. 080 22370792



On New Year day 01-01-2026 CCT along with senior officers of the department



MOU Signing Ceremony Of Karnataka GST Analytics Portal on 05.01.2026



Commercial Taxes Department won the 1st Prize in State Level Dance competition conducted by the Karnataka State Government Employees Association (R) on 04.01.2026

FROM THE DESK OF EDITOR



S.R. Thulasidas

Editor

As we enter the last quarter of the financial year, the Goods and Services Tax (GST) collections have shown only single-digit growth, thereby placing heightened responsibility on field formations and officers to make sincere, focused, and result-oriented efforts to achieve the prescribed revenue targets. Target achievement at this crucial juncture is of paramount importance for the Government, as GST revenues form the backbone for financing welfare schemes, social security initiatives, and large-scale infrastructure development projects. Any shortfall directly impacts fiscal planning and the timely execution of public-centric programmes. Hence, officers are required to adopt a well-reasoned, strategic, and balanced approach to ensure optimal revenue realisation by the end of the financial year.

In this context, it is imperative that greater emphasis is placed on revenue mobilisation through systematic and sustained collection drives. Priority must be accorded to the recovery of arrears

that are already adjudicated and are legally collectable, as well as demands that have attained finality. Speedy completion of pending adjudication proceedings on a fast-track basis is equally critical to convert potential revenue into actual collections. A coordinated and concerted effort across all levels is essential to move towards the goal of cent-percent target achievement, while ensuring fairness, transparency, and adherence to due process.

This edition also carries a comprehensive compilation of recent and significant judicial pronouncements that have a direct bearing on GST administration and compliance. These include judgments on the taxability of renting of residential property in earlier periods, the impact of approval of resolution plans under the Insolvency and Bankruptcy Code on GST dues, and the scope of writ jurisdiction in GST fraud cases. Further, important rulings relating to input tax credit (ITC), interest on delayed re-credit of refunds, demands arising from improper functioning of the GST portal, and denial of personal hearing have been discussed. The compilation also covers decisions on solar EPC contracts, show cause notices based solely on third-party IT information, customer support services rendered to foreign affiliates, eligibility of ITC on telecom towers, release of detained goods against bank guarantee, and the tax implications of development agreements being treated as transfer of development rights. Additionally, key

notifications issued during the month of December have been summarised for the benefit of officers and taxpayers alike.

On the technological front, the department has witnessed a significant and forward-looking development with the signing of a Memorandum of Understanding for the Karnataka GST Analytical Portal by the Commercial Taxes Department with the Dean (Research & Development), IIT Hyderabad. This collaboration marks a major step towards leveraging advanced analytics, data-driven insights, and technology-enabled governance. It is expected to substantially strengthen the analytical capability of the department, aid in risk-based enforcement, and enhance overall efficiency. This initiative aligns with the broader vision of technology-driven governance for an effective, transparent, and taxpayer-friendly tax administration in the years to come.

Editorial Committee:

M. P. Ravi Prasad

**D. S. Prathibha
Priyadharshini**

Ramesh Kumar

C. Pushpalatha

Md. Rafi Pasha

B. P. Pratibha

K. N. Naveen

K. S. Rajesh

B. R. Raghavendra

HIGHLIGHTS OF GST

- GST 2.0 pushes away bill volumes to third-highest.
- GST 2.0 Buyers pick value apparel, upgrade durables.
- GST cut keeps auto sales growth in double digit.
- GST fast-track registration scheme triggers spike in automatic approvals.
- GST 2.0 bolstered momentum, economy on stable footing.
- Manufacturing muscle lifts Q2 GDP growth to 6-qtr high of 8.2%.
- Steep excise hike on tobacco items.
- Premium bike sales defy GST hike, register 4% growth.
- GSTAT state benches may miss Dec rollout as staffing, infra lag.

PAC Clears decade-long C&AG Audit Paras Backlog involving ₹409 Crore, Strengthening Financial Accountability.

The Comptroller and Auditor General's (C&AG) Audit Reports on Revenue Receipts for the period from 2010–11 to 2020–21 have been comprehensively examined and formally cleared by the Hon'ble Public Accounts Committee (PAC) in its recent meeting. These audit reports comprised a total of 61 audit paragraphs, covering 18,779 individual cases with an aggregate revenue implication of ₹409 crore.

The clearance signifies the culmination of a detailed review process undertaken by the PAC to

assess audit observations and departmental responses in a structured and transparent manner.

A formal communication confirming this clearance has been received from the Finance Department,



D.S. Prathibha Priyadharshini
Addl. CCT, (R & R)

stating that the PAC has accorded approval to all the pending audit paragraphs relating to the said period. This development marks the successful resolution of a long-standing backlog that had accumulated over more than a decade, reflecting sustained efforts by the concerned departments to address audit concerns in a timely and effective manner.

The complete clearance of these audit paragraphs represents a significant milestone in strengthening audit discipline, improving financial governance, and enhancing accountability in the management of public revenue. It also enables the administration to move forward with a clean slate, allowing greater focus on current and future audit requirements, thereby contributing to more efficient financial oversight and improved compliance mechanisms.

Lot of efforts gone into clearing the long pending reports by PAC. Congratulations to the concerned officers.

- Editor

Supreme Court: GST Exemption Available on Renting of Residential Property Used as Hostel Accommodation Prior to 18 July 2022

Supreme Court Of India
Civil Appeal No. 7846 Of 2023
December 4, 2025

The Supreme Court examined whether leasing a residential property for use as a hostel by students and working professionals is eligible for GST exemption under Entry 13 of Notification No. 9/2017-IGST (Rate).

In the said case, the respondent leased a residential building to a company, which in turn sub-leased it for long-term hostel accommodation.

However, the AAR and AAAR denied the exemption, holding that since the lessee company itself did not reside in the premises and the arrangement resembled commercial accommodation, the benefit was not available

The High Court of Karnataka set aside the AAAR order and held that hostel accommodation used for residence falls within "residential dwelling."

Upholding the High Court, the Supreme Court held that the property in question was a residential dwelling in common parlance and in municipal records.

The Court clarified that Entry 13 requires three conditions: renting of service, residential dwelling, and use as residence.

It held that the exemption does not mandate that the lessee must itself use the premises as residence.

Use of the property by sub-lessees (students and working professionals) for residence satisfies the "use as residence" condition.

The Court rejected the revenue's

argument that only the first transaction between lessor and lessee is relevant, holding that such a narrow interpretation defeats legislative intent.

Applying purposive interpretation, the Court observed that the exemption is activity-specific and intended to prevent residential accommodation from suffering GST.

The 2022 amendment restricting exemption for renting to registered persons was held to be prospective and not applicable to the period in dispute.

Consequently, the Supreme Court dismissed the appeals and confirmed that no GST was payable on the rent for the period prior to 18.07.2022.

The Supreme Court held that leasing a residential property used as a hostel for students and working professionals qualifies for GST exemption as renting of a residential dwelling used for residence, even if the immediate lessee is a company, since actual residential use by sub-lessees is sufficient. It further ruled that the 18-07-2022 amendment withdrawing exemption for renting to registered persons is prospective, and therefore no GST was payable on such hostel rentals for the earlier period.

- Editor

Delhi High Court Quashes GST Demands Post-IBC Resolution Plan Approval

**High Court of Delhi
W.P.(C) 2281/2025,
23 05/2025 & 23 07/2025
15 December 2025**

In a significant ruling reinforcing the finality of insolvency resolution under the Insolvency and Bankruptcy Code, 2016 (IBC), the Delhi High Court has set aside GST demand orders raised against M/s Era Infra

Engineering Limited for periods prior to the approval of its resolution plan.

The batch of writ petitions challenged demand-cum-show cause notices and consequential orders issued by the GST Department for FYs 2017–18, 2018–19, and 2019–20, involving demands running into several crores. These demands were issued after the National Company Law Tribunal (NCLT), Delhi approved the resolution plan of the corporate debtor on 11 June 2024, following completion of the Corporate Insolvency Resolution Process (CIRP).

Era Infra had undergone CIRP pursuant to proceedings initiated by Union Bank of India. During the insolvency process, the GST Department duly filed its claims, which were examined and crystallised by the Resolution Professional and factored into the approved resolution plan. After approval, the new management took over the company.

Despite this, the GST authorities issued fresh adjudication orders in November 2024 for pre-CIRP periods, prompting the present writ petitions.

The Division Bench of Justices Prathiba M. Singh and Shail Jain held that once a resolution plan is approved under Section 31 of the IBC, all claims not forming part of the plan stand extinguished. Relying heavily on the Supreme Court's decisions in *Ghanashyam Mishra & Sons Pvt. Ltd. v. Edelweiss ARC and Essar Steel*, the Court reiterated that statutory dues, including GST, cannot be enforced for prior periods post-approval of the resolution plan.

The Court distinguished the ruling in *Sundaresh Bhatt v. CBIC*, clarifying that while authorities may assess or quantify dues during CIRP for the purpose of filing claims, they cannot raise or recover fresh demands once the resolution plan has attained finality.

The impugned GST orders dated 14 and 25 November 2024 were quashed. The Court emphasized that new management cannot be burdened with legacy liabilities beyond the resolution plan, underscoring the "clean slate" principle under the IBC.

This judgment provides crucial clarity and reassurance to resolution applicants and corporate debtors, reaffirming that the insolvency process must culminate in certainty and closure.

- Editor

Delhi High Court Reiterates Limits of Writ Jurisdiction in GST Fraud Cases

**High Court of Delhi,
W.P.(C) 4723/2025 &
CM APPL. 21719/2025
17th December, 2025**

In *Navneet Bansal v. Additional Commissioner, CGST Delhi North (W.P.(C) 4723/2025)*, decided on 17 December 2025, the Delhi High Court once again underscored that writ jurisdiction under Article 226 should not ordinarily be invoked in cases involving allegations of fraudulent avilment of CENVAT/ITC, especially where an effective statutory appellate remedy exists.

The case arose from a Show Cause Notice dated 7 May 2021, issued following investigations by the DGGI into a network of firms allegedly engaged in issuing goods-less invoices to facilitate ineligible CENVAT credit.

The petitioner was alleged to have issued invoices without actual supply of goods and to have received commission for the same—facts that were recorded in his statement during search proceedings in January 2021. Importantly, this statement was never retracted.

Despite being aware of the proceedings, the petitioner did not file any reply on merits to the SCN, nor did he meaningfully participate in the adjudication process. The Adjudicating Authority eventually imposed a penalty of ₹1.63 crore under Rule 26 of the Central Excise Rules, 2002 read with Section 174 of the CGST Act.

Before the High Court, the principal grievance raised was non-supply of Relied Upon Documents (RUDs). However, the Court found that the petitioner had made no substantive effort to contest the allegations at the appropriate stage. Relying on a consistent line of precedents—Commercial Steel Ltd. (Supreme Court), Mukesh Kumar Garg, Sheetal & Sons, and MHJ Metal Techs—the Court reiterated that disputes involving complex factual matrices, voluminous evidence, and alleged tax fraud are ill-suited for writ adjudication.

The Court dismissed the writ petition, but in a balanced approach, granted the petitioner liberty to file a statutory appeal under Section 107 of the CGST Act, directing that such appeal, if filed by 31 January 2026, should not be rejected on limitation grounds.

Taxpayers facing serious allegations of ITC/CENVAT fraud must actively engage in adjudication and pursue statutory appeals. Writ jurisdiction is not a substitute for appellate remedies, particularly in cases involving disputed facts and alleged revenue leakage.

-Editor

Mere Non-Filing of Part-B of E-Way Bill Not Enough to Levy GST Penalty: Allahabad High Court

The Allahabad High Court
Writ Tax No. 6578 Of 2025
8 December 2025

The Allahabad High Court has once again reiterated that mere non-filing of Part-B of the e-way bill, without any intention to evade tax, cannot by itself justify the levy of penalty under Section 129(3) of the GST Act. The judgment provides important guidance to both taxpayers and tax authorities on the limits of enforcement action under GST.

The petitioner, Agrim Wholesale Private Limited, a GST-registered entity engaged in wholesale trading of agricultural inputs through e-commerce, challenged the seizure of goods dated 02.05.2025 and the consequent penalty order dated 03.05.2025, which was upheld in appeal on 29.07.2025. The sole reason for interception and seizure of goods was that Part-B of the e-way bill had not been generated at the time of movement of goods.

The petitioner contended that all requisite documents, including valid tax invoices, were produced at the time of interception and that the goods matched the description in the invoices. It was further submitted that non-filing of Part-B occurred due to a technical glitch and that there was no intention to evade payment of tax. Importantly, it was argued that the penalty order did not record any reasons or findings establishing mensrea on the part of the petitioner.

The High Court observed that none of the authorities below had recorded any finding suggesting an intention to evade tax, which is a crucial requirement for invoking penalty under Section 129(3). The Court relied on earlier binding precedents, including M/s Tata Hitachi Construction Machinery Company Pvt. Ltd., M/s Citykart Retail Pvt. Ltd., M/s Roli Enterprises, and M/s Metloy Cast, wherein it was consistently held that non-generation or non-filing of the e-way bill, by itself, does not attract penalty in the absence of tax evasion.

In view of these facts and settled legal position, the Court held that the impugned orders were unsustainable in law. Accordingly, the penalty and appellate orders were quashed, the writ petition was allowed, and the authorities were directed to refund any amount deposited by the petitioner within two months from the date of production of the certified copy of the order.

-Editor

Madras High Court Revives GST Registration Cancelled for Return Defaults Caused by Accountant's Lapse

HIGH COURT
W.P.(MD)No.35506 of 2025
Dated : 11.12.2025

In a significant relief to taxpayers facing cancellation of GST registration due to procedural lapses, the Madurai Bench of the Madras High Court, by its order dated 11 December 2025 in Tvl. KRM Construction v. Assistant Commissioner, has set aside an order cancelling GST registration and directed its restoration, subject to strict compliance conditions.

The petitioner, a construction firm registered under GST in Tamil Nadu, approached the Court challenging the cancellation of its GST registration dated 01 July 2024. The cancellation was triggered by non-filing of GST returns for a continuous period of six months. The petitioner explained that due to serious health issues, statutory compliances were entrusted to a part-time accountant, who failed to file the returns within time.

The Court took a pragmatic and equitable view of the matter. Justice Krishnan Ramasamy observed that the explanation offered by the petitioner appeared genuine and that cancellation of registration is a harsh consequence, particularly when the taxpayer expresses willingness to regularise defaults by filing pending returns and discharging tax liabilities along with interest and late fees.

Accordingly, the Court revoked the cancellation order and directed restoration of the GST registration. However, the relief was made subject to several important safeguards. The respondent authority was directed to coordinate with GSTN to enable filing of pending returns on the portal. The petitioner was mandated to file all pending returns and pay the entire tax dues, interest, and late fees within four weeks from restoration.

Notably, the Court imposed strict conditions on Input Tax Credit (ITC). It clarified that tax, interest, penalty, or fees arising out of the default period cannot be paid using unutilised or unclaimed ITC. Further, any ITC lying in the petitioner's account can be utilised only after scrutiny and explicit approval by the competent GST authority.

The Court also cautioned that non-compliance with any of the stipulated conditions would result in automatic cessation of the relief granted.

This ruling reinforces that courts are willing to grant relief against GST registration cancellation where defaults are bona fide and rectifiable, while simultaneously protecting revenue interests through stringent compliance conditions. It serves as a reminder that restoration is discretionary, conditional, and not an automatic right.

- Editor

Kerala High Court Allows ITC Relief Under Section 16(5) Despite Earlier Adverse Ruling

Kerala High Court
WP(C) No. 45451 of 2025
04 December 2025

In a significant ruling for GST-registered taxpayers, the Kerala High Court in Pazhassi Motors v. State of Kerala &Ors. [WP(C) No. 45451 of 2025, decided on 04 December 2025] has clarified the scope and impact of the newly introduced Section 16(5) of the CGST Act, 2017, and granted relief to the assessee by setting aside an adverse assessment order.

The petitioner, Pazhassi Motors, a registered GST dealer, challenged an assessment order for FY 2018–19 whereby Input Tax Credit (ITC) was denied on the ground that returns for May 2018 to March 2019 were filed beyond the time limit prescribed under Section 16(4) of the CGST Act. The department relied on the statutory cut-off under Section 16(4) to reject the ITC claim. The petitioner, however, contended that Section 16(5), which was introduced subsequently, entitled it to avail ITC since the relevant returns were filed before the cut-off date of 30 November 2021 specified under the said provision.

The State opposed the writ petition on the ground that the petitioner had earlier challenged the constitutional validity of Section 16(4) in W.P.(C) No. 31219 of 2022, which was dismissed by the High Court. According to the State, without seeking review or modification of that judgment, the present writ petition was not maintainable.

Rejecting the State's objection, Justice Ziyad Rahman A.A. held that Section 16(5) creates a fresh statutory right and constitutes a new cause of action. The Court emphasized the non-obstante clause in Section 16(5) ("notwithstanding anything contained in sub-section (4)"), observing that once returns are filed within the time stipulated under Section 16(5), the restriction under Section 16(4) loses significance.

The High Court quashed the impugned assessment order and directed the proper officer to reconsider the matter afresh after granting the petitioner an opportunity of hearing, with a clear direction to extend the benefit of Section 16(5) if the petitioner is otherwise eligible.

This judgment reinforces that Section 16(5) operates independently of Section 16(4) and provides substantial relief to taxpayers who filed delayed returns within the extended statutory window, even if earlier litigation on Section 16(4) had failed.

- Editor

Delhi High Court Directs GST Department to Pay Interest on Delayed Re-credit of Rejected Refund

Delhi High Court
W.P.(C) 11728/2023
9 December 2025

In a significant ruling reinforcing taxpayer rights, the Delhi High Court in Sumit Gupta v. Union of India

&Ors. [W.P.(C) 11728/2023, decided on 9 December 2025] held that interest is payable to the taxpayer for delay in re-credit of rejected GST refund amounts caused by departmental and technical lapses.

The petitioner had filed two refund applications under GST. The first, for the period July 2019 to March 2021, sought a refund of 3,90,027, of which 3,51,036 was sanctioned while 38,991 was rejected. A subsequent refund application filed in August 2022 for 2,38,510 was entirely rejected. Despite rejection of the refund claims, the corresponding amounts were not re-credited to the petitioner's Electronic Credit Ledger (ECL), compelling him to approach the High Court.

Notably, Respondent No. 1 failed to file any counter affidavit despite repeated opportunities, leading the Court to close its right to do so. Respondent Nos. 2 and 3, however, filed a counter affidavit admitting that due to technical glitches on the GST portal, issuance of Form PMT-03 (the statutory mechanism for re-credit) was delayed. It was stated that PMT-03 was ultimately issued only on 27 September 2023, during the pendency of the writ petition.

The Court observed that once a refund application is rejected, re-credit to the ECL is automatic and mandatory, and the taxpayer cannot be prejudiced due to systemic or technical failures of the Department. Since the refund was effectively re-credited only after initiation of writ proceedings, the Court rejected the argument that the deposit was "voluntary".

Limiting the relief to interest, the Court directed the GST authorities to process and sanction interest payable in accordance with law within two months. All other rights and remedies of the petitioner were kept open.

This decision underscores that delays in re-credit of rejected refunds—whether due to administrative inaction or portal glitches—can attract statutory interest liability. Taxpayers facing similar issues may rely on this judgment to assert their right to interest for delayed restoration of credit.

- Editor

Calcutta High Court Quashes GST Demand for Improper Portal Service and Denial of Hearing

**HIGH COURT AT CALCUTTA
WPA 26252 of 2025
24th November 2025**

In a significant ruling reinforcing procedural fairness under GST law, the Calcutta High Court has set aside an adjudication order passed under Section 73 of the WBGST/CGST Act, 2017 against M/s. Birla Brothers Private Limited, citing gross violation of principles of natural justice.

The petitioners had challenged an order dated 6 March 2023 that fastened tax, interest, and penalty liabilities upon them. Their principal grievance was that neither the show-cause notice nor the adjudication order was ever brought to their effective knowledge. Both documents were uploaded only under the "Additional Notices and Orders"

tab on the GST portal, rather than the primary "Notices and Orders" tab. As a result, the petitioners remained unaware of the proceedings until a recovery notice was later received by email in October 2025.

Accepting this contention, the Court held that mere uploading of notices in an obscure portal tab does not amount to proper service, especially when adverse consequences are contemplated. Relying heavily on earlier coordinate Bench decisions in *Sankar Agarwala v. JC CGST* and *Parakh Consulting LLP v. State of West Bengal*, the Court reiterated that accessibility and effective communication of notices are integral to compliance with Section 73 and allied rules.

The Court further emphasized the

mandatory nature of Section 75(4) of the CGST Act, which requires grant of a personal hearing where an adverse order is contemplated. In the present case, no opportunity of personal hearing was afforded, compounding the breach of natural justice.

While an appellate remedy under Section 107 was available, the Court declined to relegate the petitioners to appeal, noting that doing so would result in loss of one forum. Instead, the adjudication order was quashed outright, and the matter remanded to the adjudicating authority.

The petitioners have been granted three weeks to file their reply to the original show-cause notice dated 20 January 2023. The authority has been directed to pass a fresh order after granting a reasonable

opportunity of hearing. However, failure to file a reply within the stipulated time would result in revival of the original order.

Andhra Pradesh High Court Clarifies GST Rate on Solar EPC Contracts: 8.9% Formula Prevails

High Court Of Andhra Pradesh
W.P. No: 4420/2025
03rd December 2025

In a significant ruling for the renewable energy sector, the Andhra Pradesh High Court in *M/s. Vikram Solar Limited v. Commissioner of Central Tax & Ors.* (W.P. No. 4420 of 2025) has provided much-needed clarity on the applicable GST rate for solar power generating system contracts. The judgment, delivered on 3 December 2025 by a Division Bench comprising Justice R. Raghunandan Rao and Justice T.C.D. Sekhar, addresses a long-standing dispute on whether such contracts attract GST at 5% or 18%.

The petitioner, engaged in execution of solar power generating system contracts and their operation and maintenance, challenged an assessment order dated 27 November 2024 for the period April 2018 to March 2020. The tax authorities had classified the contracts as works contracts relating to immovable property, thereby levying GST at 18%. The petitioner, however, contended that the supplies constituted composite supplies involving solar power generating systems, eligible for concessional taxation.

A key aspect of the case was the reliance on Notification No. 24/2018 dated 31 December 2018, which inserted an explanation to Entry 234 of Schedule I to Notification No. 1/2017. This explanation prescribes a deemed valuation mechanism where, in cases involving supply of solar power generating systems along with services, 70% of the gross consideration is treated as supply of goods taxable at 5%, and the remaining 30% as supply of services taxable at 18%. This results in an effective GST rate of 8.9%.

Accepting the petitioner's submissions, the High Court held that the benefit of the notification applies irrespective of whether the contract is characterised as a works contract involving movable or immovable property. The Court set aside the impugned assessment order and remanded the matter to the assessing authority with a clear direction to apply a uniform GST rate of 8.9% on the gross consideration. Importantly, the Court left the broader issue of movability versus immovability open.

When an adverse adjudication order is passed, the effective and proper communication of the notice becomes an essential requirement for ensuring compliance with Section 73 of the GST Act.

- Editor

Delhi High Court Sets Aside Ex-Parte GST Order, Remands Matter Amid Pending Supreme Court Verdict on Limitation Extensions

High Court of Delhi,
W.P.(C) 17761/2025
& CMAPPL. 73404/2025
24th November, 2025

In a significant relief to taxpayers affected by extended GST limitation notifications, the Delhi High Court in *Mohammed Aamir v. Government of NCT of Delhi & Anr.* (decided on 24 November 2025) has set aside an ex-parte adjudication order passed under Section 73 of the GST law and remanded the

matter for fresh consideration. The ruling comes against the backdrop of continuing uncertainty over the validity of Notification No. 56/2023 (Central and State Tax), which extended time limits for adjudication and is presently under scrutiny before the Supreme Court.

The petitioner challenged an order passed without filing a reply to the Show Cause Notice (SCN), contending that the SCN and adjudication order escaped his attention despite compliance with other departmental communications. Alongside assailing the assessment, the petitioner also questioned the constitutional validity of the impugned notifications extending limitation under Section 168A of the CGST Act.

The Division Bench, led by Justice Prathiba M. Singh, noted that there is a clear divergence of views among various High Courts on the validity of Notification No. 56/2023, and that the issue is now squarely pending before the Supreme Court in SLP No. 4240/2025 (HCC-SEW-MEIL-AAG JV). In light of judicial discipline, the Court refrained from pronouncing on the vires of the notifications.

Importantly, the Court emphasized principles of natural justice. Relying on its earlier decision in *Sugandha Enterprises*, it held that where adjudication orders are passed ex-parte without a meaningful opportunity to respond, such orders deserve to be set aside. Accordingly, the impugned order was quashed and the matter remanded to the adjudicating authority, subject to payment of 20,000 as costs.

The petitioner was granted time to file a reply to the SCN, with directions for a personal hearing and a fresh, reasoned order. Crucially, the Court clarified that any adjudication would remain subject to the final outcome of the Supreme Court's decision on the validity of the limitation-extending notifications.

This judgment reinforces procedural fairness in GST adjudication and offers interim relief to taxpayers caught in the crossfire of unresolved constitutional challenges, while keeping substantive issues open for final determination by the apex court.

- Editor

Delhi High Court Upholds GST Show Cause Notice Based on Income Tax Search Material

**High Court of Delhi
W.P.(C) 16754/2025 &
CM APPL. 68768/2025
18th November, 2025**

In a significant ruling, the Delhi High Court in *M/s J.M. Jain v. Union of India* (W.P.(C) 16754/2025, decided on 18 November 2025) has refused to quash a GST show cause notice (SCN) that was issued on the basis of material unearthed during an Income Tax (IT) search. The judgment provides important clarity on the interplay between proceedings under the Income Tax Act, 1961 and the Central Goods and Services Tax Act, 2017.

The case arose from a search conducted by the Income Tax Department, during which a secret "JSK server" allegedly containing parallel books of accounts, unaccounted commission income, cash transactions, and digital evidence such as WhatsApp chats was discovered. Based on this material, the GST Department independently scrutinised the records and issued an SCN proposing substantial GST demands

and penalties. The petitioner challenged the SCN, contending that presumptions under Sections 132(4A) and 292C of the Income Tax Act could not be applied to GST proceedings and that the SCN was vague and without jurisdiction.

The High Court reaffirmed that presumptions under the Income Tax Act are limited to proceedings under that statute and are rebuttable in nature. Such presumptions do not automatically apply under the CGST Act. However, the Court drew a crucial distinction: while IT presumptions do not carry over, the material seized by the Income Tax Department can still form the basis for an independent GST investigation.

The Court found that the GST Department had not mechanically relied on IT findings but had carried out its own analysis of documents, statements, audit reports, and digital evidence before issuing the SCN. Since the matter was still at the show cause notice stage, the Court held that all factual and legal defences remained open to the petitioner and that interference at this stage was unwarranted.

This ruling underscores that inter-departmental sharing of information is permissible and that GST authorities can rely on IT search material, provided there is independent application of mind. For taxpayers, it highlights the importance of responding substantively to SCNs rather than expecting courts to quash them at the threshold.

- Editor

Calcutta High Court Grants Relief from GST Recovery on Statutory Pre-Deposit

**Calcutta High Court
WPA 27535 of 2025
December 24, 2025**

In *S. S. Civil Construction Private*

Limited v. Assistant Commissioner of Revenue, State Tax (WPA 27535 of 2025), the Calcutta High Court has provided significant interim relief to an assessee facing coercive recovery proceedings during the pendency of appellate remedies under the GST law.

The petitioner challenged an appellate order dated 11 March 2025 passed under Section 107 of the WBGST/CGST Act, 2017, by which its appeal against the original adjudication order dated 25 April 2024 was dismissed. Following the dismissal, the GST authorities initiated recovery proceedings and attached the petitioner's bank account. Punjab National Bank, by letter dated 19 November 2025, informed the petitioner that a sum of 2.76 crore was directed to be remitted to the Government pursuant to GST recovery notices.

Before the High Court, the petitioner expressed its readiness to comply with the statutory requirement of depositing 10% of the balance disputed tax under Section 112(8) of the Act, with an intention to file an appeal before the GST Appellate Tribunal once it becomes functional. The petitioner sought lifting of the bank attachment and protection against further recovery actions.

The State authorities, while opposing the writ, fairly submitted that under Section 112(9) of the Act, upon deposit of the amount specified in Section 112(8), recovery proceedings for the remaining disputed tax are deemed to be stayed.

Accepting this statutory position, the Court held that there was no purpose in keeping the writ petition pending. It directed that if the petitioner deposits 10% of the remaining disputed tax within two weeks, the attachment of its bank

account must be lifted forthwith. The Court further clarified that upon such deposit, recovery proceedings would stand deemed stayed, thereby allaying the petitioner's apprehension regarding attachment of other bank accounts.

This ruling reaffirms the protective intent of the statutory pre-deposit mechanism under GST law and discouraging coercive recovery once appellate remedies are pursued in accordance with the Act.

- Editor

Karnataka HC Rules Amazon's Customer Support Services are Exports, Quashes GST Show Cause Notice

**HIGH COURT OF KARNATAKA
W.P. No. 23458 OF 2023 (T-RES)
17th Sept 2024**

In a significant ruling for the IT/ITES and SEZ sectors, the Karnataka High Court has quashed a GST show cause notice issued to Amazon Development Centre India Private Limited, holding that customer support services rendered to foreign affiliates qualify as export of services and do not fall within the ambit of "intermediary services" under the IGST Act, 2017.

The writ petition challenged a show cause notice dated 25 August 2023 issued for the period October 2017 to March 2018, proposing to levy GST on pre-sale and post-sale support services provided by Amazon India to its overseas group entities. The tax department alleged that such services were in the nature of "intermediary" services under Section 2(13) of the IGST Act, thereby attracting GST in India.

The Court, presided over by Justice S.R. Krishna Kumar, noted that the issue was squarely covered by its own judgment delivered on the very same day in *M/s Amazon Development Centre India Pvt. Ltd. v. Additional Commissioner of Central Tax (WP No. 13007/2024)*. Relying on that decision and the CBIC Circular dated 20 September 2021, the Court reiterated that Amazon India was providing services on a principal-to-principal basis and was not arranging or facilitating supplies between two parties. Consequently, it could not be classified as an intermediary.

Importantly, the Court also recognized the petitioner's status as an SEZ unit and observed that services provided to foreign affiliates qualify as exports under Section 2(6) of the IGST Act read with the SEZ Act, 2005. On this basis, the impugned show cause notice was quashed to the extent it proposed GST on export of customer support services.

However, the Court granted liberty to the tax authorities to proceed on any remaining issues and to the petitioner to contest the same before the adjudicating authority.

This ruling reinforces judicial consistency on the "intermediary vs export of services" debate and offers strong relief to SEZ units and captive service providers engaged in cross-border support services.

- Editor

Karnataka HC Quashes GST ITC Denial on Telecom Towers, Holds Towers as Movable Property

**HIGH COURT OF KARNATAKA
W.P. No. 3619 OF 2024 (T-RES)
13th November 2025**

In a significant ruling with wide implications for the telecom and infrastructure industry, the Karnataka High Court, in *M/s Indus Towers Limited v. Union of India & Ors. (WP No. 3619 of 2024, decided on 13 November 2025)*, has partly allowed the writ petition by quashing a GST show cause notice to the extent it denied Input Tax Credit (ITC) on goods and services used for construction of telecommunication towers.

The dispute arose from a show cause notice proposing to deny ITC on inputs, capital goods and input services used in the construction of telecom towers for the period April 2018 to March 2019, treating such towers as "immovable property" under Section 17(5)(d) of the CGST/KGST Acts. The notice also proposed GST demands based on mismatches between GSTR-9, GSTR-9C and GSTR-3B.

Relying heavily on the landmark judgment of the Supreme Court in *Bharti Airtel Ltd. v. Commissioner of Central Excise (2024)*, as well as the Delhi High Court's decision in *Bharti Airtel / Indus Towers / ATC Telecom Infrastructure*, the Karnataka High Court reaffirmed that telecommunication towers are movable property. The Court held that towers do not satisfy the tests of permanency, annexation to earth, or permanent beneficial enjoyment of land. Their installation on concrete foundations is merely for stability and operational efficiency and does not render them immovable.

Importantly, the Court clarified that the specific exclusion of telecommunication towers from the definition of "plant and machinery" in the Explanation to Section 17(5)

does not automatically classify them as immovable property. Since towers are movable, the bar under Section 17(5)(d) does not apply, and denial of ITC on this ground is unsustainable.

Accordingly, the show cause notice was quashed insofar as it related to ITC denial on telecom towers. However, on issues relating to turnover mismatches between returns and audited financials, the petitioner was relegated back to the adjudicating authority to file objections.

This ruling provides substantial relief to telecom infrastructure providers and reinforces judicial consistency on the ITC eligibility of telecom towers under GST.

- Editor

Karnataka High Court allows Release of Goods on Bank Guarantee in GST Enforcement Appeal

**HIGH COURT OF KARNATAKA
Writ Appeal. No. 1588 OF 2024
11th November 2024**

In a significant order concerning GST enforcement proceedings, the Division Bench of the Karnataka High Court, comprising Hon'ble Mr Justice V. Kameswar Rao and Hon'ble Mr Justice S. Rachaiah, disposed of Writ Appeal No.1588 of 2024 on 11 November 2024. The appeal was filed by the State authorities challenging an ad-interim order passed by a Single Judge directing release of goods and vehicle on deposit of 25% of the disputed demand.

The dispute arose from enforcement action initiated against M/s Trillion Lead Factory Private Limited, wherein goods and vehicle were detained and proceedings under Section 130 of the CGST/KGST Act were initiated. The respondent assessee had approached the High

Court at the show cause notice stage, seeking interim relief. The Single Judge, relying on an earlier precedent, granted ad-interim relief subject to payment of 25% of the total demand.

Before the Division Bench, the State contended that the writ petition itself was premature, as only a show cause notice had been issued and final adjudication was yet to take place. It was argued that until a final reply was filed and a final order passed, relief ought not to have been granted. However, taking a pragmatic view, the State expressed willingness to release the goods and vehicle if the assessee furnished a bank guarantee of 18,18,511 in favour of the Assistant Commissioner of Commercial Taxes (Enforcement), Ramanagara.

The assessee accepted this proposal, highlighting that the goods and vehicle had already been detained for over two months and there was urgency in securing their release. The Court recorded the consent of both sides and directed that upon furnishing the bank guarantee within one week, the goods and vehicle shall be released, subject to the final outcome of the writ petition pending before the Single Judge.

In view of this consensual arrangement, the Division Bench disposed of the writ appeal and held that the pending interlocutory application did not survive for consideration.

The order underscores the Court's balanced approach in GST enforcement matters—protecting revenue interests through a bank guarantee while ensuring that prolonged detention of goods and vehicles does not cause undue hardship to taxpayers, especially at the pre-adjudication stage.

- Editor

Bombay High Court Quashes GST Demand on Development Agreements Involving No TDR/FSI Transfer

**High Court of Bombay
Nagpur Bench
W.P. No. 7135 of 2024
Dated: 8th April 2025.**

In a significant ruling for the real estate and GST landscape, the Bombay High Court (Nagpur Bench) in *M/s Shrinivasa Realcon Private Ltd. vs. Deputy Commissioner, Anti-Evasion Branch, CGST (W.P. No. 7135 of 2024, decided on 8 April 2025)* has quashed GST demands raised on a development agreement, holding that such transactions do not automatically attract GST under Entry 5B of Notification No. 11/2017-Central Tax (Rate), as amended.

The dispute arose from show cause notices issued by the tax department seeking to levy GST on a development agreement between the landowner and the developer. The department alleged that the arrangement amounted to a "transfer of development rights" (TDR) or Floor Space Index (FSI), thereby falling within the ambit of Entry 5B, which taxes services by way of transfer of development rights or FSI for construction of a project by a promoter.

The Court, however, undertook a detailed examination of Entry 5B and the applicable Unified Development Control and Promotion Regulations. It held that the expression "transfer of development rights" in Entry 5B must be read in conjunction with FSI and is confined to statutory TDR/FSI as recognized under development control regulations. Importantly, the GST law does not define TDR, and the rights derived by a developer under a conventional development agreement—where the developer constructs the project and is allowed to sell certain units—cannot be equated with a transfer of TDR or FSI.

In the present case, there was no purchase or transfer of TDR/FSI from any third party; the developer merely utilized the existing FSI of the land. Consequently, the Court held that the transaction fell outside Entry 5B and quashed both the show cause notice and the consequential order.

Development agreements that merely permit a developer to use existing FSI, without any independent transfer of TDR/FSI, do not attract GST under Entry 5B—providing much-needed clarity and relief to the real estate sector.

- Editor

Important notification and Circulars

- Notification No. 19/2025–Central Tax (Rate) dated 31.12.2025 and made effective from 01.02.2026, it is observed that the GST framework applicable to tobacco and allied products has been comprehensively restructured. The earlier GST rate of 28% & Cess applicable to most tobacco products has been withdrawn. With effect from 01.02.2026, all tobacco products other than Biris, including pan masala, cigarettes, cigars, cheroots, unmanufactured and manufactured tobacco, and nicotine or heated tobacco products, shall attract GST at the rate of 40% (20% CGST and 20% SGST). Biris have been classified separately and shall attract GST at the reduced rate of 18% (9% CGST and 9% SGST). Consequent upon the revised rate structure, the Compensation Cess earlier leviable on tobacco products has been abolished and reduced to NIL.
- Notification No. 20/2025–Central Tax introduces a special valuation mechanism for specified tobacco products under the provisions of Section 15(5) of the CGST Act, 2017. A new Rule 31D has been inserted in the CGST Rules to prescribe valuation based on the Retail Sale Price (RSP) printed on the product package. For the purpose of valuation, RSP means the maximum price declared on the package inclusive of all taxes, duties, cess and charges, but excluding GST. The value of supply for GST shall be determined by deducting the applicable GST from the declared RSP. In cases where more than one RSP is declared on a package, the highest of such RSPs shall be adopted for valuation. Where the RSP is revised before, during or after the supply, the revised RSP shall be considered as the value of supply. In cases of area-specific RSP declarations, valuation shall be based on the RSP applicable to the area of supply.

This RSP-based valuation mechanism overrides the normal transaction value method prescribed under Section 15(1) of the CGST Act.

The introduction of Rule 31D seeks to curb undervaluation practices and ensure certainty in the tax base for tobacco products. The valuation framework also aligns the GST regime with the erstwhile MRP-based excise duty system. Consequential amendments have been made to Rule 86B sub-clause (c), grants relief by way of exemption to a registered taxable person (other than a manufacturer) from the applicability of this rule, but only in respect of goods specified under Rule 31D, on which tax has been paid by the supplier on the basis of the retail sale price. The revised rate and valuation provisions shall be strictly complied with for all supplies effected on or after 01.02.2026.

- In the backdrop of the Taghar Vasudeva AAR and AAAR rulings, and the matter being under dispute before the Hon'ble Supreme Court pending final order the Government issued
- Notification No. 05/2022–Central Tax (Rate). At this initial stage, a Registered Taxable Person (RTP) was made liable to discharge GST under the Reverse Charge Mechanism (RCM) on the receipt of services by way of renting of residential dwelling.

Subsequently, vide Notification No. 09/2024–Central Tax (Rate), the scope of RCM was further widened by substituting the term “residential dwelling” with “any immovable property”, thereby bringing renting of any immovable property to an RTP within the ambit of RCM liability.

Further, in terms of Notification No. 07/2025–Central Tax (Rate), a registered person opting for the Composition Scheme has been specifically excluded from the applicability of RCM in respect of such renting services and, consequently, is not required to discharge GST under RCM.

Transforming GST Administration in Karnataka: A Blueprint for Data-Driven Compliance



K. S. Basavaraj
Addl. CCT

The Commercial Taxes Department (CTD), Government of Karnataka, has embarked on an ambitious and

forward-looking initiative to comprehensively modernise Goods and Services Tax (GST) administration. Anchored in large-scale data integration from the GST Network (GSTN) and supported by a suite of intelligent, workflow-driven modules, this initiative aims to shift GST administration from reactive enforcement to proactive, risk-based compliance management. At its core, the project envisions a unified digital ecosystem—integrating data, officers, processes, and analytics—capable of supporting more than 3,000 CTD officers across Karnataka. This newsletter explores the scope, structure, and transformative potential of this initiative.

The first pillar of the initiative is large-scale data acquisition from the GSTN servers. Using approximately 150 GSTN-provided APIs, the system will pull historical data from the inception of GST and continue to ingest data on a real-time basis. The data pull may be staggered, with high-priority datasets identified by CTD being ingested first, followed by remaining datasets within agreed timelines. This data will be securely stored on CTD/SDC servers using open-source or licensed database solutions. Importantly, the project mandates complete technical and functional documentation, to be shared with CTD at regular intervals—ensuring transparency, continuity, and long-term sustainability.

The Local GST Officer (LGSTO) module is designed to streamline core operational functions. It enables digital processing of refunds, verification of taxpayer submissions, checks on ineligible input tax credit (ITC), and identification of outstanding demands. Refund approvals and escalations to Joint Commissioners (JCCTs) will be conducted entirely online. The module also automates action against non-filers—from issuance of GSTR-3A notices to best judgment assessments and recovery. Case selection for non-filer visits, online assignment of visits, and uploading of visit reports further enhance field efficiency and accountability.

A key innovation lies in the Scrutiny Module, which enables scrutiny both before and after the due date of filing GSTR-9. Instead of fragmented notices, the system generates a single consolidated scrutiny notice capturing all major mismatches—GSTR-3B versus GSTR-2A/2B, GSTR-1, GSTR-9, Income Tax Form 26AS, GSTR-7, and e-way bills. The module supports the full statutory workflow under Sections 61 and related provisions, including issuance of ASMT-10, receipt of ASMT-11, and passing of ASMT-12. Where responses

are unsatisfactory or absent, cases are escalated online for adjudication, ensuring time-bound and traceable outcomes.

The Audit Module introduces a dynamic search engine to identify audit cases based on revenue-yielding parameters, judicial precedents, advance rulings, and historical risk indicators. The system ensures that every taxpayer is audited at least once every three years, while mandating visit audits and team audits for high-risk categories. To prevent concentration of authority, no single officer will audit the same taxpayer for multiple years. Audit cases are routed online through Audit Monitoring Committees (AMC), with approvals and clearances fully digitised.

The Adjudication Module integrates cases arising from enforcement, LGSTO actions, and audits. Cases are assigned to DCCTs, ACCTs, or CTOs based on pecuniary jurisdiction or other defined criteria, with controlled reassignment powers vested in JCCTs. All adjudication orders are made available to the Internal Audit wing and supervisory officers for verification and potential suomotu revision (SMR). Enforcement-based adjudication orders are also shared with the originating enforcement officers, ensuring institutional feedback and quality control.

Inspection cases are system-selected based on evolving risk parameters and allocated randomly, subject to supervisory oversight. Detailed SOPs and checklists guide inspections, searches, and seizures, while strict timelines govern issuance of DRC-01A and DRC-01. The Vigilance Module introduces GPS-enabled monitoring of vehicles, system-based duty allotment, real-time alerts, and comprehensive tracking of vehicle checks and detentions. FIRs are required to be uploaded within 24 hours, reinforcing procedural discipline.

The Recovery Module documents all recovery modes, including court cases, and standardises SOPs for write-offs. A powerful MIS and Analytics framework delivers zone-wise, commodity-wise, and officer-wise performance insights—supporting evidence-based policy and administration. Advanced analytics support audits, adjudication, refunds, inspections, and vigilance, while dedicated modules address AG audit compliance, appeal outcomes, and penalty/crime records.

Perhaps the most transformative feature is the creation of a 360-degree taxpayer profile—integrating registration details, returns, refunds, scrutiny, audits, adjudication, inspections, vigilance actions, e-way bills,

AG paras, and inter-departmental data (IT, banks, Khajane, stamps and registrations, BBMP, RERA). This unified view empowers officers with context-rich intelligence, reduces duplication, and enhances fairness and consistency in enforcement.

This initiative positions Karnataka at the forefront of GST administration reform. By combining comprehensive data integration, rule-based workflows, and advanced analytics, CTD is laying the foundation for a transparent, efficient, and taxpayer-friendly compliance ecosystem. If executed effectively, this model could well serve as a national benchmark for technology-driven tax administration in India.

- Editor

DRC-01B vs ASMT-13: Choosing the Right GST Compliance Tool

RAJU K.B., ACCT

Under the GST regime, enforcement actions must be aligned with the nature of default committed by the taxpayer. Two commonly misunderstood instruments—Form GST DRC-01B and Form GST ASMT-13—often appear interchangeable but, in law and practice, serve entirely different purposes. A clear understanding of their scope, trigger conditions, and legal consequences is essential for both tax administrators and taxpayers.

Form GST DRC-01B is a system-generated intimation introduced under Rule 88C of the CGST Rules. It addresses situations where the taxpayer has filed both GSTR-1 and GSTR-3B, but the tax liability declared in GSTR-1 exceeds the tax paid through GSTR-3B. Importantly, DRC-01B is triggered only when the mismatch exceeds both 20% and 25 lakh cumulatively, as recommended by the 48th GST Council. This is a

non-negotiable, system-embedded threshold. Officers have no discretion to issue DRC-01B manually or bypass these conditions.

Once generated, DRC-01B requires the taxpayer to respond within seven days, either by paying the differential tax through Form GST DRC-03 or by furnishing an explanation. Failure to respond results in blocking of GSTR-1 for subsequent periods and may lead to direct recovery under Section 79, without invoking adjudication proceedings under Sections 73 or 74. The mechanism is primarily aimed at curbing practices such as fake billing, where outward supplies are reported to pass on ITC, but corresponding tax is not paid.

In contrast, Form GST ASMT-13 is an officer-initiated Best Judgment Assessment under Section 62 of the CGST Act. It applies where a taxpayer has completely failed to file GSTR-3B, even after issuance of a notice in Form GSTR-3A under Section 46. Unlike DRC-01B, there is no monetary threshold for invoking ASMT-13. The Proper Officer assesses tax liability based on available material such as GSTR-1, GSTR-2A/2B, e-way bills, and inspection records.

A key relief feature of ASMT-13 is that the assessment order is deemed withdrawn if the taxpayer files a valid return within 60 days, extendable by another 60 days (effective from 1 October 2023). This provision reflects the principle that compliance should be encouraged over coercive recovery. If the return is not filed within the prescribed time, recovery proceedings follow under Sections 78 and 79, and the order becomes appealable under Section 107.

A frequent error in practice is attempting to use DRC-01B in cases of non-filing of GSTR-3B, which is legally unsustainable. If GSTR-3B is not filed at all, DRC-01B cannot apply—ASMT-13 is the correct route. Similarly, for mismatches below the DRC-01B threshold, officers must resort to alternatives such as ASMT-10 scrutiny, Section 75(12) recovery of self-assessed tax, or proceedings under Section 73.

In conclusion, DRC-01B and ASMT-13 are not substitutes but context-specific tools. Correct selection ensures procedural validity, withstands appellate scrutiny, and promotes fair tax administration. Understanding the distinction is therefore crucial for effective GST compliance and enforcement.



**A MODEL GST NEWSLETTER :
CTD's Commitment to Excellence in
Tax Administration Administration**

K.C. Sujatha, JCCT

I take this opportunity to place on record my sincere appreciation for the excellent initiative of bringing out the GST Newsletter by the Commercial Taxes Department (CTD). The very concept of a structured and periodic GST Newsletter reflects the Department's forward-looking approach and its commitment to knowledge sharing, capacity building, and professional excellence among officers.

The Editor and the entire editorial team deserve special commendation for the exemplary work being carried out in curating, analysing, and presenting the best of tax-related developments. The Newsletter consistently captures important statutory amendments, policy changes, circulars, and significant judicial pronouncements from various forums in a clear, concise, and reader-friendly manner. The effort taken to distil complex legal and technical issues into easily comprehensible notes is truly appreciable and reflects a high level of dedication and domain expertise.

A particularly noteworthy aspect of the Newsletter is the Editor's contribution in presenting the gist of judgments along with insightful remarks and practical guidance. The manner in which lengthy and often complex judgments are summarised, without losing their essence, greatly assists officers in understanding the ratio, implications, and applicability of such decisions in day-to-day administration. The additional observations and guidance provided help bridge the gap between theory and practice, enabling officers to apply legal principles more effectively and consistently in the field.

For officers engaged in appellate work, the GST Newsletter has become an invaluable resource. It serves as a ready reference for recent case laws, evolving interpretations, and emerging trends in GST litigation. The clarity and depth of analysis provided in the Newsletter significantly enhance the quality of drafting, decision-making, and representation in appeals, thereby strengthening the Department's overall legal position.

Beyond its immediate utility, the GST Newsletter also fosters a culture of continuous learning and informed decision-making within the Department. It encourages officers to stay updated, think critically, and approach issues with a well-rounded understanding of law and policy. Such initiatives contribute immensely to institutional knowledge and professional confidence.

It is sincerely hoped that this Newsletter will continue to grow in reach and impact in the coming days. The initiative has the potential to serve as a model for other States and Departments to emulate. I wish the Editor and the entire editorial team continued success and all the very best in their endeavours to further enrich this commendable publication.

There remains considerable scope for further improvement to fully meet the expectations of the CCT. A revised layout approach has been adopted in this version to enhance clarity and presentation. Comments, suggestions, and constructive feedback are sincerely welcomed to facilitate further refinement and improvement.

- Editor

**MOU Signing Ceremony Of Karnataka
GST Analytics Portal
on 05.01.2026**

- S.R. Thulasidas

The Department of Commercial Taxes, Government of Karnataka, marked a significant step towards data-driven tax administration with the signing of a Memorandum of Understanding (MoU) for the Karnataka GST Analytics Portal. The MoU signing ceremony was held on Monday, 5 January 2026, at 12:00 noon at the New Conference Hall, 2nd Floor, Office of the Commissioner, Commercial Taxes Department, VTK-1, Gandhinagar.

The initiative is being undertaken in collaboration with the Indian Institute of Technology (IIT), Hyderabad, reflecting a strong partnership between the State tax administration and a premier technical institution. The proposed GST Analytics Portal aims to leverage advanced data analytics and technological expertise to enhance compliance monitoring, revenue analysis, and informed policy decision-making under the GST regime.

The MoU was formally signed by the Commissioner, Commercial Taxes Department, Government of Karnataka, and the Dean (Research & Development), IIT Hyderabad. Senior officers of the department and invited dignitaries were present on the occasion.

This collaboration is expected to strengthen analytical capabilities within the Commercial Taxes Department and support the State's vision of adopting technology-driven governance for effective and transparent tax administration.



ಕರ್ನಾಟಕ ಸರ್ಕಾರ
ವಾಣಿಜ್ಯ ತೆರಿಗೆಗಳ ಇಲಾಖೆ
Department of Commercial Taxes



CCT signing the MOU with
Dean (R&D), IIT Hyderabad.

The following Officers
retired in the month of
December 2025:

Vijayakumar M. Bhattad, JCCT

Mariswamy Gowda S M, ACCT

Syed Abdul Rahim, CTO

Umesh H Dhanti, CTO

Letters to the Editor

“

*"The newsletter is very
informative & educative
which was needed by the
Department."*



C. Pushpa
JCCT

”

“

*"Second line leadership to
be nourished for carrying
on newsletter in future."*



Sonala G. Naik
JCCT

”

“

*"The newsletter has evolved
into a reliable and insightful
professional publication
that benefits officers."*



Md. Rafi pasha
DCCT

”

“

*The newsletter has come out
very well. I wish the spirit of
communication of
information should be
continuous in days to come.*



B.V. Murali Krishna
Addl. CCT (Rtd.)

”

“

*The summary and editor
comment on judicial
pronouncements is precise
and appropriate.*



D. Jagannath Sagar
Addl. CCT (Rtd.)

”