

GST NEWSLETTER

COMMERCIAL TAX DEPARTMENT, GOVERNMENT OF KARNATAKA

COMMERCIAL TAX OFFICES

GANDHINAGAR, BANGALORE - 560 009.

Edition : 1, November 2025

E-mail: gstctdkarnataka@gmail.com

Ph. No. 080 22370792

From the desk of editor

“The need to enhance awareness among officers regarding judicial pronouncements under the GST law has been a long-felt one. Recognizing this, the Commissioner, during a meeting with senior officers of the department, emphasized the importance of ensuring that all officers are well-versed with the latest court decisions and their implications. Such awareness is essential for the proper interpretation and implementation of the provisions of the GST Act, enabling officers to issue well-reasoned and legally sustainable orders.

In this context, the Commissioner directed the collegium of senior officers to initiate the publication of a Newsletter. The objective of this newsletter is to disseminate key judgments and legal developments to officers at all levels, thereby strengthening the quality of tax administration and decision-making under the GST regime.

As a first step towards this initiative, the present edition of the newsletter brings together significant judicial decisions covering a broad range of issues under the GST law. These include rulings on denial of Input Tax Credit (ITC), validity of expired e-way bills, cancellation and restoration of registration, delay in filing GST appeals, mismatch in returns, powers of the appellate authority to remand matters,

recall of earlier appellate orders, validity of unsigned assessment orders, imposition of penalties for non-compliance during transit of goods, and the necessity of personal hearings before deciding jurisdictional disputes. Also the highlights of 56th GST Council Meetings are summarized regarding the rate rationalization, clarity and measures of ease of doing business and compliance for tax payers.

This initiative marks the beginning of a continuous process aimed at enhancing the legal acumen of departmental officers. It reflects the Commissioner's vision to promote consistent, transparent, and legally sound tax administration. The publication of this newsletter is expected to serve as a valuable resource for officers to stay informed of evolving judicial trends and apply them effectively in the discharge of their duties.”



S.R. Thulasidas, Editor

Editorial Committee:

M. P. Ravi Prasad
D. S. Prathibha Priyadharshini
Ramesh Kumar
C. Pushpalatha
B. P. Prathibha
K. S. Rajesh
K.N. Naveen
B. R. Raghavendra

Guarantees boosted people's spend power and GST collection

Sri SIDDARAMAIAH

Chief Minister of Karnataka.



GST collections in Key States with growth

(October/amount in ₹ crore)

Key States/UT with growth			
States/UT	2024	2025	% change
Maharashtra	31,030	32,025	3
Karnataka	13,081	14,395	10
Gujarat	11,407	12,113	6
Tamil Nadu	11,188	11,588	4
Uttar Pradesh	9,602	9,806	2
Telangana	5,211	5,726	10
Odisha	4,592	4,824	5
Punjab	2,211	2,311	4

Highlights of GST during Oct 2025:

- Karnataka State tops the nation in GST growth at 10% after the rate cut.
- Mass inspections conducted on electronic goods shops by the South Zone (enf.)
- E-commerce platforms under lens over GST sops.
- Credit card spending post GST reforms spikes 30%.
- Car sales increase on GST cut.
- E-way bill generation hits record high

From the desk of Commissioner

The Goods and Services Tax (GST) Act represents one of the most transformative reforms in India's system of indirect taxation. As an evolving legislation, it continues to shape the fiscal landscape and plays a pivotal role in augmenting the revenue of both the Central and State Governments. The dynamic nature of the Act requires constant interpretation, adaptation, and refinement to meet the changing needs of trade, industry, and administration.

In this evolving scenario, the role of departmental officers becomes crucial. Effective administration of the Act depends not only on procedural efficiency but also on a deep understanding of its legal and operational framework. Officers must therefore remain continuously updated with the latest amendments, judicial pronouncements, and administrative directions. Regular engagement with these developments enables officers to implement the Act in its true spirit, ensuring fairness, transparency, and compliance.

There is thus a pressing need for a structured and accessible platform that fosters the dissemination of knowledge, exchange of ideas, and sharing of best practices. Such a platform should also encourage officers to showcase their exceptional work in tax administration, interpretation of law, and enforcement, thereby promoting a legally tenable and progressive tax system.

It has long been felt that a



Sri. Vipul Bansal

departmental newsletter would serve as an ideal medium to achieve these objectives. This newsletter aims to bridge the information gap by incorporating updates on judicial decisions,

legislative amendments, and evolving trends in GST administration. It is envisioned as a dynamic resource that not only informs but also inspires officers to enhance their professional competence and contribute meaningfully to the department's objectives.

As a beginning, this publication marks the first step in that direction. Prepared under the guidance and collective effort of a team of senior officers, it symbolizes our shared commitment to continuous learning and professional excellence. I extend my best wishes to the editorial team for their dedicated efforts and hope that this initiative will evolve into a long-standing tradition of knowledge sharing.

I also urge all officers to actively participate by contributing articles, insights, and field experiences. Your views, analyses, and innovative approaches will enrich the newsletter and make it a vibrant forum for professional growth and collaboration.

56th GST Council Meeting Ushers in Next-Gen Tax Reforms

A Landmark Shift: Simplifying India's Indirect Tax System

The 56th meeting of the Goods and Services Tax (GST) Council, held on **3rd September 2025 in New Delhi**, signalled a new chapter in India's indirect tax administration. Convened under the chairpersonship of **Union Finance Minister Nirmala Sitharaman**, the meeting approved a sweeping rationalisation of GST rates and procedures — widely regarded as the biggest reform since the tax's introduction in 2017.

Meeting after a six-month gap, the Council delivered on the government's long-anticipated promise of “**Next-Generation GST Reforms.**” The reform aims to simplify compliance, eliminate cascading taxes, and ensure affordability of essential goods and services for the common citizen.

From Multi-Slab to Two-Tier: A New GST Rate Framework

The most striking outcome was the **approval of a two-tier GST rate structure**, with slabs of **5% and 18%**, replacing the earlier 12% and 28% rates. Additionally, a **40% “demerit” rate** was introduced for sin and luxury goods, aligning with global best practices in differentiated taxation.

The CBIC issued a comprehensive set of notifications on **17th September 2025 (Nos. 09/2025 to 17/2025)**, formalizing these changes effective **22nd September 2025**.

Key Takeaways and Policy Directions

- **Two-tier rate system:** Standardized at 5% and 18%, with 40% for sin goods.
- **Health and Life Insurance:** Individual Insurance Fully exempted from GST.
- **Revised Refund Mechanism:** Automated **90% provisional refunds** via system analytics from **1st November 2025**.
- **Appellate Tribunal:** GSTAT to become fully operational by **December 2025**.
- **Export facilitation:** Removal of refund thresholds for exporters using post and courier modes.
- **Simplified Registration:** Especially for small e-commerce suppliers.
- **Place of Supply:** Intermediary services now based on recipient
- **Place of Supply:** Intermediary services now based on recipient location under **IGST Section 13(2)**.
- **ITC Adjustments:** Amendments to **CGST Sections 15 and 34** enable credit note-based post-sale discounts.

Highlights of Notifications & Legal Amendments

Central Tax Notification 13/2025

Introduces multiple rule amendments across valuation, refunds, and appeals.

- **Rule 31A(2):** Adjusts valuation for lotteries from 128 to 140 multiplier.
- **Rule 91(2):** Enables risk-based provisional refunds within 7 days; eliminates revalidation of RFD-04.
- **Rule 110–113:** Updates appeal process with new forms (APL-02A, APL-04A) and empowers single-member benches for low-value disputes.
- **GSTR-9 & GSTR-9C:** Revised formats improve ITC visibility and compliance transparency.

Central Tax Notification 14/2025

Denies provisional refunds under Section 54(6) to non-Aadhaar-authenticated taxpayers and suppliers of areca nuts, pan masala, tobacco, and essential oils—aimed at curbing refund fraud.

Rate Notifications 09–17/2025

Recasts GST schedules for goods and services, merges overlapping categories, and expands exemptions in food, health, and education sectors. It also clarifies job work classifications and valuation of renting services.

GST Rate Reductions: Relief Across Sectors

The new rate structure brings significant relief to consumers, farmers, and industries.

Household and FMCG

Essential daily items such as toothpaste, soaps, shampoos, hair oil, and shaving cream now attract 5% GST, down from 18%. Dairy staples like butter, ghee, cheese, and dairy spreads move to 5%, while utensils, baby diapers, and feeding bottles follow suit.

Agriculture and Rural Economy

Agricultural inputs and equipment, including **tractor tyres, irrigation sprinklers, drip systems, and bio-pesticides**, have been reduced to 5%. This is expected to reduce input costs for farmers and boost rural manufacturing.

Healthcare and Pharma

Perhaps the most citizen-centric decision, the Council exempted health and life insurance and slashed GST on **diagnostic kits, medical-grade oxygen, glucometers, and corrective spectacles** to 5%.

Over **33 essential drugs** were made tax-free, while advanced medicines like **Agalsidase Beta, Imiglucerase, Faricimab, and Pertuzumab** were reduced to nil or 5%.

Healthcare providers hailed the move as a breakthrough in making

medical access more affordable.

Education Sector

To promote learning and affordability, the Council exempted **maps, charts, notebooks, pencils, erasers, crayons, and globes**. Educational publishers expect a reduction in book prices by 10–15%.

Automobiles

A major structural relief was granted to the automobile industry. **Small cars, three-wheelers, and motorcycles below 350cc** now attract **18% GST** instead of 28%. Even **commercial vehicles and goods carriers** have been moved to 18%, aiding logistics and MSMEs. Automakers project that small car prices may drop by 5–7%.

Electronics

The GST on **air conditioners, televisions, projectors, and dishwashers** has been rationalized to **18%**, bringing parity across consumer durables. This could help manufacturers clear inventory and stimulate demand during the festive season.

Handicrafts and Small Industries

Traditional sectors received focused relief. Handmade items such as **woodcraft, pottery, coir, embroidery, glassware, bamboo crafts, and sculptures** are taxed at **5%**, while **silver filigree and imitation jewellery** enjoy a **concessional 3% rate**. The change is expected to benefit artisans, particularly in Rajasthan, Odisha, and the Northeast.

Rate Hikes: Higher GST for Sin and Luxury Goods

The new 40% “demerit slab” targets high-end consumption and sin goods, including:

- **Tobacco, pan masala, aerated drinks, caffeinated beverages**
- **Luxury cars, yachts, aircraft for personal use**
- **Casinos, betting, horse racing, and online gaming**

These will now attract **40% GST with input tax credit (ITC)**. Officials clarified that **tobacco**

products will continue under the existing **28% rate** until compensation loan obligations are cleared.

The hike also extends to **coal, lignite, and peat (from 5% to 18%)**, aligning with environmental policy goals, though industry associations warned of a short-term cost push in power and steel sectors.

Procedural and Legal Simplifications

The Council's decisions extend beyond rate changes to address procedural bottlenecks. Amendments to **CGST Sections 15 and 34** simplify post-sale discount adjustments, allowing suppliers to issue credit notes without complex pre-agreements, while mandating corresponding ITC reversal by recipients.

The **place of supply rule for intermediary services** has been realigned with **IGST Section 13(2)**, recognizing the **recipient's location** as the basis for taxation — a relief for service exporters often caught in jurisdictional disputes.

Refunds, Appeals, and Technology Upgrades

From **1st November 2025**, a **risk-based, automated refund system** will grant **90% provisional refunds** for inverted duty and zero-rated supplies. This will minimize manual intervention and expedite processing.

The **GST Appellate Tribunal (GSTAT)** is set to go live in 2025, with timelines for appeal acceptance by **30th September 2025**, hearings from **31st December 2025**, and backlog resolution by **30th June 2026**. The **Principal Bench** in New Delhi will also serve as the **National Appellate Authority for Advance Ruling (NAAAR)**.

Compensation Cess and Future Fiscal Path

Officials clarified that any new cess would require a **constitutional amendment**, maintaining fiscal balance while addressing social and environmental goals.

The Road Ahead

The success of these reforms now hinges on effective communication, quick issuance of clarifying circulars, and the readiness of GSTN systems to handle new return formats. The Council is also expected to reconvene in **December 2025** to review the impact of rate rationalisation and initiate the **second phase of digital reforms**, including **pre-filled returns and automated reconciliations**.

Conclusion

The 56th GST Council Meeting stands as a milestone in India's fiscal reform journey. By merging slabs, widening exemptions, and embracing digital automation, the government has reaffirmed its commitment to a **simpler, predictable, and equitable GST regime**.

As GST 2.0 rolls out from **22nd September 2025**, India steps into a new tax era — one designed to enhance compliance, empower consumers, and strengthen economic competitiveness, bringing the nation closer to the true spirit of *“One Nation, One Tax.”*

Court Quashes Orders on Wrongful ITC Denial

High Court -Allahabad
Writ Tax No. - 389 Of 2023
Date: September 9, 2025

The petitioner, a registered GST dealer engaged in the wholesale trade of pharmaceutical products, challenged the orders passed by the Deputy Commissioner and the

Appellate Authority under Section 74 of the UPGST Act. The dispute arose from Input Tax Credit (ITC) claimed on purchases made in April 2021 from M/s Unimax Pharma Chem, Maharashtra, whose GST registration was later cancelled. The department alleged that the petitioner wrongly availed ITC as the supplier had received goods from parties who had not paid tax, and therefore the transaction was not genuine.

The petitioner argued that all purchases were genuine, supported by tax invoices, e-way bills, transport documents, and bank payments. The supplier had filed GSTR-1 and GSTR-3B and paid tax, which was reflected in the portal. It was further submitted that Section 74 can apply only in cases involving fraud, wilful misstatement, or suppression, none of which were alleged or proved.

The High Court Of Judicature, Allahabad held that no finding of fraud or suppression existed, and authorities ignored crucial evidence of actual movement of goods and tax payment. Reliance solely on an intelligence report without verification was improper. Citing the CBIC circular dated 13.12.2023 and earlier judgments, the Court ruled that Section 74 was wrongly invoked and quashed both orders. The writ petition was allowed.

Section 74 cannot be invoked arbitrarily; it applies only in cases involving proven fraud, wilful misstatement, or suppression of facts. Such invocation must follow a well-reasoned, speaking order establishing these elements through clear evidence, ensuring fairness, transparency, and adherence to the principles of natural justice.

- Editor

200% GST Penalty for Expired E-Way Bill Set Aside; Refund Ordered

High Court -Calcutta

W.P.A. 8444 of 2024

Date: September 9, 2025

HindusthanBiri Leaves &Anr. filed an intra-Court appeal challenging refusal of interim relief against a 200% penalty imposed under Section 129 of the GST Act after 329 bags of biri leaves were detained on 29.07.2022 for expiry of e-way bill by 17 hours. The appellants paid the penalty under protest and relied on Supreme Court and High Court rulings (including Satyam Shivam Papers and Progressive Metals) holding that mere expiry of e-way bill without tax evasion does not justify penalty.

The High Court Of Judicature, Calcutta noted that e-way bill extension was possible within eight hours, but even after excluding that period the delay was 17 hours. There was no allegation of evasion or suppression. Detention and penalty were held arbitrary and mechanical.

The writ petition and appeal were allowed. Penalty was quashed and refund directed within eight weeks.

An order imposing penalty under Section 129 cannot be sustained solely on the ground of an e-way bill's expiry. Such penal action is justified only when there is clear evidence of tax evasion, suppression, or fraudulent intent. Mere procedural lapses without substantive irregularities cannot attract penalty.

- Editor

GST Registration Restored; Court Holds Vague SCN Invalid

High Court -Calcutta

WPA 8144 of 2025

Date: September 9, 2025

Nikita Agarwal's GST registration was cancelled retrospectively from

09.05.2019, and her appeal rejected on 30.05.2023. The Single Bench dismissed her writ petition citing delay. The Division Bench accepted her explanation that she waited for constitution of GST Tribunal and approached the Court only after demand notices were issued in March 2025.

The Court held that the show-cause notice issued in March 2022 was vague, alleging fraud and suppression without particulars, violating the principle laid down in Oryx Fisheries. It also held that retrospective cancellation cannot be ordered unless specifically proposed and justified, citing Ramesh Chander (2024).

The cancellation and appellate orders were set aside. Registration was ordered to be restored with retrospective effect and request for additional place of business to be considered.

A vague Show Cause Notice (SCN) should never be issued. The notice must clearly outline the specific allegations, including details of fraud, suppression, or wilful misstatement. Such particulars must be supported through a well-reasoned, speaking order to ensure transparency, fairness, and adherence to principles of natural justice.

- Editor

High Court Quashes GST Demand Arising from Mismatch in Returns

High Court -Patna

Civil Writ Jurisdiction

Case No.6949 of 2025

Date: September 3, 2025

The petitioner, M/s Parvinder Singh, challenged the assessment order dated 15.01.2021, the corresponding demand notice in Form DRC-07, and the appellate order dated 25.03.2025, seeking their quashing and a direction restraining coercive recovery. The

dispute arose from an alleged mismatch in GST returns where the department found that supplies worth 10,25,422/- made to the Local Area Engineering Organisation, Katihar, were not reflected in the petitioner's return for March 2020, though tax had been deducted at source as seen in GSTR-7. Based on this, a show cause notice under Section 74 of the CGST/BGST Act, 2017 was uploaded on the GST portal, but the petitioner claimed it was never served through email or SMS, resulting in non-response.

The petitioner submitted that the return for March 2020 had already been filed and tax paid on 07.12.2020, as evidenced by Annexure P/4, but the authorities failed to consider this. The department argued that the petitioner did not submit Form DRC-01B to intimate the payment and also failed to pay interest on delayed payment, justifying continuation of proceedings under Sections 73 and 74.

However, in paragraph 22 of the State's counter affidavit, it was admitted that if the petitioner had communicated the tax payment through Form DRC-01B, no proceedings would have been initiated. Since the return was admittedly filed on 07.12.2020, the Court held that the entire demand and proceedings resulted only from a lack of communication, not tax evasion.

Accordingly, the Court set aside the assessment, demand, and appellate orders, and allowed the writ petition.

Demand arising from mismatch of returns should not be too technical and reconciliation must be done among various information.

- Editor

Allahabad HC on Appellate Authority's Power to Remand Matters

**High Court -Allahabad
Writ Tax No. - 1263 of 2023
Date: September 4, 2025**

In this writ petition, the Allahabad High Court examined whether the Appellate Authority under Section 107(11) of the Central Goods and Services Tax Act, 2017 has the power to remand a matter back to the Adjudicating Authority. The petitioner argued that the statute expressly prohibits such remand. Section 107(11) clearly states that

while the Appellate Authority may confirm, modify, or annul the decision under appeal, it “shall not refer the case back to the adjudicating authority”.

The Court noted that despite this statutory bar, the Joint Commissioner (Appeals), CGST, NOIDA, in the impugned order dated 27.09.2023, remanded the matter to the Adjudicating Authority for reconsideration on the issue of place of supply. Paragraphs 17 and 18 of the order showed that the remand was based on lack of evidence, which the Court held to be contrary to law, as the appellate authority failed to appreciate the mandate of Section 107(11).

The Court also relied on the Division Bench decision in *M/s Kronos Solutions India Pvt. Ltd. v. Union of India* (2024), which held that the appellate authority has only three permissible options – confirm, modify, or annul – and has no inherent power to remand.

Since the respondent could not counter the statutory bar or the binding precedent, the High Court set aside the portion of the impugned order that remanded the matter and directed the Appellate Authority to decide the appeal on merits in accordance with law. The

writ was entertained directly because the GST Tribunal is not functional. The petition was accordingly disposed of with directions.

Appellate authorities are empowered to confirm, modify, or annul the decision under challenge; however, they are expressly prohibited from remanding the matter back to the adjudicating authority. Instead, they must decide the appeal on its merits and render a final, reasoned determination within their jurisdiction.

- Editor

HC Quashes Recall of Earlier Appellate Orders

**High Court -Allahabad
Writ Tax No. - 613 of 2020
Date: September 4, 2025**

The Allahabad High Court heard Writ Tax Nos. 613 and 604 of 2020 together, as both involved the same issue. The petitioner challenged the order dated 04.08.2020 passed by the respondent authority under Section 161 of the GST Act, whereby the earlier appellate order dated 08.02.2020—allowing the petitioner's appeal and quashing the penalty under Section 129(3)—was recalled. The recall was based solely on the ground that the State had filed a Special Leave Petition (SLP) before the Supreme Court.

The petitioner argued that Section 161 permits rectification only of an “error apparent on the face of the record”, not a review of a concluded appellate order. Filing of an SLP does not amount to such an error, especially when no stay order was granted by the Supreme Court. Reliance was placed on *M/s Deva Metal Powders Pvt. Ltd. v. Commissioner of Trade Tax, U.P.* (2008), wherein the Supreme Court held that rectification is

limited to patent and self-evident mistakes and cannot be used as a tool for reconsideration or substitution of an order. The State defended the recall order on the ground of the pending SLP.

The Court held that the appellate order could not be recalled merely because an SLP was filed, particularly in the absence of any interim stay. Section 161 cannot be invoked to review or reverse an order decided on merits. The mistake must be obvious without requiring elaborate reasoning, which was not the case here. The authority should have availed proper legal remedies instead of misusing Section 161.

Accordingly, the Court quashed the rectification/recall orders passed in both writ petitions and restored the original appellate order. Both writ petitions were allowed.

Review or recall of a concluded order is not permissible unless a higher appellate authority or forum specifically issues such directions. In the absence of such a mandate, the adjudicating authority has no jurisdiction to revisit, modify, or reopen an order that has already attained finality under law.

- Editor

Unsigned Assessment Orders Rendered Invalid

**High Court Of Andhra Pradesh
At Amaravati
Writ Petition No:19711 Of 2025
Date: September 12, 2025**

The petitioner challenged a penalty order issued in Form GST DRC-07 dated 16.09.2023 and the related Summary of Orders dated 20.10.2023 for FYs 2018-19, 2019-20 and 2020-21. The key ground of challenge was that the assessment order lacked both a Document Identification Number (DIN) and the signature of the

assessing officer. The Government Pleader confirmed that the order did not bear a signature or DIN.

The Court referred to earlier Division Bench judgments in A.V. Bhanoji Row (14.02.2023), M/s SRK Enterprises (10.11.2023), and M/s SRS Traders (19.03.2024), which held that an unsigned assessment order is invalid and that Sections 160 and 169 of the CGST Act cannot cure such a defect. The Court reiterated that the signature of the assessing officer is mandatory and not a mere procedural requirement.

Although there was a delay in filing the writ petition, the Court held that Rule 26(3) of the CGST Rules renders an unsigned order as not served in law. Relying also on the Madras High Court ruling in T. V. L. Deepa Traders (13.08.2024), the Court held that delay is irrelevant when no valid service has taken place.

The writ petition was allowed, the impugned orders were set aside, and liberty was granted to the department to issue a fresh signed order after due notice. The period between the original order and receipt of this judgment will be excluded for limitation purposes. No costs were awarded.

An adjudication order issued under the Act must mandatorily contain a valid Document Identification Number (DIN) and bear the signature of the assessing officer, either through a secure digital signature or a physical signature, to ensure authenticity, traceability, and legal validity of the order.

- Editor

Penalties Upheld for Non-Compliance in Goods Transit

**High Court -Allahabad
Writ Tax No. - 1016 of 2022
Date: September 17, 2025**

M/s Vrs Foods Ltd. v. Additional Commissioner Grade-2 & Others.

The writ petitions were filed against orders passed under Section 129(3) of the UP GST Act by the Assistant Commissioner and the Additional Commissioner reducing but confirming penalties for transit of goods without required documents. The petitioner sold battery scrap to M/s Shiva Traders and sent the truck for weighment. Although a Gate Pass was issued, the truck driver did not carry it, and the vehicle was intercepted. The petitioner argued that no documents

were needed for weighment within 20 km under Rule 138(14)(n) and that payment had been made post-delivery, so the penalty was unjustified.

The State contended that at the time of interception, no documents were produced, and later submission of documents could not excuse the contravention. The Court noted that delivery challans or prescribed documents must accompany goods during transit, and producing them post-seizure would undermine Section 129 and Rule 138.

Finding no illegality or arbitrariness in the authorities' actions, the Court held that the penalty was valid. The writ petitions were dismissed.

Penalty is required to be levied when a person transporting goods fails to produce the prescribed documents at the time of interception. Non-availability of mandatory documents such as invoices, e-way bills, or delivery challans constitutes a violation, warranting penal action under the relevant GST provisions to ensure compliance.

- Editor

Court Directs Personal Hearing Before Deciding Jurisdictional Issue

**High Court - Allahabad
Writ Tax No. 4282 of 2025
September 1, 2025**

The petitioner, Hari Om Udyog, through counsel Sri Suyash Agrawal, challenged notices in Form DRC-01 dated 26.06.2025 issued under Sections 74 and 122 of the UPGST Act, 2017 for the tax period April 2018 to March 2019, arising from a search and seizure conducted on 26.07.2024 by the Deputy Commissioner (SIB), Ghaziabad. The petitioner sought (i) quashing of the impugned notices and (ii) prohibition against further proceedings.

It was submitted that the Central GST had already raised a demand under Section 74, invoking the bar under Section 6(2)(b), making the present show-cause notice invalid.

The Court observed that the petitioner should submit a response to the show-cause notice before the State GST authorities. The authorities were directed to first consider the preliminary objection regarding jurisdiction and pass a reasoned order before proceeding under Section 74. Additionally, a personal hearing must be granted to the petitioner before deciding on the jurisdictional issue.

Before passing any order, it is essential that the adjudicating authority provide the taxpayer with a personal hearing and a fair opportunity to present their case. This procedural safeguard ensures transparency, upholds the principles of natural justice, and allows the taxpayer to clarify facts, submit evidence, and address any concerns raised

- Editor

Metal Scrap Scam unfolded by investigation team of Bangalore (vigilance) Krishnakumar, Addl. CCT.

The interception of goods vehicles linked to *M/s New Mangalore Steel* triggered a major investigation into fake invoicing and input tax credit (ITC) fraud. Analysis of GST returns and supply chains revealed that most suppliers were registered in **Kerala and Tamil Nadu**, but **no RFID or e-way bill data** supported actual goods movement. Reports from these states confirmed that many suppliers were **non-existent**, pointing to a large-scale racket.

A **Core Investigation Team**, formed in **January 2024**, carried out coordinated operations across **Mangaluru, Mysuru, and Bengaluru**, sharing intelligence with Kerala's GST wing. A **joint operation** between the two states was initiated to trace the network's reach. Detailed verification showed that most **Taxpayers (TPs)** involved were **bogus entities** claiming ITC without any inward supplies in **GST-R2A**.

Over **180 cases** were identified, involving **200+ persons**, with **180 investigation teams and 250 officers** deployed. Inspections extended to **real estate brokers, accountants, bank officials, transporters, landlords, and petrol pump operators**, revealing a deeply embedded support network. Digital and documentary evidence, including **CDRs, IP logs, GST returns, and bank KYC details**, were meticulously analysed.

Key Outcomes:

- Total Inspections: 180 cases
- Registered Persons Inspected: 111

- Kerala & Tamil Nadu TPs: 53
- Turnover Involved: ₹1,100 crore
- Tax Evasion Detected: ₹198 crore

The investigation exposed a **scrap trading cartel** using fake invoices to pass fraudulent ITC across state borders. The success of this joint effort underscores the importance of **inter-state coordination, data-driven intelligence, and digital forensics** in combating GST evasion. Strengthening registration norms, real-time verification, and systemic data integration are vital to prevent recurrence of such large-scale tax frauds.

Children's day celebration @ CCT office creche.



Important Notifications

Sl. No.	Subject	KGST Notification No
1	Seeks to notify clauses (ii), (iii) of section 121, section 122 to section 124 and section 126 to 134 of Finance Act, 2025 to come into force.	(04/2025)FD 04 CSL 2025
2	Seeks to exempt taxpayer with annual turnover less than Rs 2 Crore from filing annual return.	(03/2025)FD 04 CSL 2025
3	Seeks to notify category of persons under section 54(6).	(02/2025)FD 04 CSL 2025
4	Seeks to notify the Central Goods and Services Tax (Third Amendment) Rules 2025.	(4-D/2025)FD 05 CSL 2025

The following officers retired in the month of October 2025:

- **Dinesh R.** CTO
- **Jayashree J.P.** CTO
- **Nalinakshamma** CTO
- **Mahesh M.V.** CTO



Letters to the Editor

"It was a desire come true after the prompting of commissioner to publish a newsletter and hope the officers do benefit in the process."



Smt. Prathibha Priyadharshini
Addl. CCT.

"GST is an evolving law and keep in pace with it is the need of the hour. This efforts goes a long way to stimulate updation of knowledge"



Mr. M. P. Ravi Prasad
Addl. CCT

"Highlight the performance of officers who have done exceptional work in audit / adjudication / enforcement fields".



Smt. C. Pushpalatha
Addl. CCT.

"It was the need of the hour for the officers to acquire the latest knowledge of the judicial updates and an effort has been started in coming out newsletter. I wish the trend to continue a very long time to come".



Mr. Ramesh Kumar
Addl. CCT.