



Indirect Tax newsletter
Indirect Tax updates

March 2026

We are delighted to share a few important judgements/advance rulings passed under the Goods and Services Tax (GST), Central Excise and Service Tax that were available in the public domain for January and February 2026. This issue also covers some updates from the Indirect Tax perspective.

GST



State of Jharkhand and Ors vs. M/s. BLA Infrastructure Private Limited Civil Appeal Diary No(s). 56452/2025 (Supreme Court)

The taxpayer had made a statutory pre-deposit for filing an appeal against an adjudication order. Upon receipt of the appellate order, an application for a refund of the pre-deposit amount was filed. However, the Department rejected the refund application on the grounds that it was filed beyond the limitation period prescribed under Section 54(1) of the Central Goods and Services Tax Act, 2017 (the CGST Act), read with Circular No. 125/44/2019-GST dated 18 November 2019, asserting that the jurisdictional officer lacked the power to condone the delay.

The Jharkhand High Court granted relief on the following grounds:

- The refund of the statutory pre-deposit is a right vested after an appeal is allowed in its favour. Therefore, the same cannot be forfeited by invoking Section 54 of the CGST Act.
- There is no unjust enrichment in this case as the pre-deposit was made from the taxpayer's own funds.
- The language of Section 54(1), which states "may make an application before the expiry of two years from the relevant date," is directory and not mandatory. The Court highlighted that interpreting Section 54 as mandatory would conflict with the provisions of the Limitation Act, 1963, which prescribes a three-year limitation period for filing money suits.

Accordingly, the Jharkhand High Court quashed the deficiency memo and directed the Department to grant the refund along with applicable interest. Aggrieved by the High Court order, the State of Jharkhand preferred an appeal before the Supreme Court.

The Supreme Court agreed with the Revenue that the refund of the statutory pre-deposit should be governed by Section 107(6), read with Section 115 of the Jharkhand GST Act. It is pertinent to note that Section 107(6) of the Jharkhand Goods and Services Tax Act provides for a mandatory pre-deposit for filing an appeal. Additionally, Section 115 provides for a refund of such amount pursuant to the order of the Appellate Authority or Appellate Tribunal.

It also held that the High Court's exercise of interpreting Section 54 of the CGST Act for granting relief was unnecessary and erroneous. It set aside the High Court's interpretation of Section 54 in this context and clarified that the refund should be processed under the correct provisions of the Jharkhand GST Act. Accordingly, the Supreme Court directed that the refund amount, along with interest, be processed in accordance with the law within four weeks from the date of the order.



HT Media Limited vs. Principal Commissioner, Delhi South GST 2026-VIL-06-SC-ST (Supreme Court)

The taxpayer organised an annual leadership summit and invited prominent speakers from outside India to attend it. Accordingly, the taxpayer entered into agreements with overseas agencies for booking the speakers.

The issue before the Supreme Court, against the Customs, Excise and Service Tax Appellate Tribunal's (CESTAT) decision, was whether the fees paid to the speakers, through their booking agents, were liable to Service Tax under the category of "event management service".

The Supreme Court examined the agreements between the appellant and the booking agents, which outlined the terms of the speakers' participation, including travel, accommodation and appearance schedules.

- The contracts were found to be limited to securing the speakers' presence and did not involve event management activities.
- The contracts were entered into with the agents qua each speaker laying down the modalities of their visit and consideration for the same.
- The contract with the booking agents was not for "management of an event" but for booking of the speakers.
- The speakers are neither "event managers" nor do they provide an "event management service".
- The booking agent merely books the speakers and acts in the capacity of an agent or representative for agreeing to the terms of the speakers' presence at the event.
- Rejecting the Revenue's argument that the event would be devoid of significance without the speakers, the Supreme Court held that while the presence of speakers may be essential, participation in an event cannot be regarded as management of the event. Accordingly, the Supreme Court allowed the appeal.



Commissioner of Commercial Tax and Ors. vs. Vikram Cement 2026-VI-19-SC (Supreme Court)

The issue for consideration before the Supreme Court was whether Central Board of Indirect Taxes and Customs (CBIC) Circular No. 207/1/2024-GST dated 26 June 2024, prescribing monetary limits for filing appeals, would apply to pending appeals.

The taxpayer was assessed under the Madhya Pradesh General Sales Tax Act, 1958. The Revenue had filed an appeal before the Supreme Court, challenging the High Court order quashing the reassessment proceedings on the ground that they were time-barred.

The Supreme Court held that the circular also applied to pending appeals, as its language, particularly the phrase "appeal should not be pursued," was interpreted to include pending appeals, not just new filings. It was noted that, as the tax component in the present case was below the threshold for filing an appeal before the Supreme Court, the Revenue was barred from pursuing the appeal.



Union of India vs. Torrent Power Ltd. (2026) 39 Centax 265 (S.C.) (Supreme Court)

The issue for consideration before the Supreme Court was the refund of Integrated Goods and Services Tax (IGST) and Service Tax paid on ocean freight under Cost, Insurance and Freight (CIF) contracts, which the Court declared unconstitutional in the case of UOI vs. Mohit Minerals (P.) Ltd. (2022) 10 SCC 700. The issue was whether such a refund was required to be deposited in the consumer welfare fund.

The taxpayer was engaged in electricity generation and distribution. The Gujarat High Court had allowed the refund after accepting the taxpayer's undertaking to deposit the refund amount in a separate bank account and to pass it on to consumers through tariff adjustments approved by the Gujarat Electricity Regulatory Commission (GERC).

The Supreme Court held that the amount was required to be credited to the consumer welfare fund, as the taxpayer had passed on the tax burden to its consumers by including the tax in the tariff determination approved by GERC. It observed that the High Court adopted an "alien modality" for refund disbursement, not contemplated by the GST law, and hence set aside the High Court order.



Alstom Transport India Limited (ATIL) vs. Additional Commissioner, CGST and Central Excise (Appeals) and Ors. TS-29-HC(GUJ)-2026-GST (Gujarat High Court)

The taxpayer (ATIL) was formed through the amalgamation of three entities: Alstom Rail Transportation India Pvt. Ltd. (ARTIPL), Alstom Manufacturing India Pvt. Ltd. (AMIPL) and Alstom System India Pvt. Ltd. (ASIPL). This amalgamation was approved by the National Company Law Tribunal (NCLT). Following is the chronological sequence of events:

Sr. no.	Event	Date
1	ATIL applied for GST registration	10 May 2023
2	Effective date of GST registration of ATIL (registration certificate was dated 21 December 2025)	25 May 2023
3	Issuance of NCLT order	10 August 2023
4	Issuance of a certified copy of the NCLT order	28 August 2023
5	Registrar of Companies (ROC) certification of the NCLT order, i.e., the effective date of the merger of ARTIPL, AMIPL and ASIPL	22 September 2023
6	Intimation of amalgamation by ARTIPL to the authorised officer	10 October 2023
7	ARTIPL filed Form GST ITC-02 to transfer the Input Tax Credit (ITC) for a partial amount	20 October 2023
8	ARTIPL filed a refund claim of the balance ITC amount, for which a partial refund was sanctioned (the refund was filed due to exports undertaken in April 2023)	28 February 2024
9	Refund order reviewed by the Department	29 July 2024
10	The Department filed an appeal against the refund order, which was allowed, and a refund claim was set aside in order-in-appeal	08 January 2025
11	Show Cause Notice (SCN) issued to ARTIPL for the cancellation of registration	07 November 2024
12	Effective date of the cancellation of registration of ARTIPL pursuant to the adjudication of the SCN	29 November 2024

Against the order-in-appeal, the taxpayer has filed a writ.

The Gujarat High Court held that:

- ATIL's GST registration was granted retrospectively, which violated Section 22(4) of the CGST Act, as ATIL became liable to register only after the ROC issued its certificate.
- ARTIPL was supposed to file an application for the cancellation of its registration within a period of 30 days from the date of issue of the ROC certification.
- According to Section 87(2) of the CGST Act, ATIL and ARTIPL are to be treated as distinct companies only up to the date of issue of the NCLT order, and the registration certificate of the amalgamating company shall be cancelled from the date of the NCLT order. Hence, the identity of ARTIPL as a distinct entity exists till the date of the NCLT order, and its registration is required to be cancelled with effect from the date of issue of the NCLT order.
- Both the transferor (ARTIPL) and transferee (ATIL) have violated the statutory provisions regulating registration and cancellation of registration requirements to be complied with by the amalgamated and amalgamating companies, respectively.
- If the issue of registrations of both the entities was undertaken as prescribed by the statutory provisions, there was no impediment to claim the refund of unutilised ITC by ATIL, in which the rights, interests and liabilities of ARTIPL got transferred.
- On amalgamation and formation of ATIL, the only and exclusive manner to transfer the unutilised ITC from its electronic ledger was through FORM GST ITC-02, which it resorted to, but only partially, i.e., almost 80 percent. The taxpayer ATIL was entitled to claim the entire unutilised ITC of ARTIPL and to encash it if it was transferred in accordance with the statute. ATIL could not have claimed it in any manner, as it never exported the goods.
- ARTIPL was never restricted in transferring the entire unutilised ITC through Form GST ITC-02. The High Court rejected the contention that a partial transfer coupled with a refund of the balance was permissible, holding that such an interpretation would defeat the legislative scheme.
- Noting multiple statutory irregularities in registration and cancellation-related aspects from both entities' end as well as the Department's end, the High Court refrained from interfering with the appellate orders denying the refund.



Bharat Aluminium Company Limited vs.the State of Chhattisgarh and Ors. TS-1075-HC(CHAT)-2025-GST (Chhattisgarh High Court)

The issue for consideration before the Chhattisgarh High Court was regarding the following two concerns:

- Eligibility of ITC on electricity supplied to the township
- Whether the amendment to Rule 43, which excluded the value of Duty Credit Scrips (DCS) from the "aggregate value of exempt supply," could be applied retrospectively

The taxpayer is engaged in the manufacture and export of aluminium products. It generates electricity using imported coal and pays GST compensation cess on it. The electricity generated is used for manufacturing operations, sold to state electricity boards and supplied to the township that houses its employees. The taxpayer also receives DCS as incentives for promoting exports. The taxpayer, being an exporter of goods, had claimed a refund of ITC of the compensation cess, which was partially allowed. However, the remaining amount was rejected by the Revenue on the grounds that ITC attributable to the supply of electricity for township consumption is not intrinsically connected to the business activity, and the sale of DCS is an exempt supply, warranting reversal of the ITC.

Upholding the single bench order, the division bench of the Chhattisgarh High Court held that the claim of ITC in respect of electricity supplied to the township was not permissible. Reliance was placed on the Supreme Court's judgements in the cases of Maruti Suzuki Limited vs. the Commissioner of Central Excise, 2009 (9) SCC 193 and the Commissioner of Central Excise vs. Narmada Fertilizers Company Limited, 2009 (9) SCC 101. It was observed that electricity supplied to the township is a welfare-related activity, not integrally connected with the manufacturing or business operations, and hence not in the course or furtherance of business. With respect to the exclusion of the value of supply of DCS from "aggregate value of exempt supply," it was held that the amendment was not clarificatory in nature and could not be applied retrospectively. The Court ruled that the benefit of the amendment was available only from 5 July 2022 onwards.



Periyasamy Karthikeyan vs. the State Tax Officer, Karur-4 Assessment Circle, TS-31-HC(MAD)-2026-GST (Madras High Court)

The taxpayer erroneously claimed ITC under CGST and State Goods and Services Tax (SGST) instead of IGST while filing GSTR-3B for FY2018–19. The said error was duly disclosed while filing the annual return in Form GSTR-9 and subsequently rectified through Form GSTR-9C, supported by a certificate from a Chartered Accountant.

Upon scrutiny of returns, the Department issued Form GST ASMT-10, intimating the discrepancy and seeking an explanation. After the taxpayer's reply was found satisfactory, the proceedings were dropped by issuing ASMT-12.

However, despite this, the Revenue issued DRC 01A (intimation of tax) and DRC 01 (summary of SCN) on the same issue. The taxpayer filed a response; however, without considering the same, the Revenue passed the impugned order. Aggrieved by the said order, the taxpayer preferred a writ in this case.

Referring to Section 61(2) of the CGST Act, the High Court observed that once an explanation is accepted and ASMT-12 is issued, the proceedings stand concluded, and the Revenue no longer has the jurisdiction to issue DRC 01A and DRC 01. Additionally, once the error is rectified, the issue of short payment or excess claim will no longer arise. Furthermore, the High Court rejected the Revenue's contention that the excess ITC claim under CGST and SGST resulted in a revenue loss. The ITC claimed under CGST and SGST is merely an excess claim instead of claiming it under IGST. Accordingly, the impugned assessment order was quashed.



AWL Agri Business Limited vs. the Joint Commissioner (GST Appeals), Commissioner of Central Tax and Customs (Appeals), Guntur and Ors. 2026-VIL-81-AP (Andhra Pradesh High Court)

The taxpayer imports edible oil, refines it and then packs it for domestic supply. It sought a refund of the accumulated ITC on account of the inverted duty structure for three periods: November 2018, March 2019 and April 2019. The applications were rejected by the adjudicating authority under Rule 89(5) of the CGST Rules, 2017, which precluded such a refund. Appeals to the Appellate Authority were also dismissed. Aggrieved, the taxpayer filed a writ.

According to the amendment to the refund computation formula, only that portion of tax payable on inverted supply of goods and services that was paid by utilising ITC on input goods would be subtracted from the proportionate Net ITC (ITC availed on inputs). The said amendment was brought to address an anomaly in the formula, as pointed out by the Supreme Court in the case of UOI vs. M/s. VKC Footsteps (2021 (52) G.S.T.L. 513 (S.C.)).

The taxpayer contended that the amendment to the formula under Rule 89(5) is clarificatory in nature. Hence, it will have retrospective application. The Revenue, however, argued that the amendment was prospective, relying on Circular No.181/13/2022 GST dated 10 November 2022, which clarified that the amended formula would apply only with effect from 05 July 2022.

The Andhra Pradesh High Court, relying upon the Gujarat High Court's judgement in the case of Tirth Agro Technology Pvt. Ltd. vs. Union of India, 025 (1) TMI 719, held that the amendment to Rule 89(5) of the CGST Rules is clarificatory in nature and therefore applies retrospectively, even to refund claims rejected prior to the amendment, particularly where the taxpayer had continuously pursued the claims. Accordingly, orders rejecting the refund claims and the appellate orders were set aside, and the matter was remanded to the primary authority to reconsider the refund applications afresh by applying the amended formula.



SEIL Energy India Limited vs. Principal Commissioner of Central Tax and others, 2026-VIL-03-AP (Andhra Pradesh High Court)

The taxpayer is engaged in the generation and supply of electricity and supplies electricity to the Bangladesh Power Development Board, both directly and through Power Trading Corporation India Limited (PTC). For the supplies made, the taxpayer claimed a refund of accumulated ITC on the ground that such supplies constituted zero-rated exports under the GST law. However, the tax authorities partially rejected the refund claims, arguing that the supplies to PTC were domestic, not zero-rated exports. The taxpayer challenged these rejections before the Andhra Pradesh High Court.

The Andhra Pradesh High Court held that the supply of electricity by the taxpayer to PTC was a domestic supply, as the delivery point specified in the agreements was within India. The supply was preparatory to export, i.e., the supply of goods by PTC to the Bangladesh Power Development Board for export, and did not, in itself, qualify as an export under the IGST Act. It was observed that the taxpayer was not a party to the export contract between PTC and the Bangladesh Power Development Board

Relying on the judgement in the case of State of Travancore-Cochin vs. Shanmugha Vilas Cashewnut Factory [1953-VIL-01-SC.], the Court reiterated that a supply made for the purpose of export is only preparatory and does not constitute a transaction in the course of export. The supply of electricity between the taxpayer and PTC can only be called a supply for export of goods and not, per se, an export of goods.

Accordingly, the High Court held that the supply by the taxpayer to PTC was a domestic supply. Consequently, the taxpayer was directed to resubmit refund applications after making appropriate modifications to the formula for determining the amount of refund.



Sahil Enterprises vs. Union of India and Ors. 2026-VIL-15-TRI (Tripura High Court)

The taxpayer company had purchased goods from a supplier between July 2017 and January 2019. Upon investigation, it was discovered that the supplier was supplying goods to different traders but was not depositing the GST paid by the purchasers with the government. The supplier had filed Form GSTR-01 showing the sale of goods to the taxpayer but failed to deposit the tax collected from the taxpayer, as they were filing Nil GSTR-3B returns. The Revenue contended that, as the supplier did not deposit the GST with the government, the taxpayer is not eligible to avail ITC under Section 16(2)(c) of the CGST Act, even though the taxpayer had already paid the GST amount to the supplier. The ITC balance in the taxpayer's Electronic Credit Ledger (ECL) was blocked by the Revenue. Subsequently, an SCN was issued for reversal of the disputed ITC, along with interest and penalty and thereafter, an order confirming the demand was passed.

A writ petition was filed by the company challenging the impugned order and the constitutional validity of Section 16(2)(c) of the CGST Act as violative of Articles 14, 19(1)(g) and 300-A of the Constitution of India.

The Tripura High Court held that Section 16(2)(c) of the CGST Act is not unconstitutional but should be read down to be applied only where the transaction is found to be not bona fide or is a collusive or fraudulent transaction to defraud the Revenue. In this case, the transaction between the taxpayer and the supplier is bona fide and not collusive. Accordingly, the taxpayer, i.e., the recipient of the supply, cannot be penalised by denying ITC under Section 16(2)(c) of the CGST Act.



BirlaNu Limited vs. UOI and Ors.
2026-VIL-26-TEL (Telangana High Court)

The taxpayer is registered as an Input Service Distributor (ISD) under the CGST Act. During audit proceedings for FY2017–18 and FY2018–19, the Department observed that the taxpayer had accumulated ITC during the year and distributed it in the last month of each financial year (i.e., March 2018 and March 2019, respectively), instead of distributing it on a monthly basis.

The Department contended that such distribution was in violation of Rule 39(1)(a) of the CGST Rules, which provides that ITC available for distribution in a month shall be distributed in the same month. An SCN was issued proposing the imposition of a penalty, alleging contravention of Rule 39(1)(a). Aggrieved, the taxpayer filed a writ petition before the High Court challenging the constitutional validity of Rule 39(1)(a) of the CGST Rules.

The High Court observed that prior to 01 April 2025, Section 20 of the CGST Act did not prescribe any time limit for such distribution by ISD. The provision merely required that credit be distributed “in such manner as may be prescribed”. Rule 39(1)(a) of the CGST Rules, which mandates the distribution of ITC in the same month, goes beyond the scope of the parent statute.

The Court struck down Rule 39(1)(a) of the CGST Rules insofar as it mandates that ITC available for distribution in a month shall be distributed in the same month for the period prior to 01 April 2025.



Paradeep Phosphates Limited
2026-VIL-77-Ori (Orissa High Court)

The issue for consideration before the Orissa High Court was whether interest was payable on refund claims filed by taxpayers pursuant to the Supreme Court’s judgement in the case of Mohit Minerals (P.) Ltd. 2022 (61) G.S.T.L. 257 (SC). The Department contended that interest was not payable because the refund amount was paid within the stipulated period of 60 days from the date of the refund application.

The High Court held that interest at six percent per annum should be paid from the date the taxpayer deposited the IGST on ocean freight until the date of the actual refund. If there is a delay in payment of such interest beyond eight weeks, interest needs to be paid at nine percent per annum. The observations made by the High Court are as follows:

- IGST on ocean freight was collected based on notifications that were later declared unconstitutional. Thus, the collection of tax was without the authority of law, violating Article 265 of the Constitution.
- Sections 54 and 56 of the CGST Act, which govern interest on delayed refunds, do not contain specific provisions for cases where the refund arises from the declaration of a tax levy as unconstitutional.
- When a tax is collected unlawfully, the taxpayer is entitled to interest on the refunded amount, even if the statute does not address the matter. The taxpayer's entitlement to interest stems from the constitutional principle of restitution, not the statutory provisions. Furthermore, interest serves as compensation for the taxpayer's deprivation of funds.



A. M. Marketplaces Pvt. Ltd. vs. Union of India 2026-VIL-54-BOM (Bombay High Court)

The issue for consideration before the Bombay High Court was whether the three-month time gap between the issuance of a notice under Section 73(2) and the passing of an order under Section 73(10) of the CGST Act must be strictly adhered to.

The Bombay High Court, relying on similar judgements in the cases of *H. Robinson Worldwide Freight India Pvt. Ltd. vs. Additional Commissioner* 2025-VIL-1127-DEL and *The Cotton Corporation of India vs. Assistant Commissioner* 2025-VIL-124-AP, held that the said three-month time gap is mandatory because multiple activities are to be performed in the intervening period. These include the principles of natural justice, the option to obtain adjournments for personal hearings, the requirement to serve a statement of proposed demand, the opportunity to pay tax through self-assessment, etc.



IProcess Clinical Marketing Pvt. Ltd. vs. Assistant Commissioner of Commercial Taxes and Ors.
2026-VIL-09-KAR (Karnataka High Court)

The issue for consideration before the Karnataka High Court was whether the notification no. 04/2019-Integrated Tax dated 30 September 2019, which clarified that the place of supply for R&D services provided by Indian pharmaceutical companies, would be recipient-based and would apply retrospectively.

In view of the specific observations made at the 37th GST Council Meeting, which resolved to clarify the GST liability for foreign recipients of R&D services provided by Indian pharmaceutical companies, the High Court observed that the said notification is clearly retrospective, being clarificatory and elucidatory in nature. The taxpayer would be entitled to the benefit of the said notification even for the period prior to its date of issue. Accordingly, the taxpayer's services were held to be exports and not liable to GST.



Niket Bipinbhai Patel vs. Assistant Commissioner (A.E.) CGST
TS-96-HC(GUJ)-2026-GSTJ (Gujarat High Court)

The taxpayer was engaged in acquiring leasehold rights over Gujarat Industrial Development Corporation (GIDC) plots, sub-plotting them and transferring the leasehold rights to purchasers. The taxpayer availed ITC on charges levied (such as sub-divisional charges, NU penalty, miscellaneous administrative charges, transfer fees and other statutory dues necessary for effecting the transfer), which were directly linked to their business activities.

The issue for consideration before the Gujarat High Court was whether the ITC availed and utilised in respect of charges levied by GIDC was in contravention of Section 17(5)(d) of the GST Act. Under Section 17(5)(d), ITC in respect of goods/services received by a taxable person for the construction of an immovable property (other than plant and machinery) on their own account is blocked.

The Gujarat High Court held that Section 17(5)(d) applies to goods or services used for the construction of immovable property, which was not the case for the taxpayer. The taxpayer's activities were limited to transferring leasehold rights, and no construction activities were undertaken. The ITC was held to be eligible in this case.



Flipkart India Private Limited
TS-61-AAR(TN)-2026-GST (Madras High Court)

The issue before the Tamil Nadu Authority for Advance Ruling (AAR) was whether the transportation services provided by the taxpayer qualified as Goods Transport Agency (GTA) services. Additionally, whether services provided to unregistered customers would be exempt under Entry No. 21A of Notification No. 12/2017 - Central Tax (Rate) dated 28 June 2017, which provides exemption in respect of “services provided by a GTA to an unregistered person as prescribed”.

The taxpayer proposes a new business model involving the provision of transportation services of goods exclusively by road to customers purchasing goods through various E-Commerce Operator (ECO) portals, wherein the transportation charges are recovered directly from the end customer. The transportation services include issuing a consignment note and delivering goods from a designated "source mother hub" to the customer's delivery address.

The AAR held that the taxpayer qualifies as a GTA as the required conditions, i.e., transportation of goods by road and issuance of the consignment note, are fulfilled. As the end customer who is unregistered under the GST law directly pays the transportation charges, they are the recipient of services. The services are covered under Entry No. 21A of the exemption notification and are not part of the list of exclusions in the entry.



Rajendra Narayan Mohanty vs. Joint Commissioner of State Tax, CT and GST Circle, Cuttack and Anr.
2026-VIL-192-ORI (Orissa High Court)

The issue for consideration before the Orissa High Court was whether an application for a refund of excess tax paid under a mistake of law is barred by the limitation period prescribed under Section 54 of the CGST Act, 2017.

In this case, the taxpayer had deposited GST twice for the same transaction, once through the credit ledger and then again through the cash ledger. The Department had rejected the refund claim of the duplicate amount, stating that it was time-barred under Section 54.

The Orissa High Court held that the limitation period under Section 54 of the CGST Act does not apply to refunds of tax paid under a mistake of law. Instead, the general principles under the Limitation Act, 1963, are applicable. The Court referred to precedents, including judgements in the cases of Delhi Metro Rail Corporation Ltd. vs. Additional Commissioner 2023-VIL-644-DEL and Comsol Energy Pvt. Ltd. vs. State of Gujarat 2021 (55) G.S.T.L. 390 (Guj.), which supported the view that refunds of taxes paid under a mistake of law are not subject to the limitation period under special statutes such as the CGST Act. The Court observed that retaining such excess tax, paid under an undisputed mistake, would violate Article 265 of the Constitution of India.



Bharathidasan University vs. Joint Commissioner of GST 2026-VIL-181-MAD (Madras High Court – Madurai Bench)

The issue for consideration before the Madras High Court was whether the affiliation services provided by the university to colleges fall within the scope of "services relating to admission of students or conduct of examinations" as specified in the exemption notification under the GST law.

The Division Bench of the Madras High Court held that the affiliation process is independent of admission and examination-related services, and that an extended interpretation of the exemption entry is impermissible. It concluded that the affiliation fees collected by universities do not fall within the scope of the exemption notification.

The High Court distinguished the earlier judgements of the Madras High Court, Bombay High Court and Karnataka High Court on this issue, which took a liberal interpretation of the GST exemption notification and held that the affiliation fees collected by universities are exempt from GST as affiliation is an activity related to admission and examination of students. The Court also referred to the CBIC Circular No. 234/28/2024-GST, which clarifies that affiliation services are not related to admission or conduct of examinations, and are therefore taxable except where exempted for specified cases. Accordingly, the High Court, in this case, concluded that universities must pay GST on affiliation fees.

It is to be noted that the division bench of the Rajasthan High Court in the case of Rajasthan Technical University, Kota vs. the Union of India 2026-VIL-206-RAJ has ruled in favour of the taxpayer holding the levy and collection of GST on affiliation fees to be illegal and unsustainable. The summary of the judgement can be referred to in the next para.



Rajasthan Technical University, Kota vs. Union of India 2026-VIL-206-RAJ (Rajasthan High Court)

The issue for consideration before the Rajasthan High Court was whether the grant of affiliation by a university constitutes a supply of services and whether the affiliation fees constitute consideration. Furthermore, assuming affiliation to be a service, whether the services would be exempted under the GST law.

The Rajasthan High Court held that the grant of affiliation by a university is a compulsory statutory levy under the Rajasthan Technical University Act, 2006. It is devoid of quid pro quo and does not constitute a supply of service under the CGST Act. Affiliation fees are not a consideration for any taxable activity carried out in the course or furtherance of business. Therefore, it does not fall under Section 7(1)(a) of the CGST Act. The Court also observed that Section 7(1)(aa) of the CGST Act does not apply because even this clause must be read with the requirement of being in the course or furtherance of business. It was observed that affiliation to the university is the sine qua non for the colleges to admit students to university classes, educate them, conduct examinations and award university degrees. Affiliation is thus an essential and integral part of imparting education.

Even otherwise, affiliation services are exempt under Entry 66 of Notification No. 12/2017-CT (Rate), which exempts services relating to admission to or conduct of examinations. The scheme of Entry 66 shows an intent to exempt essential institutional processes that enable education. Excluding affiliation would defeat the purpose of keeping education tax neutral. A harmonious and purposive interpretation requires that it be treated as exempt to advance the object of promoting education.

It was also observed that circulars or executive clarifications cannot override statutory provisions or exemption notifications. However, it is to be noted that CBIC Circular No. 234/28/2024-GST, which clarifies that affiliation services are not services related to admission or conduct of examinations and are therefore taxable except where exempted for specified cases, was not discussed in this judgement.

The Court held the levy and collection of GST on affiliation fees to be illegal and unsustainable.



Vision Plus Security Control Limited
2026-VIL-08-AAR (Chhattisgarh AAR)

The taxpayer is in the business of fleet operation. They issue separate invoices for the service component and for petrol/diesel charges on a kilometre basis. The issue for consideration before the Chhattisgarh AAR was whether the invoices for diesel and petrol charges, issued separately, would be treated as a supply of goods and liable to Value Added Tax (VAT) or GST.

The AAR held that, as petroleum products, including petrol and diesel, are not leviable to tax, the fuel component cannot be treated as part of a composite supply of fleet management service or transport service billed per kilometre. Excise duty and VAT would continue to apply to petroleum products as they did during the pre-GST regime.



Snag & Bag Retail Pvt. Ltd.
(2026) 39 Centax 202 (Tamil Nadu AAR)

The issue for consideration before the Tamil Nadu AAR was whether the supply of goods by a supplier located in India to a recipient located in India, with goods moving from a location outside India for delivery to a place outside India, would be taxable under the GST law.

The AAR held that the transfer of title in goods occurs in India when the supplier raises an invoice to the recipient; hence, the transaction is a supply of goods under the GST law. It clarified that the supply occurs between two persons in the taxable territory (India), even though the movement of goods takes place outside India. Hence, Para 7 of Schedule III of the CGST Act that excludes any transaction involving the movement of goods from a place in a non-taxable territory to another place in a non-taxable territory without the goods entering India from the scope of "supply," would not be applicable to the instant case.



Jolarpettai Veeramuthu Sreedhar
2026-VIL-26-AAR (Tamil Nadu AAR)

The taxpayer was a shareholder in an Indian company (I Co). It, along with two other shareholders, sold their entire shareholding and goodwill of the business to a United States-based company and an Indian company (purchasers). As part of the sale, a "non-compete-cum-non-solicitation agreement" was also entered into with the purchasers, agreeing to refrain from competing with I Co.'s business and any of the purchasers' businesses for a period of eighteen months, for a specified fee.

The issue for consideration before the Tamil Nadu AAR was whether the place of supply of the service in respect of the non-compete fee is outside India, and hence export and a zero-rated supply.

The AAR observed that the "place of supply" is not a matter on which advance ruling can be sought; however, it analysed the place of supply to determine tax liability. It ruled that the place of supply of services shall be the location of the recipient. It held that as the export conditions are met for services rendered to the United States-based purchaser, the activity would be regarded as a zero-rated supply. To determine the quantum of zero-rated supply vs. domestic supply of the non-compete fee, it agreed with the segregation based on the proportion of domestic and export supply of I Co., as provided by the taxpayer.



M/s Thermo Fisher Scientific India Private Limited 2026-VIL-06-AAAR (Odisha AAAR)

The issue for consideration before the Odisha Appellate Authority for Advance Ruling (AAAR) was whether the presence of Field Service Engineers (FSEs) in Odisha, temporary retention of spare parts and service activities performed locally would constitute a “place of business” or “fixed establishment” under GST, consequently requiring separate GST registration in Odisha.

The taxpayer’s Head Office (HO) in Maharashtra entered into Annual Maintenance Contracts (AMCs) and Comprehensive Maintenance Contracts (CMCs) with customers in Odisha. All invoices, considerations, contracts, inventory control and management were handled entirely by the Head Office. FSEs deployed in Odisha attended service calls and performed repairs under AMC/CMC; no independent establishment existed in Odisha. Leftover spare parts (under CMC) were sometimes temporarily retained by FSEs for practical purposes, generally returned within 27–60 days. The AAR had earlier ruled that these activities constituted a place of business/fixed establishment requiring separate registration in Odisha.

The AAAR categorically reversed the AAR’s ruling and held that no separate GST registration is required in Odisha, as the supplies continue to be made from the Head Office in Maharashtra, and the activities performed in Odisha do not create a place of business or fixed establishment. The following observations were made by the AAAR:

- The place of supply and location of supplier remained in Maharashtra, as all contracts, invoicing, dispatch of spares and receipt of payment were undertaken by the HO.
- Temporary retention of spare parts in Odisha was incidental and minimal, not indicative of storage for supply. Therefore, it did not constitute a warehouse or place of business.
- FSEs, being employees acting under instructions of the HO, cannot be treated as “agents,” and hence do not create a business presence.
- There was no sufficient degree of permanence or structure in Odisha to constitute a “fixed establishment”.
- The AAAR emphasized that mere execution of service in a state does not mandate registration unless the supply is made “from” that state.

Notifications/circulars/instructions/advisory

Advisory on RSP-based valuation of notified tobacco goods

The Goods and Services Tax Network (GSTN) has issued an advisory providing guidance to taxpayers regarding the computation and reporting of taxable value and tax liability for notified tobacco goods under the Retail Sale Price (RSP)-based valuation method in GST-related filings.

(GST advisory dated 23 January 2026)

Advisory on updated interest computation in GSTR 3B

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

- System-computed interest in Table 5.1: Interest calculated in Table 5.1 of GSTR-3B using the new computation formula will be auto-populated and cannot be reduced by the taxpayer. Taxpayers must still self-assess their actual interest liability and increase the interest amount in the return if the correct payable interest is higher.
- Auto-population of Tax Liability Breakup Table in GSTR-3B: From January 2026 tax period onwards, the GST portal will automatically fill the “Tax Liability Breakup Table” in GSTR-3B based on the document dates of supplies reported in GSTR-1, GSTR-1A or Invoice Furnishing Facility (IFF) that belong to earlier tax periods but whose tax liability is paid in the current GSTR-3B.
- Update in Table 6.1 - suggestive cross-utilisation of ITC: From January 2026 tax period onwards, once the available IGST ITC has been fully exhausted, the GST portal will allow paying the IGST liability in Table 6.1 of GSTR-3B using available CGST and SGST ITC in any sequence.
- Collection of interest in GSTR-10 for delayed filing of last applicable GSTR-3B: In case of cancelled taxpayers, if the last applicable GSTR-3B return has been filed after the due date, then the interest applicable on such delayed filing shall be levied and collected through the final return, i.e., GSTR-10.

(GST advisory dated 30 January 2026)

Advisory on filing opt-in declarations for specified premises

GSTN has enabled the online filing of opt-in declarations for “specified premises” on the GST portal for taxpayers providing hotel accommodation services, as notified under Notification No. 05/2025–Central Tax (Rate). Eligible regular taxpayers and new registration applicants can now file Annexure VII or Annexure VIII, respectively, through the portal within the prescribed timelines. GSTN has also advised taxpayers who previously filed declarations manually for FY2025–26 to file Annexure VII online for FY2026–27. It is also informed that the Annexure IX opt-out declaration will be made available separately in due course of time.

(GST advisory dated 04 January 2026)

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