

Communiqué

Indirect Tax

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Notifications and Updates

GST Advisory - How to Appeal When Your Tax Order Shows NIL Demand After Voluntary Payment

GSTN has issued an advisory addressing a technical difficulty faced by taxpayers attempting to file appeals on the GST portal against demand orders that incorrectly show a "NIL" demand amount. This issue arises when a taxpayer makes payment of tax, interest, or penalty at the Show Cause Notice (SCN) stage without admitting liability, and the adjudicating authority subsequently issues a demand order without capturing the actual liability – resulting in a zero-value entry in the Demand and Collection Register (DCR). As a consequence, the portal blocks the appeal filing (APL-01) with the error: "Disputed amount cannot be more than demand amount itself."

GSTN clarifies that payment made at the SCN stage without admission of liability does not constitute acceptance of the demand, and the taxpayer retains the statutory right to contest the liability and file an appeal under Section 107. To resolve this, taxpayers are advised to approach the adjudicating authority for a rectification order – using the rectification option available on the GST portal – so that the correct demand amount is reflected. Once the rectified order is issued, the taxpayer may proceed to file the appeal within the prescribed time limits.

[Source : News](#)

GST Advisory - Recalculating Interest Liability in GSTR-3B.

The GST Portal auto-calculates interest on delayed GSTR-3B filing and populates it in Table 5.1 of the subsequent return period. Due to a technical glitch, interest for February 2026 appearing in March 2026's Table 5.1 may have been incorrectly computed, without accounting for the minimum cash balance in the Electronic Cash Ledger as per the proviso to Rule 88B (1) of the CGST Rules, 2017. Taxpayers who notice any discrepancy are advised to click the "RE-COMPUTE INTEREST" button in Table 5.1 of GSTR-3B, which will recalculate interest based on updated parameters. The revised figures will reflect in the system-generated GSTR-3B PDF and on hovering over the respective field. Taxpayers should then manually update the interest amount in Table 5.1 accordingly, ensuring the entered value is not less than the recomputed interest shown in the system-generated PDF.

[Source : News](#)

GST Advisory - A Guide to Pre-Deposit Percentages.

When filing an appeal in Form APL-01 on the GST portal, the pre-deposit field was previously locked at 10% as per Section 107(6) of the CGST Act, 2017, causing issues for taxpayers who had already paid through other means or faced incorrect demand reflections. To resolve this, GSTN has made the pre-deposit field editable from April 6, 2026, allowing taxpayers to enter the applicable percentage and pay accordingly. The appellate authority will verify the deposit amount and payment mode during adjudication.

[Source : News](#)



Rulings

Madras HC clarifies that Late Filing of GSTR-9C Attracts Late Fee on GSTR-9

In the case of **Tvl. Madhu Agencies V. State Tax Officer [W.P. (MD) No. 7794 of 2026 Dated 16 April 2026, the Hon'ble Madras High Court**, said the law says the annual return "may include a self-certified reconciliation statement" – but the Court clarified this actually makes GSTR-9C compulsory, not optional. GSTR-9C must be filed together with GSTR-9 – you cannot file one without the other. Filing only GSTR-9 without GSTR-9C is treated as not filing the return at all by the due date. Therefore, the late fee under Section 47 (read with Section 44) of the GST Act is fully applicable until GSTR-9C is also filed. Along with the benefit of the Amnesty Scheme announced by the government, which waived late fees for certain taxpayers will not allow if both returns not on due date. The Amnesty Scheme under Notification No. 08/2025 – Central Tax gave relief for financial years up to 2022-23, BUT only if GSTR-9C was filed on or before 31st March 2025.

[Source : News](#)

Recovery of Deceased Taxpayer's GST Dues from Son Without Adjudication is Legally Invalid; Frozen Bank Account Ordered to be Released.

In the case of **Navin Vishwanathan V. State of Maharashtra [W P NO. 8709 OF 2025 Dated 15th April 2026, the Hon'ble Bombay High Court**, held a deceased person had been running a business called M/s. Oriental Facility under GST, but that registration was cancelled before his death. His son (the petitioner) was running a completely separate business under the same trade name but with a different GST number and from a different location. The tax department raised a demand against the father's business and, to recover that amount, froze the son's personal bank account – without prior notice or hearing - No SCN or adjudication had determined petitioner's liability as legal representative or as person continuing business. The court held that just because two businesses share the same trade name does not mean one is a continuation of the other. Since both businesses had separate GST registrations and operated from different places, they were legally treated as two distinct entities. The department had not issued any show cause notice or passed any order establishing that the son was liable – either as a legal heir or as someone continuing the father's business. Without such prior determination, the recovery action was not legally valid. The court further ruled Freezing the petitioner's bank account without following due process – that is, without any notice, hearing, or adjudication violated his constitutional right to property. Accordingly, the court ordered the bank account to be unfrozen. However, the department was given the liberty to restart the process by following the proper legal procedure.

[Source : News](#)



High Court Condones Delay in Appeal Filing Upon Establishment of Sufficient Cause; Matter Remanded.

In the case of Manjulaben Vinod Patel Vs. The Deputy Commissioner of State Tax, the Hon'ble Gujarat High Court, ruled in favour of the taxpayer and sent the case back to the appellate authority for a fresh decision on its actual merits. The Court held that under Section 107(4) of the GST Act, the appellate authority has the power to excuse a delay in filing an appeal – beyond the initial 90-day period – by up to one additional month, provided there is a genuine and valid reason for the delay. In this case, the taxpayer was caught in a difficult situation due to multiple overlapping legal developments happening around the same time – including the introduction of the Section 128A waiver scheme and the retrospective amendment of Sections 16(5) and 16(6). These changes, combined with confusion over procedures and the GST portal not functioning properly, left the taxpayer genuinely uncertain about whether to opt for the waiver scheme or file an appeal. The Court recognised this confusion as a bonafide and reasonable cause for the delay. Since the delay was only 25 days well within the permissible window the Court held that it was sufficiently explained and should have been condoned. Instead, the appellate authority had mechanically rejected the appeal as time-barred without applying its mind or exercising the discretion available to it under the law. The High Court therefore set aside the appellate order and directed the authority to decide the case afresh on its merits, provided the taxpayer cooperates in the proceedings.

Recovery of Deceased Taxpayer's GST Dues from Son Without Adjudication is Legally Invalid; Frozen Bank Account Ordered to be Released

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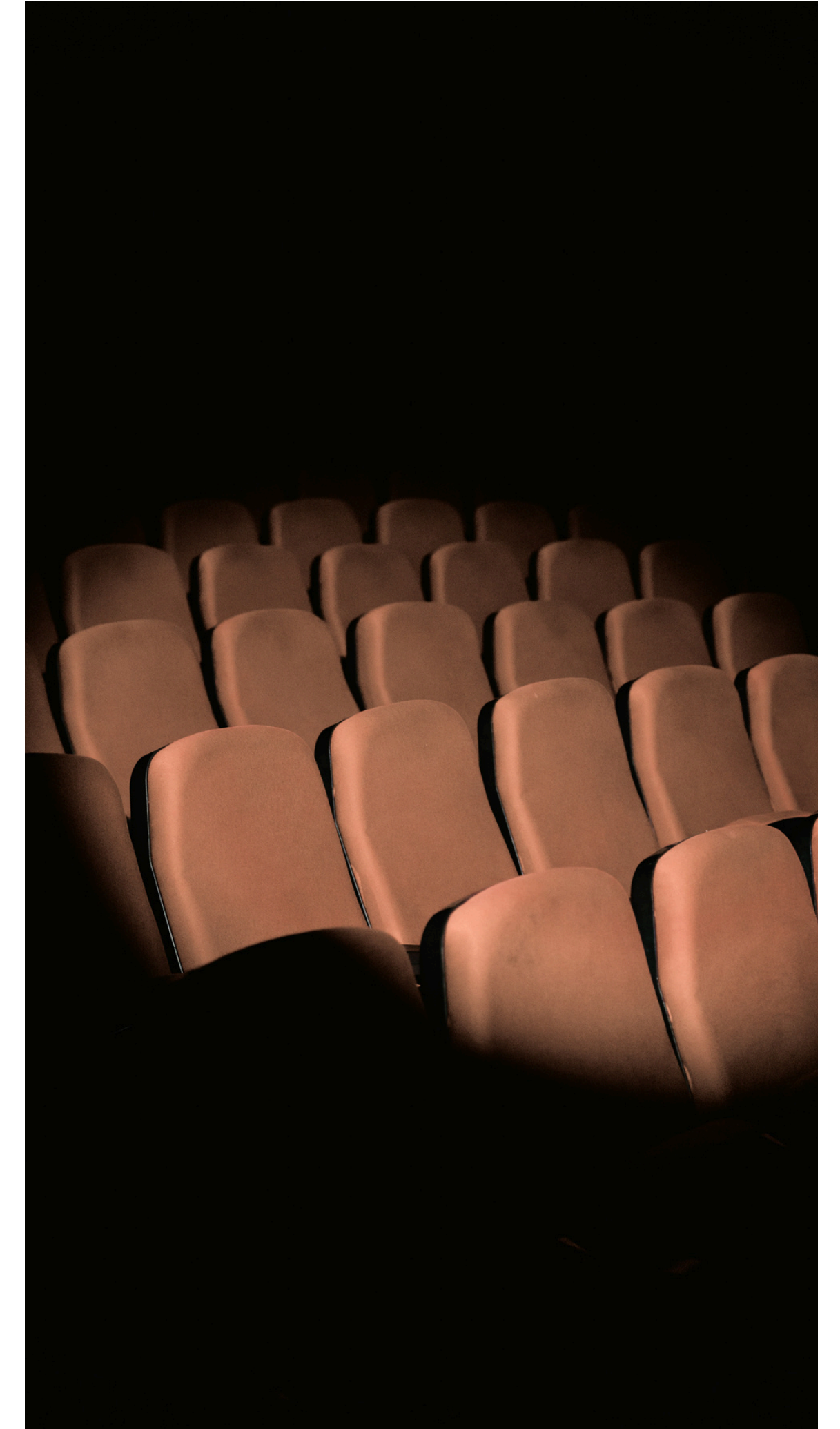
[Source : Rulings](#)



Cinemas Cannot Raise Base Ticket Prices to Absorb GST Rate Cuts - Benefits Must Pass to Customers.

In the case of DG Anti Profiteering, Director General of Anti-Profiteering (DGAP) Vs. AMB Cinemas LLP [APPEAL NO. NAPA/4/PB/2025] the hon'ble GST Appellate Tribunal Delhi, has upheld the findings of the Directorate General of Anti-Profiteering (DGAP) and ruled that AMB Cinemas, Hyderabad, illegally profited from customers by failing to pass on the benefit of the GST rate reduction on cinema tickets. When the GST rate on tickets priced above ₹100 was reduced from 28% to 18% effective January 1, 2019, AMB Cinemas was charging ₹300 for Platinum seats and ₹200 for gold seats. Instead of reducing the final price for consumers, the cinema briefly lowered its base prices only between February 6 and February 21, 2019, and then raised them back from February 22, 2019 onwards, ensuring customers continued paying the same total amount as before the tax cut. AMB Cinemas justified this base price increase by relying on a Telangana High Court order directing the Commissioner of Police and the Licensing Authority to permit the price hike. It also argued that since ticket pricing is governed by the Telangana Cinema (Regulation) Act, 1955, GST authorities had no jurisdiction to compel a reduction in ticket rates. The Tribunal rejected both arguments. On the question of awareness, the Tribunal pointed out that AMB Cinemas had itself calculated and voluntarily deposited the profited amount with interest for the period January 1 to February 5, 2019, after being flagged by DGAP – conclusively proving that the GST rate cut was well within its knowledge. The Tribunal therefore held that once the rate reduction was known, it was the company's statutory obligation to comply with the mandatory requirements of Section 171 of the CGST Act. On the High Court order, the Tribunal made several damaging observations against the cinema.

It noted that AMB Cinemas had approached the High Court while its application before the Licensing Authority to raise prices was still pending and had not yet been rejected, leading the Tribunal to conclude that the said application was filed merely as a formality to lay the groundwork for the writ petition. Critically, the Tribunal also noted that DGAP was deliberately not made a party to the writ petition, which disentitled the cinema from claiming any equitable relief, as it had not acted with equity, fair play, or good conscience. The Tribunal further noted that even the High Court's permission to collect revised fares was subject to a mandatory condition requiring the cinema to inform the concerned authorities about the intended ticket rates a condition that AMB Cinemas failed to comply with. On the broader legal question of jurisdiction, the Tribunal firmly clarified that GST anti-profiteering authorities operate under an entirely separate legal framework from State licensing authorities under the Telangana Cinema (Regulation) Act, and that State price regulation does not in any manner curtail the power of GST authorities to initiate and pursue anti-profiteering action under the CGST Act, 2017. Accordingly, the Tribunal confirmed that AMB Cinemas had indulged in profiteering by maintaining the same final ticket price through an inflated base price after the GST rate cut, and accepted the DGAP's computation of the profited amount. It further held that interest under Rule 133(3)(c) is leviable from June 28, 2019 until the date of deposit, while penalty under Section 171(3A) is not leviable for the relevant period. The Tribunal directed AMB Cinemas to deposit the profited amount along with applicable interest in equal proportion into the Central Consumer Welfare Fund and the Telangana Consumer Welfare Fund.



Courts Cannot Skip SCN Adjudication Before Imposing Penalty Under Section 129(3)

In the case of Rajeev Kumar Vs State of Haryana & State of Punjab [APPEAL NO. CWP-9306-2026 (O&M)] the hon'ble court of Haryana & Punjab, set aside a penalty order issued under Section 129(3) of the CGST/HGST Act, citing the authorities' failure to pass a reasoned adjudication order despite the assessee having filed a reply to the show cause notice and deposited the penalty under protest. The Court placed reliance on the Supreme Court's ruling in ASP Traders, which established that mere payment of tax or penalty does not absolve the authorities of their statutory duty to pass a speaking order, and that the "conclusion" contemplated under Section 129(5) does not extinguish an assessee's appellate rights. The case arose from the detention of a vehicle transporting iron scrap, in connection with which tax and penalty of approximately Rs. 3.58 lakh were demanded and subsequently paid for the release of the goods. The assessee maintained that valid documents were in existence at the time and that the reply submitted to the show cause notice was entirely overlooked by the authorities, thereby violating the principles of natural justice. The High Court held that the respondent authorities were duty-bound to adjudicate the show cause notice an obligation that was clearly not discharged, more so given that the penalty stood deposited under protest with due intimation. Accordingly, the Court set aside the impugned penalty order and directed the Revenue to pass a fresh, reasoned order in Form GST MOV-09 after affording the assessee a personal hearing, along with uploading the summary in Form DRC-07, all within a period of one month..

[Source : Rulings](#)

Canteen Charges Recovered from Employees Attract GST with No ITC Relief - Maharashtra AAR

In the matter of Carraro India Private Limited the Hon'ble Authority for Advance Ruling Maharashtra, ruled that recovery of nominal amounts from employees towards canteen facilities provided at factory premises constitutes a supply of service under Section 7 of the GST law, and is accordingly liable to GST. The AAR reasoned that such an activity amounts to a transaction in the course or furtherance of business and squarely falls within the definition of 'business' under Section 2(17). It further observed that even where the canteen facility is provided through third-party vendors, the employer's act of recovering a portion of the cost from employees constitutes a distinct supply to the extent of such recoveries. On the question of Input Tax Credit, the AAR held that ITC on GST charged by canteen service providers is not available, being expressly blocked under Section 17(5) of the GST Act. Importantly, this restriction was held to apply even in cases where the provision of a canteen facility is statutorily mandated under the Factories Act. Placing reliance on the ruling in Ultratech Cement, the AAR further held that proportionate credit attributable to employee recoveries is inadmissible. However, on the separate issue of notice pay recovery amounts collected from employees who leave the organization without serving the stipulated notice period the AAR took a different view. It held that such recoveries do not represent consideration for any supply and are therefore not liable to GST, drawing support from CBIC Circular No. 178/10/2022-GST, which has clarified the non-taxability of such amounts.



ITC Admissible on Foundation and Structural Support for Factory-Installed Plant and Machinery, Rules AAR.

In the matter of CPL Pharmaceuticals Pvt Ltd the hon'ble Gujarat Authority for Advance Ruling (AAR), held that Input Tax Credit (ITC) is admissible on input services used for the construction of foundation and structural support for plant and machinery installed within the factory of CPL Pharmaceuticals Pvt Ltd, which is engaged in the manufacture of Active Pharmaceutical Ingredients (APIs). The AAR observed that the applicant operates various equipment such as Reactors, Kettles, Distillation Columns, and Phase Separators, all of which necessarily require RCC foundations and structural steel support for stability, safety, and operational efficiency. The Authority clarified that such foundation and structural support are not independent civil structures but are integral and indispensable to the functioning of the machinery, and therefore cannot be treated as immovable property excluded under Section 17(5)(c) of the CGST Act. The AAR further relied on the Explanation to Section 17, which expressly includes foundation and structural support within the definition of 'plant and machinery', noting that the exclusions carved out therein are not applicable in the present case. Drawing an analogy from the CBIC Circular that clarified the eligibility of ITC on ducts and manholes used in Optical Fibre Cable networks – on the basis that such structures form an essential part of the operational system – the Authority reasoned that a similar treatment ought to be extended to foundational and structural support for plant and machinery. Accordingly, the Gujarat AAR ruled that ITC availed on works contract services for the construction of foundation and support structures used for the installation of plant and machinery is admissible.

Return-Filing Lapses Not Enough Ground to Cancel GST Registration – High Court

In the case of Om Ultimate Techno India Private Limited Vs. Principal Chief Commissioner of CGST and Central Excise & Ors. [APPEAL NO. WPA 2363 of 2026] the Hon'ble Calcutta High Court, Rule that stepped in to overturn the cancellation of a taxpayer's GST registration, ruling that revoking registration simply because someone failed to file returns is self-defeating for the government. The Court made a pointed observation that the tax department itself had not alleged any fraud or deliberate tax evasion on the part of the taxpayer – the only fault was non-filing of returns. In the Court's view, keeping the registration cancelled would actually hurt revenue collection, because a business without active GST registration cannot file returns or pay taxes at all. The Court therefore held that a practical, common-sense approach must be taken in such situations, rather than a rigid one that ultimately harms the very purpose GST was designed to serve. Drawing on an earlier ruling by a Division Bench in the case of Subhankar Golder, the Court agreed to restore the registration – but with clear conditions attached. The taxpayer has been given four weeks to file all pending returns and clear all dues, including tax, interest, fine, and penalty. The tax department, on its part, has been directed to reactivate the GST portal within one week so the taxpayer can actually comply. Finally, the Court made it clear that if the taxpayer fulfils all conditions, the registration will stand restored automatically – but if they fail to do so, the relief will lapse on its own, without any further order needed.

[Source : Rulings](#)





Customs

DGFT Makes Electronic Certificate of Origin Mandatory, Bans Manual Issuance

The Directorate General of Foreign Trade (DGFT) has amended Para 2.62 of the Foreign Trade Policy (FTP) 2023 to streamline the issuance and verification of Certificates of Origin (CoO) for exports from India. Under the revised framework, CoOs can now only be issued by agencies expressly authorised by DGFT, replacing the earlier broader arrangement. These authorised agencies are required to issue CoOs strictly in accordance with the manner prescribed by DGFT from time to time. A key compliance requirement has also been introduced – exporters must use identical invoice numbers in both the Certificate of Origin and the corresponding Shipping Bill, enabling seamless automated verification across trade documentation systems. In addition, DGFT has issued a Public Notice mandating the electronic processing of all CoOs. Authorised agencies notified under Appendices 2B, 2C, 2D, and 2E are directed to accept applications and issue CoOs exclusively through the designated electronic platform at trade.gov.in, or any other platform specified by DGFT from time to time. Manual issuance of CoOs outside such platforms has been expressly prohibited, and any deviation from this requirement may result in the revocation of an agency's authorisation to issue CoOs.

DGFT Rolls Out Interest Subvention for MSE Iron/Steel Exports, Issues Post-Export EPCG-Scrip Guidelines

DGFT has expanded Interest Subvention Support under the Export Promotion Mission (EPM) to cover 167 tariff lines of iron and steel products under Chapter 72, exclusively for Micro and Small Enterprises (MSEs). Medium Enterprises are not eligible, and the benefit applies only to export credit disbursed on or after April 20, 2026. The additional tariff lines – covering pig iron, ferro-alloys, flat-rolled products, bars, rods, and alloy steel items – have been added under a newly inserted Annexure-IIA, with all other conditions of earlier Trade Notices remaining unchanged. Separately, DGFT has launched an online module for issuance, re-issuance, and extension of Post-Export EPCG duty credit scrips, replacing the earlier manual process. The module enables electronic generation and direct transmission to ICEGATE, covering scrip closure, revalidation of expired scrips, and conversion of manual scrips into electronic form. Operational issues may be escalated to Policy Cell-5/EG&TF.

DGFT Puts Export Controls on Wood Pellets and Briquettes, Requires Prior Clearance

The Directorate General of Foreign Trade (DGFT) has amended the export policy governing sawdust, wood waste, and scrap agglomerated in logs, briquettes, pellets, or similar forms – including wood pellets (ITC(HS) 44013100) and wood briquettes (ITC(HS) 44013200). Under the revised policy, the export status of these items has been changed with immediate effect: wood pellets, previously categorized as 'Prohibited', and wood briquettes, earlier listed as 'Free', have both been brought under the 'Restricted' category. Exporters dealing in these commodities will now be required to obtain a Restricted Export Authorization before shipping them out of the country.



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