THE INDIRECT EDGE

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Fortnightly Newsletter

BANSI S. MEHTA & CO.

I. JUDICIAL PRONOUNCEMENTS

GOODS AND SERVICES TAX

SC dismisses Revenue's SLPs, wind turbine generator treated as movable goods

The SC in **Assistant Commissioner ST & Ors. v. Siemens Gamesa Renewable Power Private Limited**[1], has dismissed the Revenue's SLPs against the Andhra Pradesh HC's judgment.

The HC had held that the Turbine Generator is movable property and amounts to goods, and supply of such goods along with installation services constitutes a composite supply of goods and services, rather than a works contract involving immovable property.

The SC found no grounds to interfere with the HC's judgment and accordingly dismissed the SLPs.

CBIC Monetary Threshold Circular Not Binding on GSTAT; Composite Order to be Considered Collectively

The GSTAT in **Commr. of CGST & CX, Kolkata v. M/s. Power Tech Global Private Limited**[2] has held that CBIC Circular No. 207/1/2024-GST dated 26.06.2024, prescribing a ₹20 lakh monetary threshold for departmental appeals, is binding on tax officers but not on the Tribunal. The Circular has only persuasive value before the GSTAT.

Further, where a composite order involves multiple appeals, the monetary threshold is to be considered with reference to the aggregate amount involved. Since the combined amount exceeded ₹20 lakh, the appeals were held maintainable.

The Tribunal also held that the amendment to Rule 43 of the CGST Rules introduced by Notification No. 14/2022-Central Tax dated 05.07.2022, excluding duty credit scrips from exempt supplies for ITC reversal, is prospective in nature.

Accordingly, the amended Rule 43 cannot be applied to transactions undertaken prior to 05.07.2022, and duty credit scrips could not be excluded from exempt supplies for computing ITC reversal for earlier periods.

DIN is mandatory for search authorisation and payment made during search without following prescribed procedure is not voluntary

The Madras HC, in **Bhima Enterprises v. Principal Chief Commissioner of GST & Central Excise**[3] has examined the validity of a search conducted under Section 67 of the CGST Act and the payment of tax made by the petitioner during the search proceedings.

The Court held that display of the DIN in the search authorisation is mandatory. Where DIN could not be generated due to technical reasons, the reasons for the same had to be recorded, and the DIN had to be generated within 15 days and shared with the Noticee.

[1] 2026-VIL-77-SC
[2] 2026-VIL-47-GSTAT-KLK
[3] 2026-VIL-841-MAD

The Court also considered the payment of ₹32,62,640 made by the petitioner during the search proceedings. The Court agreed with the contention of the petitioner that the payment was made under coercion and was not voluntary since payment was made immediately during search operations without proper self-ascertainment in writing and without informing the assessee about the option to obtain provisional release. The Court allowed refund of the tax already paid.

II. NEWS UPDATES

Standing Committee Flags Unauthorised Physical Check-Posts Hindering Seamless Movement of Goods Under GST

The Standing Committee on Finance expressed concern over the continued operation of unauthorised physical check-posts and routine interception of goods vehicles by State police, commercial tax departments and highway authorities, despite GST's objective of seamless, barrier-free movement of goods. It noted that such practices cause avoidable delays and inconvenience to transporters and undermine the fundamental premise of GST.

The Committee directed the Department of Revenue to verify the ground reality regarding unauthorised physical check-posts in consultation with State Governments and, where required, place the matter before the GST Council for systemic resolution. It also called for stronger portal-based reporting and appropriate action to ensure that goods move seamlessly across States.

Abbreviations	Term
CBIC	Central Board of Indirect Taxes & Customs
CGST Act	Central Goods & Service Tax, 2017
GST	Goods & Service Tax
GSTAT	Goods & Services Tax Appellate Tribunal

Abbreviations	Term
HC	High Court
ITC	Input Tax Credit
SC	Supreme Court
SLP	Special Leave Petition

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