

The **Goods and Services Tax Appellate Tribunal (GSTAT)** represents a significant institutional development in the GST dispute-resolution framework. With GSTAT Benches dealing with appeals arising from orders passed by adjudicating and appellate authorities, the emerging jurisprudence is increasingly addressing a wide spectrum of substantive as well as procedural issues under the GST legislation. The decisions being rendered by various GSTAT Benches are particularly relevant for understanding how provisions of the CGST Act, 2017, IGST Act, 2017 and the rules framed thereunder are being considered in the context of tax demands, input tax credit, refunds, movement of goods, penalties, appellate remedies and procedural safeguards.

In this context, we have compiled a selection of important GSTAT decisions for September 2026, covering diverse issues arising under GST.

- A. Where the assessee had deposited a pre-deposit at the first appellate stage exceeding the percentage of tax remaining in dispute after the first appellate order, no further pre-deposit was required for admission of the Tribunal appeal, since the earlier payment equalled or exceeded the statutory requirement computed with reference to the surviving disputed tax; any fresh deposit was therefore unjustified. **Manoranjan Dash (2026) 46 Centax 350 (Tri. - GST - Cuttack)**
- B. Where the assessee filed a rectification application within time under Section 161 read with Notification No. 22/2024-CT, it was incorrect to treat the three-month period for disposal as mandatory, since that period is directory. Its expiry does not render the authority functus officio; rejection of a timely application as time-barred was therefore unsustainable, and the matter was required to be decided on merits. **Nand Kishore Garg (2026) 46 Centax 250 (Uttarakhand).**
- C. Where a survey at brick kilns revealed excess or unaccounted bricks and coal not recorded in the books, and the persons present failed to produce supporting documents, initiation of confiscation proceedings with penalty and fine under Section 130 was impermissible. The proper course was determination of tax as if the goods had been supplied, under Section 35(6) read with Sections 73 and 74, rendering the confiscation unsustainable. **Jitendra Kumar (2026) 46 Centax 333 (Tri. - GST - Agra)**

- D. Where the appellant's demand for excess ITC arising from a GSTR-3B and GSTR-2A mismatch was confirmed ex parte despite the appellant facing an FIR, judicial custody and a fire incident affecting its office, the absence of a proper opportunity before both the adjudicating and appellate authorities warranted remand for a fresh hearing in the interest of natural justice. **R.R. Infrastructure Projects (2026) 46 Centax 332 (Tri. - GST - Lucknow).**
- E. Where goods in transit were detained on suspicion of reuse of invoices and e-way bills based solely on vehicle-movement data and photographs, but there was no discrepancy in the goods or documents and no cogent evidence of document reuse or evasion, mere suspicion could not justify detention or penalty. The burden of proof remained on the Revenue; therefore, the tax and penalty were unsustainable. **Jai Enterprises (2026) 46 Centax 328 (Tri. - GST - Lucknow)**
- F. Where the Revenue filed an appeal before the GSTAT against quashing of an IGST penalty of Rs. 5,78,160, the appeal was held inadmissible because Circular No. 2425008 dated 05-07-2024 prescribed a monetary limit of Rs. 20 lakh for departmental appeals and the Revenue failed to establish that the case fell within any specified exclusion or exception. Consequently, the appeal was dismissed without adjudication on merits. **Prashant Kumar Rai (2026) 46 Centax 331 (Tri. - GST - Ghaziabad)**
- A departmental appeal involving disputed tax of about Rs. 6.30 lakh was liable to be dismissed at the threshold, as the Circulars dated 05-07-2024 and 22-05-2026 prescribed a monetary limit of Rs. 20 lakh and the Revenue failed to establish any applicable exception. Administrative authorisation could not override the binding litigation policy. **Prabhas Kumar (2026) 46 Centax 310 (Tri. - GST - Ghaziabad)**
- G. Where a cigarette trader's goods in transit were detained for an invoice/e-way bill mismatch and a notice under Section 129(3) was issued, but the order confirming tax and penalty was not passed within the mandatory seven-day period from service of the notice and was

instead passed after a delay of 230 days, the order was illegal and without jurisdiction; the penalty was therefore liable to be quashed. **Lachmandas & Company (2026) 46 Centax 309 (Tri. - GST - Ernakulam)**

- H. Where the assessee's registration was cancelled for non-filing of GSTR-3B for six months and revocation was subsequently allowed after filing all pending returns and paying the tax, the First Appellate Authority erred in not requiring recovery of interest, late fee and penalty. The order was accordingly modified to permit recovery of the ancillary statutory dues and to impose the applicable penalty in terms of Rule 23(1). **Md Qamaruddin Khan (2026) 46 Centax 318 (Tri. - GST - Hyderabad).**
- I. Where the appellant, facing an ITC mismatch between GSTR-3B and GSTR-2A, admitted the oversight and paid tax with interest before issuance of the SCN, but proceedings were nevertheless initiated under Section 74 alleging suppression and a 100 per cent penalty was imposed, invocation of Section 74 was unsustainable because no fraud, misstatement or deliberate suppression was established. The case fell under Section 73, rendering the Section 74 proceedings and penalty invalid. **I-NXT (2026) 46 Centax 281 (Tri. - GST - Bengaluru)**
- J. Where the vehicle number mentioned in one e-way bill did not correspond with the vehicle actually carrying the goods, the Judicial Member sustained the penalty under Section 129(3), holding that complete substitution of the vehicle number constituted a breach and that the presumption of evasion had not been rebutted. The Technical Member, however, found absence of mens rea and held the penalty unsustainable. In view of the split opinions, the matter was referred for resolution in accordance with the GSTAT procedure. **Amit Tyagi (2026) 46 Centax 278 (Tri. - GST - Ghaziabad)**
- K. Where goods were intercepted while being unloaded at third-party premises without a valid invoice or e-way bill covering such movement, and a fresh e-way bill was generated only after interception without evidence of any technical glitch, the conduct indicated an intention to evade tax. The absence of mandatory documents during transit amounted to

wilful contravention, justifying imposition of penalty under the detention provisions.
Heramb Enterprises (2026) 46 Centax 266 (Tri. - GST - Bengaluru)

- L. Where the appellant, providing fire-safety works contract services, had its GST registration cancelled, resulting in complete business paralysis and loss of livelihood, and sought urgent Tribunal listing without ordinary Registry scrutiny, the procedural rules preserving the Tribunal's inherent powers and intended to advance justice warranted urgent listing on sufficient cause being shown, without dispensing with mandatory statutory requirements or affecting the merits of the appeal. **Adhunik Fire Appliances (2026) 46 Centax 228 (Tri. - GST - Ghaziabad)**
- M. Where a summary of the proposed demand in Form DRC-01 was uploaded to the appellant's account without issuance of the statutory show cause notice to the correct taxable person, and the accompanying SCN was addressed to a different taxpayer, failure to issue a valid SCN and afford an opportunity of hearing rendered the demand proceedings void ab initio. The entire assessment of tax, interest and penalty was therefore set aside. **Sakhsham Knowledge Services Pvt. Ltd. (2026) 46 Centax 213 (Tri. - GST - Lucknow)**
- N. Where goods were supplied under an invoice and e-way bill mentioning vehicle No. UP 82 T 2315 but were actually transported in vehicle No. UP 44 BT 5284 without updating Part-B, and weighbridge and registration-certificate details revealed the discrepancy, absence of contemporaneous proof of breakdown and the incorrect e-way bill entry demonstrated non-compliance beyond a minor lapse, reasonably indicating an intention to evade tax and justifying detention and penalty under Section 129. **Ferrous Infra Solutions (2026) 46 Centax 192 (Tri. - GST - Lucknow)**
- O. Where the appellant failed to cure Registry defects relating to uploading of the SCN, court fee and respondent details, and also failed to appear at multiple scheduled hearings despite repeated opportunities, the persistent non-compliance demonstrated lack of interest in prosecuting the appeal and justified dismissal for want of prosecution under Rule 42, supported by the Tribunal's inherent powers to secure justice and prevent abuse, without

examination of the merits. **Shakti Industrial House (2026) 46 Centax 143 (Tri. - GST - Hyderabad)**

- P. The additional ITC benefit under GST was required to be passed on by way of commensurate price reduction. As the prices of LIG/MIG flats were statutorily capped with reference to direct costs, profiteering was confined to HIG flats, excluding post-OC/unsold units, without any cross-buyer set-off. **DGAP, DG Anti-Profitteering, Director General of Anti-Profitteering (2026) 46 Centax 139 (Tri. - GST - Delhi)**
- Q. Where an excavator was moved intra-State from a project site to the registered premises under only a delivery challan, with the same GSTIN for the consignor and consignee and without an e-way bill, mere ownership and internal repositioning did not dispense with the e-way bill requirement. As the exemption for movement of less than 20 kilometres was not proved, imposition of penalty for absence of an e-way bill was justified. **D.S. Traders (2026) 46 Centax 55 (Tri. - GST - Lucknow)**
- R. Where the assessee supplied packaged tea taxable at 5 per cent using packing materials taxable at 12 per cent or 18 per cent, resulting in accumulation of ITC, refund under the inverted duty structure was allowable because the statutory provisions and the CBIC circular recognised packing materials as eligible inputs. Refund could not be denied merely because the principal input and the output attracted the same tax rate. **North Bengal Tea & Allied (2026) 46 Centax 128 (Tri. - GST - Kolkata)**
- S. Where the final ITC demand under Section 73 was confirmed under the CGST and SGST heads on the basis of a separate working that treated ITC of 2018-19 as having been claimed in 2019-20, without explaining abandonment of the primary IGST reconciliation or the basis of computation, the demand was unsustainable because the adjudicating authority had failed to establish the computation from the books and records. **Peekay Industries (2026) 46 Centax 115 (Tri. - GST - Bengaluru)**

- T. Where the GST rate on admission to cinematograph films for tickets up to Rs. 100 was reduced from 18 per cent to 12 per cent and the respondent increased the base prices of Rs. 100, Rs. 60 and Rs. 30 tickets so as to maintain the same cum-tax prices, the benefit of the rate reduction was held not to have been passed on. The respondent was directed to deposit the profiteered amount, with interest, in the Consumer Welfare Funds. **Vimal 70MM, Hyderabad (2026) 45 Centax 402 (Tri. - GST - Delhi)**
- U. Where the assessee claimed ITC in 2018-19 on invoices pertaining to 2017-18 within the legally permissible time, and denial was based only on non-reflection in GSTR-2A without verification of the invoices or supplier-side tax payment, the denial was unsustainable. GSTR-2A was merely facilitative for the relevant period, and the demand could not be sustained without proper invoice-wise verification in terms of the applicable circular. **N.R. Builders (2026) 46 Centax 67 (Tri. - GST - Bengaluru)**
- V. Where the respondent credited Electronic Gift Voucher amounts equivalent to the GST rate-cut differential directly to customer wallets without expiry or category restriction in respect of MI LED televisions, such unconditional and traceable EGVs constituted a valid and effective mode of passing on the benefit under Section 171. The anti-profiteering provisions do not mandate any particular mechanism for transmitting the benefit; hence, the DGAP's objections were unsustainable. **Sane Retails Pvt. Ltd. (2026) 46 Centax 69 (Tri. - GST - Delhi)**
- W. Where a homebuyer alleged that the developer had failed to pass on the additional ITC benefit after introduction of GST, and the developer demonstrated substantial escalation in input costs, the DGAP methodology accounting for post-GST input-cost escalation was held legally sound. Increases in the prices of RMC, sand and bricks had offset the additional ITC, and the DGAP report was accepted; the respondent was held not to have contravened the anti-profiteering provisions. **Vertex Homes Pvt. Ltd. (2026) 46 Centax 71 (Tri. - GST - Delhi)**

- X. Where the appellant, a works contractor for Government departments and public authorities, had discharged the entire GST liability before initiation of proceedings, but interest and penalty were confirmed under Section 74 and the first appeal was rejected on limitation without examining the merits, operation of the appellate order and recovery of the disputed demand were stayed during pendency of the Section 112 appeal. Recovery despite compliance with the pre-deposit requirement would defeat the appellate remedy and cause irreparable prejudice. **Niranjan Das (2026) 46 Centax 61 (Tri. - GST - Cuttack)**
- Y. Where the assessee's ITC allocation among IGST, CGST and SGST reflected a head-wise mismatch, but the total eligible ITC in the electronic credit ledger equalled the ITC claimed, such mismatch did not amount to excess ITC. In the absence of any actual excess availment, the principal demand, interest and penalty were unsustainable, as clarified by the CBIC and supported by Rule 88B. **Lucknow Test House (2026) 45 Centax 399 (Tri. - GST - Lucknow)**
- Z. Where the GST rate on admission to cinematograph films for tickets up to Rs. 100 was reduced from 18 per cent to 12 per cent and the respondent increased the base prices of Balcony, Dress Circle and First Class tickets while retaining the same cum-tax prices, the benefit of the rate reduction was held not to have been passed on. The respondent was directed to deposit the profiteered amount, with interest, in the Consumer Welfare Funds. **Arjun Theatre 70MM (2026) 45 Centax 392 (Tri. - GST - Delhi)**
- AA. Where the builder failed to pass on the additional ITC benefit by way of an actual price reduction for flats in Anamika Apartment, despite providing some extra construction work free of cost, such action did not satisfy the mandate of Section 171. The builder was held liable to pass on Rs. 99,435, together with applicable GST and interest, to the affected homebuyers in accordance with the DGAP's accepted computation and methodology. **Maata Rani Builders and Developers (2026) 45 Centax 308 (Tri. - GST - Delhi)**

- BB. Input tax credit in respect of MEIS duty scrips could not be excluded from the aggregate value of exempt supplies for the period prior to Notification No. 14/2022, because the amendment to Rule 43 excluding the value of duty credit scrips was prospective. ITC, being in the nature of a concession, could not be claimed retrospectively as a vested right. **Power Tech Global Pvt. Ltd. (2026) 45 Centax 389 (Tri. - GST - Kolkata)**
- CC. Refund of accumulated ITC on export of goods could not be denied merely because toll-plaza movement was not reflected, where the goods were supplied under a Bill-to/Ship-to model and e-way bills, bilty/consignment-note copies, shipping bills, EGM details, the transporter's certificate and bank statements established transportation and export. Toll-plaza receipts were not mandatory documents. **Agarwala's Bitumex Pvt. Ltd. (2026) 45 Centax 367 (Tri. - GST - Kolkata)**
- DD. Where the business of a sole proprietor was discontinued after cancellation of the GSTIN and no notice or inquiry was made to the legal representative regarding the inherited estate as required under Section 93(1)(b), continuation of proceedings against the deceased person was impermissible. The liability of the legal heir was limited to the inherited estate; accordingly, the Order-in-Appeal and the underlying proceedings were unsustainable and liable to be set aside. **Vijayan Sahadevan (Deceased) (2026) 45 Centax 363 (Tri. - GST - Trivandrum)**
- EE. Where the adjudicating authority denied a specifically requested personal hearing and passed a non-speaking order without dealing with the taxpayer's explanation of duplicate e-way bill generation, the proceedings were vitiated under Sections 75(4) and 75(6). A hearing at the appellate stage did not automatically cure the denial of the statutory first-instance hearing, and the matter required fresh adjudication on the disputed evidence. **2026 (9) TMI 2075 (GSTAT, Raipur)**
- FF. Where Part-B of the e-way bill had not been populated, but the invoices and Part-A particulars were genuine, the transaction was identifiable and tax-paid, and no intention to evade tax was established, a 100 per cent penalty under Section 129 was held

unsustainable. The Tribunal further held that, after detention and objections, a final speaking order in Form GST MOV-09 under Section 129(3) is mandatory; failure to issue such an order vitiates the penalty proceedings. **Sel Jegat Printers Private Limited - 2026 (9) TMI 2062 (GSTAT, Bengaluru)**

GG. Where an e-way bill expired because an erroneous consignor PIN code reduced the system-generated distance/validity, while the goods and documents otherwise matched and no intention to evade tax was alleged or proved, penalty under Section 129 was held unjustified. The ruling reiterates the distinction between a substantive evasion-related breach and a bona fide clerical/documentation error. **T. Stanes and Company Limited - 2026 (9) TMI 2060 (GSTAT, Bengaluru)**

HH. For FY 2018-19, non-reflection of invoices in GSTR-2A was held to be a trigger for verification and not, by itself, a ground for denial of ITC because Section 16(2)(aa) was not then applicable. However, the claimant must still prove the substantive conditions under Section 16 and discharge the burden under Section 155; a supplier certificate under Circular No. 183/15/2022-GST is evidentiary but not conclusive without return-level corroboration of the reporting error and tax payment. **2026 (9) TMI 2059 (GSTAT, Raipur)**

II. Retrospective cancellation of a supplier's registration was held insufficient, by itself, to dislodge specific ITC relief where there was no transaction-specific material showing fictitious invoices, non-receipt of supplies or other inadmissibility. The Tribunal also emphasised that a demand cannot be sustained on grounds materially different from those forming the basis of the original proceedings, having regard to Section 75(7). **2026 (9) TMI 2056 (GSTAT, Lucknow)**

JJ. A monetary refund of unutilised ITC exceeding the amount admissible under the statutory refund formula can constitute an 'erroneous refund' recoverable under Section 73. The Tribunal held that such recovery is not necessarily barred merely because the original Form GST RFD-06 refund order was not first reversed in departmental appeal or revision;

interest under Sections 73 and 50 on an erroneous refund is compensatory, subject to the statutory computation. **2026 (9) TMI 1894 (GSTAT, Raipur)**

- KK. For refund of unutilised ITC on zero-rated supplies under Rule 89(4), 'Net ITC' is the credit availed during the relevant period. A reversal made during the refund period but relating to credit of earlier tax periods cannot automatically reduce the relevant-period Net ITC; Circular No. 125/44/2019-GST cannot enlarge or override the statutory refund formula. **Pramod Chandan Surin v. Shivam Iron & Steel Co. Ltd. - 2026 (9) TMI 1740 (GSTAT, Ranchi)**
- LL. Refund proceedings under Section 54(3) cannot be used as a collateral mechanism to adjudicate alleged ineligibility of underlying ITC. Where credit is proposed to be treated as wrongly availed, the alleged ineligibility must first be specifically put in issue and determined under Sections 73 or 74; a vague refund SCN and reliance by the appellate authority on grounds beyond the notice were also held unsustainable. **Augustan Textile Colours (Unit of Augustan Knitwear Pvt. Ltd.) v. Commissioner of State Tax - 2026 (9) TMI 723 (GSTAT, Ernakulam)**
- MM. The First Appellate Authority cannot remand a GST appeal to the adjudicating authority for verification and redetermination. Section 107(11) requires the appellate authority, after making or causing such further inquiry as is necessary, to itself confirm, modify or annul the order; a direction asking the original authority to verify documents and then delete or reconfirm the demand is beyond appellate jurisdiction. **2026 (9) TMI 721 (GSTAT, Ernakulam)**
- NN. Excess IGST on zero-rated exports remained refundable where export invoices and tax liability were correctly reported in GSTR-1 but were entered in the wrong table of GSTR-3B, causing failure of the automated Customs refund and leading to a duplicate tax payment. A reconciled clerical return-filing error cannot justify retention of tax paid twice; retention beyond the amount lawfully due would offend Article 265 of the Constitution.

Choice Cashew Industries v. Commissioner of CGST, Thiruvananthapuram - 2026 (9) TMI 1411 (GSTAT, Thiruvananthapuram)

OO. On return of goods by a job worker to the principal, the Tribunal held that the e-way bill consignment value is determined with reference to the transaction value of the taxable job-work service and does not include the value of the principal's original goods. Where the job-work invoice value was below Rs. 50,000, no e-way bill was mandatorily required on those facts; the Tribunal also disapproved detention/adjudication on factual allegations or grounds not contained in the SCN. **Roofstyle Industries - 2026 (9) TMI 1410 (GSTAT, Thiruvananthapuram).**

As GSTAT jurisprudence continues to develop, such compilations can provide a useful snapshot of the current direction of GST litigation and the diverse questions coming up before the Tribunal.

SaurabhDixit
Advocate