

# Legal Communique

Information about important decisions



## Department of Goods and Services Tax Government of Maharashtra

**FEBRUARY-2026**

Presented by :  
**Team Legal, HQ-6**  
Legal Division, Mumbai





## Legal Communique Case No. 1

**M/s. Acer India Private Limited V/s State of Tamil Nadu**  
**In**  
**Tamilnadu State Appellate Authority For Advance Ruling**  
(Constituted under Section 99 of the Tamil Nadu Goods and Services Tax Act 2017)

A.R. APPEAL NO. 06/2025/A DATE : 08.12.2025

(Rate of tax on Interactive Flat Panel Displays (IFPDs) under HSN 85285900)

• **Facts of the case: -**

1. M/s. Acer India Private Limited is a company that specialises in the manufacturing and sale of business laptops, desktops, workstation computers, Chromebooks, tablets, monitors, projectors, digital signage, smart devices, electronics, and accessories. Additionally, they provide support for IT peripherals and offer related ancillary services.
2. The appellant supplies various models of 'ACER' brand "Interactive Flat Panel Display" (IFPD) within India either after importing them or getting them manufactured on a contract basis through third parties.
3. The principal place of business is at C/o. DBS Corporate Services Private Limited, DBS HOUSE, No. 31A, Cathedral Garden Road, Chennai-600034. The appellant is registered with GSTIN33AACCA1237A1ZM and falls within the administrative jurisdiction of the STATE.
4. The Applicant has made a payment of application fees of Rs.1 0,000/-each under sub-rule (1) of Rule 106 of CGST Rules, 2017 and TNGST Rules, 2017.
5. The applicant filed an application before the Authority for Advance Ruling, seeking clarification on the following questions:
  - a) What is the appropriate classification of various models of ACER Interactive Flat Panels for the purpose of GST?
  - b) What is the applicable rate of GST?
6. Authority for Advance Ruling (AAR) vide order No. 29/ARA/2025 dated 12-08-2025 has ruled that Various models of ACER Interactive flat Panels with additional features are still classifiable under 85285900 and that the applicable rate of GST is 28%.

Aggrieved by the above ruling of the AAR, the appellant preferred this present appeal.

- **Point of dispute :- GST levied on** Interactive Flat Panel Displays Classifiable as Monitors (HSN8528 59 00) attracting 28%.
- **Submission by the Petitioner :-** The appellant contended that IFPDs function as 'All-in-One-PCs' and meet the criteria for Automatic Data Processing (ADP) machines as per Note 6A of Chapter 84 of the Indian Customs Tariff Act, 1975. Therefore, they argued IFPDs should be classified under HSN 84714190, attracting an 18% GST rate under Schedule-III of Notification No. 01/2017-CT(rate) dated 28-06-2017.

- **Submission by Revenue: -**

**Key Legal Issues & Findings :-** The Appellate Authority for Advance Ruling (AAAR) considered **Note 6A and Note 8 of Chapter 84 and Note 5 of Section XVI of the Indian Customs Tariff Act, 1975**, to determine the classification.

1. **Principal Function Test:** The AAAR found that while IFPDs may incorporate features of an Automatic Data Processing (ADP) machine, their primary features, such as screen size, screen technology, image sharpness and resolution, touch display with IR technology, interactive whiteboard feature, colours, duration of operation, and wide-angle viewing, relate predominantly to display and viewing.
2. **ADP Machine Distinction:** An ADP machine's primary function is data analysis, processing, and executing software programs, whereas an IFPD's basic ADP features serve only limited, simple functions, making it primarily a display device. It is not possible to use an ADP machine as an IFPD, but an IFPD can be used as an ADP machine for limited purposes.
3. **Multi-purpose Machines:** As per Note 8 of Chapter 84, if a machine is used for more than one purpose, its principal purpose determines its classification; for IFPDs, this is identified as large display, touch interaction, and high resolution with in-built additional features of an ADP machine.
4. **Specific Function Classification:** In line with Note 6(E) of Chapter 84, machines incorporating or working in conjunction with an ADP machine and performing a specific function other than data processing are to be classified in the headings appropriate to their respective functions or, failing that, in residual headings.

**Judgement: -**

The appeal filed by M/s. Acer India Private Limited was dismissed by the Appellate Authority for Advance Ruling (AAAR), upholding the AAR's classification of Interactive Flat Panel Displays (IFPDs) under HSN 85285900 with a 28% GST rate. The AAAR ruled that the principal function of IFPDs is display and viewing, not automatic data processing, despite incorporating some ADP features.

**Way forward**

Interactive Flat Panel Displays Classifiable as Monitors (HSN8528 59 00) attracting 28% GST; AAR ruling upheld.



## Legal Communique Case No. 2

### Tamilnadu State Appellate Authority For Advance Ruling In M/s. Shibaura Machine India Private Limited

A.R. APPEAL NO. 07/2025/AAAR DATED: 18.12.2025  
ORDER NO. AAAR/08/2025 (AR) 2026-VIL-02-AAAR

(Whether ITC on the electrical works contract is eligible?)

The following are the details of the order for M/s Shibaura Machine India Private Limited (issued by the Tamil Nadu State Appellate Authority for Advance Ruling (AAAR) Order No. AAAR/08/2025, dated December 18, 2025).

#### Issue:-

- Whether Input Tax Credit (ITC) is eligible on electrical works (including LT panels, busducts, and light fixtures) carried out for the expansion of a factory.
- What should be the basis to arrive the timeline to avail ITC on tax invoice raised by Supplier to bill "Advance Component" of the Contract and Subsequent Adjustment of Advance in the Service Bills showing both Gross and Net amount.

#### Facts of the Order:-

- **Appellant Profile:** The Appellant, M/s Shibaura Machine India Private Limited, is a manufacturer of injection moulding machinery and accessories.
- **Expansion Project:** They constructed a new factory adjacent to their existing facility and entered into a separate contract for "Supply, installation, testing & commissioning of Electrical Works".
- **Contract Details:** The contract, valued at approximately 24.15 crore, covered LT panels, busducts, electrical LT works, lightning protection, and light fixtures.
- **Previous Ruling:** The Authority for Advance Ruling (AAR) previously ruled that ITC was ineligible as the works constituted the construction of immovable property. The Appellant subsequently filed this appeal.

#### Arguments by Petitioner (Appellant):-

- **Movable Nature:** The electrical installations are movable in nature, can be detached and moved, and therefore should not be classified as immovable property.
- **Plant and Machinery:** Even if considered fixed to the earth, these items qualify as "plant and machinery" (apparatus, equipment, or machinery) because they are essential for the operation of factory machinery and for making outward supplies.
- **Definition Inference:** The Appellant used dictionary definitions (e.g., McGraw Hill) to argue that LT panels and busducts fit the definition of "apparatus" or "equipment".

#### Arguments by Department:-

- **General Infrastructure:** The Department (implied by the AAR ruling and the AAAR's supporting discussion) argued that these installations facilitate general operations (lighting, power distribution) rather than being directly used for specific outward supplies.

- **Integration:** The works are integrated into the building infrastructure and are permanently fastened to walls and roofs, losing their independent character.
- **Statutory Block:** Since the works result in immovable property (other than plant and machinery), ITC is blocked by Sections 17(5)(c) and 17(5)(d).

#### **Discussion and Brief Detail:-**

- **Immovable Property Test:** The Authority noted that although individual components might be movable, they are meant for the "permanent beneficial enjoyment of the land". Once attached to the earth or fastened to the structure, they become part of the immovable property.
- **Not Plant and Machinery:** The AAAR rejected the "apparatus" argument, stating the electrical installation is highly generic (used for general lighting, cranes, etc.) rather than a specific tool for manufacturing a particular product.
- **Marketability & Customization:** The installations are tailor-made for the specific factory and lack an independent existence or marketability once installed.
- **Contract Intent:** The Authority observed that the contract itself referred to the installation as "Permanent Work," indicating the parties' intent for it to be a permanent addition to the property.

#### **Decision:-**

- **Ruling:** The Appellate Authority for Advance Ruling (AAAR) upheld the original AAR order.
- **Outcome:** The appeal was **dismissed**. The ITC on the electrical works contract is **not eligible** as it is blocked under Sections 17(5)(c) and 17(5)(d) of the CGST Act. The question of answering the second query on the timeline to avail ITC on the 'Advance component' involved in the instant contract, does not arise, as the main query on availment of ITC on the said contract is answered in negative.



## Legal Communique Case No. 3

**M/s. Agrawal Enterprises**  
**V/s.**  
**State of Gujarat & ORS**

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
R/SPECIAL CIVIL APPLICATION NO. 386 OF 2026

(Delay beyond the statutory period under Section 107 of the GST Act is non-condonable)

### **Facts of the case (brief and structured):-**

- M/s. Agrawal Enterprises (Petitioner) is a partnership firm registered under GST bearing GSTIN 24ABNFA2763L1Z6.
- The respondent authority issued a demand order dated 21.03.2024 under Section 74(5) of the CGST/SGST Act, 2017, raising a demand of ₹1,98,720/- towards tax, along with interest and penalty, aggregating to ₹5,03,768/-
- Prior to the demand order, the petitioner was issued:
  - \* An advisory dated 29.06.2023 alleging wrongful availment of Input Tax Credit (ITC),
  - \* A reminder dated 10.08.2023, which was replied to by the petitioner on 12.08.2023, and also inwards in the GST office on 17.08.2023
- Subsequently, Form DRC-01A dated 04.01.2024 was issued, to which the petitioner submitted replies on 18.01.2024, 15.02.2024, 23.02.2024 and 04.03.2024
- According to the petitioner, notices of personal hearing were uploaded on the GST portal for dates 02.09.2025, 06.09.2025 and 10.09.2025, but no intimation was received by email or post, and hence the petitioner could not appear for hearing
- The petitioner claimed that it came to know about the demand order only on 30.03.2025, and thereafter approached the department, where it was advised to either pay the amount or file an appeal with condonation of delay.
- The petitioner filed an appeal under Section 107 of the Act challenging the demand order, with a delay of 284 days from the date of the order.
- The Appellate Authority rejected the appeal by order dated 30.09.2025 solely on the ground that it had no power to condone delay beyond the statutory period of 120 days (90 days + 30 days condonable)
- Aggrieved by the rejection of the appeal on limitation, the petitioner filed the present Special Civil Application before the Gujarat High Court, seeking quashing of the appellate order and condonation of delay.

### **Point of Dispute:-**

- Whether an appeal filed under Section 107 of the CGST/SGST Act, 2017 against a GST demand order can be entertained after expiry of the maximum statutory period of 120 days (90 days + 30 days condonable) and whether the High Court, in exercise of writ jurisdiction under Article 226, can condone such delay and set aside the appellate order rejecting the appeal as time barred.

### **Submissions by the Petitioner:-**

- The petitioner contended that the demand order dated 21.03.2024 was not effectively communicated, and it came to its knowledge only on 30.03.2025.

- Though hearing dates were reflected on the GST portal, no intimation by email or post was received, resulting in non-appearance.
- On becoming aware of the order, the petitioner promptly approached the department and filed an appeal with a condonation of delay application.
- The Appellate Authority rejected the appeal mechanically on limitation, without considering the reasons for delay or hardship.
- Being a small partnership firm with limited technical knowledge, the delay was unintentional.
- It was prayed that the delay be condoned and the appeal be decided on merits in the interest of justice.

#### **Submissions by the Revenue:-**

- The Revenue submitted that the appeal was filed beyond the maximum statutory period of 120 days prescribed under Section 107 of the CGST/SGST Act, 2017, and hence was not maintainable.
- It was contended that the Appellate Authority has no power to condone delay beyond the prescribed period, and therefore the appeal was rightly rejected.
- The demand order was passed and uploaded on the GST portal, and intimation was duly generated electronically; the petitioner was expected to remain vigilant.
- Reasons such as lack of computer knowledge or non-checking of the portal do not constitute sufficient cause under the statute.
- The Revenue argued that permitting condonation beyond the statutory limit would defeat legislative intent and disrupt the strict timelines under GST law.
- Accordingly, it was submitted that the writ petition deserved dismissal.

#### **Judgment:-**

- The Hon'ble Gujarat High Court dismissed the writ petition.
- The Hon'ble Court held that under Section 107 of the CGST/SGST Act, an appeal can be filed within 90 days, with a further condonable period of 30 days, and no authority has power to condone delay beyond 120 days.
- It was observed that even the High Court, in exercise of jurisdiction under Article 226, cannot extend the limitation period contrary to the legislative mandate.
- The reasons cited by the petitioner, such as lack of computer knowledge, non-checking of the portal, or alleged non-communication, were held to be not acceptable grounds to override statutory limitation.
- Relying on the Hon'ble Supreme Court decisions, including Glaxo Smith Kline Consumer Health Care Ltd., the Court held that entertaining such belated appeals would render the statutory scheme otiose.
- Consequently, the order of the Appellate Authority rejecting the appeal on the ground of delay was upheld, and the writ petition was rejected.

#### **Way Forward:-**

- Treat this judgment as a binding precedent that delay beyond the statutory period under Section 107 of the GST Act is non-condonable.
- Reject belated appeals filed after 120 days strictly on limitation, without examining merits.
- Apply this principle uniformly in similar cases to ensure consistency and avoid unnecessary litigation.



**Legal Communique Case No. 4**

**Deepak S/o Shivkumar Bahry (Petitioner)**  
**V/s**  
**Heart & Soul Entertainment Ltd (Respondent)**

HIGH COURT OF BOMBAY W.P. NO. 8390 OF 2009 WITH  
INTERIM APPLICATION NO. 6969 OF 2025

(Use of AI for submission before the Courts)

Heart & Soul Entertainment Ltd.....Applicant

In the matter between:

Deepak s/o Shivkumar Bahry.....Petitioner

V/s.

Heart & Soul Entertainment Ltd .....Respondent

**Facts of the Case:-**

In January 2026, the Hon. Bombay High Court in the matter of Heart & Soul Entertainment Ltd. imposed Rs. 50,000 costs on respondent. The respondent Heart & Soul Entertainment Ltd. Had filed written submissions that were clearly AI-generated (repetitive sentences, green-box tick marks, heavy bullet formatting). The submissions cited a completely fake case - Jyoti w/o Dinesh Tulsiani Vs. Elegant Associates. After thorough search the Court and its clerks confirmed that such case does not exist in Indian law.

**Court's Observations:-**

The judge strongly criticised the practice of submitting unverified AI generated documents. The Hon. court stated that it wastes judicial time, creates delays, and harms justice delivery. The Hon. court welcomed AI as a helpful research tool for research and drafting but made it clear that the final responsibility lies with the litigant or advocate. Submitting unverified material was called "dumping" work on the court. The judge warned advocates of possible referral to the Bar Council for professional misconduct. The Hon'blecourt imposed costs as a deterrent and set a clear precedent that suspicious AI-style filings will be checked and penalised.

**Way Forward:-**

Indian courts are now actively watching for AI misuse. This judgment signals that courts will verify doubtful citations themselves and shift the burden back to the person filing.

**Precautions to be Taken -**

1. Treat AI output only as a first draft - never file it directly.
2. Verify every case citation on reliable sources such as Indian Kanoon, SCC Online, or official court websites. If a case is not found, delete it immediately.
3. Remove AI-style markers: repetitive phrases, green ticks, excessive bullet points, unnatural language.
4. Use your own natural professional language.



## Legal Communique Case No. 5

### M/s. State Bank of India & Another vs. Ajay Kumar Sood

IN THE SUPREME COURT OF INDIA Civil Appeal No 5305 of 2022  
(Arising out of SLP (C) No 4038 of 2021)

(Comprehensive guidelines given by Honourable Supreme Court for judgment writing)

#### Facts of the Case:-

In 2013, the appellant (a bank) issued a charge sheet to the respondent (an employee) for gross misconduct, including disrupting branch functioning, misbehaviour with the branch manager, use of abusive language, unauthorized absence, and issuing cheques without sufficient balance. The enquiry officer found the respondent guilty of all charges, leading to dismissal from service. The appellate authority upheld the dismissal. The respondent challenged the dismissal before the Central Government Industrial Tribunal (CGIT), which found the enquiry vitiated for violation of natural justice but allowed the bank to lead evidence afresh. The Tribunal held only the first charge proved and modified the penalty to compulsory retirement. The appellant as well as the respondent instituted writ petitions before the Hon. High Court of Himachal Pradesh to challenge the order of the CGIT. The Hon. High Court affirmed the CGIT order and directed computation of consequential benefits.

Hon'ble Supreme Court issued notice against the impugned judgment of the Division Bench of the Hon'ble High Court while entertaining the Special Leave Petition under Article 136 of the Constitution.

#### Findings of the Hon'ble Supreme Court :-

The Hon'ble Supreme Court observed that the Hon'ble High Court's judgment was incomprehensible and lacked clarity, making it difficult for litigants and appellate courts to understand. It reiterated that judgments must be clear, logical, and accessible, emphasizing that incoherent judgments undermine the dignity of judicial institutions and the rule of law.

The Hon'ble Supreme Court laid down comprehensive guidelines for judgment writing, focusing on the following aspects:

#### 1. Structuring Judgments Using the IRAC Method

- The Hon'ble Supreme Court recommended using the well-known Issue, Rule, Application, and Conclusion (IRAC) framework for structuring judgments.
- **Issue:** Clearly identify the legal questions. Where multiple issues are involved, segment them for clarity.
- **Rule:** Record the applicable laws, doctrines, and submissions by counsel relevant to the identified issues.
- **Application:** Analyze and reason through the application of the rule to the specific facts of the case. This forms the crux of judicial reasoning.
- **Conclusion:** Summarize the decision concisely, reflecting the application of the rule to the facts and the outcome of the issues.

## 2. Importance of Clarity and Reasoning

- **Reasoning:** The reasoning behind a judgment must be logical, transparent, and traceable. While individual writing styles may vary, the reasoning must remain lucid and accessible.
- **Language:** Use simple language, short sentences, and clear grammar. Avoid repetition and overly complex sentence structures.
- **Flow:** Maintain a seamless and logical flow in the narrative, especially when setting out facts and applying the law.
- **Clarity:** As Justice Michael Kirby noted, "Brevity, simplicity, and clarity" are hallmarks of good judgment writing, with clarity being paramount.

## 3. Institutional Dignity and the Impact of Incoherence

- The Hon'ble Supreme Court highlighted the adverse impact of incoherent judgments on the dignity of judicial institutions. It observed that judgments lacking clarity undermine the judiciary's authority and its role in delivering justice effectively.

While issuing the above guidelines, the Hon'ble Supreme Court endorsed a framework proposed by Justice M.M. Corbett, Former Chief Justice of South Africa, which includes:

- **Introductory Section:** Briefly outline the context of the case.
- **Facts:** Present the facts in a straightforward narrative.
- **Law and Issues:** Delineate the legal principles and issues under consideration.
- **Application:** Apply the law to the facts logically and systematically.
- **Relief and Costs:** Clearly specify the relief granted and address cost-related orders.
- **Final Order:** Conclude with The Hon'ble Supreme Court's definitive order.

### Directions Issued:-

- The Hon'ble Supreme Court remanded the impugned judgment for reconsideration due to its incoherence. The Hon'ble Supreme Court stressed the importance of adopting these guidelines to ensure judgments serve their purpose effectively.

### Way Forward- Reasoning is important:-

The Hon'ble Supreme Court reiterated that while judicial writing styles may differ, the reasoning behind a judgment must be clear, well-articulated, and logically compelling. Judicial institutions should adopt structured judgment writing practices to enhance accessibility and public confidence. A judgment's primary objective is to communicate the rationale behind a decision, ensuring transparency, accountability, and reliability in the justice delivery system.



## Legal Communique Case No. 6

### TVL. Shot X Retail Private Limited vs The State Tax Officer (ST), Karur

MADURAI BENCH OF MADRAS HIGH COURT W.P.(MD) No. 698 of 2026.  
& W.M.P(MD) No. 774 of 2026

(Whether issuance of a single show cause notice and assessment order covering multiple financial years under GST is permissible, and whether initiation of proceedings under Section 73 of the CGST Act for FY 2024-25 and 2025-26 is valid after omission of Sections 73 and 74 with effect from 01.04.2024.)

#### Facts of the Case:-

The respondent issued a show cause notice dated 27.10.2025 and passed an assessment order dated 15.12.2025 covering four financial years, namely 2022-23 to 2025-26. For the financial years 2024-25 and 2025-26, the proceedings were initiated under Section 73 of the CGST Act, despite Sections 73 and 74 having been omitted with effect from 01.04.2024. Aggrieved by the clubbing of multiple financial years and invocation of an inapplicable statutory provision, the petitioner approached the High Court by way of the present writ petition.

#### Prayer of the Petitioner:-

The petitioner sought quashing of the impugned assessment order dated 15.12.2025 and the show cause notice dated 27.10.2025 on the ground that the proceedings were without jurisdiction due to illegal bunching of multiple financial years and initiation of proceedings under a provision no longer in force.

#### Submission by Revenue:-

The learned Additional Government Pleader fairly confirmed the submissions advanced by the petitioner and left the matter to the discretion of the Court for passing appropriate orders.

#### Judgment:-

The Hon'ble Court held that the GST Act permits issuance of show cause notice only with reference to a specific tax period and that no show cause notice or assessment order can be clubbed for more than one financial year. The impugned order, having been passed for the financial years 2022-23 to 2025-26, was held to be without jurisdiction. The Hon'ble Court further held that after omission of Sections 73 and 74 with effect from 01.04.2024, only Section 74A applies for the financial years 2024-25 onwards and issuance of notice under Section 73 for those years reflects total non-application of mind. Accordingly, the impugned assessment order and all consequential proceedings were quashed, while granting liberty to the department to initiate separate proceedings for each financial year in accordance with law.

#### Way Forward:-

This judgment reiterates that bunching of show cause notices and assessment orders across multiple financial years under GST is impermissible in law. It also clarifies that proceedings initiated under omitted provisions, particularly Sections 73 and 74 after 01.04.2024, are void and unsustainable for the period from FY 24-25. The ruling serves as an important reminder for strict adherence to applicable statutory provisions while initiating GST adjudication proceedings.

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Referred judgements can be accessed through the QR Code Provided on the note

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