GOODS AND SERVICES TAX APPELLATE TRIBUNAL
COIMBATORE BENCH, COIMBATORE

COURT NO.1

Appeal No. APL/59/CMT/2026

M/s Pranav Steels,
No. 53/ 1, Mcgaraj Nagar,
Thckkupalayam (Post),
Coimbatore — 641020. ….. Appellant

Versus

YUVARAJ DIVYADARSHINI,
Deputy Commissioner (CT), Coimbatore & Ors. ……Respondent

Authorised Representative for Appellant	**Authorised Representative for Respondent**
Mr. Gopal Singh, Advocate	Shri. A Arunachalam, Authorised Representative (State)

Hon'ble Praveen Kumar Jain, Member (Judicial)
Hon'ble M Mathew Jolly, Member (Technical)

ORDER

Date of Order: 01-10-2026

1. As per Office Order No. 3/GSTAT//PB 2026 dated 14-05-2026 issued from File No. GSTAT/Benches/PB/2026/157, the Appeal No. APL/59/ CMT/ 2026 was placed before the Division Bench for deciding whether a Question of Law is involved within the meaning of Section 109(8) of the CGST Act, 2017, so as to determine whether the appeal is required to be heard by a Single Member or should be heard together by one Judicial Member and one Technical Member (Division Bench). The appeal was accordingly listed on 10-09-2026 for hearing on the Question of Law.

2. At the hearing on 10-09-2026 since the Ld. Authorised representative of the appellant was not present, the appeal was listed again on 17-09-2026.

3. The appellant uploaded submissions on the portal (Sl. No 22) where they challenged the validity of a GST demand and penalty imposed under Section 74 of the CGST/TNGST Act. The main arguments are:

- **Improper invocation of Section 74:** The Proper Officer allegedly relied on directions and investigation inputs from senior officers rather than independently establishing fraud, wilful misstatement, or suppression of facts.
- **Non-supply of relied-upon documents:** The appellant claims that investigation records, third-party statements, and other relied-upon materials were not provided, preventing an effective reply and cross-examination. This is alleged to violate natural justice.
- **Failure to consider the appellant's explanation:** The appellant stated that goods were physically received and later sold to Ammarun Foundry. A sworn affidavit, invoices, payments, and other records were submitted, but the authorities allegedly ignored or inadequately examined them.
- **Reliance on documents not required in the show-cause notice:** The First Appellate Authority allegedly introduced new documentary requirements and grounds beyond those stated in the original notice. The appellant relies on Section 75(7), which prohibits adjudication on grounds not mentioned in the notice.
- **Section 73 should apply if fraud is not proved:** Under Section 75(2), if fraud, wilful misstatement, or suppression is not established, the matter should be treated under Section 73 rather than Section 74.

4. At the hearing on 17-09-2026 the Ld. Authorised Representative of the appellant submitted that there is no allegation in the show cause notice of fraud or wilful mis-statement or suppression of facts and the notice should not have been issued under Section 74 of the Act. There is thus a question of law in the present appeal.

5. The Respondent (State) submitted the written submissions on 17.09.2026 on the GSTAT portal (Sl. No.28) and they stated that no Question of Law involved in the present appeal. The respondent submitted that the appeal pertained to denial of fraudulent ITC from supplier entities that were non-existent, had their registrations cancelled retrospectively/suo-moto, or had themselves availed fraudulent ITC from upstream bogus non-existent bill-trading entities. It was submitted that, at the preliminary stage, the present appeal does not involve any substantial question of law, as the documents necessary for verification of actual movement of goods have not bccn produced by the Appellant. The Ld. Authorised Representative of the State reiterated these submissions at the hearing on 17-09-2026

6. Heard the Ld. Authorised Representative of the Appellant and Authorised Representative of the State on the Question of Law.

ANALYSIS & FINDINGS

7. Ld. Advocate of the Appellant submitted that the Question of Law involved in the present appeal.

8. *Hon'ble Karnataka High Court in M/s. Atria Convergence Technologies Ltd. v. Deputy Commissioner of Commercial Tax, 2025 (2) TMI 883,* wherein it has been held, drawing upon Salmond's Jurisprudence, that a question is ordinarily one of law

where its answer is to be found by reference to the statute, and that this would also extend to situations involving the interpretation of statutory provisions bearing upon the outcome of the proceedings.

9. In the CGST Act 2017, the "Question of Law" is not defined. Hence the deciding principles in the present case shall be as per the above - mentioned case law, Hon'ble *Karnataka High Court in M/s. Atria Convergence Technologies Ltd. v. Deputy Commissioner of Commercial Tax, 2025 (2) TMI 883*. A 'Question of Law' encompasses any issue that requires the interpretation of legal principles, statute or precedent.

10. If any interpretation, of any of the legal principles, statute or precedence is involved, then a Question of Law is involved and shall be decided together by one Judicial Member and one Technical Member (Division Bench). First of all, to decide the Question of Law involved or not in the present appeal, there must be based on Memorandum of Appeal, written submissions submitted by parties Appellant and Respondent.

11. As to whether the notice has been issued under the appropriate section of the statute is a question of law required to be examined in the appeal. Further, whether the adjudicating authority violated natural justice by refusing to supply relied-upon documents is another question of law required to be examined.

12. In view of the foregoing, this Bench is of the considered opinion that the present appeal involves a Question of Law within the meaning of Section 109(8) of the CGST Act, 2017.

13. A Question of Law is involved in this appeal. Hence, the appeal shall be heard together by one Judicial Member and one Technical Member (Division Bench).

14. The Registry is directed to list the appeal for hearing on 29.10.2026 before one Judicial Member and one Technical Member (Division Bench).

15. List the Appeal No. APL/59/CMT/2026 for hearing on merits on 29-10-2026.

M Mathew Jolly
Member (Technical)

Praveen Kumar Jain
Member (Judicial)

DATED 01-10-2026