Case Citation: (2026) taxcode.in 226 GSTAT

GSTAT

Court No. Court I

APL/71/LCK/2026

SATYENDRA SINGH .....Appellant

Versus

L AND T TECHNOLOGY SERVICES LIMITED, NON EXECUTIVE CHAIRMAN, E -116 16TH CROSS STREET CHENNAI BESANT NAGAR TNCHE 600090 .....Respondent

Counsel for Appellant
MR. RUDRA SHEKHAR RAI, DEPUTY COMMISSIONER SGST

Counsel for Respondent
MR. ROHIT GUPTA, ADVOCATE

Hon'ble Santosh Kumar Srivastava, Member(Judicial)
Hon'ble Arvind Kumar, Member (Technical)

Form GST APL-04A

[See rules 113(1) & 115]

Summary of the order and demand after issue of order by the GST Appellate Tribunal

whether remand order : No

Order reference no. : ZA090370926000555H **Date of order :** 28/09/2026

1.	GSTIN/Temporary ID/UIN - 09AACCL4310P1ZB	
2.	Appeal Case Reference no. - APL/71/LCK/2026	Date - 20/04/2026
3.	Name of the appellant - Satyendra Singh , ssinghdc4@gmail.com , 9910014902	
4.	Name of the respondant - 1. L AND T TECHNOLOGY SERVICES LIMITED , Abhishek.Asati@Ltts.com , 9998984984	
5.	Order appealed against - AD0911240743742	
	(5.1) Order Type - Demand Order	
	(5.2) Ref Number - ZD0912240807183	Date - 02/12/2024
6.	Personal Hearing - 28/09/2026 03/09/2026 19/08/2026	
7.	Status of Order under Appeal - Reject - Order under Appeal is annulled	

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8.	Order in brief - The departmental appeal challenged the ITC relief of ?76,750.20 granted by the First Appellate Authority in respect of purchases from M/s Edge Techunified Private Limited, whose GST registration was retrospectively cancelled. The Department failed to establish through specific evidence that the concerned transactions were bogus or that the relief granted on the basis of amended GST records was legally incorrect. Accordingly, no ground for interference was found and the departmental appeal was dismissed.

Summary of Order

9.	If demand order then whether demand quantified: No

10.	For Other orders and Demand orders which are not quantified:	
Issues as raised by proper officer	Issues as determined by Appellate/Revisional authority	Order by GST Appellate Tribunal
Short or non-payment of tax	ITC of Rs. 76,750.20 was allowed on the basis of subsequent amendment of GSTIN, and the demand was reduced to Rs. 2,38,075.80, while the balance demand was upheld.	the relief of Rs.76,750.20 granted by the First Appellate Authority is allowed

Place :LUCKNOW

Signature

Date : 28.09.2026

LUCKNOW ANAMIKA DEVI

Designation : Stenographer/Law researcher

Jurisdiction :Lucknow

ORDER

1. BRIEF FACTS OF THE CASE

1.1. The present departmental appeal has been filed against the Order-in-Appeal dated 02.12.2024 passed by the learned Additional Commissioner, Grade-II (Appeal), State Tax, whereby partial relief was granted in respect of the Input Tax Credit (ITC) disputed in the proceedings.

1.2. The case relates to the availment of ITC during the financial year 2019-20 on inward supplies received from **M/S Edge Techunified Private Limited**, GSTIN 07AADCE5186H1ZI. During scrutiny, it was noticed that the registration of the said supplier had subsequently been cancelled suo motu with retrospective effect from 01.07.2017. Consequently, proceedings under Section 73 of the CGST/UPGST Act, 2017 were initiated.

1.3. The Adjudicating Authority, vide order dated 22.08.2024, disallowed ITC amounting to Rs.**3,14,326/-,** along with applicable interest and penalty. Against the said order, an appeal was preferred before the First Appellate Authority.

1.4. The First Appellate Authority, while examining the matter, noticed that in respect of certain invoices, namely **Invoice No. EDGE/59/2019 dated 30.12.2019** and **Invoice No. EDGE/39/2019 dated 10.11.2019**, the GSTIN status of the supplier was subsequently shown as "amended" on the GST portal, updated on 24.07.2020. Considering the said subsequent amendment, the First Appellate Authority allowed ITC of Rs. **76,750.20** and reduced the demand to that extent, while the remaining demand was upheld.

1.5. Being aggrieved with the grant of the aforesaid relief of Rs.76,750.20, the Department has preferred the present appeal before this Tribunal.

2. QUESTION OF LAW

2.1. The following question arises for determination:

Whether, in the facts and circumstances of the case, the First Appellate Authority was justified in allowing relief of Rs.76,750.20 in respect of the disputed ITC, after taking into consideration the subsequent amendment in the GSTIN/transaction details of the supplier, notwithstanding the retrospective cancellation of the supplier's registration with effect from 01.07.2017?

2.2. Further, whether the Department has established sufficient legal and factual grounds warranting interference with the Order-in-Appeal dated 02.12.2024 to the extent of the relief so granted.

3. GROUNDS OF APPEAL

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3.1. The appellant stated that the impugned Order-in-Appeal dated 02.12.2024 is contrary to the facts and provisions of the CGST/UPGST Act, 2017 and is liable to be set aside to the extent relief has been granted.

3.2. The appellant stated that the First Appellate Authority erred in allowing ITC amounting to Rs. 76,750.20 on invoices issued by **M/S Edge Techunified Private Limited**, whose registration was cancelled suo motu with retrospective effect from 01.07.2017 under Section 29 of the Act.

3.3. The appellant stated that the invoices issued by a retrospectively cancelled entity could not be treated as valid documents for availment of ITC in terms of Section 16(2)(a) read with Rule 36(1) of the CGST Rules, 2017.

3.4. The appellant further stated that the mandatory conditions prescribed under Section 16(2), particularly the requirement relating to payment of tax to the Government as contemplated under Section 16(2)(c), had not been fulfilled.

3.5. The appellant stated that no conclusive evidence had been produced to establish actual payment of tax by the supplier to the Government and, therefore, the ITC was inadmissible under Section 16(2)(c) of the Act.

3.6. The appellant stated that the burden of proving the admissibility of ITC lies upon the claimant in terms of Section 155 of the CGST/UPGST Act, 2017, which, according to the Department, had not been discharged.

3.7. The appellant stated that the First Appellate Authority had wrongly relied upon the subsequent amendment/status of the GSTIN on the GST portal and that such post-facto amendment could not validate transactions which were otherwise not legally eligible for ITC.

3.8. The appellant stated that mere reflection of invoices in GSTR-2A/2B does not, by itself, confer a legal right to avail ITC and that eligibility has to be determined in accordance with Section 16 of the Act read with Rule 36 of the CGST Rules, 2017.

3.10. The appellant stated that the subsequent amendments/adjustments relating to the disputed ITC indicated that the transactions were not legally stable or valid at the time of availment.

3.11. The appellant further stated that admissibility of ITC was required to be examined invoice-wise and that inadmissible ITC could not be allowed merely on the basis of a partial claim or subsequent adjustments.

3.12. The appellant stated that the judicial pronouncements relied upon by the taxpayer were distinguishable on facts, as the present case involved retrospective cancellation of the supplier's registration from inception and alleged non-fulfilment of the conditions prescribed under Section 16(2).

3.13. The appellant finally stated that the impugned Order-in-Appeal was legally unsustainable to the extent of Rs.76,750.20 and prayed for setting aside of the relief granted by the First Appellate Authority.

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4. SUBMISSION OF THE APPELLANT

4.1. The Appellant submitted that the supplier, **M/S Edge Techunified Private Limited,** had been cancelled suo motu with retrospective effect from 01.07.2017 and, therefore, the invoices issued by the said supplier could not validly support availment of ITC.

4.2 It was submitted that the conditions prescribed under Section 16(2) of the CGST/UPGST Act, 2017 were mandatory and that the subsequent amendment of the GSTIN or the reflection of the invoices in GSTR-2A/2B could not override the statutory requirements for availment of ITC.

4.3. It was further submitted that there was no conclusive evidence to establish actual payment of the tax charged on the impugned invoices to the Government. The Department also relied upon the discrepancies reflected in GSTR-9 and GSTR-2A and contended that the ITC allowed by the First Appellate Authority was not legally admissible.

4.4. The Appellant accordingly prayed that the relief of Rs.76,750.20 granted by the First Appellate Authority be set aside and the demand determined by the Adjudicating Authority, along with applicable interest and penalty, be restored.

5. SUBMISSION OF THE RESPONDENT

5.1. The learned authorised representative of the respondent submitted that the Order-in-Appeal dated 02.12.2024 was passed after examination of the material available on record and that the First Appellate Authority had rightly granted limited relief of Rs.76,750.20.

5.2. It was submitted that the Appellant had principally relied upon the retrospective cancellation of the supplier's registration. According to the respondent, retrospective cancellation, by itself, could not establish that the underlying transactions were fictitious, sham or non-genuine.

5.3. It was further submitted that the issue before the Tribunal was not the grant of fresh ITC, but the reduction in the amount of ITC reversal to the extent of the subsequent amendment in the entries reported in GSTR-2A. The respondent submitted that the First Appellate Authority had considered the subsequent amendment reflected in the relevant GST records.

5.4. The respondent submitted that, at the relevant time, the supplier was registered on the GST portal and the transactions had been reported in the relevant GST returns. It was contended that the Appellant had considered the figures reported in Table B2B but had not properly considered the subsequent amendment reflected in Table B2BA.

5.5. The respondent further submitted that the grounds relating to GSTR-9 were not part of the allegations contained in the original proceedings under Section 73 and relied upon Section 75(7) of the CGST/UPGST Act, 2017, which provides that no demand shall be confirmed on grounds other than those specified in the notice.

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5.6. It was also submitted that the Department had not identified any specific invoice forming part of the relief of Rs. 76,750.20 which was shown to be unsupported by a genuine underlying transaction. The respondent contended that mere retrospective cancellation of the supplier's registration could not, without further evidence, establish that the purchases were bogus or that the supplies were not received.

5.7. The respondent further submitted that the First Appellate Authority had granted only limited relief of Rs.76,750.20 against the disputed ITC and that the Department had failed to demonstrate any perversity, jurisdictional error, misreading of statutory provisions or ignoring of material evidence in the impugned appellate order.

5.8. It was accordingly prayed that the departmental appeal be dismissed and the Order-in-Appeal dated 02.12.2024 be upheld to the extent of the relief of Rs.76,750.20.

6. FINDINGS

6.1. We have carefully considered the facts of the case, the grounds of appeal, the submissions made by both sides and the material available on record. The issue for consideration is confined to the relief of **Rs. 76,750.20** granted by the First Appellate Authority.

6.2. It is an admitted position from the record that the Adjudicating Authority had originally disallowed ITC of Rs. 3,14,326/- in respect of the inward supplies received from **M/S Edge Techunified Private Limited**. The First Appellate Authority, however, granted limited relief of Rs.76,750.20 after considering the subsequent amendment/status reflected in the GST records in respect of the relevant invoices.

6.3. The principal contention of the Department is that the registration of the supplier was cancelled retrospectively with effect from 01.07.2017 and, consequently, the invoices issued by the supplier could not be relied upon for availment of ITC. The Department has also contended that subsequent amendment in the GST portal could not cure the alleged ineligibility.

6.4. We find that the First Appellate Authority did not allow the entire disputed ITC. The relief was restricted to **Rs. 76,750.20**, whereas the remaining disputed demand was maintained. Thus, the relief granted by the First Appellate Authority was based upon consideration of the specific entries/invoices and the subsequent amendment reflected in the GST records.

6.5. The Department has placed considerable reliance upon the retrospective cancellation of the supplier's registration. However, in the material placed before us, no specific finding or evidence has been brought on record to establish that the particular transactions corresponding to the relief of Rs.76,750.20 were fictitious, sham or that the supplies covered by the said invoices were not actually received.

6.6. The respondent has specifically submitted that the subsequent amendment in the relevant GST records was taken into consideration by the First Appellate Authority and that the relief represented only the reduction in the amount of ITC reversal. The Department has not demonstrated any specific error in the factual appreciation of the said entries by the First Appellate Authority.

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6.7. We also take note of the Department's reliance upon the figures appearing in GSTR-9 and GSTR-2A. However, the mere existence of a difference between the figures reported in the returns, by itself, does not establish that the specific amount of Rs.76,750.20 allowed by the First Appellate Authority was inadmissible. The Department was required to establish the specific legal or factual infirmity in the relief granted by the First Appellate Authority.

6.8. The respondent has also pointed out that the issues relating to the GSTR-9 figures were not the basis of the original proceedings under Section 73 and has relied upon Section 75(7) of the Act. We find that this contention has relevance to the extent that the demand cannot be sustained on a ground materially different from the grounds forming the basis of the proceedings. The Department has not demonstrated before us how the GSTR-9 discrepancies, by themselves, invalidate the specific relief granted by the First Appellate Authority.

6.9. As regards the Department's reliance upon Section 16(2), Section 16(2)(c) and Section 155 of the Act, we observe that the statutory conditions governing ITC are required to be examined with reference to the facts and evidence pertaining to the particular transactions. In the present proceedings, the Department has not brought sufficient specific material on record to establish that the transactions corresponding to the limited relief of Rs.76,750.20 were non-genuine or that the First Appellate Authority committed a specific error in extending such limited relief.

6.10. On an overall consideration of the material on record, we find that the Department has not established sufficient grounds to interfere with the limited relief granted by the First Appellate Authority. The impugned Order-in-Appeal has not been shown to suffer from any material error of fact or law warranting interference by this Tribunal.

6.11. We, therefore, find no reason to disturb the relief of **Rs.76,750.20** granted by the First Appellate Authority. The findings of the First Appellate Authority, to the extent challenged in the present departmental appeal, are accordingly liable to be sustained.

7. FINAL ORDER

In view of the foregoing discussion, the grounds raised by the department do not establish any legal or factual infirmity in the Order-in-Appeal. No. ZD0912240807183 dt. 2/12/2024.

Accordingly, the departmental appeal is dismissed and the impugned Order-in-Appeal is upheld.

(Santosh Kumar Srivastava)

(Arvind Kumar)

Dated: 28.09.2026

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