**Dated: 20.11.2026**

**GSTAT**

**Principal Bench at Delhi**

**Division Bench Court No. Court II**

**APL/54/PB/2026**

VISHAL CHAUDHARY **.....Appellant**

**Versus**

BANGLA FOODS PRIVATE LTD., DIRECTOR, 32 BABAR ROAD BENGALI MARKET NEW DELHI DLCEN 110001 **.....Respondent**

**Quorum**

**Hon'ble Justice Sh. Mayank Kumar Jain, Member(Judicial)**
**Hon'ble Sh. A. Venu Prasad, Member (Technical)**

**Counsel for Appellant**
SHRI SUBKARAN SINGH, SUPERINTENDENT (APPEARED VIRTUALLY)

**Counsel for Respondent**
SHRI ASHU DALMIA, ADVOCATE
MS. ANKITA JHA, ADVOCATE.

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. :** ZN510011126000080H **Date of order :** 20/11/2026

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|---|---|---|
| **1.** | GSTIN/Temporary ID/UIN - 07AACCB2863P1ZB | |
| **2.** | Appeal Case Reference no. - APL/54/PB/2026 | Date - 18/02/2026 |

| | | |
|---|---|---|
| **3.** | Name of the appellant - VISHAL CHAUDHARY , c.vishal46@gov.in , 9882341646 | |
| **4.** | Name of the respondent -<br>1. BANGLA FOODS PRIVATE LTD. , banglafoods99@yahoo.com , 9891323913 | |
| **5.** | Order appealed against - AD070325016192H | |
| | **(5.1) Order Type -** Demand Order | |
| | **(5.2) Ref Number -** ZD071025007018W | Date - 07/10/2025 |
| **6.** | Personal Hearing - 20/11/2026 30/10/2026 09/10/2026 30/09/2026 08/09/2026 | |
| **7.** | Status of Order under Appeal - Reject - Order under Appeal is annulled | |
| **8.** | Order in brief - The appeal filed by the Department is hereby 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 | The Appellate Authority vide OIA dated 03.10.2025 allowed the appeal and set aside the Order-in-Original. It recorded that the adjudicating authority relied only upon the alert notice issued by DGGI and did not discuss any concrete document nor independently examine the case. The Appellate Authority noted | The Tribunal is of the considered opinion that the present appeal has been instituted contrary to Circular No. 207/1/2024-GST. The disputed tax involved is Rs. 1,36,634/-, which is significantly below the |

| | | |
|---|---|---|
| | that the taxpayer had submitted financial records including Profit & Loss Account and ledger of advertising expenses for FY 2017-18, which showed advertising expenses of Rs. 42,738/- and no entry in the name of Facebook Ireland Limited. It observed that no objection was received from the department after such documents were shared through the portal. On this basis, it held that the taxpayer had not incurred any expense on services alleged to be received from Facebook Ireland Limited and therefore the demand confirmed under RCM was not sustainable. | monetary threshold of Rs. 20,00,000 prescribed for filing appeals before the GSTAT. Therefore, we conclude that the present appeal is not maintainable as it is barred by the monetary limits prescribed under the said Circular. |

# ORDER

**Justice Mayank Kumar Jain, Member (Judicial)**
**Shri A. Venu Prasad, Member (Technical)**

**(Per Justice Mayank Kumar Jain)**

1. The Revenue (hereinafter **"the Appellant"**) has preferred this appeal under Section 112(3) of the Central Goods and Services Tax Act, 2017 (hereinafter the **"CGST Act, 2017"**), challenging the Order-in-Appeal No. 1038/JC/Central Tax/Appeal-II/Delhi/2025-26 dated 03.10.2025 (for short, **"OIA"**) passed by the Joint Commissioner, CGST Appeal-II, Delhi **("Appellate Authority")** whereby the appeal filed by M/s Bangla Foods Private Limited, 111-113, Bangla Sahib Marg, Gole Market, Central Delhi-110001 (hereinafter the **"Respondent"**) under Section 107(1) of the CGST Act, 2017 was allowed and the Order-in-Original No. 145/2024-25 dated 22.01.2025 (for short, **"OIO"**), passed by the Superintendent, R-49 Division, Connaught Place, New Delhi (hereinafter, the **"Adjudicating Authority"**) set aside.

**Factual Matrix**

2. The Respondent is registered under the CGST Act, 2017 vide GSTIN 07AACCB2863P1ZB.

3. Based on an alert issued by the Director General of GST Intelligence, New Delhi, (**"the DGGI"**), it was alleged that the Respondent had not paid tax of Rs. 1,36,634/- under the Reverse Charge Mechanism (**"RCM"**) in respect of Online Information and Database Access Retrieval (**"OIDAR"**) services provided by Facebook Ireland Limited (**"FIL"**).

4. A show cause notice dated 01.08.2024 (for short **"the SCN"**) was therefore issued to the Respondent, proposing recovery of the tax under Section 74(1) of the CGST Act, 2017, together with interest under Section 50 and an equal penalty under Sections 74(1) r/w 122(2)(b) *ibid.*, read with the corresponding provisions of the SGST Act, 2017 and Section 20 of the Integrated Goods and Services Tax Act, 2017 **("IGST Act, 2017")**.

5. The Adjudicating Authority adjudicated the SCN vide OIO No. 145/2024-25 dated 22.01.2025. The OIO confirmed the tax demand of Rs. 1,36,634/- under Section 74, together with interest under Section 50 and an equal penalty under Section 122(2)(b) of the CGST Act, 2017, read with the corresponding provisions of the DGST Act, 2017, IGST Act, 2017 and UTGST Act, 2017.

6. Aggrieved by the OIO dated 22.01.2025, the Respondent filed an appeal under Section 107(1) of the CGST Act, 2017. By OIA dated 03.10.2025, the Appellate Authority allowed the appeal and set aside the said OIO. Consequently, the demand and recovery of tax of Rs. 1,36,634/- under Section 74(1) of the CGST Act, 2017, together with the interest at the applicable rate under Section 50 and the penalty of Rs. 1,36,634/- imposed under Section 74 r/w Section 122(2)(b) of the CGST Act, 2017 was set aside.

7. By the present appeal, the Appellant has challenged the OIA dated 03.10.2025 on the following grounds:

   (i) The Appellate Authority has set aside the demand merely based on the submissions made by the Respondent that it had not received any services from FIL during the FY 2017-18.

   (ii) The Appellate Authority did not examine the ledger account relating to FIL, bank accounts or other corroborative records to determine whether taxable services had been received by the Respondent. This verification was

necessary in view of the contrary information received, which indicated that the Respondent had availed services from FIL during the relevant period.

(iii) The Appellate Authority relied entirely on the submissions made by the Respondent without examining their veracity or completeness. The Appellant contends that such reliance on unverified submissions and statements was unwarranted. The submissions of the Respondent were not substantiated by objective documentary evidence.

(iv) The Respondent's contentions that it had not received taxable OIDAR services required cross-checking against primary evidence, including expense ledgers, inward remittance details, invoices and bank accounts for the relevant financial year. The Appellant therefore contends that the Appellate Authority erred in dropping the demand of Rs. 1,36,634/-, together with applicable interest and penalty, without examining these records.

8. Based on the aforesaid grounds, the Appellant has prayed for setting aside the impugned OIA dated 03.10.2025.

**Proceedings before the GSTAT**

9. Notice was issued to the Respondent inviting written submissions against the grounds of appeal made by the Appellant.

10. The Respondent filed their written submissions as under:

(i) The appeal is not maintainable because it contravenes the monetary limits prescribed by Circular No-207/1/2024-GST Dated 26.06.2024 (for short, **"Circular No. 207"**). This Circular is issued on the recommendations of the GST Council under Section 120 read with Section 168 of the CGST Act, 2017. The Circular is legally binding upon the officers of Central Tax. It prescribes the following monetary limits for filing appeals:

| **Appellate Forum** | **Monetary Limit** |
|---|---|
| GSTAT | 20,00,000/- |
| High Court | 1,00,00,000/- |
| Supreme Court | 2,00,00,000/- |

(ii) The tax in dispute under RCM is Rs. 1,36,634/-, with an equal penalty of Rs. 1,36,634/-, bringing the total demand to Rs. 2,73,268/-. Under paragraph 3(1) of the Circular, where tax is disputed, with or without interest or penalty, only the aggregate disputed tax, including CGST, SGST/UTGST, IGST and compensation cess, is considered for the monetary limit. The relevant amount is therefore Rs. 1,36,634/-, which is below the prescribed limit to file an appeal before the GSTAT.

(iii) Paragraph 4 of the said Circular contains an exclusion clause under which the Department may file an appeal on merits before the GSTAT irrespective of the prescribed monetary limits. None of the exceptions provided in the exclusion clause applies in the present appeal as the appeal does not raise any issue of constitutional validity, challenge to Rules, Notifications or Circulars, recurring question of interpretation concerning valuation, classification, refunds or place of supply. Furthermore, the OIA does not contain any strictures/adverse comments passed and/ or cost was imposed against the Government/Department or their officers, and there was no case-specific direction that in the opinion of the Board, it was necessary to contest in the interest of justice or revenue.

(iv) Board Circulars and Notifications are mandatorily binding on the authorities. As a statutory Circular issued by the Central Board of Indirect Taxes and Customs (**"CBIC"**) under Section 120 of the CGST Act, 2017, the Department is duty bound to follow it strictly. The Appellant must comply with the monetary limits as contained in the Circular and cannot file an appeal contrary to them. Filing this appeal despite the express bar by the Circular amounts to an abuse of process and wastes judicial resources.

(v) The SCN dated 01.08.2024 and the OIO dated 22.01.2025 are non-speaking and give no reasons. They are issued and passed against the principles of natural justice.

(vi) The SCN dated 01.08.2024 refers only to the DGGI alert received by the Department. No corroborative evidence supporting the tax demand and its issuance was communicated to the Respondent.

(vii) The Adjudicating Authority confirmed the demand without an independent inquiry or examination of the books and accounts of the Respondent. The Respondent was not even confronted with any supporting material or cogent evidence received by the DGGI. The Department failed to produce any invoice issued by FIL, proof of payment by the Respondent to FIL, relevant extract from FIL's records, or other primary evidence.

(viii) The case of the Appellant rests solely on the DGGI alert. An intelligence alert is not evidence of a transaction and cannot, by itself, be treated as conclusive.

(ix) The Profit and Loss Account of the Respondent records advertising expenditure of only Rs. 42,738/- during the FY 2017-18, out of total other expenses of Rs. 1,56,91,825/-. The advertising ledger contains no entry relating to FIL.

(x) The Respondent produced its audited books of account and financial statements before the Appellate Authority, which were duly uploaded on the GST portal. Despite being allowed to verify or rebut them, no objection or reply was filed by the Revenue. The Appellate Authority, therefore, after due consideration of the documents filed by the Respondent and in the absence of any denial by the Department, accepted the Respondent's version. Consequently, the appeal filed by the Respondent was allowed, and the demand was dropped.

(xi) The Appellate Authority did not rely solely on the submissions made by the Respondent; it independently examined the audited financial statements, including the Profit and Loss Account and advertising expenses ledger. These documents were filed with the Department on the GST portal during the appellate proceedings. The Appellant neither objected to nor challenged them during the appeal proceedings, and no Department Representative attended the personal hearing. In these circumstances, the Appellant cannot now challenge the OIA before this Tribunal.

(xii) The Revenue bears the burden of proof for a demand under Section 74 of the CGST Act, 2017 and must establish fraud or suppression through cogent evidence. Reliance on a DGGI Intelligence Alert alone does not discharge

that burden. The Respondent, by contrast, has produced its books as affirmative evidence that the alleged transaction did not occur. It has consistently denied receiving services from FIL and has placed an affidavit on record supporting the documents on oath.

11. The Appellant has filed a rejoinder to the Respondent's submissions, contending as follows:

(i) The preliminary objection to maintainability is misconceived and rests on an incomplete reading of the Circular. Paragraph 4 exempts specified categories of cases from the monetary limits, including matters concerning place of supply and recurring issues or questions involving interpretation of the Act, Rules, Notifications, Circulars, Orders or Instructions. This appeal falls within that exception. It is not an isolated factual dispute, rather it concerns whether Section 5(3) of the IGST Act, 2017 applies.

(ii) The dispute involves statutory interpretation and is not confined to the amount demanded. The appeal was filed through the statutory review mechanism after examination of the legality and propriety of the OIA.

(iii) The appeal is therefore maintainable within the Circular's permitted scope. The SCN was properly issued and sets out the relevant statutory provisions on import of services, place of supply, reverse charge, interest, extended period of limitation and imposition of penalty.

(iv) The Respondent had received OIDAR services from FIL during the FY 2017-18 but failed to discharge the corresponding IGST liability under RCM. The Department's case is not based solely on the DGGI alert. The adjudication records and data supplied by FIL identified numerous Indian taxable online recipients, including the Respondent, during the relevant period.

(v) The question is not whether the alert alone constitutes conclusive proof. It is whether the Appellate Authority duly considered the Department's specific information and data, together with the statutory provisions regarding taxability of the said transaction and surrounding circumstances, and whether it was justified in discarding that material without adequate verification.

(vi) Audited financial statements cannot, without verification, rebut specific third-party information. The record does not support the assertion that the Appellate Authority undertook independent verification. The Respondent has not satisfactorily rebutted the Department's information merely by asserting that its books record no corresponding expense. The absence of a transaction from the Profit and Loss Account does not, by itself, disprove the supply. The OIA therefore requires reconsideration.

(vii) The Department's case rests not merely on a generic intelligence alert; DGGI data specifically identified OIDAR, including the GSTIN of the Respondent, for the relevant period. While an alert alone is not conclusive, the question is whether the specific information, read with the statutory RCM liability, was duly considered, and whether the Appellate Authority erred in discarding it without adequate verification of ledger accounts, bank statements and corroborative records.

(viii) As regards Section 74 of the CGST Act, 2017, the contention of the Respondent assumes non-receipt of services, the very factual issue in dispute. The adjudicating authority considered the denial, the DGGI information, the self-assessment obligations and the non-disclosure, and recorded a finding of suppression. Whether the information establishes receipt requires examination of the evidentiary material; the Respondent cannot rely on its own denial as proof that there was nothing to disclose.

12. The Respondent replied to the Appellant's rejoinder and reiterated its earlier contentions. It is submitted that the Department invokes Clause 4(iv)(e) without regard to the nature and object of Paragraph 4 as a whole. It nowhere specifies what the "other issue" is, interpretation of which provision is involved, or how Clause (e) is satisfied. Clause (e) is not a free-standing exception; it is a residuary clause that takes its meaning from the preceding Clauses (a) to (d). Clause (e) cannot be read in isolation from Clauses (a) to (d). The residuary expression "any other issue" is a catch-all clause that must be construed by applying the doctrine of *ejusdem generis*. Where specific words creating a distinct genus are followed by broad general terms, the latter are confined strictly to things of the same genus. Since Clauses (a) to (d) outline a genus of substantive legal and statutory

interpretation, "any other issue" must belong exclusively to that genus and cannot form an open-ended, parallel track for routine factual disputes.

13. The Respondent has agitated the question of maintainability and has placed reliance on the judgment of the Hon'ble Supreme Court in ***Siddeshwari Cotton Mills (P) Ltd. v. Union of India, (1989) 2 SCC 458***, wherein the principle of *ejusdem generis* has been explained. The Respondent has drawn attention to the observation that where specific words are followed by general or residuary words, the general words are to be given a restricted operation and are limited to matters of the same class or genus as the preceding specific words. On that basis, the Respondent has contended that Clause 4 (iv) (e) of the Circular must be read as confined to the legal genus established by Clauses (a) to (d) and cannot be extended to routine factual disputes, and that the present appeal, being one concerning the sufficiency of verification of records, does not fall within Clause 4 (iv) (e) and is accordingly not maintainable in view of the monetary limits under the Circular. The test is the issue decided in the order appealed against and raised in the appeal. As regards place of supply, no issue of place of supply was decided by the Order-in-Appeal or raised in the grounds.

14. Heard Shri Subkaran Singh, Superintendent/ Authorised Representative of the Department for the Appellant and Shri Ashu Dalmia with Ms Ankita Jha, Advocates, for the Respondent.

15. Perused the records available on the GSTAT portal.

16. Following issues emerge for adjudication on the basis of the pleadings:

    (i) Whether the appeal filed by the Revenue is not maintainable in view of the monetary limits prescribed under Circular No. 207/1/2024-GST dated 26.06.2024.

    (ii) Whether the Respondent was liable to pay IGST under RCM on alleged OIDAR services received from FIL during FY 2017-18?

**Issue No. (i): Whether the appeal filed by the Revenue is not maintainable in view of the monetary limits prescribed under Circular No. 207/1/2024-GST dated 26.06.2024**

17. Primarily, the learned counsel for the Respondent vehemently argued that the Appeal filed by the Appellant is not maintainable as it is against the Circular No.

207/1/2024-GST dated 26.06.2024, which was issued based upon the spirit of the National Litigation Policy of the Government and in exercise of the powers conferred under Section 120 of the CGST Act, 2017. Such policy was conceived with the aim of optimising the utilisation of judicial resources and expediting the resolution of pending cases. The policy mandates that appeal should not be pursued when the amount involved is below a specific monetary limit set by Revenue authorities. This policy was made for the purpose of regulating the filing of appeals. The Circular was issued by the CBIC in exercise of specific powers conferred by Section 120 of the CGST Act, 2017. Para 5 of the Circular has mandated that the Revenue officers shall keep in mind the overall objective of reducing unnecessary litigation.

18. It is further submitted that the Revenue officers are legally bound to comply with the monetary limits and requirements of the Circular. An appeal cannot be filed contrary to the mandate of said Circular. Reliance is placed on the judgment of the Hon'ble Apex Court in ***Commissioner of Central Excise, Bolpur v. Ratan Melting & Wire Industries, (2008) 12 STR 416.*** The Appellant has failed to demonstrate how the present appeal falls within the exception clause of the Circular.

19. Per contra, the learned Departmental Representative submitted that Paragraph 4 of the Circular provides that the monetary limit shall not apply in specific categories of cases, including matters relating to place of supply and other issues which are of recurring in nature and /or involve interpretation of the provisions of the act, rules, notification, circular, order or instruction. The present appeal involves interpretation of relevant notification prescribing payment of tax under RCM, and the determination of place of supply under the applicable provisions of the IGST Act and is thus squarely covered by the exclusion enumerated in Para 4 of the said Circular.

20. It is also asserted that the issue is recurring in nature, in as much as the show cause notices were also issued to the Respondent in respect of the matters relating to similar transactions in other financial years, wherein the adjudicating authority proposed the demand of tax, interest and penalty against the respondent. The

orders passed in those proceedings are presently pending consideration before the first appellate authority.

21. It is further contended that reliance placed by the learned counsel for the Respondent on ***Ratan Melting & Wire Industries (supra)*** does not support an interpretation under which the express exclusions contained in the Circular are rendered ineffective.

**Discussions and Observations**

22. Before adverting to the merits, it is necessary to note the scheme of Section 120 of the CGST Act, 2017. Therefore, it would be apposite to reproduce the said provision which confers the powers to the CBIC to issue orders or instructions or directions fixing monetary limits for the purposes of filing of the appeals. It reads thus;

> ***"120.*** *(1) The Board may, on the recommendations of the Council, from time to time, issue orders or instructions or directions fixing such monetary limits, as it may deem fit, for the purposes of regulating the filing of appeal or application by the officer of the central tax under the provisions of this Chapter.*
>
> *(2) Where, in pursuance of the orders or instructions or directions issued under sub-section (1), the officer of the central tax has not filed an appeal or application against any decision or order passed under the provisions of this Act, it shall not preclude such officer of the central tax from filing appeal or application in any other case involving the same or similar issues or questions of law.*
>
> *(3) Notwithstanding the fact that no appeal or application has been filed by the officer of the central tax pursuant to the orders or instructions or directions issued under sub-section (1), no person, being a party in appeal or application shall contend that the officer of the central tax has acquiesced in the decision on the disputed issue by not filing an appeal or application.*
>
> *(4) The Appellate Tribunal or court hearing such appeal or application shall have regard to the circumstances under which appeal or application was not filed by the officer of the central tax*

*in pursuance of the orders or instructions or directions issued under sub-section (1).”*

23. A combined reading of these provisions makes the position unambiguous. The scheme of Section 120 of the CGST Act is not merely enabling; it is regulatory and, in its operation upon the appellate machinery, mandatory. The Board is vested with the power to fix monetary limits; the central tax officer is bound to regulate his filing of appeals in accordance with such limits; and sub-sections (2) to (4) confer statutory protection upon the revenue in respect of cases falling within those limits. The Legislature has, by enacting sub-section (3), expressly legislated against any inference of acquiescence, and by sub-section (4) has commanded the Tribunal to have regard to the circumstances of non-filing. A provision which thus governs the conduct of the revenue, shields it from the consequence of acquiescence, and directs the adjudicatory body to take the circumstances of non-filing into account cannot be treated as directory or optional. It operates with the force of law and binds all authorities and tribunals functioning under the Act.

24. The Board has, in exercise of the power conferred by Section 120(1) of the CGST Act, 2017, issued **Circular No. 207/1/2024-GST [F. No. CBIC-20001/4/2024-GST] dated 26.06.2024**, fixing monetary limits for the filing of appeals or applications by the Department before the GSTAT, the High Courts and the Supreme Court. The Circular, while adverting to the National Litigation Policy, records as under:

*“Reference is invited to the National Litigation Policy which was conceived with the aim of optimizing the utilization of judicial resources and expedite the resolution of pending cases. It underscores the importance of prudent litigation practices by establishing thresholds for filing appeals in Revenue matters. Specifically, the Policy mandates that appeals should not be pursued when the amount involved is below a specified monetary limit set by Revenue authorities. Furthermore, it discourages filing appeals in cases where established precedents from Tribunals and High Courts have settled the matter and have not been contested in the Supreme Court.”*

***1.1*** *Section 120 of the Central Goods and Services Tax Act, 2017 (hereinafter referred as "the CGST Act") provides for power to the Central Board of Indirect Taxes & Customs (hereinafter referred to as "the Board") for fixing the monetary limits for filing of appeal or application by the tax authorities as below:—*

*"120. Appeal not to be filed in certain cases. —*

*(1) The Board may, on the recommendations of the Council, from time to time, issue orders or instructions or directions fixing such monetary limits, as it may deem fit, for the purposes of regulating the filing of appeal or application by the officer of the central tax under the provisions of this Chapter.*

*(2) Where, in pursuance of the orders or instructions or directions issued under sub-section (1), the officer of the central tax has not filed an appeal or application against any decision or order passed under the provisions of this Act, it shall not preclude such officer of the central tax from filing appeal or application in any other case involving the same or similar issues or questions of law.*

*(3) Notwithstanding the fact that no appeal or application has been filed by the officer of the central tax pursuant to the orders or instructions or directions issued under sub-section (1), no person, being a party in appeal or application shall contend that the officer of the central tax has acquiesced in the decision on the disputed issue by not filing an appeal or application.*

*(4) The Appellate Tribunal or court hearing such appeal or application shall have regard to the circumstances under which appeal or application was not filed by the officer of the central tax in pursuance of the orders or instructions or directions issued under sub-section (1)."*

***2.*** *Accordingly, in exercise of the powers conferred by Section 120 of the CGST Act, read with section 168 of the CGST Act, the Board, on the recommendations of the GST Council, fixes the following monetary limits below which appeal or application or Special Leave*

*Petition, as the case may be, shall not be filed by the Central Tax officers before Goods and Service Tax Appellate Tribunal (GSTAT), High Court and Supreme Court under the provisions of CGST Act, subject to the exclusions mentioned in para 4 below:-*

| ***Appellate Forum*** | ***Monetary Limit*** *(Amount involved in Rs.)* |
|---|---|
| *GSTAT* | *20,00,000/-* |
| *High Court* | *1,00,00,000/-* |
| *Supreme Court* | *2,00,00,000/-* |

***3.*** *While determining whether a case falls within the above monetary limits or not, the following principles are to be considered: -*

*i. Where the dispute pertains to demand of tax (with or without penalty and/or interest), the aggregate of the amount of tax in dispute (including CGST, SGST/UTGST, IGST and Compensation Cess) only shall be considered while applying the monetary limit for filing appeal.*

*ii. Where the dispute pertains to demand of interest only, the amount of interest shall be considered for applying the monetary limit for filing appeal.*

*iii. Where the dispute pertains to imposition of penalty only, the amount of penalty shall be considered for applying the monetary limit for filing appeal.*

*iv. Where the dispute pertains to imposition of late fee only, the amount of late fee shall be considered for applying the monetary limit for filing appeal.*

*v. Where the dispute pertains to demand of interest, penalty and/or late fee (without involving any disputed tax amount), the aggregate of amount of interest, penalty and late fee shall*

*be considered for applying the monetary limit for filing appeal.*

vi. *Where the dispute pertains to erroneous refund, the amount of refund in dispute (including CGST, SGST/UTGST, IGST and Compensation Cess) shall be considered for deciding whether appeal needs to be filed or not.*

vii. *Monetary limit shall be applied on the disputed amount of tax/interest/penalty/late fee, as the case may be, in respect of which appeal or application is contemplated to be filed in a case.*

viii. *In a composite order which disposes more than one appeal/demand notice, the monetary limits shall be applicable on the total amount of tax/interest/penalty/late fee, as the case may be, and not on the amount involved in individual appeal or demand notice.*

*4. EXCLUSIONS*

*Monetary limits specified above for filing appeal or application by the department before GSTAT or High Court and for filing Special Leave Petition or appeal before the Supreme Court shall be applicable in all cases, except in the following circumstances where the decision to file appeal shall be taken on merits irrespective of the said monetary limits:—*

i. *Where any provision of the CGST Act or SGST/UTGST Act or IGST Act or GST (Compensation to States) Act has been held to be ultra vires to the Constitution of India; or*

ii. *Where any Rules or regulations made under CGST Act or SGST/UTGST Act or IGST Act or GST (Compensation to States) Act have been held to be ultra vires the parent Act; or*

iii. *Where any order, notification, instruction, or circular issued by the Government or the Board has been held to be ultra vires of the CGST Act or SGST/UTGST Act or IGST Act or GST (Compensation to States) Actor the Rules made thereunder; or*

*iv. Where the matter is related to –*

*a. Valuation of goods or services; or*

*b. Classification of goods or services; or*

*c. Refunds; or*

*d. Place of Supply; or*

*e. Any other issue,*

*which is recurring in nature and/or involves interpretation of the provisions of the Act/the Rules/ notification/ circular/ order/ instruction etc; or*

*v. Where strictures/adverse comments have been passed and/or cost has been imposed against the Government/Department or their officers; or*

*vi. Any other case or class of cases, where in the opinion of the Board, it is necessary to contest in the interest of justice or revenue."*

*5. It is pertinent to mention that an appeal should not be filed merely because the disputed tax amount involved in a case exceeds the monetary limits fixed above. Filing of appeal in such cases is to be decided on merits of the case. The officers concerned shall keep in mind the overall objective of reducing unnecessary litigation and providing certainty to taxpayers on their tax assessment while taking a decision regarding filing an appeal.*

***6.** Attention is drawn to sub-sections (2), (3) & (4) of section 120 of the CGST Act, which provide that in cases where it is decided not to file appeal in pursuance of these instructions, such cases shall not have any precedent value. In such cases, the Reviewing Authorities shall specifically record that "even though the decision is not acceptable, appeal is not being filed as the amount involved is less than the monetary limit fixed by the Board."*

***6.1** non-filing of appeal based on the above monetary limits, shall not preclude the tax officer from filing appeal or application in any other case involving the same or similar issues in which the tax in*

*dispute exceeds the monetary limit or case involving the questions of law.*

***6.2** Further, it is re-iterated that in such cases where appeal is not filed solely on the basis of the above monetary limits, there will be no presumption that the Department has acquiesced in the decision on the disputed issues in the case of same taxpayers or in case of any other taxpayers. Accordingly, in case any prior order is being cited or relied upon by the taxpayer, claiming that the same has been accepted by the Department, it must be checked as to whether such order was accepted only on account of the monetary limit before following them in the name of judicial discipline.*

***6.3** Also, in respect of such cases where no appeal is filed based on the monetary limit, the Departmental representatives/counsels must make every effort to bring to the notice of the GSTAT or the Court, as the case may be, that the appeal in such cases was not filed only for the reason of the amount of the tax in dispute being less than the specified monetary limit and, therefore, no inference shall be drawn that the decisions rendered therein were acceptable to the Department. Accordingly, they should draw the attention of the GSTAT or the Court towards the provisions of sub-section (4) of section 120 of the CGST Act, 2017 as reproduced in para 1.1 above.*

***7.** The above may be brought to the notice of all concerned.*

***8.** Difficulties, if any, in implementation of this circular may be informed to the Board."*

25. Section 120 of the CGST Act, 2017 expressly empowers the Board to prescribe monetary limits for regulating the filing of appeals by Central Tax officers. Circular No. 207/1/2024-GST has been issued in exercise of that statutory power with the avowed objective of reducing avoidable litigation, ensuring efficient utilisation of judicial resources and providing certainty in tax administration. Consequently, the decision whether to prefer an appeal is required to be taken strictly in conformity with the framework laid down in the Circular.

26. The Circular does not proceed solely on the quantum of revenue involved. Paragraphs 4 and 5 thereof enumerate specific categories of cases in which appeals may be filed on merits irrespective of the prescribed monetary thresholds. Equally, the Circular emphasises that the mere fact that the disputed tax amount exceeds the monetary limit does not, by itself, justify the filing of an appeal. The competent authorities are required to bear in mind the broader objective of curtailing unnecessary litigation and promoting certainty in tax assessments while taking a decision in this regard.

27. The Circular issued by the Board in exercise of a statutory power conferred by Section 120, is binding upon the departmental authorities. The Department cannot selectively apply its provisions, relying upon them when convenient and disregarding them when their observance would operate to the benefit of the assessee. At the same time, Section 120(3) makes it clear that non-filing of an appeal on account of the prescribed monetary limits does not amount to acquiescence in the decision under challenge, nor does it preclude the Department from pursuing the same question of law in another case. However, once the Board has laid down a uniform policy governing the institution of appeals, the Department is equally bound by that policy. Consistency in the application of such instructions is an indispensable facet of fair and orderly tax administration.

28. The Department has repeatedly contended that the present case falls within the exception provided under Paragraph 4 (iv) (e) of the Circular, as the issue in dispute is of recurring in nature. However, in support of this contention, Department has only stated that show- cause notices were issued to the Respondent pertaining other financial years. No other document, including those SCN, has been placed on record to establish that the same dispute arose in other proceedings or that any decision was passed in respect thereof. Mere issuance of few show cause notices cannot, by itself, cannot establish that the issue is recurring in nature. Therefore, the contention of the Department remains unsupported by any cogent evidence. The Appellant has thus failed to establish that the issue is recurring in nature to attract Clause 4 (iv)(e) of the Circular.

29. Section 112(3) of the CGST Act, 2017 empowers the Commissioner to examine the legality or propriety of an adjudication order and to direct the filing of an

appeal. However, that power is required to be exercised in conformity with the statutory scheme, including the Circular governing institution of appeals framed by the Board in exercise of powers conferred under Section 120 of the CGST Act, 2017.

30. We are in agreement with the arguments advanced by the learned counsel for the Respondent that the Revenue Officers are legally bound to comply with the monetary limits and requirements of the Circular. The Hon'ble Apex Court in ***Commissioner of Central Excise, Bolpur (supra)*** observed;

> ***"Circulars and instructions issued by the board are no doubt binding in law on the authorities under the respective statutes"***.
>
> *(Emphasis Supplied)*

31. We are also in agreement with the arguments of the learned counsel for the Respondent that clause (iv) (e) of Para 4 of the said Circular cannot be read in isolation and has to be read as a whole.

32. The contention of the Department that the present case falls within the exception contained in paragraph 4 on the ground that it involves interpretation of a notification relating to reverse charge liability and determination of place of supply does not merit acceptance. On a careful reading of the Circular No. 207/1/2024, we find that Para 4 (iv) (d) *inter alia* deals with the matter relating to place of supply. In our view, all other matters, as mentioned in the said clause, related to valuation of goods or services, classification of goods or services, refunds or any other issue, stand on the same footing and the exception of paragraph 4 applies unequivocally in respect to all these issues for filing an appeal on merits irrespective of the said monetary limits before the Tribunal/ Courts.

33. The dispute in the present case as alleged by the Appellant is that the Respondent had not paid tax of Rs. 1,36,634/- under the RCM in respect of OIDAR services provided by FIL. Therefore, the arguments of learned Department representative cannot be accepted in view of the legislative objective of reducing pendency before the tribunal/courts and also in view of the existence of Circular No. 207/1/2024, as it had binding effect on revenue authorities. Moreover, no interpretation of relevant notification is involved in this matter as asserted by the Department. Rather, the present issue is limited to the fact whether the Respondent

had actually received the OIDAR services from FIL during the relevant period, and thus liable to pay tax under RCM. Therefore, the argument of the Appellant/department is not sustainable.

34. We cannot overlook the fact that while passing the Review Order No. 528/25-26 dated 29.01.2026, the learned Principal Commissioner, CGST, Delhi South, completely ignored the existence of Circular No. 207/1/2024-GST, which had been issued much prior to the passing of the said Review Order. The Ld. Principal Commissioner has failed to disclose any consideration as to how the present case, admittedly involving a disputed tax amount below the prescribed monetary threshold for filing an appeal before this Tribunal, was covered by any of the exceptions enumerated in paragraph 4 of the Circular. In our opinion, by this act, the learned authority who recorded his satisfaction as to the legality or propriety of the impugned order directed to file an appeal before this tribunal has not only frustrated the very purpose of the National Litigation Policy and the spirit of the Circular but also wasted the judicial resources of this Tribunal.

35. In view of the foregoing discussions and the observations, we are of the considered opinion that the present appeal has been instituted contrary to Circular No. 207/1/2024-GST. The disputed tax involved is Rs. 1,36,634/-, which is significantly below the monetary threshold of Rs. 20,00,000 prescribed for filing appeals before the GSTAT. Therefore, we conclude that the present appeal is not maintainable as it is barred by the monetary limits prescribed under the said Circular. Accordingly, this issue is decided against the Appellant.

**Issue No. (ii): Whether the Respondent was liable to pay IGST under RCM on alleged OIDAR services received from FIL during FY 2017-18?**

36. In view of the finding rendered on the issue of maintainability, we are not inclined to go into the merits of the case in respect of Issue No. (ii). We refrain from deciding the matter insofar as this issue is concerned.

37. Resultantly, the present appeal filed by the Department is liable to be dismissed as not maintainable for the reasons recorded while deciding of issue no.(i).

## ORDER

38. The appeal filed by the Department is hereby dismissed.

39. The judgment be uploaded on GSTAT portal.

40. The Judgment is pronounced in open court today in the presence of Shri Subkaran Singh, Superintendent/ Authorised Representative of the Department for the Appellant and Shri Ashu Dalmia with Ms Ankita Jha, Advocates, for the Respondent.

Date:- 20.11.2026

(Justice Mayank Kumar Jain)

(Sh. A. Venu Prasad)