

Communication including notice, order issued by the authorities should be signed; the extension of limitation period by the SC applies even to the condonable period-
Delhi HC

1 September 2022



Summary

The petitioners submitted that the limitation period for filing appeal was extended by the Supreme Court (SC) vide the orders passed in *suo motu* petition. The Delhi High Court (HC) placed reliance on SC orders and stated that extension of limitation applies not just to the prescribed period of limitation, but even to the condonable period. Further, in the present case, both the show cause notice (SCN) and the order passed by the authorities are unsigned. In this respect, the HC stated that it is not mentioned under the Goods and Services Tax (GST) provisions¹ that signing is not required on any notice, decision, order, summon or any other communication. The HC further held that at least digital signature should have been affixed by the Revenue on the SCN and the order.

Facts of the case

- The petitioners² have disputed the order-in-appeal, SCN and the order whereby the registration has been cancelled.
- The petitioners submitted that the limitation period has been extended by the SC vide various orders. Further, the petitioners observed that both the SCN and the order for cancellation of registration did not bear the signature of the concerned authority. Also, the detail of the venue for conduct of the proceedings was not prescribed in the SCN.
- The petitioner contended that the provision required the Revenue to issue a notice³ to the petitioners for non-filing of returns for the period in dispute. Therefore, before exercising the powers conferred under rule 22, the notice should have been issued under rule 68.

The petitioner has filed the present writ petition against the appellate order.

Delhi HC observations and ruling⁴:

- **Extension of limitation applies even to condonable period:** Placing reliance on various orders⁵ passed by the SC, the HC stated that extension of limitation applies not just to the prescribed period of limitation⁶, but even to the condonable period. Therefore, the order-in-appeal is contrary to the directions issued by the SC. Thus, the order stands overruled.
- **Digital signatures on SCN and the order:** The HC stated that the GST provision⁷ does not suggest that the orders need not be signed. Further, digital signature should have been affixed by the Revenue on the SCN and the order, considering the grave implications on the assessee.

¹ Section 169 of the CGST Act, 2017

² Railsys Engineers Private Limited & Anr.

³ Rule 68 of CGST Rules, 2017

⁴ W.P.(C) 4712/2022 dated 21 July 2022

⁵ Order dated 23 March 2020 in Writ Petition (Civil) No.3/2020, Order dated 08 March 2021 in Writ Petition (Civil) No.3/2020, Order dated 04.01.2022 in SLP(C)No.17298/2021, Order dated 10.01.2022 Writ Petition (Civil) No.3/2020

⁶ Section 107 of the CGST Act, 2017

⁷ Section 169 of CGST Act, 2017

Our comments

In January 2022, the Apex Court affirmed the order passed by the Madras High Court in case of Centaur Pharmaceuticals Private Limited and had held that the HC has not committed any error in extending the limitation period⁸. Further, even the limitation period which could have been extended and/or condoned by the Tribunal/Court is excluded and/or extended even up to 7 October 2021.

The CBIC has also clarified⁹ that in case where any appeal is required to be filed before the concerned authority¹⁰, the timeline would stand extended as per the SC order. Thus, the specified period would be excluded while computing the period of limitation for any appeal irrespective of the limitation, whether condonable or not.

Further, the GST provision prescribes the method of service of notice, order, other communication, which does not suggest that signing is not required. Therefore, the communication like notice, order, summon etc. should be properly signed by the authorities, to provide validity.

⁸ in filing the written statement and consequently taking on record the written statement filed on behalf of the original defendant

⁹ Circular No. 157/13/2021-GST dated 20 July 2021

¹⁰ Joint/ Additional Commissioner (Appeals), Commissioner (Appeals), Appellate Authority for Advance Ruling, Tribunal, and various courts against any quasi-judicial order

Contact us

To know more, please visit www.grantthornton.in or contact any of our offices as mentioned below:

NEW DELHI

National Office,
Outer Circle,
L 41, Connaught Circus,
New Delhi - 110001
T +91 11 4278 7070

NEW DELHI

6th Floor, Worldmark 2,
Aerocity,
New Delhi - 110037
T +91 11 4952 7400

AHMEDABAD

Unit No - 603 B, 6th Floor,
Brigade International
Financial Center,
GIFT City Gandhinagar,
Ahmedabad - 382355
T +91 79 6900 2600

BENGALURU

5th Floor, 65/2, Block A,
Bagmane Tridib,
Bagmane Tech Park,
CV Raman Nagar,
Bengaluru - 560093
T +91 804 243 0700

CHANDIGARH

B-406A, 4th Floor,
L&T Elante Office Building,
Industrial Area Phase I,
Chandigarh - 160002
T +91 172 433 8000

CHENNAI

9th floor, A wing, Prestige
Polygon, 471 Anna Salai,
Mylapore Division, Teynampet,
Chennai - 600035
T +91 44 4294 0000

DEHRADUN

Suite No 2211, 2nd Floor,
Building 2000, Michigan Avenue,
Doon Express Business Park,
Subhash Nagar,
Dehradun - 248002
T +91 135 264 6500

GURGAON

21st Floor, DLF Square,
Jacaranda Marg,
DLF Phase II,
Gurgaon - 122002
T +91 124 462 8000

HYDERABAD

Unit No - 1, 10th Floor,
My Home Twitza, APIIC,
Hyderabad Knowledge City,
Hyderabad - 500081
T +91 40 6630 8200

KOCHI

6th Floor, Modayil Centre Point,
Warriam Road Junction,
MG Road
Kochi - 682016
T +91 484 406 4541

KOLKATA

10C Hungerford Street,
5th Floor,
Kolkata - 700017
T +91 33 4050 8000

MUMBAI

11th Floor, Tower II,
One International Center,
SB Marg Prabhadevi (W),
Mumbai - 400013
T +91 22 6626 2600

MUMBAI

Kaledonia, 1st Floor,
C Wing,
(Opposite J&J Office),
Sahar Road, Andheri East,
Mumbai - 400069

NOIDA

Plot No 19A, 2nd Floor,
Sector - 16A,
Noida - 201301
T +91 120 485 5900

PUNE

3rd Floor, Unit No 310-312,
West Wing, Nyati Unitree,
Nagar Road, Yerwada
Pune - 411006
T +91 20 6744 8800

For more information or for any queries, write to us at GTBharat@in.gt.com



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