REDDY VEERANNA CONSTRUCTIONS PVT. LTD. v. APPEAL-I COMMISSIONER & ORS.

Applicability of additional 10% pre-deposit requirement for penalty-only appeals under Section 112(8) of the CGST Act. Whether the amendment introduced by the Finance Act, 2025, effective from 01.10.2025, applies to proceedings and orders passed before th

Date of Order: July 28, 2026
Case Law No: GIB-GSTAT-2026-90
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CASE DESCRIPTION / SUMMARY

BACKGROUND

The appeal arose from an order imposing penalties under Sections 122 and 125 read with Section 20 of the IGST Act. The Registry raised the issue of statutory pre-deposit for admission of the appeal.

The SCN, original adjudication order and appellate order had all been issued before 01.10.2025, when the Finance Act, 2025 amendment introducing the additional pre-deposit for penalty-only orders came into force.

COURT OBSERVATION

The Tribunal noted that the amended proviso to Section 112(8) became effective only from 01.10.2025 and did not indicate retrospective application. Since the impugned appellate order was issued before the amendment, the Tribunal held that the amended pre-deposit condition could not be **imposed on the appeal.**

FINAL VERDICT

The Tribunal held that no pre-deposit was required under Section 112 for the present appeal. It clarified that the order would not prejudice the merits and that, if at the final hearing the Tribunal concluded that the amended pre-deposit provision was applicable, the appellant would have to comply with that requirement. Notice was issued and the matter was directed to be listed after four weeks.

CASE REFERRED BY COURT

Barjinder Singh Kohli v. Assistant Commissioner & Others — Calcutta High Court — 03.11.2025. The Tribunal held that the decision squarely covered the issue of pre-deposit in a penalty-only matter where the proceedings commenced before 01.10.2025.