# Gujarat Co-operative Milk Marketing Federation Ltd. v. Union of India & Ors.

*No GST on Head Office services to branches where no invoice is issued (value 'Nil'); Section 74 invoked mechanically.*

**Date of Order:** October 14, 2026
**Case Law No:** GIB-GUJHC-2026-134
**Source:** GST INDIA Biz (www.gstindia.biz)

## CASE DESCRIPTION / SUMMARY

### Background

The petitioner, the apex dairy federation popularly known as 'Amul', has its Head Office at Anand and holds separate registrations for branches outside Gujarat. For July 2017 to March 2019 it incurred corporate expenses at the Head Office (advertising, IT and maintenance charges, legal fees and salaries of Head Office employees) but did not allocate them to its branches and depots by cross-charging. Treating the separately registered branches as 'distinct persons' under Section 25 of the CGST Act, the Department issued a show cause notice dated 31.08.2022 under Section 74, and the Additional Commissioner, by Order-in-Original dated 01.01.2025, confirmed an IGST demand of ₹43,43,12,441 with interest and penalty, brushing aside CBIC Circulars dated 17.07.2023 and 26.06.2024. The petitioner challenged the order in writ jurisdiction. The questions were whether any tax was leviable on Head Office services to branches when no invoices were issued, and whether Section 74 and its extended period were validly invoked.

### Final Verdict

The High Court accepted that separately registered branches are distinct persons and that services between them fall within Schedule I (Entry 2) and Rule 28. It held, however, that since the Head Office admittedly issued no tax invoices, the value of the services must be treated as 'Nil' in terms of the CBIC Circulars (Circular No. 199/11/2023-GST 17.07.2023, Circular No. 210/4/2024-GST 26.06.2024) and the Delhi High Court decision in Metal One Corporation India Pvt. Ltd. v. Union of India & Ors., Court: High Court of Delhi at New Delhi, Date of Order: 22.10.2024, Tata Steel Limited v. Union of India through the Secretary, Ministry of Finance & Ors., Court: Supreme Court of India Date of Judgment: 25.08.2026) so that no tax liability arises; the adjudicating authority had referred to the Circulars only cursorily and could not value the services proportionately merely because cross-charging was not adopted. On Section 74, following the Supreme Court in Tata Steel (2026),

the Court found no foundational facts in the notice or order showing fraud, wilful misstatement or suppression, the expenses were fully recorded in the books, and the matter was revenue-neutral as credit would have been available to the branches. **Mere failure to adopt cross-charging cannot, by itself, lead to the conclusion that the petitioner wilfully or fraudulently evaded tax or suppressed facts.** The Order-in-Original was quashed and the writ petition allowed.

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