Commissioner of GST v. Bangla Foods Pvt. Ltd.

Maintainability of Revenue's appeal before GSTAT under the monetary limits of Circular No. 207/1/2024-GST; RCM on OIDAR services.

Date of Order: November 20, 2026
Case Law No: GIB-GSTAT-2026-143
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Background

The Revenue appealed under Section 112(3) of the CGST Act against an Order-in-Appeal dated 03.10.2025, which had set aside an Order-in-Original confirming RCM tax of ₹1,36,634 (with interest and equal penalty under Section 74) on OIDAR services allegedly received by Bangla Foods Pvt. Ltd. from Facebook Ireland Ltd. in FY 2017-18. The demand rested on a DGGI alert, and the first appellate authority dropped it as the assessee's audited books showed advertising expenses of only ₹42,738 and the Department raised no objection. The Tribunal framed two issues: (i) whether the Revenue's appeal is maintainable in view of the monetary limits in Circular No. 207/1/2024-GST dated 26.06.2024; and (ii) whether the assessee was liable to pay IGST under RCM on the alleged services. The assessee argued that the disputed tax was far below the limit and no exclusion applied, while the Department invoked Para 4(iv) of the Circular, claiming place of supply, interpretation of the RCM notification and a recurring issue, as notices for other years were also issued.

Final Verdict

Holding that Section 120 of the CGST Act empowers the Board to fix monetary limits and that the Circular binds departmental authorities (paras 23, 27, 30), the Tribunal noted that the limits are ₹20 lakh (GSTAT), ₹1 crore (High Court) and ₹2 crore (Supreme Court), tested on the disputed tax alone, excluding interest and penalty, so that only ₹1,36,634 counted. Para 4 allows appeals on merits irrespective of these limits only in listed cases: provisions, rules or notifications held ultra vires; valuation, classification, refunds, place of supply or "any other issue" that is recurring and/or involves interpretation; strictures or costs against the Department; or cases the Board considers necessary in the interest of justice. Clause (iv)(e) cannot be read in isolation. On the recurring-issue plea, the Department merely stated that show cause notices were issued for other years and placed no notice or decision on record, and mere issuance of a few show cause notices cannot, by itself, establish that the issue is recurring (para 28). No place of supply issue was decided or raised and no notification needed interpretation; the dispute was purely factual, namely whether the services were

actually received (paras 32–33). Noting that the Review Order dated 29.01.2026 ignored the Circular, the Tribunal held that the present appeal is not maintainable as it is barred by the monetary limits, left the merits undecided and dismissed the Revenue's appeal (paras 34–38).

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