GSTAT

Division Bench Court No. Court II

APL/2/HYD/2026

MANDALANENI SRINIVASARAO **.............Appellant**

Versus

MAA ENGINEERING & ENERGY, PROPRIETOR, WARD NO 3 HOUSE NO 59 RAJNANDGAON GUNARDEHI CTRAJ 491661 **.............Respondent**

Counsel for Appellant
PVV SATYANARAYANA MURTHY, SUPERINTENDENT, CENTRAL GST
N. SURENDER RATHOD, SUPERINTENDENT, CENTRAL GST
S. BALA NARAYANA AND MOHD. KHALID

Counsel for Respondent
B. SRINIVAS

Hon'ble A P Ravi, Member(Judicial)
Hon'ble Duvvuri Krishna Srinivas, Member (Technical)

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. : ZN560360926000233H **Date of order :** 18/09/2026

1.	GSTIN/Temporary ID/UIN - 36CSEPM1094A2Z0	
2.	Appeal Case Reference no. - APL/2/HYD/2026	Date - 27/02/2026
3.	Name of the appellant - MANDALANENI SRINIVASARAO , mandalanensr.g099001@gov.in , 9440950233	
4.	Name of the respondant - 1. MAA ENGINEERING & ENERGY , MALEWARSHAILENDRA@GMAIL.COM , 6302623578	

5.	Order appealed against - AD360525007205E
	(5.1) Order Type - Registration Order
	(5.2) Ref Number - ZD3612250106920 Date - 03/12/2025
6.	Personal Hearing - 18/09/2026 04/09/2026 06/08/2026 16/07/2026 02/07/2026 25/06/2026
7.	Status of Order under Appeal - Reject - Order under Appeal is annulled
8.	Order in brief - All these appeals have been filed by the Department against the FAA orders. In the case of cancellation of Registrations and subsequent appeal by taxpayers under Section 107 of CGST Act, the FAA had condoned the delay beyond the period mentioned under Section 107(4) ibid. The department had restored the registration of the taxpayers and based on the order of the FAA. The taxpayers are legitimately carrying on their business after restoration of their Registrations. Now, the department has filed these appeals under Section 112(3) & 112(4) ibid contending that the FAA does not have powers to condone beyond the period of 3 months plus 1 month. After detailed hearing, this bench has disposed of the department appeals.

Summary of Order

9.	If demand order then whether demand quantified: Yes

Section-I

Particulars	Central tax		State/UT tax		Integrated tax		Cess		Total	
	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount
1	2	3	4	5	6	7	8	9	10	11
(a) Tax	0		0		0		0		0	0

(b) Interest	0		0		0		0		0	0
(c) Penalty	0		0		0		0		0	0
(d) Fees	0		0		0		0		0	0
(e) Others										0
(f) Refund										0

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
Revocation of registration	The appeal filed by the applicant is allowed in terms of the submissions made and judicial precedence, the request of the appellant for revocation of cancenation of GST Registration with retrospective effect i.e., from the date of cancellation of the same, merits consideration subject to pajrment of all dues, i.e., the taxes with applicable interest and penalties, late fees etc. as applicable, by the proper officer that is the Superintendent of Central Tax, Vikarabad Range.	

Place :HYDERABAD

Signature

Date : 18.09.2026

HYDERABAD A P Ravi

Designation : Member

Jurisdiction :Hyderabad

COMMON ORDER Nos. 04 to 19/COURT-II/HYD/2026

Date of Hearing: 04/09/2026
Date of Pronouncement: 18/09/2026

Per: A P Ravi, Judicial Member

1.0 This common judgment disposes of the following appeals, listed in the table hereunder,

APL/2/HYD/2026	APL/55/HYD/2026	APL/56/HYD/2026
APL/57/HYD/2026	APL/58/HYD/2026	APL/59/HYD/2026
APL/60/HYD/2026	APL/85/HYD/2026	APL/144/HYD/2026
APL/215/HYD/2026	APL/230/HYD/2026	APL/231/HYD/2026
APL/232/HYD/2026	APL/236/HYD/2026	APL/251/HYD/2026
APL/381/HYD/2026		

instituted by the Department and arising from orders passed in respect of different periods. As the appeals emerge from substantially similar facts and raise an identical question of law, they were heard together and are adjudicated by this consolidated order.

2.0 The Appellant–Department (hereinafter referred to as “the Appellant”), being aggrieved by the orders impugned herein, has preferred the present appeals. The principal contention of the Appellant is that the First Appellate Authority (“FAA”), while passing each of the impugned orders, exceeded the jurisdiction vested in it under Sections 107(1) and 107(4) of the Act by condoning the delay beyond the maximum period prescribed thereunder. It is, therefore, contended that the impugned orders are vitiated by a patent error of jurisdiction, are contrary to the express statutory mandate, and are consequently liable to be set aside.

3.0 All the Respondents herein are registered taxpayers under the Act. They had failed to furnish their monthly GSTR-3B returns continuously for a period of six months. Such persistent default attracted the provisions of Rule 21(h) of the Central Goods and Services Tax Rules, 2017 ("the Rules"), read with Rule 22(3) thereof and Section 29(2)(c) of the Act, thereby warranting cancellation of their registrations *suo motu*.

3.1 Under the statutory scheme, the Respondent-taxpayers were required to file applications for revocation of cancellation of registration within the prescribed period of thirty days, after discharging the admitted tax liability together with applicable interest, late fee, and penalty, wherever leviable. However, none of the Respondents filed an application or submitted a reply seeking revocation of the cancellation within the prescribed period.

3.2 Thereafter, the Respondents preferred appeals before the FAA under Section 107 of the Act, albeit after the expiry of the period prescribed under Section 107(1) and beyond the further period capable of being condoned under Section 107(4) thereof. Notwithstanding the statutory bar of limitation, the FAA condoned the delay by placing reliance upon the judgment of the Hon'ble High Court of Telangana in *M/s. Southern Enterprises v. State of Telangana*, W.P. No. 2471 of 2023.

3.3 In *M/s. Southern Enterprises v. State of Telangana*, W.P. No. 2471 of 2023, the Hon'ble High Court of Telangana, while disposing of the writ petition(s) preferred by the concerned taxpayer(s), had condoned the delay and directed the FAA to consider and decide the appeal(s) on merits. The FAA, purporting to follow the ratio laid down in the said judgment, as well as in *M/s. Chenna Krishnama Charyulu Karampudi v. State of Telangana*, condoned the delay in the appeals preferred by the Respondents and allowed the same, subject to the Respondents discharging the outstanding tax dues within the period stipulated in the impugned orders.

4.0 In compliance with the impugned orders, the Respondents discharged the tax liabilities payable by them and thereafter sought revocation of the cancellation of their registrations. Upon receipt and verification of the payments so made, the Appellant revoked the cancellation of the registrations, thereby enabling the Respondents to resume and continue their business operations. It is not in dispute that all the Respondents have continued to carry on their respective businesses and that their registrations presently stand restored and remain active.

5.0 Subsequently, the Appellant preferred the present appeals, being aggrieved principally by the action of the FAA in condoning the delay beyond the period prescribed under Section 107(4) of the Act. According to the Appellant, Section 107(1) prescribes an ordinary period of three months for preferring an appeal from the date of communication of the impugned order, while Section 107(4) empowers the FAA to condone delay only for a further period of one month, subject to the existence of sufficient cause.

5.1 The Appellant contends that the power of condonation conferred upon the FAA is circumscribed by the express language of Section 107(4) of the Act and that the FAA has no jurisdiction to entertain, or condone the delay in, an appeal presented beyond the maximum period prescribed therein. It is further contended that the FAA could not, by relying upon the judgment of the Hon'ble High Court of Telangana in *M/s. Southern Enterprises v. State of*

Telangana, assume a jurisdiction which has not been conferred upon it by the statute.

5.2 On the aforesaid premise, the Appellant seeks setting aside of the impugned orders on the ground that they have been passed without jurisdiction and in disregard of the statutory limitation prescribed under Sections 107(1) and 107(4) of the Act.

6.0 Upon a comprehensive consideration of the pleadings, submissions, and material placed on record, the following two questions arise for determination in these appeals:

(i) Whether the FAA was justified in condoning the delay in preferring the appeals beyond the maximum condonable period prescribed under Section 107(4) of the Act; and

(ii) Whether the appeals preferred by the Department are maintainable, particularly when the Department has already acted upon and implemented the impugned orders by revoking the cancellation of the Respondents' registrations?

7.0 Heard both sides and also perused the grounds of appeal, documents relied upon as well as the cross objections filed by the certain respondents.

8.0 The common and substantial ground urged by the Appellants in all these appeals is that the First Appellate Authority ("FAA") acted in excess of the jurisdiction conferred upon it under Section 107 of the Act by condoning the delay in filing the appeals beyond the statutory period prescribed therein. It is contended that, under Section 107(1), an appeal is required to be filed within three months from the date of communication of the impugned order, while Section 107(4) empowers the FAA to condone delay only for a further period of one month, upon being satisfied that sufficient cause prevented the appellant from presenting the appeal within the prescribed period.

8.1 The Appellants submit that, notwithstanding these express statutory limitations, the FAA condoned delays extending beyond the aggregate period of three months, together with the additional condonable period of one month, primarily relying upon the judgment of the Hon'ble Telangana High Court in *M/s. Southern Enterprises v. State of Telangana*, W.P. No. 2471 of 2023. The said decision, in turn, drew upon the earlier order of the Hon'ble Telangana High Court in *M/s. Chenna Krishnama Charyulu Karampudi v. State of Telangana*, reported in (2023) 5 Centax 49 (Telangana).

8.2 According to the Appellants, reliance upon the aforesaid judicial pronouncements could not confer upon the FAA a power of condonation that is expressly excluded by Section 107(4), nor could it enlarge the statutory period within which an appeal may validly be instituted. The FAA, it is therefore contended, acted *ultra vires* the Act in entertaining and allowing appeals filed beyond the maximum period contemplated under the said provision.

9.0 It is the Appellants' submission that the Hon'ble High Court, while recognising that the subordinate appellate authority lacked jurisdiction to condone a delay beyond the outer limit prescribed under the statute, nevertheless proceeded, in the peculiar facts and circumstances of the case before it, to condone the delay and remand the matter for adjudication on merits in accordance with law. According to the Appellants, the said order did not lay down any general or binding proposition of law authorising the statutory appellate authority to condone delays beyond the period expressly stipulated under Section 107(4) of the Act. It is contended that the extraordinary jurisdiction vested in a constitutional court enables it, in an appropriate case, to mould relief or relax the rigour of a statutory limitation in the interests of justice; however, an appellate authority constituted under the statute is a creature of the statute and must necessarily confine the exercise of its jurisdiction within the four corners thereof.

9.1 In support of the aforesaid proposition, reliance has been placed upon the judgment of the Hon'ble High Court of Delhi in *M/s. Addichem Speciality LLP v. Special Commissioner-I, Department of Trade and Taxes*, particularly paragraphs 69 and 70 thereof. Reliance has also been placed upon the judgment of the Hon'ble Supreme Court in *Assistant Commissioner (CT), LTU, Kakinada v. M/s. Glaxo Smith Kline Consumer Health Care Limited*, reported in 2020 (36) GSTL 305 (SC), with specific reference to paragraph 8 thereof. The Appellants submit that these decisions affirm the principle that an authority exercising statutory appellate jurisdiction cannot assume or arrogate to itself a power of condonation which the legislature has consciously withheld.

10.0 The Appellants further contend that the FAA fell into error in treating the decision rendered by the Hon'ble High Court in proceedings concerning a different assessee, arising out of a materially different factual and procedural backdrop, as a precedent of general and universal application. According to them, the order relied upon by the FAA was rendered in the exercise of the constitutional jurisdiction of the Hon'ble High Court and was confined to the peculiar facts and circumstances obtaining therein. It could not, therefore, be construed as enlarging the statutory jurisdiction of the FAA or as authorising it to disregard the express limitation prescribed under Section 107(4) of the Act.

10.1 Reliance has, in this regard, been placed upon the judgment of the Hon'ble Supreme Court in *M/s. Singh Enterprises v. Commissioner of Central Excise, Jaipur*, particularly paragraph 10 thereof and the observations emphasised therein. The Appellants submit that where the statute prescribes a specific period of limitation and expressly circumscribes the extent to which delay may be condoned, the appellate authority is bound by that legislative mandate and cannot extend the period beyond the maximum limit so prescribed. The question of condonation must necessarily be determined within the statutory framework and cannot be resolved by importing, by analogy, an order passed by a constitutional court in the peculiar circumstances of another case.

10.2 In essence, the Appellants' case is that the FAA, being a statutory authority, cannot transcend the limits of the jurisdiction conferred upon it by the Act. The fact that a constitutional court may, in the exercise of its extraordinary jurisdiction and having regard to the facts before it, grant relief notwithstanding a statutory limitation, does not vest the FAA with a corresponding power to condone delay beyond the period expressly authorised by the legislature. Any such exercise, it is submitted, would amount to an impermissible assumption of jurisdiction and would render the statutory limitation contained in Section 107(4) otiose.

11.0 The Appellants submit that the Respondents did not avail themselves of the remedies available under the Act by approaching the competent authorities in accordance with the procedure prescribed therein. In particular, no application was filed before the concerned authority seeking appropriate relief against the cancellation of registration. Instead, the Respondents directly invoked the appellate jurisdiction of the First Appellate Authority.

11.1 The appeals, however, were instituted after the expiry of the period prescribed under Section 107(1) of the CGST Act and beyond the further period of one month contemplated under Section 107(4), within which alone the delay could be condoned by the First Appellate Authority. In other words, the appeals were filed beyond the outer statutory limit of four months from the respective dates of cancellation of registration. Once the said period had expired, the First Appellate Authority was denuded of jurisdiction to entertain the appeals or to condone the delay. The appeals were, therefore, liable to be rejected as barred by limitation at the threshold.

12.0 The learned Departmental Representative, appearing for the Appellants, reiterated the grounds urged in the appeals and advanced his submissions principally on the question of jurisdiction. He submitted that the First Appellate Authority had committed a manifest error of law in placing reliance upon the decision of the Hon'ble High Court of Telangana referred to hereinabove.

12.1 It was further submitted that a decision rendered by a constitutional court in the exercise of its extraordinary jurisdiction cannot be relied upon to confer upon a statutory authority a jurisdiction which the statute itself does not confer. The First Appellate Authority, being a creature of the statute, was bound by the express terms of Sections 107(1) and 107(4) of the Act and could neither enlarge the period of limitation nor assume an equitable or inherent power to condone a delay beyond the period prescribed by the legislature.

12.2 Accordingly, the learned Departmental Representative submitted that the First Appellate Authority ought to have rejected the Respondents' appeals in limine, on the ground that they were barred by limitation and had been filed beyond the maximum period within which the delay could be condoned under the Act. The exercise of jurisdiction by the First Appellate Authority in condoning such delay was, therefore, wholly without authority of law and amounted to an assumption of jurisdiction not vested in it.

12.3 He consequently submitted that the impugned orders, having been passed in excess of the jurisdiction conferred by the statute and contrary to the express mandate of Section 107 of the Act, were unsustainable in law and liable to be set aside. He accordingly prayed that the appeals filed by the Appellants be allowed.

13.0 Per contra, some of the Respondents have filed their respective cross-objections and advanced their submissions in opposition to the appeals preferred by the Appellants. Certain Respondents, who are represented by counsel in the present batch of matters, have adopted the submissions advanced by the learned counsel appearing for the other Respondents. The submissions so made, whether individually or by way of adoption, are taken into consideration while adjudicating the issues arising for determination in the present proceedings.

14.0 The appeal preferred by the Department was vehemently opposed by the learned counsels Shri. Sumanth Chanda & Ms. Anu Vishwanathan appearing for **M/s. Msrtech Research Labs Private Limited**. It was submitted that the adjudicating authority had cancelled the registration without assigning any reasons, in gross violation of the principles of natural justice. It was further contended that the registration had been cancelled with retrospective effect, thereby jeopardising the genuine transactions undertaken by the Respondent. Learned counsel submitted that such retrospective cancellation had severely prejudiced the business of M/s. Msrtech Research Labs Private Limited, including the loss of legitimate business orders.

14.1 The learned counsel Shri. C. Sumanth further submitted that the Respondent had made every bona fide effort to file an application seeking revocation of the cancellation of its registration; however, owing to the lapse of the prescribed period, the application could not be filed. Consequently, the Respondent was constrained to prefer an appeal under Section 107 of the Act, assailing the order passed by the adjudicating authority.

14.2 It was contended that the delay in preferring the appeal was duly explained and substantiated by cogent reasons. Upon a careful consideration of the circumstances placed before it, the First Appellate Authority condoned the delay, placing reliance upon the judgments of the Hon'ble High Court for the State of Telangana in *M/s. Southern Enterprises v. State of Telangana*, W.P. No. 2471 of 2023, and *M/s. Chenna Krishnama Charyulu Karampudi v. State of Telangana*, reported in (2023) 5 Centax 49 (Telangana). According to the learned counsel, the order passed by the First Appellate Authority was a well-reasoned and legally sustainable order.

14.3 The learned counsel further submitted that, upon due verification and in complete implementation of the said order, the jurisdictional

Superintendent, Bowenpally-I, issued an order in Form GST REG-20, recording that the cancellation of the registration stood revoked with effect from the date of issuance of the said form. Consequent upon the revocation of the cancellation, the Respondent filed all pending monthly returns and discharged the entire tax liability and other dues payable as on that date.

14.4 It was further submitted that, since the restoration of the registration, the Respondent had remained fully compliant with the provisions of the Act and had been carrying on its business diligently and without interruption.

14.5 With regard to the appeal instituted by the Department, the learned counsel submitted that the same has been rendered merely academic in nature. It was contended that the very object underlying the cancellation of the registration stood fulfilled once the cancellation was revoked and all outstanding dues were discharged to the Government.

14.6 The learned counsel further submitted that, even if the Appellant were to succeed in the present challenge, the undisputed position remains that all pending returns have already been filed and the applicable taxes and other dues have been duly paid. Consequently, no effective or practical relief would survive for consideration in the present appeal, which would, at best, retain only an academic character. On this ground alone, it was urged that the appeal deserves to be dismissed.

14.7 In support of the aforesaid submission, the learned counsel placed reliance upon the judgment of the Hon'ble Supreme Court in **State of Gujarat v. Cadila Healthcare Ltd.**, reported in **2022 (381) ELT 302 (SC)**, and specifically invited attention to paragraph 7 thereof. Further reliance was placed upon the judgment of the Hon'ble Supreme Court in **G.T.C. Industries**

Limited v. Collector of Central Excise, reported in **2023 (384) ELT 239 (SC)**, with particular reference to paragraph 27 of the said judgment.

14.8 The learned counsel submitted that, having revoked the cancellation of the Respondents' registrations pursuant to the impugned orders, the Department has acted upon and, thereby, tacitly accepted the orders passed by the First Appellate Authority. It was further submitted that, following such restoration, the Respondents resumed and undertook commercial transactions in the ordinary course of business.

14.9 The learned counsel contended that the Department, having accepted the benefits and consequences flowing from such compliance and having treated the registrations as restored for all practical purposes, cannot now contend that the entire subsequent sequence of events should be disregarded while adjudicating the present appeals. In support of this submission, reliance was placed upon the judgment of the Hon'ble Supreme Court in **Union of India v. Dharampal Satyapal**, reported in **2015 (319) ELT 6 (SC)**, wherein it was held that, where subsequent developments materially alter the position between the parties, the matter may, and ought to, be decided in the light of such developments.

14.10 It was submitted that, in the present case, the restoration of the Respondents' registrations constitutes a material subsequent development which must be taken into consideration. Consequently, the learned counsel urged that the present appeal, having regard to the restoration of the registrations and the events that have followed, deserves to be dismissed.

14.11 The learned counsel further placed reliance upon the decision of the **Customs, Excise and Gold Appellate Tribunal (CEGAT)** in **Pioma**

Industries v. Collector of Central Excise, Ahmedabad, reported in **1995 (77) ELT 424**, and drew our attention to paragraph 6 thereof. On the strength of the ratio laid down in the said decision, the learned counsel prayed that the same principle be applied to the facts of the present case and that the Department's appeal be dismissed.

14.12 The learned counsel further submitted that the allegation of non-compliance with Rule 23 of the Rules is wholly misconceived. It was contended that the Respondents became aware of the cancellation of their registrations only after a considerable lapse of time, by which stage the common portal no longer permitted them to file an application for revocation in the prescribed manner. In these circumstances, the only remedy available to the Respondents was to prefer an appeal under Section 107 of the Act.

14.13 The learned counsel further submitted that the Respondents had been advised by the jurisdictional officers to approach the First Appellate Authority by way of an appeal, since the statutory period for filing an application for revocation under Rule 23 had already expired. It was argued that the mere availability of a remedy under Section 30 of the Act for seeking revocation of cancellation would not, by itself, disentitle the Respondents from preferring an appeal under Section 107 of the Act. According to the learned counsel, the remedies of seeking revocation under Section 30 of the Act and preferring an appeal under Section 107 thereof are independent remedies, operating in distinct fields.

14.14 In support of this submission, the learned counsel placed reliance upon the judgment of the Hon'ble Karnataka High Court in **Shailaja Chandrasekar v. Additional Commissioner of Central Tax (Appeals)**, reported in **2023**

(69) GSTL 11 (Karnataka HC), and drew our attention to paragraph 6 of the said judgment.

14.15 Insofar as the issue relating to condonation of delay is concerned, the learned counsel placed reliance upon the various decisions of the Hon'ble Telangana High Court, which have also been relied upon in the Respondents' cross-objections. The said decisions are as follows:

a. **Synergy Foods and Beverages v. Deputy State Tax Officer** – **2025 (10) TMI 599 (Telangana High Court);**
b. **A. Sridhar Works Contractor v. The Deputy State Tax Officer, Mahaboobnagar** – **2026 (6) TMI 617 (Telangana HC);**
c. **Anjaneya Kirana Merchants v. The Deputy State Tax Officer, Telangana** – **2026 (4) TMI 1497 (Telangana HC);**
d. **Tadikmala Prabhudas Contractor v. Deputy State Tax Officer** – **2026 (4) TMI 1723 (Telangana HC);**
e. **Blue Moon Transport v. The Deputy State Tax Officer, Telangana** – **2026 (4) TMI 1421 (Telangana HC);** and
f. **Sai Laxmi Traders v. The Deputy State Tax Officer, Telangana** – **2026 (8) TMI 776 (Telangana HC).**

14.16 The learned counsel further drew our attention to the decision of the Hon'ble High Court at Calcutta in **G.L. Kundu & Sons Pvt. Limited v. Dy. Commissioner of W.B. Sales Tax**, reported in **2023 (11) TMI 509 (Calcutta HC)**, which has also been adverted to in the Respondents' cross-objections.

14.17 It was further contended on behalf of the Respondents that the Department cannot assail the impugned appellate order without, in the first instance, impeaching or questioning the consequential order whereby the registration was restored. According to the learned counsel, the very foundation of the cancellation proceedings was vitiated by a patent breach of the principles of natural justice. In support of the said submission, reliance was placed upon a catena of judicial precedents. It was urged that neither the show-cause notice nor the consequential adjudication order specified the relevant tax periods in respect of which the returns were alleged to have remained unfiled. Nor did either of the said documents disclose the material facts or the evidentiary basis upon which the drastic consequence of cancellation of registration was proposed and ultimately imposed. The Respondents further submitted that the mere uploading of the show-cause notice and the adjudication order on the common portal, without any effective or demonstrable mode of communication, could not be regarded as constituting due and adequate notice. According to the learned counsel, such a course deprived the Respondents of a meaningful and effective opportunity to submit their objections and defend their registrations, thereby rendering the entire cancellation process procedurally infirm and contrary to the elementary requirements of natural justice. The Respondents accordingly placed reliance upon several decisions of the constitutional courts in support of their contention that an order entailing civil and commercial consequences cannot be sustained where the notice preceding it is vague, bereft of foundational particulars, or not effectively communicated to the affected person.

14.18 In their cross-objections, the Respondents further submitted that the decisions rendered by the jurisdictional High Court are binding upon the First Appellate Authority and, consequently, that the impugned orders could not legitimately be called into question on the ground that the FAA had acted in conformity with the law declared by the jurisdictional constitutional court. In support of the said proposition, reliance was placed upon the decision of the Hon'ble Supreme Court in **State of A.P. v. Commercial Tax Officer**, reported in **1988 (68) STC 177 (A.P. HC)**, wherein reliance was placed upon the Constitution Bench judgment of the Hon'ble Supreme Court in **East India Commercial Co., Ltd. v. Collector of Customs**, reported in **AIR 1962 SC 1893**. It was submitted that the constitutional principle enunciated in the aforesaid decisions is that the law declared by the highest court within the territorial jurisdiction is binding upon the authorities and tribunals functioning thereunder or within its supervisory jurisdiction. Such authorities are not at liberty to disregard, dilute, or selectively apply the law so declared, whether while initiating proceedings or while adjudicating upon them. The Respondents submitted that the FAA was, therefore, bound to give effect to the legal position emerging from the decisions of the jurisdictional High Court. Any subsequent challenge to the impugned orders, without demonstrating that the FAA had departed from the binding ratio of those decisions, was contended to be legally untenable. Reliance was also placed upon various other judgments of the Hon'ble Supreme Court and different High Courts in support of the binding force of judicial precedent and the obligation of statutory authorities to act consistently with the law declared by the constitutional courts.

14.19 It was further submitted on behalf of the Respondents that the present appeal is not maintainable, having not been preferred in conformity with the mandatory requirements of Rule 111 of the Rules. According to the learned counsel, the documents uploaded on the common portal comprised merely the authorisation order, the review order issued and signed by the learned

Principal Commissioner, the show-cause notice, the Order-in-Original, and the impugned order. However, no appeal in the prescribed **Form GST APL-07** was filed. It was, therefore, contended that the statutory procedure for institution of an appeal had not been duly complied with and that the mere uploading of the aforesaid documents could not be treated as a valid substitute for filing an appeal in the prescribed form. On this ground alone, the Respondents submitted, the present appeal is liable to be dismissed as not maintainable.

15.0 In rejoinder, the learned Departmental Representative submitted that the Respondents had failed to discharge the entirety of the statutory dues contemplated under the proviso to Rule 23(1) of the Rules. It was specifically contended that, although the Respondents may have deposited the principal tax liability, the interest, late fee, and penalty legally payable in respect thereof remained unpaid. The learned Departmental Representative accordingly submitted that the Respondents had not yet regularised their statutory position in its entirety and could not claim to have fully complied with the preconditions governing revocation of cancellation. It was, therefore, urged that the Respondents had not approached the appellate forum with complete bona fides or clean hands and that their cross-objections, being founded upon incomplete compliance with the applicable statutory requirements, were not maintainable and deserved to be rejected.

16.0 At this stage, Shri B. Srinivas, learned counsel appearing on behalf of M/s. MAA Engineering & Energy and M/s. A. Srinivas Kirana and General Stores, submitted that a written request had been uploaded seeking that the proceedings be kept in abeyance, in view of the constitution of a Special Bench by the Principal Bench for adjudicating matters concerning the maintainability of appeals filed before the First Appellate Authority under Section 107 of the Act after expiry of the outer time limit prescribed under Section 107(4) thereof.

16.1 During the course of hearing, learned counsel sought one week's time to place additional submissions on record. However, upon further consideration of the proceedings, he withdrew the said request and stated that he would adopt the submissions advanced by the other Respondents. His principal submission was that the registrations of the concerned Respondents had already been restored and that they had continued to carry on their businesses thereafter.

16.2 In view of the withdrawal of the request for adjournment and the learned counsel's statement that he would adopt the submissions advanced in the connected matters, the Bench considered it appropriate to club these matters with the batch and dispose of them by a common order.

17.0 Before proceeding to examine the principal controversy arising in the present batch of appeals, we deem it appropriate to deal, at the threshold, with the request advanced by Shri B. Srinivas, learned counsel appearing for the Respondents, namely, M/s. MAA Engineering & Energy and M/s. A. Srinivas Kirana and General Stores.

17.1 Learned counsel had initially requested that the matters be kept in abeyance on the ground that a Special Bench had been constituted by the Principal Bench to consider the question relating to the maintainability of appeals filed before the First Appellate Authority under Section 107 of the Act after expiry of the outer time limit prescribed under Section 107(4) thereof.

The request was founded on the apprehension that the determination of the aforesaid issue by the Special Bench may have a bearing upon the adjudication of the present appeals.

17.2 We have carefully considered the request. It is necessary, at this stage, to delineate the precise nature of the controversy involved in the matters proposed to be placed before the Special Bench and that arising in the present batch. All the appeals presently before us have been preferred by the Department against orders passed by the First Appellate Authority whereby the applications filed by the respective taxpayers for condonation of delay were allowed and their appeals were entertained, notwithstanding the fact that the delay extended beyond the period capable of being condoned under Section 107(4) of the Act.

17.3 The factual and procedural position in the matters proposed to be considered by the Special Bench is materially different. Those matters concern appeals preferred by taxpayers whose applications seeking condonation of delay were rejected by the First Appellate Authority. In other words, in the matters to be placed before the Special Bench, the issue of condonation of delay remains directly unresolved against the taxpayers and arises in the context of the rejection of their appeals at the threshold. The present proceedings, on the contrary, arise at the instance of the Department after the First Appellate Authority has already exercised its discretion and condoned the delay in favour of the Respondents.

17.4 Thus, although both sets of matters may broadly relate to the question of limitation under Section 107 of the Act, the procedural posture in which the issue arises, the nature of the orders under challenge, and the relief sought by the respective parties are materially distinct. In the present cases, the First Appellate Authority has already rendered a decision on the applications for condonation of delay. The legality, propriety and jurisdictional competence of that decision alone fall for consideration in these departmental appeals. The matters do not involve an appeal by a taxpayer against the rejection of an application for condonation of delay, nor do they present the same controversy in the same procedural form as the matters proposed to be considered by the Special Bench.

17.5 It is, therefore, not possible to accept the submission that the present appeals ought necessarily to be deferred merely because a Special Bench is seized of matters raising a broadly connected question. The mere existence of an overlapping question of law cannot, by itself, operate as a bar to the hearing of proceedings which have been duly instituted and are otherwise ripe for adjudication. Each matter must be examined in the context of the order under challenge, the pleadings of the parties, and the precise relief sought therein.

17.6 We are also mindful of the fact that the appeals in the present batch have been pending consideration and arise from orders which have already been acted upon in several cases. Keeping the matters in abeyance, without there being a demonstrable identity of issues or a binding direction requiring such deferment, would neither advance the cause of justice nor serve any overriding institutional purpose. On the contrary, it may result in avoidable prolongation of the proceedings and continued uncertainty concerning the validity of the orders passed by the First Appellate Authority.

17.7 In these circumstances, and having regard to the distinction noticed above, we are of the considered view that the controversy arising in the present batch is required to be heard and determined by this Bench. The request to keep the matters in abeyance is, accordingly, declined. All the appeals are taken up together for hearing and are being disposed of by this common order, as they involve substantially overlapping questions of fact and law.

18.0 We have carefully perused the impugned orders and find that, in each of the matters, the learned First Appellate Authority placed reliance upon the decisions of the Hon'ble High Court for the State of Telangana in *M/s. Southern Enterprises v. State of Telangana* (W.P. No. 2471 of 2023) and *M/s. Chenna Krishnama Charyulu Karampudi v. State of Telangana*, 2023 (5) Centax 49 (Telangana).

18.1 There can be no quarrel with the proposition that the High Court, while exercising its plenary jurisdiction under Article 226 of the Constitution of India, may, in an appropriate case and upon consideration of the peculiar facts and circumstances obtaining therein, mould the relief and issue appropriate directions in the interests of justice. The jurisdiction under Article 226 is discretionary, equitable and extraordinary in character, and is not circumscribed in the same manner as the jurisdiction conferred upon a statutory appellate authority. The High Court, in exercise of its constitutional jurisdiction, may consequently grant relief notwithstanding the existence of a statutory limitation, where the facts of the case so warrant and the ends of justice so require.

18.2 However, the exercise of such constitutional power by the High Court cannot, by any process of judicial osmosis, be transplanted into the jurisdiction of a statutory authority. The First Appellate Authority is a creature of the statute and must, therefore, act within the four corners of the enactment. Its jurisdiction is conditioned and circumscribed by the provisions of Section 107 of the CGST Act, and the limits prescribed therein are mandatory in nature.

18.3 The orders relied upon by the First Appellate Authority were rendered by the Hon'ble High Court in exercise of its constitutional jurisdiction under Article 226 and were founded upon the facts and circumstances peculiar to those proceedings. Those decisions cannot be construed as laying down that the First Appellate Authority possesses an inherent or plenary power to condone delay beyond the outer limit expressly prescribed under Section 107(4) of the Act. Nor can a direction issued by the High Court in exercise of its extraordinary jurisdiction be treated as enlarging the statutory jurisdiction of an appellate authority in proceedings before it.

18.4 The distinction between the jurisdiction of a constitutional court and that of a statutory authority is fundamental. While the former may, in an appropriate case, exercise equitable and discretionary powers to prevent failure of justice, the latter is bound by the mandate of the statute. Equity follows the law; it cannot supplant it. Likewise, *aequitas sequitur legem, meaning "equity follows the law",* cannot be invoked by a statutory authority to override an express legislative prescription. Where the statute prescribes both the ordinary period of limitation and the maximum period for which delay may be condoned, the authority vested with appellate jurisdiction cannot extend that period on considerations of hardship, equity or substantial justice.

18.5 In the present case, the First Appellate Authority, by relying upon the aforesaid judgments, proceeded on the erroneous premise that it possessed a power to condone delay beyond the statutory outer limit. Such an assumption of jurisdiction was plainly impermissible. The Authority could not confer upon itself a power which the statute had deliberately withheld. It is a settled principle that what cannot be done directly under the statute cannot be achieved indirectly by invoking equitable considerations or by relying upon orders rendered in the exercise of constitutional jurisdiction.

18.6 The First Appellate Authority, therefore, exceeded the bounds of its statutory jurisdiction and exercised a power ultra vires the provisions of Section 107 of the Act. The condonation of delay in the facts of the present cases was not an exercise of a discretion vested in the Authority, but an assumption of jurisdiction that was never available to it. The consequential entertainment and allowance of the appeals filed by the Respondents were thus rendered legally unsustainable.

18.7 The impugned orders, having been passed in excess of jurisdiction and in derogation of the express statutory limitation, cannot withstand judicial scrutiny. They are accordingly liable to be set aside as being *coram non judice (before a person or authority lacking jurisdiction)*, *ultra vires* the Act (beyond the powers conferred by the Act), and contrary to the settled principle that statutory authorities must strictly remain within the limits of the jurisdiction conferred upon them by law.

19.0 In view of the foregoing discussion, we are equally unable to accept the submission advanced by the learned counsel for the Respondents that the First Appellate Authority was justified in condoning the delay by placing reliance upon the decisions of the Hon'ble High Court for the State of Telangana in *M/s. Southern Enterprises v. State of Telangana* (W.P. No. 2471 of 2023) and *M/s. Chenna Krishnama Charyulu Karampudi v. State of Telangana*, 2023 (5) Centax 49 (Telangana).

19.1 A careful examination of the said decisions reveals that the Hon'ble High Court exercised its extraordinary jurisdiction under Article 226 of the Constitution and, having regard to the peculiar facts and circumstances of those cases, directed that the delay be condoned and the matters be considered on merits. The orders cannot be construed as laying down any general proposition of law enlarging the jurisdiction of the First Appellate Authority under Section 107(4) of the Act. Nor did the Hon'ble High Court interpret Section 107(4) in a manner conferring upon the statutory appellate authority a power to condone delay beyond the outer limit prescribed therein.

19.2 An order passed in the exercise of constitutional jurisdiction, founded upon the particular facts of the case, does not constitute a binding precedent for the proposition that a statutory authority may disregard an express legislative limitation. The ratio decidendi of a judgment must be distinguished from the relief moulded by a constitutional court in the peculiar circumstances before it.

19.3 The First Appellate Authority was required to remain within the confines of the jurisdiction conferred by Section 107(4) of the Act. His power to condone delay was neither inherent nor unlimited, but expressly circumscribed by the statutory scheme. The Authority could not, under the guise of advancing substantial justice or by relying upon orders passed under Article 226, assume a jurisdiction which the legislature had not granted. *Equity follows the law* and cannot be invoked to defeat or dilute an express statutory mandate.

19.4 Accordingly, the First Appellate Authority ought to have confined its consideration to the limits prescribed under Section 107(4) and ought not to have travelled beyond the jurisdiction so vested in it. The reliance placed upon the aforesaid decisions was, therefore, legally misplaced, and the condonation of delay beyond the statutory limit cannot be sustained.

20.0 The Department has relied upon various judicial decisions in support of its challenge. Although those decisions may support the Department's interpretation of the statutory limitation, the present appeals must be considered in light of the subsequent conduct of the Department.

20.1 It is undisputed that, after the impugned orders were passed, the Department acted upon them and restored the registrations of the concerned Respondents. Having implemented those orders and altered the Respondents' legal and commercial position, the Department cannot now seek to invalidate the same orders without addressing the consequences of its own action.

20.2 The restoration of registration is a subsequent and material development relevant to the adjudication of these appeals. It has resulted in the practical relief sought by the Respondents and has enabled them to resume their business activities and comply with their statutory obligations. The Department's implementation of the impugned orders also demonstrates that the orders were treated as operative by the authorities concerned.

20.3 In these circumstances, even if the Department's objections regarding the statutory limitation period are accepted in principle, no effective relief can presently be granted to the Department through these appeals. The Department cannot simultaneously rely upon the impugned orders for restoring the Respondents' registrations and seek their annulment without explaining or reversing the consequences of that restoration.

20.4 Accordingly, having regard to the implementation of the impugned orders and the restoration of the Respondents' registrations, the appeals do not warrant interference and are liable to be disposed of.

21.0 Be that as it may, notwithstanding the alleged illegality of the impugned orders, the Department, in its considered discretion, implemented those orders by restoring the registrations of the Respondents. Consequent upon such restoration, they have continued to carry on their legitimate business, and the learned Departmental Representative has fairly acknowledged that their registrations are presently active.

21.1 Having acted upon and implemented the impugned orders, the Department has, at this stage, sought to challenge their validity, thereby creating an anomalous and precarious situation. If these appeals were to be allowed, the restored registrations would once again become liable to cancellation, including with retrospective effect. Such a consequence would imperil the validity of the genuine transactions undertaken by the Respondents during the intervening period, through no fault attributable to them. It would also have serious implications for the genuine input tax credit availed by their recipients, equally without any default on their part.

21.2 Conversely, dismissal of these appeals may be understood as permitting the condonation of delay by the FAA, notwithstanding the Department's contention that the FAA lacked jurisdiction to do so. We are unable to comprehend the basis on which the Department, having accepted and implemented the impugned orders by restoring the registrations, has subsequently elected to assail those very orders.

21.3 If the Department was of the view that, at the relevant time, the Tribunal had not been constituted, the appropriate course would have been to promptly invoke the jurisdiction of the Hon'ble High Court under Article 226 of the Constitution. Such recourse could have secured an authoritative determination of the issue. Having remained silent for all these years and having chosen to act upon the impugned orders, the Department cannot, after the constitution of the Tribunal, seek to unsettle the position that has since crystallised.

21.4 In the facts and circumstances of these cases, the filing of the present appeals appears to be an afterthought and incapable of yielding any effective or workable relief. The Department, having restored the registrations pursuant to the impugned orders, has forfeited the practical opportunity to challenge them at this belated stage. The present proceedings are, therefore, futile and constitute an avoidable invocation of the jurisdiction of this Tribunal.

22.0 It is indeed true, as submitted by the Ld. Counsel for the respondent, that these appeals filed by the department is more of academic nature and would serve no purpose in the form of generating any revenue.

23.0 As regards the allegation that the Respondents failed to comply with Rule 23 of the Rules, we find that such compliance was not practically available to them, since the common portal did not permit the filing of an application for revocation after the prescribed period had elapsed. In such circumstances, the Respondents cannot be faulted for pursuing the alternative statutory remedy of appeal under Section 107 of the Act.

23.1 We are also unable to appreciate the Department's contention that the Respondents' failure to invoke Rule 23 would disentitle them from pursuing an appeal, particularly when the Act itself provides an independent appellate remedy. The inability, or failure, to comply with Rule 23 cannot extinguish or otherwise prejudice the Respondents' statutory right to challenge the cancellation orders in appeal.

23.2 Accordingly, we are not persuaded by the Department's objection on this issue, and the same is rejected.

24.0 The learned counsel for the Respondents also contended that the cancellation proceedings were vitiated by a violation of the principles of natural justice, inasmuch as neither the Show Cause Notice nor the Order-in-Original set out the reasons or particulars forming the basis for cancellation of the registrations.

24.1 We find considerable merit in this contention. However, in view of the conclusions already reached and the subsequent developments in the matter, we are of the view that remanding the proceedings to the original authority would serve no practical purpose, either for the Department or for the Respondents. We, therefore, refrain from examining this issue conclusively and leave the question open for determination in an appropriate case.

25.0 We have duly considered the judicial decisions relied upon by the learned counsel for the Respondents. The principles laid down therein are relevant and applicable to the facts and circumstances of the present case, and have been duly taken into consideration by us while arriving at our conclusions.

26.0 In view of the foregoing discussion, we hold that the First Appellate Authority travelled beyond the statutory limits prescribed under Section 107(4) of the Act in condoning the inordinate delay in filing the appeals by the Respondents. The first issue framed in paragraph 6 above is answered accordingly. At the same time, having implemented the impugned orders by restoring the Respondents' registrations, the Department cannot, in the circumstances of the present case, assail the very orders upon which it has already acted. The second issue framed in paragraph 6 above is also answered accordingly. Consequently, the Department's appeals have become infructuous and no effective relief can now be granted therein. The appeals are, therefore, disposed of as not maintainable.

27.0 We deem it appropriate to record that the Departmental authorities displayed serious negligence on more than one occasion. First, if the Department was of the view that the First Appellate Authority had exceeded his jurisdiction, it ought to have sought appropriate relief before the jurisdictional High Court. Conversely, if the Department accepted the correctness of the impugned orders, it ought to have acted consistently with that position. Instead, the Department implemented the orders by restoring the Respondents' registrations and thereafter proceeded to challenge the very orders so implemented.

28.0 It is also relevant that a substantial period elapsed between the dates of the impugned orders and the instant appeals based on the review undertaken by the Reviewing Authority. Even if the Reviewing Authority was initially unaware that the registrations had been restored by the jurisdictional officer, a simple verification of the status of the registrations would have brought that fact to light.

29.0 On the above terms, the appeals are disposed of.

30.0 No order as to costs.

(Order pronounced in open court on 18.09.2026)

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(A P RAVI)

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Date:18-09-2026 20:17:51 PM

(DUVVURI KRISHNA SRINIVAS)

18.09.2026