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IMPORTANT GST CASE LAW

JUDGEMENT

# Taxpayer Cannot Be Left Remediless Merely Due to Limitation

| In Case Of | Issued By | Order Date |
|---|---|---|
| M/s VMX Global LLP | High Court of Rajasthan | 02nd July 2026 |

# OBSERVATIONS

- An additional **GST demand was raised against the petitioner under Section 73 of the CGST Act**. The petitioner could not file an appeal within the limitation prescribed under Section 107.

- **Since the statutory period had expired, the GST portal did not permit filing of the delayed appeal**. The petitioner explained that its tax consultant had fallen seriously ill and, therefore, could not communicate the adjudication order or take timely steps for filing the appeal.

- **It was also submitted that the petitioner was engaged in LPG distribution and was dealing with extraordinary business pressure arising from LPG shortages** during the ongoing Gulf War.

- Due to these circumstances, the petitioner remained unaware of the order and could not avail the statutory remedy within the prescribed time. **The petitioner, therefore, approached the Rajasthan High Court seeking restoration of its right to appeal and adjudication of the dispute on merits.**

# JUDGEMENT

- The Rajasthan High Court observed that a **taxpayer cannot be left completely remediless merely because the statutory appellate forum had become unavailable due to limitation.**
- The Court noted that the **demand was raised under Section 73, which applies to cases not involving fraud, wilful misstatement or suppression of facts.**
- It further observed that **the petitioner had explained the delay by referring to the serious illness of its tax consultant and the exceptional commercial difficulties** faced in the course of LPG distribution.
- The **Court held that the legality and correctness of the tax demand required consideration on merits instead of rejection solely on technical grounds**. Accordingly, **the delay in filing the appeal was condoned** and the petitioner was directed to file a fresh appeal before the Appellate Authority within 15 days.
- The Appellate Authority was directed to consider all factual and legal submissions, **provide an opportunity of hearing and dispose** of the appeal by passing a reasoned and speaking order.

# TAKEAWAYS

- **Procedural limitation should not result in complete denial of an effective appellate remedy to a taxpayer**. The High Court may exercise its writ jurisdiction in exceptional circumstances where the taxpayer is otherwise left without any statutory remedy.

- Serious illness of a tax consultant and extraordinary business circumstances may constitute relevant grounds while examining delay. **The absence of allegations of fraud, wilful misstatement or suppression under Section 73 was also considered significant.**

- **The judgment reinforces that genuine disputes should, wherever justified, be examined on merits rather than rejected solely on technical limitation.**

- The Appellate Authority must independently examine all legal and factual contentions and pass a detailed, reasoned order after granting adequate opportunity of hearing

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079-4002-2628

contact@jppnetwork.com

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