

M/s. Kay Arr Engineering Services v. The Assistant Commissioner of GST & Central Excise, Coimbatore IV Division, and Another

Case number: W.P. No. 5854 of 2025 with W.M.P. No. 6437 of 2025

Decision date: 3 June 2026

DGGI notice adjudication by an Assistant Commissioner contrary to the designated-authority notification; competent-authority remand with a hearing

Court: Madras High Court

Bench: Hon'ble Mr. Justice C. Saravanan

Decision stage: Final disposal of the writ petition after a substantive adjudicator-competence ruling; tax classification, extended limitation and other merits left for fresh adjudication.

01 Facts of case and issues

Kay Arr Engineering Services challenged Order-in-Original No. 1/2024-GST dated 16 January 2025, passed by the Assistant Commissioner of GST & Central Excise, Coimbatore IV Division. The order confirmed proposals in Show Cause Notice No. 38/2024 GST dated 26 June 2024, issued by the Deputy Director of the Directorate General of Goods and Service Tax Intelligence, Madurai Regional Unit. The prayer identifies Section 74 proceedings covering FY 2017–18 through FY 2022–23.

The petitioner submitted that its treatment of maintenance charges for wind-operated electricity generators rested on a bona fide classification under serial 234 of the First Schedule to Notification 1/2017-Central Tax (Rate). The judgment records its description of a 5% rate later revised to 12%, contrasted with Revenue's reliance on serial 135 of the Fourth Schedule at 14% central tax. These are recorded positions, not classification or rate findings by the Court. The petitioner disputed the extended limitation period, objected to combining financial years and, separately, challenged the adjudicating officer's competence. No demand amount is specified in this judgment.

Pinpoint: Caption and prayer, physical pp. 1–2; paragraphs 1–5, physical pp. 2–4.

02 Discussion by Hon'ble Court

The petitioner relied on Notification 02/2017-Central Tax, amended by Notifications 02/2022 and 27/2024, to contend that a DGGI notice had to be adjudicated by an Additional or Joint Commissioner. Revenue argued that the foundational notification continued to authorise the Assistant Commissioner and that the amendments merely expanded higher officers' powers. It also invoked the statutory appeal route for the classification dispute.

The Court examined the 2017 appointment and territorial-jurisdiction framework, then the 2022 insertion of clause 3A and Table V. The reproduced table conferred all-India powers on the specified Additional/Joint Commissioners for decisions on DGGI notices under the listed provisions, including Section 74. Paragraph 11 held that only the Additional or Joint Commissioner had been notified/designated to pass orders in respect of the DGGI notices under consideration. Paragraph 12 held that this Assistant Commissioner's order was contrary to Notification 02/2022 and suffered from procedural irregularity in violation of that notification.

02 Discussion by Hon'ble Court

This is an actual legal holding on the competence of the adjudicator, even though the resulting remedy was remand. The Court did not finally decide the product/service classification, whether suppression or extended limitation was established, or the objection to grouping years. The reference to Titan Company in paragraph 5 records counsel's submission and should not be presented as an independent holding here.

The broader administrative allocation framework requires care: CBIC Circular 239/33/2024, separately checked below, distinguishes certain common-adjudication situations from jurisdictional adjudication. It is not discussed in this order. The Court's conclusion should therefore be reported faithfully in this case without treating it as a complete nationwide manual governing every DGGI notice.

Pinpoint: Paragraphs 3–6, physical pp. 3–4; paragraphs 7–10, physical pp. 4–7; paragraphs 11–12, physical p. 7. Separate circular context is AKHB analysis, not additional Court reasoning.

03 Judicial decision and operative relief

The Court quashed Order-in-Original No. 1/2024-GST dated 16 January 2025 and remitted the case for a fresh order by a competent authority under Notification 02/2017-Central Tax dated 19 June 2017, as modified by Notification 27/2024 dated 25 November 2024. The authority must decide on merits and in accordance with law, as expeditiously as possible, exercising jurisdiction under the notification.

The petitioner must receive an opportunity of hearing before the final order. The writ petition was disposed of with no costs, and the connected miscellaneous petition was closed. No fixed number of days, deposit condition or final tax-rate determination appears in the operative directions.

Pinpoint: Paragraphs 13–15, physical p. 8.

04 In favour of

Petitioner on the adjudicating officer's competence, with the impugned order quashed and a hearing on remand. Revenue may pursue a fresh merits determination through the competent authority; no final tax-liability victory is declared.

A substantive competence ruling with procedural relief and merits remand. The DGGI notice was not quashed, and the judgment does not finally annul the underlying tax claim or determine classification, suppression, limitation or consolidation of years. A fresh order, actual authority allocation, compliance and any later appellate proceedings have not been verified.

Pinpoint: Paragraphs 11–15, physical pp. 7–8; unadjudicated submissions in paragraphs 2 and 5.

05 AKHB REVIEW POINT

AKHB analysis: Check both who issued the notice and who signed the order. Preserve the notice, all corrigenda, jurisdiction/charge-allocation instruments and the applicable version of the notification as at the relevant dates. Distinguish general appointment as a tax officer from authority to decide the particular DGGI notice.

05 AKHB REVIEW POINT

Before extending this ruling to another matter, map the noticees, PANs, GSTINs, commissionerates, issue and demand amounts against the notification and administrative allocation directions. Circular 239 contains multi-noticee criteria and a jurisdictional-authority route for a specified later single-noticee situation; a DGGI label alone should not replace that analysis.

On remand, continue to substantiate classification and period-specific rate treatment and separately preserve Section 74, limitation and consolidation objections. Quashing for lack of the designated adjudicator's competence does not decide those defences in the taxpayer's favour. Check later orders before reliance.

Pinpoint: AKHB commentary based on paragraphs 3–14 and the independently checked notifications and Circular 239. These recommendations are distinct from the holding.

Sources and limitations

Relevant provisions

Constitution of India: Article 226. CGST Act 2017: Sections 3, 5, 74 and 107; Section 74 of the TNGST Act is stated in the prayer. IGST Act 2017: Section 3. Notifications 02/2017-Central Tax (19 June 2017), 02/2022-Central Tax (11 March 2022), and 27/2024-Central Tax (25 November 2024). Notification 1/2017-Central Tax (Rate), Schedule I serial 234 and Schedule IV serial 135, appears in the classification submissions. Additional administrative context: Circular 239/33/2024-GST (4 December 2024).

Statutory note

Checked 13 October 2026 against the identified official sources. Notification 02/2017 provides the foundational appointment and territorial framework. Notification 02/2022 inserts clause 3A, operating notwithstanding paragraph 3, and Table V specifying Additional/Joint Commissioners subordinate to ten listed Principal Commissioners/Commissioners, with all-India powers over DGGI notices under the enumerated sections. Notification 27/2024 substitutes Table V with 23 listed commissionerates and takes effect on 1 December 2024. The 2022 text is the basis of paragraphs 11–12; paragraph 13 expressly directs fresh adjudication under the framework modified in 2024.

Circular 239/33/2024 explains the expanded common-adjudicator framework. Its substituted paragraph 7.1 addresses multiple-noticee/multiple-commissionerate configurations; paragraph 7.1.1 provides a jurisdictional-adjudicator route for a later notice involving one GSTIN in the stated circumstances. Paragraph 7.3 addresses covered older DGGI notices not adjudicated by 30 November 2024 and permits corrigenda allocating them under the stated criteria. This additional context is not mentioned in the judgment and does not establish the actual noticee configuration or allocation in Kay Arr.

India Code's CGST Act compilation as at 11 June 2026 was checked at Sections 3 and 5 and the period-specific Section 74/74A divide. Section 74 remains directed to periods up to FY 2023–24, while Section 74A applies from FY 2024–25. The tax periods here end in FY 2022–23. The notification checks are targeted, not a complete audit of all later territorial amendments, State law, rate schedules, particular allocations or commencement provisions.

Treatment note

Checked 13 October 2026. Targeted party-name, case-number, decision-date, appeal, review and stay searches, including the Madras High Court, Supreme Court and official eCourts domains, did not authenticate a later direct order modifying this result. Broader searches located the original judgment mirror and secondary reports, which are not later-treatment authority. No comprehensive registry/citator clearance or assurance that no appeal or stay exists is claimed.

The retained complete official PDF remains the primary judgment. The fresh direct eCourts request returned a short HTML no-upload message rather than a PDF. This access failure does not establish withdrawal or reversal. No later remand order or taxpayer compliance record was separately obtained.

Scope of source review

All 10 original physical pages were fully read and individually viewed, including the split Table V, operative directions, service page and final cover. Notifications 02/2022 and 27/2024, and all four Circular 239 pages, were separately read in full and visually inspected. Notification 02/2017 was checked at physical pp. 1–2, together with its one-page 29 July 2019 corrigendum; the full 24-page territorial table and all later amendments were not reviewed. The identified CGST statutory passages were checked in official web text.

Source notes

No reliable neutral or reporter citation is printed in the official source; the uncompleted “Neutral Citation: Yes/No” field is not a citation. The caption records reservation on 25 February 2026 and pronouncement on 3 June 2026; the operative order and final cover also bear 3 June 2026.

The final physical page’s text layer contains the stray strings “W.P.No18377/2024” and “W.P.No18377 of 2024”. Inspection shows that both are white text and are not visible against the white background in the normal rendering. The visible caption, running headers, operative context and cover identify W.P. No. 5854 of 2025. The stray text is preserved and disclosed rather than silently corrected or treated as a second disposed case.

Paragraph 7 describes the original 2017 notification as a Board appointment. The separately checked official corrigendum dated 29 July 2019 substitutes “the Government” for the specified reference to the Central Board of Excise and Customs. Circular 239’s paragraph 7.1 prints “02/2027” while its opening paragraph and the identified principal instrument correctly refer to 02/2017; that typographical inconsistency is not used to invent a separate instrument.

The original official response includes a leading UTF-8 BOM. Exact bytes and the source hash were preserved. Parsing and rendering succeeded; cryptographic signature validation is not claimed.

Primary source

Source description: Complete retained 10-page official Madras High Court order obtained through eCourts on 12 October 2026; fresh direct endpoint check on 13 October returned HTML rather than a judgment.

Official source: [Open source document](#)

Source pages: 10

Judgment author: C. Saravanan, J.

Outcome type: adjudicator competence ruling and merits remand

Additional source

Notification 02/2017-Central Tax, 19 June 2017, official GST Council copy

Official source: [Open source document](#)

Pinpoint: Physical pp. 1–2: appointment and paragraphs 2–5 governing territorial jurisdiction. Targeted reading and visual inspection; not a review of every table entry.

Corrigendum to Notification 02/2017-Central Tax, 29 July 2019

Official source: [Open source document](#)

Pinpoint: Complete single page: correction of the specified appointing-authority wording to the Government.

Notification 02/2022-Central Tax, 11 March 2022

Official source: [Open source document](#)

Pinpoint: Complete two pages: insertion of paragraph 3A and Table V, including Section 74 among the listed powers.

Notification 27/2024-Central Tax, 25 November 2024

Official source: [Open source document](#)

Pinpoint: Complete two pages: substituted Table V with 23 commissionerates and effect from 1 December 2024.

CBIC Circular 239/33/2024-GST, 4 December 2024

Official source: [Open source document](#)

Pinpoint: Complete four pages: paragraph 1; substituted paragraphs 7.1, 7.1.1 and 7.3. Administrative context not considered in the Court's text.

CGST Act, India Code compilation as at 11 June 2026

Official source: [Open source document](#)

Pinpoint: Physical p. 21: Sections 3–5; physical pp. 68–69: Section 74 and the opening of Section 74A. Targeted official web text checked 13 October 2026.

Disclosures and source rights

AI disclosure: Prepared with AI assistance from the complete official judgment and identified primary sources. No human legal review is claimed.

General disclaimer: For professional information only; not legal advice. Read the full judgment and period-specific law, verify current appellate orders and obtain case-specific professional advice before acting.

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Source checked: 13 October 2026

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