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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ W.P.(C) 7271/2026, CM APPL. 35551/2026 & CM APPL.
35552/2026

INTERGLOBE AVIATION LIMITEDPetitioner

Through: Mr. V. Lakshmikumar, Mr. Kunal
Kapoor and Mr. Yatharth Tripathi,
Advts.

versus

ADDITIONAL COMMISSIONER CGST SOUTH
COMMISSIONERATE & ORS.Respondents

Through: Mr. Aditya Singla, SSC

CORAM:

HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE

HON'BLE MR. JUSTICE AJAY DIGPAUL

ORDER

22.05.2026

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1. Heard.
2. Whether the compensation received for non-performance, which resulted into business loss being caused to the petitioner, can be said to be “supply” within the meaning of Section 7 of the Central Goods & Services Tax Act, 2017, and, whether such compensation stands excluded from the from the clutches of the definition of “supply” in view of the Circular dated 3rd August, 2022, particularly Clause 7 and 7.1 thereof, requires consideration.
3. It is contention of learned counsel appearing for the petitioner that in the light of the language employed in the aforesaid Circular, so also the provisions of Section 7 referred above, the order is without jurisdiction.



4. Issue notice to respondents.
5. We direct Mr. Aditya Singla, learned SSC to waive notice for respondents.
6. List on 31st August, 2026.
7. In the meantime, there shall be no coercive action as upon *prima facie* reading of the Clause 7 and 7.1 of the Circular referred above, having regard to the definition of service as provided under Section 7, it is demonstrated before us that the amount received by the petitioner was towards the compensation and not in any way can be termed as supply.

NITIN WASUDEO SAMBRE, J

AJAY DIGPAUL, J

MAY 22, 2026/ar/dd