



2026:AHC:117809-DB

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT TAX No. - 2664 of 2026

M/S Dev Trading Company

.....Petitioner(s)

Versus

Union Of India And 2 Others

.....Respondent(s)

Counsel for Petitioner(s) : Nishant Mishra, Ojasvi Gupta
Counsel for Respondent(s) : A.S.G.I., Dhananjay Awasthi

Court No. - 3

**HON'BLE SAUMITRA DAYAL SINGH, J.
HON'BLE SWARUPAMA CHATURVEDI, J.**

1. Heard Sri Nishant Mishra, learned counsel for the petitioner and Sri Dhananjay Awasthi, learned counsel for the revenue.
2. Challenge has been raised to the show-cause notice dated 16/17.04.2026 read with corrigendum notice dated 04.05.2026 issued by the Assistant Commissioner, Central GST, Division-I, Kanpur under Health Security se National Security Cess Rules, 2026 (hereinafter referred to as the 'Rules').
3. Three fold submissions have been advanced. First, it has been submitted that disregarding the declaration submitted by the petitioner for the month February, 2026 informed the revenue authorities that it proposed to engage in manufacture of Pan Masala with manual labour. Ignoring the fact that that declaration had been acted upon by the revenue authorities, the impugned show-cause notice has been issued, that too on a presumption that two machines had been installed for the months March, 2026 and April, 2026. In that, it has been further ignored that for the month March, 2026, the petitioner had already informed the revenue authorities that it

proposed to switch over from manual to mechanical processes w.e.f. 01.03.2026 by employing one machine. Later, second machine was proposed to be installed from April, 2026 onwards. In that regard as well, another declaration was submitted.

4. Second, jurisdictional error is claimed - relying on Order No. 01/2026 dated 29.01.2026 read with Order No. 02/2026 also dated 29.01.2026 to submit that the CBIC having appointed authorities under Health Security and National Security Cess Act, 2025 (hereinafter referred to as the 'Act') and the Rules, no jurisdiction may ever vest in a CGST authority, to pass such any order under the Act or the Rules. Here, reference has been made to the recital made in the impugned show-cause notice.

5. Third, it has been objected, *ex parte* conclusion has already been drawn against the petitioner with respect to facts that have been favourably considered, at an earlier point in time.

6. On the other hand, learned counsel for the revenue would contend, in the first place, the petitioner has statutory remedy of filing objections and replying to the impugned show-cause notice. Since no final conclusion has yet been drawn, no prejudice may exist on that count. On the fact issue of date of installation of machines, it has been stressed, that may remain a fact to be ascertained after the reply is submitted by the petitioner. To the extent, jurisdiction exists to accept or reject declarations made by the petitioner, the show-cause notice may not be faulted. On the constitution of authorities, it has been submitted, merely because the Assistant Commissioner, CGST has not stamped and signed the declaration himself - describing

himself as an Assistant/Deputy Commissioner under the Act or the Rules, it may make no difference to the jurisdictional issue. The stamp of the authority description appended below his signature, may be of cosmetic worth and may not give rise to jurisdictional issue.

7. Having heard learned counsel for the parties and having perused the record, in the first place, it cannot be denied that challenge has been raised to the show-cause notice. It clearly indicates that the revenue proposes to demand cess, as proposed in the show-cause notice. No final conclusion has yet been drawn. Subject to reply to the objections that the petitioner may file, the Assistant/Deputy Commissioner may pass appropriate order dealing with those objections of the petitioner. If still aggrieved, the petitioner may avail statutory remedy of appeal etc., thereafter.

8. Then, on the issue of jurisdiction, we are not impressed with the submissions advanced inasmuch as Order No. 01/2026 creates authorities. Read in conjunction with Order No. 02/2026, it provides that the Deputy or Assistant Commissioner under the CGST Act would be vested with jurisdiction under Rules 11 of the Rules. The objection raised on that count is unfounded. Once authority created under the Act read with the Rules does vest in the signatory to the show-cause notice, no material difference or lack of jurisdiction may arise for reason of wrong/other rubber stamp impression affixed below that signature.

9. For reasons noted above, the proposal contained in the show-cause notice does not carry any finality of view formed by the issuing authority. Undeniably, it would remain to be confirmed, subject to

objection filed by the petitioner.

10. Accordingly, the present writ petition is **dismissed**, leaving it open to the petitioner to avail his statutory remedies-first by filing appropriate objections to the show-cause notice. At this stage, it is noted that the petitioner has replied to the show-cause notice dated 16.17.04.2026. In view of the difficulty being faced by the petitioner arising from the corrigendum notice dated 04.05.2026, it is provided that the petitioner may furnish further reply within a period of two weeks from today. Subject to such reply being filed, the respondent no.3 may proceed to consider all replies filed by the petitioner by a reasoned and speaking order.

(Swarupama Chaturvedi,J.) (Saumitra Dayal Singh,J.)

May 21, 2026

Abhilash