HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT TAX No. - 2286 of 2025

M/S Maa Vindhya Vasini Tobacco Private Limited

.....Petitioner(s)

Versus

State Of U.P. And 2 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Nishant Mishra, Shikhar Kaushal, Vedika Nath
Counsel for Respondent(s)	:	C.S.C.

Court No. - 3

HON'BLE SAUMITRA DAYAL SINGH, J.
HON'BLE INDRAJEET SHUKLA, J.

1. Heard Sri Madhav Bhatia alongwith Sri Shikhar Kaushal learned counsel for the petitioner and Sri Arvind Mishra learned counsel for the revenue.

2. Submission is, under the GST regime, there is absolutely no mandate to levy Goods and Service Tax on compounding basis. In any case, there is no mandate or law to allow for compounded levy on assumed manufacturing capacity. The pre-existing concept of compounded levy of deemed manufacture computed in proportion to the manufacturing capacity, as existed under the Central Excise Act, finds no statutory basis under the GST regime.

3. However, acting solely on the premise of assumed manufacturing capacity, the adjudication notice has been issued to the petitioner. That is lacking in jurisdiction.

4. Prima facie jurisdiction issue does appear to exist. Also, the issue is purely legal and further it is such as may have wider ramifications in other cases as well besides being such as may potentially lead to repetitive cause of action.

5. In view of the above consideration, writ petition is being entertained, at this stage.

6. Revenue prays and is granted four weeks' time to file counter affidavit.

Petitioner shall have two weeks thereafter to file rejoinder affidavit.

7. List immediately thereafter.

8. Till the next date of listing, adjudication proceedings initiated by the show cause notice dated 04.12.2024 shall remain stayed.

(Indrajeet Shukla,J.) **(Saumitra Dayal Singh,J.)**

October 8, 2025

Faraz