Daily Tax Law Briefing
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Knowledge Partner :

Law Chambers of Advocate Gaurav Gupta

ggupta.adv@gmail.com | Mob: +91 98110 13940

Goods & Services Tax (GST) *(2 judgments)*

TITLE	BRIEF FACTS	RATIO
Debabrata Bhowmick v. Union of India W.P.(C) No. 2332/2026 Gauhati High Court, Single Judge	The assessee's claim of excess ITC of ₹90,948 was confirmed under Section 73 of the CGST Act. He filed a rectification application under Section 161, which was rejected, and thereafter filed an appeal under Section 107. The Appellate Authority dismissed the appeal as time-barred without excluding the period spent in pursuing rectification proceedings.	Time bona fide spent in prosecuting a rectification application under Section 161 of the CGST Act may be excluded while computing limitation for filing an appeal by applying the principles of Section 14 of the Limitation Act. After excluding 48 days, the appeal fell within the extended condonable period under Section 107(4). The Appellate Authority was required to give the assessee an opportunity to file a delay-condonation application. The appellate order was quashed and the matter remanded.
DG Anti-Profiteering v. Townpark Buildcon Pvt. Ltd. NAPA/80/PB/2025 GST Appellate Tribunal, Principal Bench, New Delhi, Single Bench	The DGAP investigated the "White Orchid" real-estate project and found that the builder had not passed on the benefit of additional ITC arising after the introduction of GST. A remaining profiteered amount of ₹11,13,155, inclusive of GST, was payable to 149 homebuyers for the period from 1 July 2017 to 22 November 2019. The builder unconditionally accepted the DGAP report.	The Tribunal upheld the finding of profiteering under Section 171 of the CGST Act and directed refund of ₹11,13,155 to 149 eligible homebuyers with interest at 18% per annum under Rule 133(3)(b). No penalty under Section 171(3A) was leviable because the entire contravention period ended before that provision came into force on 1 January 2020. A compliance report was directed to be filed within two months.

Income Tax *(7 judgments)*

TITLE	BRIEF FACTS	RATIO
Sanjay Kumar Badure v. Income Tax Officer ITA No. 2221/Hyd/2025 (AY 2016-17)	The assessee challenged a reassessment made under Sections 147/144/144B after cash deposits of ₹54.01 lakh were treated as unexplained money under Section 69A. Though the assessee filed a return in response to notice under	A return filed in response to a notice under Section 148, even if filed beyond the stipulated period during the pendency of assessment proceedings, remains a valid return. Issuance of notice under Section 143(2) is mandatory before completing reassessment. Failure to issue

TITLE	BRIEF FACTS	RATIO
Income Tax Appellate Tribunal, Hyderabad Bench	Section 148, the Assessing Officer ignored the return as belated and completed the reassessment without issuing a notice under Section 143(2).	such notice renders the reassessment void for lack of jurisdiction. The reassessment was quashed and the appeal was allowed.
Sara Sae Pvt. Ltd. v. Addl. CIT ITA No. 5484/Del/2017 (AY 2013-14) Income Tax Appellate Tribunal, Delhi Bench "H"	The dispute related to transfer pricing adjustment of ₹3.65 crore on export of finished goods to an associated enterprise. The TPO excluded foreign exchange gain from operating income, altered the basis for allocation of common expenses, rejected comparable companies and also disallowed interest expenditure under Section 57(iii).	Foreign exchange gain arising from regular business operations forms part of operating income for transfer pricing purposes. Common expenses under TNMM should be allocated on the basis of profit/gross profit margins rather than turnover. Functionally similar comparables cannot be rejected without justification. Interest expenditure incurred for earning taxable interest income is allowable under Section 57(iii). Transfer pricing issues were remanded for fresh computation and interest disallowance was deleted.
Saroday Farmer Producer Company Ltd. v. ITO Ward-1 ITA No. 1634/PUN/2026 (AY 2023-24) Income Tax Appellate Tribunal, Pune Bench (SMC)	The assessee claimed deduction under Section 80P amounting to ₹6,23,954, which was disallowed by the Assessing Officer. The CIT(A) dismissed the appeal ex parte due to non-appearance of the assessee. The assessee challenged the denial before the Tribunal.	Even where the assessee failed to appear before the appellate authority, one additional opportunity should be granted in accordance with the principles of natural justice. The ex parte appellate order was set aside and the matter remanded to the Assessing Officer for fresh adjudication after granting adequate opportunity to substantiate the claim under Section 80P. Appeal allowed for statistical purposes.
Smt. Mrunalini Kalagara v. Income Tax Officer ITA No. 1667/Hyd/2025 (AY 2014-15) Income Tax Appellate Tribunal, Hyderabad Bench	The assessee challenged reassessment on several jurisdictional grounds including limitation, absence of DIN, non-issuance of notice under Section 143(2), CBDT circular violations and addition of long-term capital gain on sale of immovable property.	Allegations of back-dating of an assessment order require cogent evidence and cannot be based on suspicion. Subsequent communication of a valid DIN cures omission under Section 292BA. Objection regarding service of notice under Section 143(2) is barred by Section 292BB where the assessee participated without protest. Capital gain remained taxable on execution of the registered sale deed; however, the computation of cost of acquisition required fresh examination. Matter remanded only on computation of capital gains.

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SPR Publications Pvt. Ltd. v. ITO ITA No. 1776/Hyd/2025 (AY 2011-12) Income Tax Appellate Tribunal, Hyderabad Bench	The assessee challenged the confirmation of penalty under Section 271(1)(c). At the time of deciding the penalty appeal, the quantum appeal against the underlying assessment was still pending before the CIT(A), but the appellate authority nevertheless confirmed the penalty.	Penalty proceedings under Section 271(1)(c) are dependent upon the outcome of the quantum proceedings. Where the quantum appeal is pending adjudication, the appellate authority should defer decision on penalty. The Tribunal set aside the penalty order and remanded the matter for fresh adjudication after disposal of the quantum appeal. Appeal allowed for statistical purposes.
Sanjay Kumar Badure v. Income Tax Officer ITA No. 2221/Hyd/2025 (AY 2016-17) Income Tax Appellate Tribunal, Hyderabad Bench	The assessee challenged a reassessment made under Sections 147/144/144B after cash deposits of ₹54.01 lakh were treated as unexplained money under Section 69A. Though the assessee filed a return in response to notice under Section 148, the Assessing Officer ignored the return as belated and completed the reassessment without issuing a notice under Section 143(2).	A return filed in response to a notice under Section 148, even if filed beyond the stipulated period during the pendency of assessment proceedings, remains a valid return. Issuance of notice under Section 143(2) is mandatory before completing reassessment. Failure to issue such notice renders the reassessment void for lack of jurisdiction. The reassessment was quashed and the appeal was allowed.
Sara Sae Pvt. Ltd. v. Addl. CIT ITA No. 5484/Del/2017 (AY 2013-14) Income Tax Appellate Tribunal, Delhi Bench "H"	The dispute related to transfer pricing adjustment of ₹3.65 crore on export of finished goods to an associated enterprise. The TPO excluded foreign exchange gain from operating income, altered the basis for allocation of common expenses, rejected comparable companies and also disallowed interest expenditure under Section 57(iii).	Foreign exchange gain arising from regular business operations forms part of operating income for transfer pricing purposes. Common expenses under TNMM should be allocated on the basis of profit/gross profit margins rather than turnover. Functionally similar comparables cannot be rejected without justification. Interest expenditure incurred for earning taxable interest income is allowable under Section 57(iii). Transfer pricing issues were remanded for fresh computation and interest disallowance was deleted.