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Goods & Services Tax (GST) *(7 judgments)*

TITLE	BRIEF FACTS	RATIO
Directorate General of Goods and Services Tax Intelligence (HQs) & Ors. v. Gameskraft Technologies Private Limited & Ors. **Civil Appeal Nos. 8241–8244 of 2026 (arising out of SLP (C) Nos. 19366–19369 of 2023), along with Civil Appeal No. 8240 of 2026, Criminal Appeal No. 2933 of 2026, W.P. (C) No. 1374 of 2023 and connected Writ Petitions and Transferred Cases** **Supreme Court** Click to view	The batch of matters arose from challenges to GST demands, show cause notices and constitutional validity of various provisions of the CGST Act, 2017 and the CGST Rules concerning online gaming, fantasy sports and casino transactions. The Revenue challenged the Karnataka High Court judgment quashing GST notices issued to Gameskraft, while several online gaming operators and industry bodies questioned the levy of GST on the full face value of bets/deposits, the validity of Rule 31A, Section 15(5), and the retrospective application of the 2023 amendments.	The Supreme Court held that organised online gaming, including fantasy sports played for stakes, gives rise to taxable actionable claims falling within betting and gambling under the GST framework. It upheld the constitutional validity of the relevant provisions of the CGST Act and Rules, including Rule 31A, and held that the 2023 amendments introducing Entry 6 of Schedule III and Rules 31B and 31C are clarificatory and retrospective. Online gaming operators are suppliers of actionable claims and GST is leviable on the statutory valuation prescribed under Rules 31B/31C rather than merely on platform fees. The Karnataka High Court judgment quashing the Gameskraft show cause notices was set aside, the notices were restored for fresh adjudication, and all pending proceedings were directed to be decided in accordance with the principles laid down in the judgment. Writ Petitions were dismissed, subject to the directions issued by the Court, and the Revenue's appeals were substantially allowed.
M/s Bangalore Metro Rail Corporation Ltd. v. Karnataka Appellate Authority for Advance Ruling & Ors. **Writ Petition No. 192 of 2022** **High Court of Karnataka** Click to view	Bangalore Metro Rail Corporation Ltd. (BMRCL), a joint venture of the Government of India and the Government of Karnataka, entered into a contract with Bharat Earth Movers Ltd. (BEML) for supply of 150 Standard Gauge Intermediate Cars and agreed to reimburse the applicable GST. BEML obtained an Advance Ruling classifying the supply as a composite supply, but	The High Court held that under Sections 97 to 103 of the CGST Act, an Advance Ruling is binding only on the applicant and the concerned/jurisdictional officer and is a decision **in personam**. A third party, even if it may suffer financial consequences under a private contract, has no locus standi to challenge an AAR or AAAR ruling. The contract between BMRCL and BEML merely required reimbursement of "applicable GST" and

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	on Revenue's appeal, the Karnataka Appellate Authority for Advance Ruling (AAAR) reclassified different components of the contract, attracting GST at varying rates. BMRCL, though not a party before the AAR/AAAR, challenged the AAAR order contending that the increased GST liability directly affected it due to its contractual obligation to reimburse GST.	did not determine the classification of supplies or the applicable tax rate. Entertaining the writ would require rewriting contractual terms, which is impermissible under Article 226 of the Constitution. Accordingly, the Court held that BMRCL was not an aggrieved person in law and **dismissed the writ petition for want of locus standi**.
M/s Jai Ganesh Enterprise v. Union of India & Ors. **R/Special Civil Application No. 9269 of 2026** **Gujarat High Court** **Click to view**	The petitioner, a registered GST dealer and purchaser of pan masala and tobacco, challenged the confiscation order in Form GST MOV-11 dated 27.03.2026 and the consequential DRC-07 summary order dated 24.04.2026. The goods were intercepted during transit and, although physical verification revealed no discrepancy in quantity, the authorities detained the goods alleging that the accompanying e-invoice and e-way bill had been previously used. After issuing a confiscation notice under Section 130 of the CGST Act read with Section 20 of the IGST Act, the authorities confirmed demand of fine and penalty. The petitioner also challenged the authority of Gujarat GST officers to act as proper officers under the IGST Act and contended that no statutory appellate remedy existed against such orders.	The Gujarat High Court held that Section 4 of the IGST Act itself authorizes officers appointed under the State GST Act to function as proper officers for purposes of the IGST Act and does not require a separate notification unless the Central Government intends to prescribe exceptions or conditions. The Court relied upon the decisions of the Punjab & Haryana, Calcutta and Madhya Pradesh High Courts affirming the principle of cross-empowerment. It further held that orders passed by State GST officers under the IGST Act are appealable before the appellate authority under Section 107 of the GGST Act, and therefore the petitioner had an effective alternative remedy. Finding no merit in the challenge to the jurisdiction of the State GST authorities or the maintainability of the writ petition, the Court dismissed the petition.
M/s Karamsar Poultry Appliances v. Assistant Commissioner, Janakpuri Division, CGST Delhi West & Ors. **W.P.(C) 9189/2026 and CM APPL. 43124/2026** **Delhi High Court**	The petitioner sought a writ challenging the order dated 20.02.2026 by which the Assistant Commissioner rejected the consequential refund of ₹3,44,469 arising from an Order-in-Appeal dated 27.09.2025. The petitioner had originally claimed refund of unutilized input tax credit for July 2019 to September 2019. Although the Appellate Authority had set	The Delhi High Court held that the Order-in-Appeal had merely set aside the earlier rejection on the grounds considered therein and had neither directed unconditional release of the refund nor prohibited fresh examination of the refund claim on other legally permissible grounds. Since the Assistant Commissioner independently examined the claim and assigned detailed reasons for rejecting the refund, the impugned

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Click to view	aside the earlier Order-in-Original rejecting part of the refund, the refund application was again rejected after fresh examination, leading to the present writ petition.	order could not be treated as non est or without jurisdiction. As an efficacious statutory appeal under Section 107 of the CGST Act, 2017 was available, the Court declined to exercise writ jurisdiction. The writ petition was dismissed with liberty to the petitioner to avail the statutory appellate remedy and seek exclusion of the period spent before the High Court while computing limitation.
M/s Mahesh Enterprises v. State of Gujarat & Ors. **R/Special Civil Application No. 7422 of 2026** **Gujarat High Court** Click to view	The petitioner challenged the recovery of tax made pursuant to the Order-in-Appeal dated 04.11.2025. Although the petitioner filed an appeal before the Goods and Services Tax Appellate Tribunal on 30.06.2026, it sought refund of the amount already recovered, relying on decisions of various High Courts which had directed refund where appeals were filed within the extended period notified for filing appeals before the Tribunal. The State opposed the claim by relying upon CBIC Circular No. 224/18/2024-GST dated 11.07.2024.	The High Court held that CBIC Circular No. 224/18/2024-GST requires a taxpayer intending to file an appeal before the Appellate Tribunal to, within the statutory period prescribed under Section 112 of the CGST Act read with the Ninth Removal of Difficulties Order, 2019, furnish an undertaking to the proper officer and deposit the prescribed pre-deposit to obtain a stay against recovery. Since the petitioner neither complied with the prescribed procedure nor filed the appeal within the original statutory period of three months, and approached the Tribunal only after recovery had already been effected, it was not entitled to refund of the recovered amount. Granting such refund would effectively amount to waiver of the statutory pre-deposit, which is impermissible. The decisions cited by the petitioner were held inapplicable as they had not considered the CBIC Circular dated 11.07.2024. **Petition Dismissed.**
M/s. Bengal Cold Rollers Private Limited v. The Assistant Commissioner (ST), Basheerbagh-Nampally-1 Circle & Ors. **Writ Petition (Civil) No. 836 of 2026; with SLP (C) No. 23718 of 2026** **Supreme Court**	The petitioner approached the Supreme Court by filing Writ Petition (Civil) No. 836 of 2026 and Special Leave Petition (Civil) No. 23718 of 2026 challenging the GST proceedings initiated against it. The writ petition related to the Orders-in-Original dated 22.04.2026 for the financial years 2021-22, 2022-23 and 2023-24, while the SLP challenged the Telangana High Court's order dated 25.06.2026 in W.P. No. 19768	The Supreme Court issued notice in both the Writ Petition and the Special Leave Petition, making them returnable on 28.09.2026, with service permitted through all modes including dasti. As an interim measure, the Court stayed the operation of the Orders-in-Original dated 22.04.2026 relating to the financial years 2021-22, 2022-23 and 2023-24 in the writ petition. In the connected SLP, it also stayed the operation of the Telangana High Court's judgment dated

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Click to view	of 2026 along with the Order-in-Original upheld therein. On the preliminary hearing, the Supreme Court considered the request for interim protection pending adjudication.	25.06.2026 as well as the Order-in-Original challenged therein until the next date of hearing. The matter remains pending for final adjudication.
Mahalaxmi Industries v. Union of India & Ors. **R/Special Civil Application No. 9118 of 2026** **Gujarat High Court** Click to view	The petitioner challenged the Order-in-Original dated 23.03.2026 passed by the Assistant Commissioner of Central GST, Ahmedabad South, under Section 74 of the CGST Act confirming demand and recovery of ineligible Input Tax Credit (ITC) of ₹1,46,76,034. The proceedings arose from a common Show Cause Notice dated 10.06.2023 alleging availment of fake ITC based on invoices issued by non-existent Delhi-based firms. The respondents objected to the maintainability of the writ petition on the ground that the petitioner had an effective statutory appellate remedy under Section 107 of the CGST Act.	The High Court held that the petitioner had an efficacious alternative remedy of appeal under Section 107 of the CGST Act and therefore the writ petition was not maintainable. The Court noted that a closely connected entity, M/s Mahalaxmi Metal Industries, had already withdrawn an earlier writ petition arising from the same Show Cause Notice to avail the statutory appellate remedy. It further observed that both entities were closely connected, the allegations and modus operandi relating to fake ITC were identical, and the statement made by the petitioner's counsel regarding the earlier proceedings had misled the Court. Finding no exceptional circumstance warranting interference under Article 226, the Court declined to entertain the writ petition and directed the petitioner to avail the statutory appeal. **Petition Rejected.**

Income Tax *(6 judgments)*

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DBS Technology Services India Private Limited (formerly DBS Asia Hub 2 Private Limited) v. Assistant Commissioner of Income Tax, Circle 8(1) & Ors. **Writ Petition No.19502 of 2025** **High Court of Telangana** Click to view	The petitioner, an SEZ undertaking engaged in electronic data processing, technology and product support services, claimed deduction under Section 10AA of the Income-tax Act, 1961. Although Form 56F had been duly obtained before the due date for filing the return, it was inadvertently not uploaded along with the return and was subsequently uploaded on	The High Court held that the omission to upload Form 56F along with the return was merely a procedural lapse, especially when the audit report had been obtained before the due date and was uploaded shortly thereafter. The Court observed that technical limitations of the Centralized Processing Centre could not defeat a legitimate statutory claim and that authorities were required to exercise discretion rather than deny relief solely because of automated

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	16.12.2019. The deduction was denied during processing under Section 143(1)(a). While the CIT(A) allowed the claim, the ITAT remanded the matter for fresh consideration. The Assessing Officer again rejected the claim on the ground that the Centralized Processing Centre could not issue a fresh notice due to system limitations, leading to the present writ petition.	processing. It further noted that the petitioner had been consistently granted deduction under Section 10AA in earlier and subsequent assessment years, making the doctrine of consistency applicable. Accordingly, the impugned order dated 24.03.2025 was quashed, and the Assessing Officer was directed to examine Form 56F dated 16.12.2019 and grant deduction under Section 10AA, if otherwise admissible, by passing a consequential order in accordance with law. **Petition Allowed.**
DCIT (International Taxation)-4(2)(2) v. Standard Chartered Bank and Cross Appeals **ITA Nos. 4247 & 4275/MUM/2025 (Revenue Appeals) and ITA Nos. 4264 & 4265/MUM/2025 (Assessee Appeals)** **Income Tax Appellate Tribunal, Mumbai** Click to view	The cross appeals arose from separate orders dated 11.04.2025 passed by the Commissioner of Income Tax (Appeals)-58, Mumbai for Assessment Years 2004-05 and 2005-06. The assessee, a UK-incorporated banking company carrying on banking business in India through its Permanent Establishment, challenged partial disallowance of direct costs and other additions, while the Revenue challenged the relief granted by the CIT(A) on issues including expatriate salary, interest paid to the Head Office, Section 14A disallowance, head office expenditure under Section 44C, foreign exchange losses, refurbishment expenses and transfer pricing adjustments.	The Tribunal held that expatriate salary paid for employees working exclusively for the Indian Permanent Establishment was allowable as business expenditure and did not constitute "head office expenditure" under Section 44C. Interest paid by the Indian branch to its Head Office was held not taxable in India and corresponding disallowance under Section 40(a)(i) was deleted. Transfer pricing adjustments on direct costs were deleted, subject to verification of CPA-certified allocation keys where required, and documentary evidence under Rule 10D was held to be relevant. The Tribunal further upheld deduction of year-end foreign exchange losses computed under RBI/FEDAI guidelines, allowed deduction of genuine direct business expenditure, and held that leasehold refurbishment expenses incurred for business operations were revenue in nature. Certain issues relating to head office expenditure under Section 44C were remanded to the Assessing Officer for factual verification. Consequently, both the Revenue's and the assessee's appeals for Assessment Years 2004-05 and 2005-06 were **partly allowed**.
JCIT & Anr. v. Ganesh Agarwal & Connected Matters	The Revenue challenged the common order of the learned Single Judge which had quashed notices issued by the Joint	The Division Bench held that a proposal or reference made by the Assessing Officer to the Joint Commissioner is only an internal administrative step and does

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Writ Appeal No. 1991 of 2025 c/w W.A. Nos. 1977, 1980, 1982, 1994, 1995, 1996, 2003, 2021 & 2023 of 2025 **High Court of Karnataka** Click to view	Commissioner under Section 274 read with Section 271DA of the Income-tax Act, 1961 on the ground of limitation under Section 275. In the underlying assessments, the Assessing Officer had initiated penalty proceedings under Section 270A and made proposals to the Joint Commissioner for initiating penalty proceedings under Section 271DA. The assessees contended that limitation commenced from the date of the Assessing Officer's proposal, whereas the Revenue asserted that it commenced only upon issuance of the statutory notice by the Joint Commissioner. The appeals involved a common question regarding the interpretation of Section 275 in relation to penalties under Section 271DA.	not amount to initiation of penalty proceedings under Section 271DA. Initiation occurs only when the competent authority, namely the Joint Commissioner, issues a notice under Section 274, since he alone has jurisdiction to impose the penalty. Consequently, for the purpose of Section 275(1)(c), limitation begins from the issuance of the statutory notice and not from the Assessing Officer's proposal. The Court further held that Section 274 requires only a reasonable opportunity of hearing and does not mandate a detailed show cause notice akin to proceedings under the CGST Act. Accordingly, the judgment of the learned Single Judge was set aside, the Revenue's appeals were allowed, and the matters were remitted to the learned Single Judge for consideration of the remaining grounds raised by the assessees. **Appeals Allowed; Matter Remanded.**
Jindal Saw Ltd. (Formerly known as Saw Pipes Ltd.) v. Deputy Commissioner of Income Tax **ITA Nos. 2747/Del/2018, 2748/Del/2018 & ITA No. 463/Del/2019 (Cross Appeals); connected with ITA Nos. 2383 & 2384/Del/2018** **Income Tax Appellate Tribunal, Delhi** Click to view	The appeals arose from the orders of the CIT(A) dated 31.01.2018 passed under Section 143(3) read with Section 144C of the Income-tax Act, 1961 for Assessment Years 2012-13 and 2013-14. The Revenue challenged the restriction of transfer pricing adjustment on corporate guarantees and the deletion of disallowance under Section 14A, while the assessee challenged the disallowance of leave encashment, taxation of carbon credit receipts, treatment of Focus Product Scheme (FPS) incentives, and classification of interest earned on deposits kept as security for a mining lease.	The Tribunal held that no further disallowance under Section 14A was warranted since the assessee had already made a suo motu disallowance exceeding the exempt income, and upheld the restriction of corporate guarantee commission adjustment to **0.5%** following **CIT v. Everest Kanto Cylinder Ltd.** The disallowance of leave encashment was sustained in view of **Union of India v. Exide Industries Ltd.** Carbon credit receipts were held to be **capital receipts** not chargeable to tax and excludable from computation under Section 115JB. Incentives received under the **Focus Product Scheme (FPS)** were also held to be **capital receipts** and directed to be excluded from MAT computation. Interest earned on deposits maintained as security with the Government of Rajasthan for obtaining a mining lease was held, in principle, to be capital in nature being inextricably linked with the project, and the Assessing Officer was directed to verify

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		the supporting documents before granting consequential relief. Consequently, the **Revenue's appeals were dismissed**, the assessee's **ITA Nos. 2747/Del/2018 and 2748/Del/2018 were partly allowed**, and **ITA No. 463/Del/2019 was dismissed as a duplicate appeal.**
KBC Bank Naamloze Vennootschap v. Assistant Commissioner of Income Tax, International Tax Circle 3(1)(2), Mumbai **I.T.A. No. 8160/Mum/2025** **Income Tax Appellate Tribunal, Mumbai** Click to view	The assessee, a foreign banking company, appealed against the assessment order passed under Sections 147 read with 144C(13) for AY 2016-17 pursuant to the directions of the Dispute Resolution Panel. The dispute primarily related to additions made on reversal of general provision for standard assets, computation of book profit under Section 115JB, addition towards forfeiture of security deposit, short grant of TDS credit, incorrect refund adjustment, and consequential levy of interest and initiation of penalty proceedings. The assessee did not press its challenge to the validity of the reassessment proceedings.	The Tribunal held that where a provision for standard assets had not been claimed as a deduction in earlier years, its subsequent write-back could not be taxed again merely because it was credited in the profit and loss account. As the financial records required factual verification, the issue relating to reversal of general provision was restored to the Assessing Officer. The Tribunal further held that the provision for forfeiture of security deposit, having already been added back suo motu while computing book profit under Section 115JB, could not be added a second time and directed its deletion after verification. The issues relating to TDS credit, refund adjustment, interest under Sections 234B and 234C, and penalty were also restored to the Assessing Officer for fresh verification and adjudication. Accordingly, the **appeal was allowed for statistical purposes**.
Naresh Jagdishrai Goyal v. Deputy Commissioner of Income-tax, Central Circle 5(2), Mumbai & Ors. **Writ Petition No. 3073 of 2022** **Bombay High Court** Click to view	The petitioner challenged the notice dated 31.03.2021 issued under Section 148 of the Income-tax Act, 1961 and the order dated 24.01.2022 rejecting his objections to the reopening of assessment for AY 2014-15. The reopening was based on information that the petitioner had acquired shares of Jet Airways (India) Ltd. from Tail Winds Ltd. for ₹3,563.49 crore, allegedly without disclosing the source of funds. The petitioner contended that the acquisition was financed through loans from HSBC Geneva, dividends received from	The High Court held that although the Assessing Officer's rejection of the objections could not be faulted on the material then available, the subsequent detailed reply dated 08.03.2022, along with supporting documents explaining the source of funds, required consideration in the interest of justice. The Court therefore quashed the order rejecting the objections and directed the Assessing Officer to pass a fresh order after considering the additional material within six weeks. The sanction obtained for reopening was also directed to be furnished to the petitioner within two weeks. The Court expressly kept all

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	Tail Winds Ltd., and his own funds, and that the Assessing Officer had failed to consider the documentary evidence subsequently furnished during the reassessment proceedings.	merits and contentions open for reconsideration and granted liberty to the petitioner to challenge any adverse fresh order. **Petition Allowed to the extent of setting aside the order rejecting objections and matter remanded for fresh consideration.**