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Goods & Services Tax (GST) (7 judgments)

TITLE	BRIEF FACTS	RATIO
MH Metal and Steels v. Principal Commissioner & Ors. W.P. No. 24414 of 2026 and W.M.P. No. 26619 of 2026 Madras High Court Click to view	The petitioner challenged an order of provisional attachment issued in Form GST DRC-22 under Section 83 of the CGST Act, 2017, by which its bank accounts were frozen. The petitioner contended that the attachment order incorrectly referred to proceedings under Sections 74 and 122 even though the show cause notice under those provisions was issued subsequently. The petitioner sought quashing of the attachment order and a direction to the bank to defreeze its accounts.	The Court held that Section 83 requires two essential conditions for a valid provisional attachment: (i) initiation of proceedings under Chapters XII, XIV or XV of the CGST Act, and (ii) formation of an opinion by the Commissioner, based on tangible material, that provisional attachment is necessary to protect Government revenue. Although summons issued under Section 70 satisfied the first requirement since Section 70 falls under Chapter XIV, the impugned order merely reproduced the statutory language without disclosing any material or reasons justifying the opinion that attachment was necessary. The erroneous reference to proceedings under Sections 74 and 122 further reflected non-application of mind. Following its earlier decision in <i>Kesar Jewellers</i>, the Court held that the order lacked a rational basis and was therefore unsustainable. The provisional attachment order was quashed, while leaving it open to the authorities to proceed in accordance with law. The writ petition was disposed of.
M/s Radhika Furniture @ Radha Devi v. Commissioner, State Goods and Services Tax & Ors. Writ Petition (M/B) No. 317 of 2025 High Court of Uttarakhand	The batch of writ petitions arose from orders whereby statutory appeals filed under Section 107 of the CGST/SGST Act, 2017 were rejected as barred by limitation. The principal issue before the High Court was whether an appeal filed beyond the prescribed period of three months and the additional condonable period of one month	The High Court held that Section 107 of the CGST/UKGST Act constitutes a complete statutory scheme prescribing the limitation period for filing appeals and the limited extent to which delay may be condoned. By necessary implication, the applicability of Section 5 of the Limitation Act stands excluded. The Appellate Authority has no jurisdiction to entertain an appeal

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Click to view	could still be entertained by invoking Section 5 of the Limitation Act, 1963. As the controversy involved a common legal question, the Court decided the issue of law first before examining the individual factual circumstances of each petition.	beyond the period prescribed under Sections 107(1) and 107(4). The Court distinguished the Supreme Court's decision in <i>Deputy Commissioner v. S.V. Global Mill Ltd.</i> on the ground that it concerned a beneficial land acquisition statute and not a fiscal enactment. After answering the legal issue, the Court directed that the connected writ petitions be listed separately to examine whether, despite dismissal of the statutory appeals as time-barred, the writ jurisdiction under Article 226 should be exercised on the facts of each individual case.
M/s Umagaurav Private Limited v. State of Bihar & Ors. Civil Writ Jurisdiction Case No. 4914 of 2026 Patna High Court Click to view	The petitioner, a registered works contractor under the GST regime, challenged the Show Cause Notice dated 25.10.2024 and the ex parte demand order dated 18.02.2025 passed under Section 73 of the CGST/BGST Act for FY 2020-21, raising a demand of tax, interest and penalty on account of alleged excess Input Tax Credit (ITC) and short payment of tax. The petitioner contended that the notices and order were merely uploaded under the "Additional Notices and Orders" tab of the GST portal, were not effectively communicated, no personal hearing was granted under Section 75(4), and the subsequent attachment of its bank account under Section 79 was illegal. The State opposed the petition, asserting that notices were duly uploaded on the portal, reminders and email/SMS alerts were issued, and the petitioner had voluntarily furnished an undertaking and post-dated cheques for payment after bank attachment.	The Patna High Court held that the writ petition was not maintainable in the facts of the case. The Court found that the petitioner had not disputed the merits of the allegations regarding excess ITC or suppression of turnover, had failed to specifically deny receipt of email/SMS alerts, and had voluntarily executed an undertaking and furnished post-dated cheques after attachment of its bank account without any contemporaneous protest. The Court observed that the challenge based solely on the uploading of notices under the "Additional Notices and Orders" tab was insufficient in the circumstances, particularly when the petitioner had knowledge of the proceedings and failed to pursue the statutory appellate remedy. Holding that the petitioner had not approached the Court with clean hands and that the writ petition lacked bona fides, the Court declined to exercise its extraordinary jurisdiction, dismissed the writ petition, and imposed costs of Rs. 25,000 payable to the Patna High Court Legal Services Committee.
M/S. SRO India v. State of Punjab and Another	The petitioner challenged Show Cause Notice (DRC-01A) dated 02.02.2025 issued under the GST	The High Court held that the statutory scheme requires the competent authority to independently examine the facts and

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CWP-11494-2026 (O&M) Punjab and Haryana High Court Click to view	law, contending that the notice had been generated using an Artificial Intelligence (AI) tool without independent application of mind by the proper officer. The challenge was founded on AI-generated prompts and suggestions, including language recommending enhancements such as adding case law, drafting an Order-in-Original, and making the reasoning "lethal", which had been uploaded along with the notice on the GST portal. The State contended that the AI references were inadvertently uploaded.	apply its own mind before issuing a show cause notice. The Court observed that the use of an AI tool for preparing and issuing a show cause notice has no sanction under the statute and that the impugned notice appeared to have been issued primarily by relying upon such AI-generated material. Accordingly, the Show Cause Notice (DRC-01A) dated 02.02.2025 and all consequential proceedings were quashed. Liberty was, however, reserved to the competent authority to initiate fresh proceedings in accordance with law after independently examining the facts and applying its own mind.
Sodexo India Services Private Limited v. Union of India & Anr. W.P.(C) 9153/2026, CM APPL. 42947/2026 and CM APPL. 42948/2026 Delhi High Court Click to view	The petitioner challenged the Order-in-Original dated 24.03.2026 passed under Section 74 of the CGST Act confirming a GST demand of approximately ₹8.75 crore along with interest and penalty arising from audit proceedings covering eleven issues. The principal dispute related to the classification of catering services and sale of pre-packaged food products as a composite supply taxable at 18%. The petitioner contended that although it had submitted replies, agreements, invoices, reconciliations and participated in personal hearings, the adjudicating authority failed to seek further clarifications and mechanically passed the order in violation of the principles of natural justice.	The Delhi High Court held that where an effective statutory appellate remedy under Section 107 of the CGST Act exists, writ jurisdiction under Article 226 should ordinarily not be exercised unless exceptional circumstances such as violation of fundamental rights, breach of natural justice, lack of jurisdiction or challenge to the vires of a statute are established. The Court found that the petitioner had been afforded adequate opportunity to participate in the proceedings by filing detailed replies and supporting documents and attending personal hearings. Questions regarding sufficiency of evidence, appreciation of replies and correctness of findings fall within the domain of the appellate authority. As no recognised exception to the rule of alternative remedy was made out, the writ petition was dismissed with liberty to file an appeal under Section 107, and the period during which the writ petition remained pending was directed not to be reckoned for limitation purposes. Petition Dismissed.
State of Karnataka v. AAM India Manufacturing Corporation Pvt. Ltd.	The respondent purchased hydraulic fixtures and tooling body machines from Coimbatore and transported them to its unit at	The Division Bench held that the re-transportation of machinery to the original seller for testing, without any consideration, did not constitute a

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Writ Appeal No. 1390 of 2024 (T-RES) High Court of Karnataka Click to view	Ahmednagar, Maharashtra. After carrying out certain customization, the machinery was sent back to Coimbatore for testing under delivery challans but without generating an e-way bill. The vehicle was intercepted by the Commercial Tax Officer, who detained the goods under Section 129 of the CGST Act, issued notices in Forms GST MOV-06 and GST MOV-07, and confirmed the demand of IGST and penalty. Although the appellate authority upheld the demand, the learned Single Judge quashed the appellate order, restricted the penalty to ₹25,000, and directed refund of the balance amount. The State challenged that order in the present writ appeal.	"supply" under Section 7(1)(a) of the CGST/KGST Act. Such movement was covered by Rule 55 relating to transportation under a delivery challan for reasons other than supply. However, since the movement was not exempt from the requirement of generating an e-way bill under Rule 138, there was a breach of the statutory provisions, making the respondent liable only for the penalty contemplated under the second part of Section 129(1)(a). The Court found no error in the Single Judge's order restricting the penalty to ₹25,000 and directing refund of the excess amount. Writ Appeal Dismissed.
The Secretary, Thrissur Corporation v. E.M. Paulose & Ors. R.P. No. 430 of 2026 (arising out of W.P.(C) No. 35300 of 2025) Kerala High Court Click to view	E.M. Paulose had filed W.P.(C) No. 35300 of 2025 seeking relief relating to payment of GST under a contract executed with the Kerala Water Authority. The High Court's earlier judgment proceeded on the premise that the dispute concerned reimbursement of the differential GST arising from an increase in the GST rate from 12% to 18%. The Secretary, Thrissur Corporation, the fifth respondent in the writ petition, filed the present review petition contending that the agreement specifically provided that the quoted rates were inclusive of GST and that the issue of differential GST never arose. The review petitioner also relied on subsequent communications and official decisions indicating that reimbursement of differential GST was not the real controversy.	The High Court held that there was a patent error in the earlier judgment because it proceeded on an incorrect assumption that the dispute related to reimbursement of the differential GST consequent to enhancement of the GST rate. On examining the agreement and the materials produced during the review proceedings, the Court found that the actual issue was whether the contractor was entitled to claim GST at all, since the contract stipulated that the quoted rates were inclusive of GST. As the core issue required fresh consideration, the Court allowed the review petition, recalled the judgment dated 07.10.2025 in W.P.(C) No. 35300 of 2025, and restored the writ petition to the file for reconsideration. Review Petition Allowed; Earlier Judgment Recalled; Writ Petition Restored.

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National Lubricating Grease Institute India Chapter v. CIT (Exemption), Chandigarh ITA No. 8271/Del/2025 Income Tax Appellate Tribunal, Delhi Click to view	The assessee society appealed against the order dated 03.11.2025 of the Commissioner of Income Tax (Exemption), Chandigarh refusing renewal of registration under Sections 12AA/12AB of the Income-tax Act, 1961. The CIT(E) held that the society primarily served the lubricating grease industry, was not engaged in charitable activities, and relied upon the tax status of its parent body in the USA to deny registration. The assessee contended that its objects and activities, including conferences, seminars, research, and technical education, were charitable and that an earlier ITAT order had already granted it registration on identical facts.	The Tribunal held that the issues raised were already covered by its earlier decision in the assessee's own case, wherein it had been held that promotion of research, dissemination of technical knowledge, and organization of conferences and workshops for advancement of lubricating grease technology constituted charitable activities. It observed that merely because the beneficiaries belonged to a defined section of the public did not deprive the society of its charitable character, and reliance on the parent organization's foreign tax status was misplaced. Respectfully following the earlier judicial precedent, the Tribunal set aside the impugned order and restored the matter to the CIT(E) for fresh adjudication in accordance with law after granting adequate opportunity of hearing to the assessee. Appeal Allowed for Statistical Purposes.
Pr. Commissioner of Income Tax & Anr. v. Shri Ravi Shankar Shetty Income Tax Appeal No. 225 of 2021 (arising out of ITA No. 28/Bang/2020) Karnataka High Court Click to view	The assessee, engaged in the business of procuring lands for real estate projects, filed his return of income for AY 2015-16. During scrutiny, the Assessing Officer found advances of ₹21.89 crore received from Metro Corp and M/s Metro Corp Infrastructure Ltd. under an agreement for procuring lands. Treating ₹21.11 crore as forfeited advances, the Assessing Officer added the amount under Section 56(2)(ix) of the Income-tax Act. The CIT(A) upheld the addition, but the ITAT deleted it, leading the Revenue to file the present appeal.	The High Court held that Section 56(2)(ix) applies only where money is received as an advance during negotiations for the transfer of a capital asset, such advance is forfeited, and the negotiations fail to culminate in the transfer. In the present case, the advances were received for identifying and procuring lands in the course of the assessee's business, involving stock-in-trade rather than a capital asset. Further, the advances continued to be reflected as liabilities in the books and there was no evidence of forfeiture; mere lapse of time or absence of a refund claim did not amount to forfeiture. As the statutory conditions of Section 56(2)(ix) were not satisfied, the Tribunal rightly deleted the addition. The substantial questions of law were answered in favour of the assessee, and the Revenue's appeal was dismissed.

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Principal Commissioner of Income Tax & Anr. v. M/s Unisys India Pvt. Ltd. Income Tax Appeal No. 55 of 2024 (C/W Income Tax Appeal No. 216 of 2023) Karnataka High Court Click to view	The Revenue challenged the Income Tax Appellate Tribunal's order which had set aside the Dispute Resolution Panel (DRP) directions and the consequential assessment order for AY 2017-18 on the ground that the DRP's order was initially communicated without a Document Identification Number (DIN), allegedly violating CBDT Circular No. 19/2019 dated 14.08.2019. The Revenue contended that the DIN was subsequently generated through the ITBA system and communicated separately along with the order containing the manually entered DIN, thereby substantially complying with the Circular.	The High Court held that quoting a DIN under CBDT Circular No. 19/2019 is mandatory; however, where an order is initially uploaded without a DIN for the purpose of generating one and the DIN is subsequently communicated through a separate intimation bearing its own DIN along with the order containing the manually entered DIN, the Circular stands substantially complied with. Prior approval of the Chief Commissioner/Director General is required only for manual communications without DIN and not for electronically transmitted communications. A typographical error in manually mentioning the DIN does not invalidate the order if the accompanying intimation correctly identifies the order and its DIN. The Tribunal erred in treating the orders as invalid. Appeals Allowed; Tribunal's orders set aside; matters remanded to the ITAT for consideration on merits.
Shreenath Finstock Private Ltd. v. Union of India & Ors. Writ Petition No. 3526 of 2022 Bombay High Court Click to view	The petitioner challenged the notice dated 31 March 2021 issued under Section 148 of the Income-tax Act, 1961 and the consequential assessment order dated 30 March 2022 passed under Sections 147 read with 144B for Assessment Year 2013-14. Although the notice was dated and digitally signed on 31 March 2021, it was dispatched through the ITBA system and received by the petitioner only on 1 April 2021. The petitioner contended that the reassessment proceedings could not continue under the unamended provisions and were required to comply with the Finance Act, 2021.	The Bombay High Court held that the relevant date for issuance of a notice under Section 148 is the date on which the ITBA system actually triggers its dispatch. Since the Department's own records established that the notice was sent and delivered on 1 April 2021, the delay attributable to the ITBA system could not prejudice the assessee. Following <i>Suman Jeet Agarwal</i>, <i>Ashish Agarwal</i>, and its earlier decision in <i>Jose Kattadyil Joseph</i>, the Court held that the impugned notice must be treated as a notice under Section 148A(b) of the Income-tax Act as substituted by the Finance Act, 2021. The assessment order dated 30 March 2022 and consequential proceedings were quashed, the Assessing Officer was directed to follow the procedure prescribed under Section 148A, and all statutory rights and defences of the parties were kept open. Petition Allowed.

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Sun Aero Ltd. v. Principal Commissioner of Income Tax ITA 527/2017 Delhi High Court Click to view	The assessee, Sun Aero Ltd., challenged the Income Tax Appellate Tribunal's order restoring a block assessment under Section 158BC of the Income-tax Act. The dispute arose after a search conducted in 2000, pursuant to which the Assessing Officer added ₹21 crore by denying the exemption claimed under Section 47(v), despite the same transaction having already been examined and accepted in the regular assessment under Section 143(3) for AY 1995-96. The Commissioner of Income Tax (Appeals) had earlier deleted the addition, but the Tribunal subsequently allowed the Revenue's appeal after remand by the High Court.	The Delhi High Court held that an assessee is entitled to support the order of the CIT(A) on all available legal grounds in a Revenue appeal without filing a cross-appeal or cross-objection. It further held that issuance of notice under Section 143(2) is mandatory for completing a block assessment under Section 158BC, and failure to issue such notice is a jurisdictional defect that vitiates the assessment. The Court also held that Chapter XIV-B permits block assessment only on the basis of incriminating material found during the search; material gathered only during post-search investigation cannot sustain such assessment. Accordingly, the assessment order dated 29.11.2002 and the Tribunal's order dated 20.09.2016 were quashed and set aside. The third question relating to the addition under Sections 45 and 47(v) was left undecided. Appeal Allowed.
Uttar Bhartiya Education Society v. Principal Commissioner of Income Tax (Exemption) & Ors. Income Tax Appeal (L) No. 20375 of 2026 and Income Tax Appeal (L) No. 20379 of 2026 Bombay High Court Click to view	The appellant, a public charitable educational society registered under the Maharashtra Public Trusts Act and Section 12A of the Income-tax Act, claimed exemption under Section 10(23C)(iiiab). Its return was processed under Section 143(1), denying the exemption due to non-filing of the prescribed Form No. 10B and an incorrect claim made by its Chartered Accountant. The appeals before the CIT(A) were filed after substantial delay and were dismissed as time-barred. The ITAT affirmed the refusal to condone the delay, leading to the present appeals before the High Court.	The Bombay High Court held that the ITAT had adopted an unduly technical approach while refusing to condone the delay. The Court observed that the appellant had furnished bona fide reasons explaining the delay and that, in appropriate cases, disputes should be decided on merits rather than defeated on limitation alone. Relying upon the Supreme Court's decision in <i>Inder Singh v. State of Madhya Pradesh</i>, the Court held that a liberal, justice-oriented approach was warranted where sufficient explanation existed. Accordingly, the impugned ITAT order was quashed, the delay was condoned, and the appeals were restored to the file of the CIT(A) for adjudication on merits. Appeals Allowed; Delay Condoned; Matter Restored to CIT(A).

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