

Knowledge Partner :

Law Chambers of Advocate Gaurav Gupta

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

Abhishek Raja and Associates

Chartered Accountants

Goods & Services Tax (GST) (6 judgments)

TITLE	BRIEF FACTS	RATIO
Anas Enterprise v. Union of India & Anr. R/Special Civil Application No. 11064 of 2025 Gujarat High Court Click to view	The petitioner, engaged in the manufacture and sale of chewing tobacco, had deposited GST amounts into its Electronic Cash Ledger before the due dates for filing returns for most tax periods, although the returns were filed belatedly. Pursuant to an audit objection, the petitioner paid interest through Form GST DRC-03 and subsequently sought a refund of excess interest by relying on the Gujarat High Court's decision in <i>Arya Cotton Industries</i>. The refund application was rejected by the proper officer through Form GST RFD-06 dated 17.06.2025 on the ground that the proviso to Rule 88B of the CGST Rules, 2017 was prospective in operation. The petitioner challenged the rejection order and the consequential recovery notice before the High Court.	The High Court held that the refund claim could not be rejected merely because the proviso to Rule 88B, inserted with effect from 10.07.2024, operates prospectively. The respondent authorities failed to apply the binding ratio laid down in <i>Arya Cotton Industries</i>, which had already clarified that interest under Section 50 is payable only up to the date the tax amount is deposited in the Electronic Cash Ledger and not until the belated filing of the return where sufficient balance was already available. The Court found the impugned order arbitrary and suffering from non-application of mind. Accordingly, it quashed the refund rejection order dated 17.06.2025 and the recovery notice dated 17.01.2025, directed the respondents to grant refund of the excess interest along with statutory interest at 6% per annum within six weeks, failing which interest at 12% per annum would be payable for the delay, and imposed costs of ₹5,000 on the respondents. Petition Allowed.
Canara Bank (formerly Syndicate Bank) v. Union of India & Ors. (Connected with Bank of Baroda v. Union of India & Ors.; Canara Bank v. Union of India & Ors.; The Karnataka Bank Ltd. v. Union of India & Ors.) W.P. No. 10234 of 2020 (T-RES) c/w W.P. No. 10363 of	The petitioners, comprising Canara Bank, Bank of Baroda and Karnataka Bank, challenged show cause notices issued under the Finance Act, 1994 seeking to levy service tax on banking facilities provided to customers maintaining the stipulated Minimum Average Balance (MAB) during the pre-GST period up to 30.06.2017. The Department alleged that customers' commitment to maintain MAB	The High Court held that levy of service tax necessarily requires a taxable service rendered for consideration. Maintenance of Minimum Average Balance by customers is only a contractual condition governing the banking relationship and does not amount to monetary or non-monetary consideration for the banking facilities extended by the banks. In the absence of an independent agreement whereby customers agreed to provide consideration in return for such services,

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2020 (T-RES), W.P. No. 11574 of 2020 (T-RES) and W.P. No. 2173 of 2021 (T-RES) Karnataka High Court Click to view	constituted non-monetary consideration for the banking facilities, thereby making the services taxable as declared services under Section 66E(e) of the Finance Act. The banks contended that no consideration was received for such facilities and that maintenance of MAB was merely a contractual condition.	the essential ingredients of Sections 65B(44), 66B, 66E(e) and 67 of the Finance Act were not satisfied. Relying upon CBIC Circular No. 178/10/2022-GST dated 03.08.2022, Circular No. 214/1/2023-Service Tax dated 28.02.2023 and settled judicial precedents, the Court held that the impugned show cause notices proceeded on an erroneous assumption that maintenance of MAB constituted consideration and were therefore without jurisdiction. Accordingly, all the impugned show cause notices were quashed. Petitions Allowed; Show Cause Notices Set Aside.
M/s Bhagwati Industries v. Union of India & Ors. D.B. Civil Writ Petition No. 11651/2026 High Court of Rajasthan Click to view	The petitioner challenged the inability to file an appeal against the Order-in-Original dated 28.11.2025 passed by the Assistant Commissioner, CGST Division, Sikar, which raised a GST demand of ₹79,85,472 for FYs 2018-19 and 2023-24 on account of alleged non-payment of tax under the Reverse Charge Mechanism on royalty, DMET and RMSET/NMET expenses. The petitioner submitted that the appeal became time-barred due to lack of knowledge of the GST portal, non-communication of the adjudication order, closure of business, financial hardship and illness, leaving no statutory remedy available.	The Division Bench held that although the Appellate Authority is bound by the limitation prescribed under Section 107 of the RGST/CGST Act, 2017, the High Court, in exercise of its writ jurisdiction, could grant relief where sufficient cause beyond the petitioner's control prevented timely filing of the appeal. Following its earlier Division Bench decisions, the Court condoned the delay and directed the Appellate Authority to entertain and decide the appeal on merits, provided it is filed within 30 days from uploading of the order. The challenge to the validity of Section 107(4) of the CGST Act, 2017 was not pressed and was left open for consideration in appropriate proceedings. Petition Allowed.
M/s Karma Enterprises v. Joint Excise and Taxation Commissioner and Another CWP-18038-2026 (O&M) Punjab and Haryana High Court Click to view	The petitioner challenged the manner of service of a notice and the Order-in-Original under the Central Goods and Services Tax Act, 2017. The grievance was that both the notice and the adjudication order had been uploaded only under the "View Additional Notices and Orders" tab on the GST common portal, and such uploading did not constitute valid service under Sections 169 and 146 of the CGST Act. The	The High Court held that the controversy was fully covered by its earlier Division Bench judgment in Luxmi Traders v. Union Territory of Chandigarh and Others. Reiterating the principles laid down therein, the Court held that mere uploading of a show cause notice or adjudication order on the GST common portal does not amount to valid service unless its receipt is acknowledged or the assessee has participated in the proceedings. The Court accordingly disposed of the writ

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	petitioner sought relief relying upon the legal position settled by the High Court.	petition in the same terms as Luxmi Traders, thereby granting the petitioner the benefit of the directions issued in that judgment. Petition Disposed of.
M/s. Deepam Palm Dish v. State Tax Officer & Ors. WP(C) No. 20408 of 2026 Kerala High Court Click to view	The petitioner, a registered taxpayer under the CGST and SGST Acts, challenged the order passed under Section 73 of the CGST Act whereby input tax credit (ITC) relating to April 2018 and March 2019 was denied on the ground that the returns had not been filed within the time prescribed under Section 16(4). The petitioner contended that the returns had been filed on 15.02.2021 and 27.02.2021, well before the cut-off date of 30.11.2021 prescribed under Section 16(5), and therefore the benefit of ITC could not be denied.	The High Court held that Section 16(5) of the CGST Act contains a non-obstante clause overriding Section 16(4). Once a registered person has furnished the relevant returns on or before the cut-off date specified under Section 16(5), the limitation prescribed under Section 16(4) ceases to apply. Since the impugned order itself recorded that the petitioner had filed the returns on 15.02.2021 and 27.02.2021, both before 30.11.2021, the petitioner was entitled to consideration of the benefit under Section 16(5). Accordingly, the Court quashed the order under Section 73 and directed the first respondent to reconsider the matter and grant the benefit of Section 16(5), if otherwise admissible. Petition Allowed; Impugned Order Set Aside and Matter Remanded.
Union of India & Ors. v. M/s K K Alloys Special Leave Petition (Civil) Diary No. 33451/2026 (arising out of CWP No. 26150/2025, Punjab & Haryana High Court); connected with SLP (Civil) Diary No. 35574/2026 Supreme Court Click to view	The petitioner, a registered dealer under the CGST Act, challenged the action of the GST authorities in negatively blocking its Electronic Credit Ledger (ECL) by entries dated 27.08.2025 and 29.08.2025 under Rule 86A of the CGST Rules, 2017. It contended that the authorities created a negative balance exceeding the Input Tax Credit available in the ECL, thereby preventing utilization of future ITC, which was alleged to be contrary to Rule 86A and the principles of natural justice. The respondents opposed the petition but admitted that the issue was covered by the High Court's earlier decision in M/s Shyam Sunder Strips v. Union of India. The Union of India and others filed Special Leave Petitions challenging the final judgment and order dated	The High Court held that Rule 86A authorizes only the temporary restriction on utilization of existing Input Tax Credit available in the Electronic Credit Ledger and does not empower the authorities to create a negative balance or block credit exceeding the ITC available on the date of the order. The Court followed its earlier judgment in M/s Shyam Sunder Strips, while endorsing the views of the Gujarat, Delhi, Telangana and Bombay High Courts that availability of ITC in the ECL is a condition precedent for invoking Rule 86A. If no credit is available, negative blocking is without jurisdiction. The Court clarified that the Department remains free to recover any wrongly availed ITC through statutory proceedings under Sections 73 or 74 or other remedies available under law. The writ petition was allowed, the impugned negative blocking entries were set aside

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	19.11.2025 passed by the Punjab & Haryana High Court in CWP No. 26150 of 2025. The petitions were heard after condonation of delay in filing.	to the extent they exceeded the available ITC, and the respondents were granted liberty to proceed in accordance with law. The Supreme Court dismissed the Revenue's Special Leave Petitions under Article 136 while keeping other statutory recovery remedies open. Petition Allowed; SLPs Dismissed.

Income Tax (6 judgments)

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Income Tax Officer, Ward 2(1), Chandigarh & Ors. v. Tej Partap Singh Special Leave Petition (Civil) Diary No. 2196 of 2026 Supreme Court of India Click to view	The Revenue challenged the judgment of the Punjab & Haryana High Court whereby the reassessment proceedings initiated under Sections 148A and 148 of the Income-tax Act, 1961 had been set aside on the ground that the Jurisdictional Assessing Officer (JAO) lacked the authority to issue the impugned notice in view of Section 151A and the E-Assessment of Income Escaping Assessment Scheme, 2022. The appeal formed part of a large batch of matters arising from similar reassessment notices issued after the introduction of the faceless reassessment scheme.	The Supreme Court held that, in view of the Income-tax (Amendment) Act, 2026 (Act No. 4 of 2026), which retrospectively validated the jurisdiction of the Jurisdictional Assessing Officers for issuance of reassessment notices, the principal basis on which various High Courts had quashed such notices no longer survived. Consequently, the judgments of the High Courts, including the Punjab & Haryana High Court judgment in Tej Partap Singh, were set aside only on the limited ground relating to the competence of the JAO. The matters were remitted to the respective High Courts for fresh consideration on all other issues and contentions, which were expressly kept open. Appeal Allowed; High Court Judgment Set Aside on the Limited Jurisdictional Issue; Matter Remanded.
Janhavi Promoters Private Limited v. Deputy Commissioner of Income Tax, Circle-13(1), Kolkata & Ors. WPA 12030 of 2025 Calcutta High Court Click to view	The petitioner challenged the inaction of the income-tax authorities in complying with the direction of the Income Tax Appellate Tribunal dated 21.01.2025, whereby the Commissioner of Income Tax (Appeals) was directed to pass a speaking order in the petitioner's appeal for Assessment Year 2015-16. Despite filing an application dated 30.04.2025 seeking early	The High Court held that the Tribunal's direction requiring the Commissioner of Income Tax (Appeals) to pass a speaking order was binding and that failure to comply with it for over 17 months amounted to non-compliance with a judicial order. The Court observed that an assessee cannot be left without an effective remedy due to administrative inaction and that prolonged delay in deciding a statutory appeal violates the principles of natural justice and the right

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	disposal of the appeal, the appellate authority failed to decide the matter, compelling the petitioner to invoke the writ jurisdiction of the High Court.	to speedy justice under Article 14 of the Constitution. Accordingly, the Court directed the concerned appellate authority to consider the petitioner's application for early disposal within six weeks, pass a reasoned order after granting an opportunity of hearing, and communicate the decision within one week thereafter. The writ petition was disposed of without examining the merits of the assessment.
MS Kimpex Flow Private Limited (Formerly Known as M/s Kriti Tradeimpex) v. Deputy Commissioner of Income Tax W.P.(C) 10119/2026, CM APPL. 47025/2026 & CM APPL. 47024/2026 Delhi High Court Click to view	The petitioner challenged the order dated 23.06.2026 passed under Section 148A(3) of the Income-tax Act, 1961 and the consequential notice issued under Section 148 on the ground that they were passed in violation of the principles of natural justice. The petitioner contended that although it had filed a reply on the department's web portal on 16.06.2026 in response to the notice issued under Section 148A(1), the Assessing Officer ignored the reply and proceeded to pass the impugned order without considering it.	The Delhi High Court held that the Assessing Officer had passed the order under Section 148A(3) without considering the petitioner's reply, a fact that was not disputed by the Revenue. Such action amounted to a violation of the principles of natural justice. Accordingly, the Court set aside the order dated 23.06.2026 passed under Section 148A(3) and the consequential notice issued under Section 148. The Assessing Officer was directed to provide the petitioner with a fresh opportunity of hearing, including a video conferencing link for oral submissions if desired, and thereafter pass a fresh order in accordance with law. Petition Allowed.
Ojaswini Retailers Private Limited & Anr. v. The Union of India & Ors. WPA 19078 of 2025 Calcutta High Court Click to view	The petitioners challenged the order dated 30.06.2025 passed under Section 148A(3) of the Income-tax Act, 1961 and the consequential notice issued under Section 148 for Assessment Year 2019-20. They contended that the Assessing Officer failed to consider their replies dated 11.04.2025 and 19.06.2025 along with supporting bank statements and other documents while concluding that transactions with M/s. Dhansidhi Developers Private Ltd. and M/s. Foremost Enterprise Private Ltd. lacked commercial substance and represented accommodation entries.	The High Court held that Section 148A mandates the Assessing Officer to consider the assessee's reply before deciding whether to issue a notice under Section 148. The impugned order merely referred to partial bank statements and failed to deal with the explanations furnished by the petitioners. Mere reference to circular movement of funds, without analysing the commercial rationale or materials placed on record, could not justify the formation of belief that income had escaped assessment. Holding that the order violated principles of natural justice and was unsustainable, the Court quashed the order dated 30.06.2025 and the consequential notice under Section 148,

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		and remanded the matter to the Assessing Officer for fresh consideration after granting an opportunity of hearing and passing a reasoned order. Matter Remanded; Order Set Aside.
Rashmirekha Tripathy and Anr. v. The Branch Manager (Legal Claims), Sriram General Insurance Company Limited and Ors. Civil Appeal No. of 2026 (Arising out of SLP(C) No. 27220 of 2024) Supreme Court Click to view	The appellants, being the legal representatives of the deceased, sought compensation under Section 166 of the Motor Vehicles Act, 1988 following the death of Manoranjan Pandey in a road accident on 29.05.2018. The MACT awarded compensation by adopting the income disclosed in the latest Income Tax Return. On appeal by the insurer, the Orissa High Court reduced the compensation by averaging the income shown in two ITRs and applying a lower multiplier. The claimants challenged the reduction before the Supreme Court.	The Supreme Court held that there is no rigid formula for determining annual income from Income Tax Returns while computing compensation under the Motor Vehicles Act. For salaried persons, ordinarily the ITR of the immediately preceding year should be considered. For self-employed persons or business owners, the average of the ITRs of up to the previous three years should ordinarily be taken as the reference point, along with surrounding circumstances such as the nature, growth, profitability and financial pattern of the business. Where ITRs are filed after death, courts must examine supporting financial records before relying upon them. Applying these principles, the Court fixed the deceased's annual income at ₹14,00,000, recalculated the compensation at ₹1,97,81,505 with interest as awarded by the Tribunal, modified the High Court's judgment accordingly, and allowed the appeal.
Sri. Kudlur Ramaswamy Sathyanarayana v. The Assistant Commissioner of Income Tax, Central Circle, Mysuru Income Tax Appeal No. 54 of 2025 High Court of Karnataka Click to view	A search under Section 132 of the Income-tax Act was conducted at the assessee's premises on 04.02.2015, during which the assessee admitted in his statement under Section 132(4) that ₹1.50 crore represented unexplained investment in a convention hall. The Assessing Officer added the amount under Section 69. Although the Commissioner of Income Tax (Appeals) deleted the addition after accepting the assessee's subsequent explanation and alleged retraction, the Income Tax Appellate Tribunal restored the addition. The assessee	The High Court held that a statement recorded under Section 132(4) carries substantial evidentiary value and is ordinarily binding on the assessee. A valid retraction must be made at the earliest opportunity and be supported by cogent evidence such as an affidavit or proof that the statement was obtained under coercion, threat or duress. Mere filing of a return of income inconsistent with the statement does not amount to retraction. Since the assessee's retraction was belated and unsupported, and the Tribunal found corroborative material including the physical existence of the convention hall and absence of evidence that the investment belonged to the partnership firm, restoration of the

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	challenged the Tribunal's order before the High Court.	addition under Section 69 was justified. The substantial questions of law were answered in favour of the Revenue, and the appeal was dismissed.

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