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Goods & Services Tax (GST) (10 judgments)

TITLE	BRIEF FACTS	RATIO
Bhandari Scrap Traders v. Union of India & Ors. SLP (C) No. 23931 of 2026 (along with SLP (C) Nos. 24088 of 2026 and 24103 of 2026) Supreme Court Click to view	The petitioners challenged the judgment of the Gujarat High Court dated 01-05-2026 in Special Civil Application No. 749 of 2025, whereby the High Court upheld the constitutional validity of Section 16(2)(c) of the Central Goods and Services Tax Act, 2017 relating to input tax credit (ITC). Before the Supreme Court, the petitioners relied upon the Tripura High Court decision in <i>Sahil Enterprises v. Union of India & Ors.</i> to contend that the impugned judgment required reconsideration.	The Supreme Court held that the Gujarat High Court had undertaken a detailed analysis distinguishing the scheme of the Delhi Value Added Tax Act, 2004 from that of the CGST Act, 2017, particularly regarding the mechanism governing ITC. It agreed that no parity could be drawn between the two enactments so as to extend the protection available to a bona fide purchasing dealer under the Delhi VAT Act to a purchasing dealer under the CGST Act where the supplier failed to discharge tax liability. The Court also approved the Gujarat High Court's reliance on Sections 41, 73 and 74 of the CGST Act, observing that a purchasing dealer is entitled to re-avail reversed ITC once the supplier pays the tax. It held that Section 16(2)(c) of the CGST Act is neither unconstitutional nor liable to be read down, affirmed the Gujarat High Court's judgment, and dismissed all the Special Leave Petitions.
EMAS Gold and Diamonds LLP & Ors. v. The Joint Commissioner, Central GST and Central Excise & Anr. W.P.(C) No. 19986 of 2021 Kerala High Court Click to view	The petitioners challenged Order-in-Original dated 12.08.2021 passed under Sections 74 and 130 read with Section 67 of the CGST Act. Following a search conducted on 11.12.2019, the Department seized gold ornaments, documents and electronic devices, issued a show cause notice alleging GST evasion, and imposed tax, penalty and confiscation. The petitioners contended that the adjudication violated the principles of natural justice as their request to cross-	The Court held that assessment under Section 74 of the CGST Act cannot be made through a composite or block assessment covering multiple assessment years, and separate proceedings are required for each tax period. It further held that where statements of witnesses are relied upon in adjudication, a request for cross-examination must be considered on legally sustainable grounds, and the reasons assigned in the impugned order for denying such opportunity were untenable and contrary to the principles

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	examine witnesses whose statements formed the basis of the proceedings was rejected, and that a single adjudication for multiple assessment years was impermissible under the Act.	of natural justice. The Court also observed that documents such as pocket diaries could not be relied upon without proper proof through their authors or custodians. Accordingly, the impugned order was quashed and the matter was remanded for fresh adjudication after issuing separate notices for each assessment year and reconsidering the request for examination/cross-examination in accordance with law. The writ petition was allowed by way of remand.
M/s. Guru and Co. v. Union of India & Ors. (along with connected batch matters) W.P.(MD) Nos. 14115, 14116, 14117, 14118, 14119, 14120, 14208, 18602 & 26403 of 2022 Madras High Court Click to view	The petitioners, who were dealers in pulses such as Moong Dhal and Thoor Dhal sold under unregistered brand names, challenged Notification Nos. 27/2017-Central Tax (Rate) and 28/2017-Central Tax (Rate), corresponding IGST notifications dated 22.09.2017, and the parallel State Government notifications. They contended that the notifications introduced the expression "enforceable right in a court of law" without any recommendation of the GST Council and consequently challenged the show cause notices issued pursuant to those notifications as being without jurisdiction.	The Division Bench held that while the GST Council's recommendations are not binding on Parliament or the State Legislatures in enacting primary legislation, the Central Government, when exercising delegated legislative powers under Sections 9 and 11 of the CGST Act, must act on the recommendations of the GST Council. The Court found that the Government had travelled beyond the Council's recommendation by inserting the expression "enforceable right in a court of law", rendering that addition ultra vires the parent statute. It further held that the GST Council has no statutory power to retrospectively validate such excess through ratification. Accordingly, the notifications were declared ultra vires only to the extent they incorporated the expression "enforceable right in a court of law", while the remaining portions of the notifications were upheld. The connected writ petitions were allowed to that extent, with consequential relief regarding the impugned proceedings.
M/s. Munna Chaudhary v. The Union of India & Ors. Civil Writ Jurisdiction Case No. 4593 of 2026 Patna High Court	The petitioner challenged the cancellation of its GST registration by order dated 26.06.2023, rejection of the application for revocation dated 02.02.2024, and the appellate orders dismissing its appeals on the ground of limitation. The petitioner	The Court held that the cancellation of registration and rejection of the revocation application were vitiated by violation of the principles of natural justice, particularly the mandatory requirement of personal hearing under Section 75(4) of the CGST/BGST Act.

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Click to view	contended that it could not respond to the initial show cause notice due to exceptional personal circumstances, subsequently filed all pending returns with late fees on 14.07.2023, but the authorities ignored the updated returns while rejecting the revocation application without granting an opportunity of personal hearing.	The Court found that the authorities failed to consider the petitioner's updated returns and explanation, issued the show cause notice for rejection of revocation without due application of mind, and that the notice lacked the name and designation of the issuing authority and did not bear the mandatory DIN applicable at the relevant time. The subsequent CBIC Circular dispensing with DIN for portal-generated communications could not operate retrospectively to validate the impugned proceedings. Consequently, the Court set aside the cancellation order, the revocation rejection order, the appellate orders, and the consequential order, directed immediate restoration of the petitioner's GST registration, awarded litigation costs of ₹15,000, and allowed the writ petition.
M/s. Muskan Int Udyog No. 2 v. The Union of India & Ors. Civil Writ Jurisdiction Case No. 7252 of 2026 Patna High Court Click to view	The petitioner challenged the ex parte assessment order dated 26.06.2025 for the financial year 2023-24, the summary order in Form GST DRC-07 of the same date, the recovery proceedings initiated through Form GST DRC-13 dated 06.01.2026, and the attachment of its bank account dated 20.01.2026. The petitioner contended that the tax demand was based on estimation without adequate opportunity of hearing and relied upon the earlier decision of the High Court in M/s King Bricks v. State of Bihar, involving similar facts.	The Court held that the case was squarely covered by its earlier decision in M/s King Bricks v. State of Bihar (C.W.J.C. No. 8948 of 2025), wherein similar ex parte assessment proceedings were remanded for fresh adjudication after granting an opportunity of hearing. Accordingly, the Court set aside the ex parte assessment order dated 26.06.2025, the summary order in Form GST DRC-07, the recovery proceedings initiated through Form GST DRC-13, and the order attaching the petitioner's bank account. The matter was remitted to the Assessing Authority to undertake fresh proceedings strictly in accordance with the Bihar Goods and Services Tax Act, 2017, after affording adequate opportunity of hearing, and to pass a fresh order within six months from receipt of the Court's order.
M/s. Nexas Electrotech Pvt. Ltd. v. State of Haryana and Another CWP-22305-2026 (O&M)	The petitioner challenged the validity of service of a GST notice and the Order-in-Original, contending that both had been communicated only by uploading	The Court held that the issue was fully covered by its earlier decision in Luxmi Traders v. Union Territory of Chandigarh and Others. It reiterated that mere uploading of a show cause notice

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Punjab and Haryana High Court Click to view	them under the “View Additional Notices and Orders” tab on the GST common portal. The principal issue before the Court was whether such uploading alone constituted valid service under Sections 169 and 146 of the Central Goods and Services Tax Act, 2017.	or 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. Where proceedings are ex parte due to such defective service, the matter must be restored to the stage of the show cause notice, and where an order-in-original is served only through the portal, limitation for filing an appeal does not commence. Applying the same principles, the writ petition was disposed of in terms of the decision in Luxmi Traders.
M/s. P. Venkataramaniah & Co. v. Assistant Commissioner, ST, Nellore-II Circle & Ors. Writ Petition No. 2136 of 2025 Andhra Pradesh High Court Click to view	The petitioner, a partnership firm engaged in providing work contract services, challenged the assessment order dated 31.08.2024 passed under the GST law covering the tax periods 2018–2019 to 2021–2022 through a single composite assessment order. The petitioner contended that assessment for multiple tax periods under one common order was impermissible under the CGST/ APGST Acts and relied upon the earlier Division Bench decision in S.J. Constructions v. The Assistant Commissioner & Others. The respondents did not dispute either the legal position or the factual basis regarding the composite assessment.	The Court held that the issue was squarely covered by its earlier decision in S.J. Constructions v. The Assistant Commissioner & Others (W.P. No. 11028 of 2025 & batch), wherein it was held that a single show cause notice or a single composite assessment order cannot be issued for more than one tax period or financial year. Accepting the undisputed legal position, the Court set aside the assessment order dated 31.08.2024. Liberty was granted to the assessing authority to issue separate notices and undertake separate assessments for the respective tax periods after affording the petitioner due opportunity of hearing in accordance with law. The Court further directed that the period from the date of the impugned order until receipt of the judgment shall be excluded for the purpose of limitation. The writ petition was allowed without costs.
M/s. S.D. Engineerstech Pvt. Ltd. v. State of Haryana and Others CWP-20887-2026 (O&M) Punjab and Haryana High Court Click to view	The petitioner challenged the Order-in-Original dated 03.02.2023 on the ground that it had been passed without granting an opportunity of personal hearing, thereby violating the principles of natural justice. During the hearing, the State fairly admitted that no personal hearing had been afforded before passing the impugned order	The Court held that Section 75(4) of the Goods and Services Tax Act, 2017 mandates grant of an opportunity of personal hearing whenever an adverse decision is contemplated against an assessee or when such hearing is requested in writing. Relying upon its earlier decision in Kemexel Ecommerce Pvt. Ltd. v. State of Punjab and Others (CWP-33977-2025, decided on

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	and submitted that fresh orders could be passed after providing the petitioner with due opportunity of hearing.	24.03.2026), the Court concluded that the impugned adjudication could not be sustained for non-compliance with the statutory requirement of personal hearing. The writ petition was disposed of in terms of Kemexel Ecommerce Pvt. Ltd., leaving it open to the respondent authorities to proceed afresh strictly in accordance with law, including compliance with Section 75(4) of the Act.
M/s. Vindhya Spinning Mills Private Limited v. The Assistant Commissioner of CGST and Central Excise W.P.(MD) Nos. 16757 and 16758 of 2025 Madras High Court Click to view	The petitioner, a manufacturer of combed cotton yarn, challenged two refund rejection orders dated 17.03.2025 and 15.05.2025 rejecting its claims for refund of accumulated unutilised input tax credit under Section 54(3) of the CGST Act for the tax periods January 2023 and March 2023. The petitioner contended that although the principal input and output attracted GST at 5%, other inputs such as chemicals, consumables and packing materials suffered GST at higher rates, resulting in accumulation of input tax credit eligible for refund under the inverted duty structure.	The Court held that Section 54(3)(ii) of the CGST Act does not distinguish between principal and ancillary inputs and permits refund wherever unutilised input tax credit accumulates because certain inputs are taxed at rates higher than the output supplies. It observed that the statute must be interpreted as enacted and that Rule 89(5) prescribes the formula for computation of such refund. Relying upon earlier High Court decisions, the Court held that refund cannot be denied merely because the principal input and output are taxed at the same rate. Accordingly, both impugned refund rejection orders were quashed, and the respondent was directed to process and sanction the refunds with applicable interest in accordance with Rule 89(5), after affording the petitioner an opportunity of personal hearing, within three months from receipt of the order.
Zach Rubber Private Ltd. v. State Tax Officer & Ors. W.P.(C) No. 20131 of 2026 Kerala High Court Click to view	The petitioner challenged an adjudication order passed under Section 73 of the CGST/SGST Act, 2017, whereby input tax credit (ITC) for March 2020 was denied on the ground that the return had not been filed within the time prescribed under Section 16(4) of the CGST Act. Another demand relating to excess ITC reflected in GSTR-2A had already been discharged by the petitioner, and the dispute before the Court was confined to the denial of ITC for	The Court held that the petitioner's return for March 2020 had been filed on 17.11.2020, which was within the cut-off date contemplated under Section 16(5) of the CGST Act. Consequently, the benefit of Section 16(5) was available to the petitioner, subject to fulfilment of other statutory requirements. The Court quashed the adjudication order to the extent it denied input tax credit for March 2020 on the ground of violation of Section 16(4) and directed the assessing authority to reconsider the petitioner's claim in the light of Section 16(5), grant

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	March 2020. The petitioner relied upon Section 16(5) of the CGST Act, contending that the return had been filed on 17.11.2020, well within the cut-off date prescribed therein.	the eligible input tax credit if otherwise admissible, and pass fresh orders after affording an opportunity of hearing within three months from receipt of the judgment.

Income Tax (5 judgments)

TITLE	BRIEF FACTS	RATIO
Fujifilm India Private Limited v. The Assessing Officer, Assessment Unit, Income Tax Department, Delhi ITA No. 3446/Del/2024 Income Tax Appellate Tribunal, Delhi Click to view	The assessee challenged the assessment order passed under Sections 144, 144C(13) and 144B of the Income-tax Act pursuant to the directions of the Dispute Resolution Panel. The principal dispute concerned a transfer pricing adjustment of ₹5.19 crore in respect of Advertising, Marketing and Promotion (AMP) expenditure. The Transfer Pricing Officer treated the AMP expenditure as an international transaction benefiting the foreign associated enterprise by promoting the "Fuji" brand and computed the arm's length price by applying the Bright Line Test, which was substantially upheld by the DRP.	The Tribunal held that the transfer pricing adjustment made by applying the Bright Line Test (BLT) was unsustainable in view of the binding judgment of the Delhi High Court in Sony Ericsson Mobile Communications India Pvt. Ltd., which had rejected the use of the Bright Line Test for determining the arm's length price of AMP expenditure. The mere pendency of the Revenue's Special Leave Petition before the Supreme Court did not dilute the binding effect of the Delhi High Court's decision, particularly when no stay had been granted. Accordingly, the Tribunal deleted the transfer pricing adjustment of ₹5.19 crore made on account of AMP expenditure, while directing that both parties would remain bound by the final outcome of the pending SLP before the Supreme Court. Ground No. 2 was dismissed as not pressed and the ground relating to penalty proceedings was dismissed as premature. The appeal was partly allowed.
High Vista Buildcon Pvt. Ltd. (Earlier Known as Vikram Electric Equipment Pvt. Ltd.) v. National Faceless Appeal Centre (NFAC), Delhi & Ors. W.P.(C) 4594/2026 Delhi High Court	The petitioner challenged the order dated 28.07.2025 passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), under Section 250 of the Income-tax Act, 1961. Although the petitioner had participated in the appellate proceedings by filing written	The Court held that consideration of written submissions alone cannot substitute an oral or virtual hearing in appellate proceedings under Section 250 of the Income-tax Act. Once an assessee seeks a personal hearing through video conferencing, the NFAC is required to provide such an opportunity before deciding the appeal. Failure to provide

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Click to view	submissions and repeatedly requested an opportunity for personal hearing through video conferencing, no virtual hearing link was provided before the appeal was decided. The petitioner contended that the appellate order was passed in violation of the principles of natural justice, particularly as it involved substantial additions under Sections 68, 270A and disallowance of advances written off.	the requested virtual hearing amounted to a violation of the principles of natural justice and resulted in failure of justice. Accordingly, the Court set aside the appellate order dated 28.07.2025, restored the appeal to the CIT(A), and directed the NFAC to issue a fresh notice of hearing along with a video conferencing facility or any other virtual mode if the designated facility was unavailable. Consequently, the penalty orders passed under Sections 271AAC(1) and 270A were also quashed, with liberty to the Assessing Officer to pass fresh orders after disposal of the appeal. The Court further directed the CBDT Chairman and the Principal Chief Commissioner of Income Tax (NFAC) to ensure availability of video conferencing facilities for appellate proceedings within three months. The writ petition was allowed.
Maersk India Private Limited v. Joint Commissioner of Income Tax, Central Circle 4(3) ITA No. 5856/MUM/2025 Income Tax Appellate Tribunal, Mumbai Click to view	The assessee, engaged in providing shipping agency, support and crewing services, challenged the order of the Commissioner of Income Tax (Appeals), NFAC, confirming disallowances under Sections 40(a)(ia) and 37(1) of the Income-tax Act, 1961. The dispute concerned disallowance of reimbursement paid to the Container Shipping Line Association (CSLA) for alleged non-deduction of tax at source, disallowance relating to professional fees paid to an individual, and disallowance of year-end provisions treated as contingent liabilities by the Assessing Officer.	The Tribunal held that reimbursement of legal and professional expenses paid to CSLA represented the assessee's proportionate share of actual expenditure incurred by the association without any income element, and since CSLA had already deducted tax while making payment to the legal professionals, no tax was deductible by the assessee on such reimbursement. Consequently, the disallowance under Section 40(a)(ia) relating to CSLA was deleted. Regarding the payment to the professional, the Tribunal held that as the assessee had itself deducted tax at source, deduction would be allowable in the year in which the statutory conditions under Section 40(a)(ia) were satisfied, and therefore restored relief only for statistical purposes. As regards the year-end provisions, the Tribunal admitted the additional evidence produced for the first time before it and remanded the matter to the Assessing Officer for fresh verification of whether

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		each provision represented an ascertained business liability allowable under Section 37(1), after granting the assessee adequate opportunity of hearing. Accordingly, the appeal was partly allowed for statistical purposes.
Pr. Commissioner of Income Tax-2 v. The Tata Power Company Ltd. Income Tax Appeal No. 21 of 2020 Bombay High Court Click to view	The Revenue challenged the order of the Income Tax Appellate Tribunal relating to Assessment Year 2003-04 on three issues: whether income earned during trial runs of the assessee's broadband project and income from sale of scrap generated before installation were taxable as revenue receipts, and whether deduction under Section 80-IA should be computed only after setting off brought forward unabsorbed depreciation of the eligible undertaking. The Tribunal had decided all issues in favour of the assessee, leading to the present appeal under Section 260A of the Income-tax Act, 1961.	The High Court held that income earned from trial runs of the broadband project and sale of scrap prior to commencement of business was inextricably connected with the setting up of the capital asset and therefore constituted capital receipts, relying upon the principle laid down by the Supreme Court in CIT v. Bokaro Steel Ltd. Such receipts reduced the cost of construction and were not taxable as revenue income. On the issue of deduction under Section 80-IA, the Court held that the assessee was entitled to choose the initial assessment year for claiming deduction in terms of Section 80-IA(2), as clarified by CBDT Circular No. 1/2016 and supported by judicial precedents. Consequently, the Tribunal had correctly allowed the deduction without first setting off the brought forward unabsorbed depreciation relating to the eligible undertaking. Finding no substantial question of law arising from the Tribunal's order, the High Court dismissed the Revenue's appeal without any order as to costs.
Smt. Asha Dubey v. Union of India through Secretary, Ministry of Finance, Department of Revenue, New Delhi & 2 Others Writ Tax No. 571 of 2026 Allahabad High Court Click to view	The petitioner challenged a notice issued under Section 148 of the Income-tax Act, 1961, along with subsequent notices under Section 142(1), the order rejecting her preliminary objections, the reassessment order under Section 147 and the consequential demand under Section 156 for Assessment Year 2021-22. The challenge was founded on the fact that all reassessment proceedings were initiated in the name of her deceased husband, who had died before issuance of the notice under	The Division Bench held that a notice issued under Section 148 against a deceased person is void ab initio and constitutes a jurisdictional defect incapable of being cured under Sections 159, 292B or 292BB of the Income-tax Act. It ruled that reassessment proceedings can be continued against legal representatives only where valid proceedings had commenced during the lifetime of the assessee or are initiated directly against the legal representative within the prescribed limitation. The Court further held that equitable considerations have no role in

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	Section 148. The Revenue defended the proceedings by relying upon Sections 159, 292B and 150 of the Act, contending that the defect was curable and that the legal representative had participated in the proceedings.	interpreting taxing statutes and that quashing such a void notice does not constitute a "finding" or "direction" enabling issuance of a fresh notice under Section 150(1), particularly where Section 150(2) bars revival of time-barred proceedings. Consequently, the reassessment proceedings and all consequential orders were quashed, and the writ petition was allowed.

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