Daily Tax Law Briefing
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Goods & Services Tax (GST) *(3 judgments)*

TITLE	BRIEF FACTS	RATIO
IBM India Pvt. Ltd. v. Union of India & Ors. **Writ Petition (L) No. 38052 of 2025** **Bombay High Court** Click to view	IBM India Pvt. Ltd. challenged the order dated 26 August 2025 rejecting refund of ₹3,14,58,422 paid as pre-deposit. The original tax demand of ₹48,96,54,949 was partly reduced in appeal on 17 March 2025 by dropping ₹31,45,84,219 and confirming ₹17,50,70,729. Refund was denied because IBM intended to challenge the surviving demand before the GST Appellate Tribunal.	The Court held that proceedings had attained finality concerning the ₹31,45,84,219 demand dropped in appeal, particularly as the Department had not challenged that relief. A pre-deposit is in the nature of security and must be proportionately refunded where the assessee succeeds partly. Continued retention of ₹3,14,58,422 was unauthorized and offended Article 265, while the appellate order was binding under Section 107(16). The impugned order was quashed and refund directed within six weeks; interest was not pressed. Petition Allowed. Order Set Aside.
M/s Modern Engineers and Contractors v. The Deputy Assistant Commissioner ST & Ors. **Writ Petition No. 19677 of 2026** **Andhra Pradesh High Court** Click to view	The petitioner challenged the summary assessment order in Form GST DRC-07 dated 29.11.2023, contending that it lacked the Assessing Officer's signature and Document Identification Number (DIN), as well as the consequential demand notice dated 02.05.2026 under Section 79 of the CGST/APGST Act. The proceedings involved levy of tax, interest and late fee aggregating ₹1,13,154. The respondents objected that the writ petition had been filed after considerable delay.	The Court held that absence of the Assessing Officer's signature constitutes an inherent defect rendering the assessment order invalid. Considering the practical difficulties faced by registered persons and the delayed challenge, the Court set aside the impugned assessment order subject to the petitioner depositing 30% of the disputed tax within six weeks. The assessment was remanded to the Assessing Officer for fresh orders after providing due opportunity of hearing; payments already made after the impugned order were to be adjusted towards the 30% deposit. Matter Remanded.
M/s. Star Blue Metal v. The Appellate Deputy	M/s. Star Blue Metal challenged two appellate orders rejecting its GST appeals on the ground of	The Court held that Section 107(1) prescribes three months from communication of the decision or order

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Commissioner, (GST - Appeals) State Taxes **W.P. Nos. 31621 and 31623 of 2026** **Madras High Court** Click to view	delay. The petitioner pointed to an alleged contradiction between original orders dated 31.12.2025 and 20.12.2025 concerning supplies of ₹9,12,200, and contended that limitation under Section 107(1) should run from communication of the rectification order rather than the original order. The appeals had been lodged beyond the condonable period.	appealed against. It reiterated that SPK and Co. did not qualify as good law and that principles underlying Section 14 of the Limitation Act apply only upon satisfaction of its requirements. Since the rectification applications merely reiterated replies to the show cause notices and the appeals were beyond the condonable period, no infirmity existed in their rejection. Liberty was reserved to challenge the original orders in accordance with law. Writ Petitions Disposed Of; Interference Declined.

Income Tax *(3 judgments)*

TITLE	BRIEF FACTS	RATIO
Hans Foundation v. Commissioner of Income Tax (Exemption), Delhi **I.T.A. Nos. 3752 & 3753/Del/2026** **Income Tax Appellate Tribunal, Delhi** Click to view	Hans Foundation applied in Form 10AB for registration under Sections 12AB and 80G. The CIT(E) rejected the applications on the ground that the assessee was running an unaffiliated community/play school which did not constitute formal and systematic education falling within "charitable purpose" under Section 2(15). The assessee contended that it operated a preparatory school for children below regular schooling age and that affiliation was unnecessary for such activity.	The Tribunal held that running a play school or imparting primary education does not require affiliation with a competent authority and that pre-schooling falls within the meaning of "education" under Section 2(15). It directed the CIT(E) to reconsider the material on record, observing that registration under Section 12AB should be granted under the category of charitable activity of imparting education. The Section 80G issue was likewise remitted to the CIT(E) for verification and grant of registration in accordance with law. Both Appeals Allowed; Matters Remitted to CIT(E).
Sh Sudershan Kumar Garg v. The ITO, Ward, Sangrur & Others **ITA Nos. 217/Chd/2023, 199/Chd/2023, 441/Chd/2023, 612/Chd/2022, 36 & 37/Chd/2022 and 397/Chd/2025** **Income Tax Appellate Tribunal, Chandigarh**	Seven assessees challenged separate CIT(A), NFAC orders concerning taxability of interest received on enhanced compensation for compulsory acquisition of land. In the lead case of Pala Ram, interest of ₹1,16,81,419 on enhanced compensation was taxed by CPC under Section 56(2)(viii) read with Section 145B(1), increasing total income to ₹1,25,96,860 against	The Tribunal held that the binding jurisdictional High Court decision in *Manjit Singh Narang* required interest on enhanced compensation to be taxed under Section 56(2)(viii) read with Section 145B, and Section 154 could not be used contrary to that precedent. However, Section 57(iv) mandates a 50% deduction from such interest; therefore, only 50% could ultimately be taxed. The Assessing Officer was directed to allow this statutory deduction wherever not

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Click to view	returned income of ₹9,15,440. The CIT(A) upheld the taxation, leading to appeals before the Tribunal.	already granted. Subject to this limited modification, all seven appeals were dismissed.
The Principal Commissioner of Income Tax Vadodara-2 v. M/s Sun Pharma Sikkim **R/Tax Appeal Nos. 183 and 184 of 2020** **Gujarat High Court** Click to view	The Revenue challenged the ITAT's common order concerning Assessment Years 2010-11 and 2011-12. The assessee, a partnership firm manufacturing pharmaceutical drugs, claimed deduction under Section 80IE. The Assessing Officer denied the deduction alleging splitting up/reconstruction of an existing business and use of old machinery beyond the permissible limit, and alternatively reduced eligible profits by allocating various expenses. CIT(A) granted relief and the Tribunal substantially upheld it.	The Court upheld the concurrent findings that the assessee was not formed by splitting up or reconstruction and that the Revenue failed to establish use of old machinery exceeding the prescribed 20% limit. The Assessing Officer's presumptions, without inquiry from original suppliers, could not displace the factual findings. It further found no ground to interfere with deletion of adjustments relating to selling/distribution, R&D, royalty, management fees, excise incentive and working-partner remuneration under Sections 80IE(6) read with 80IA(10). Both Revenue Appeals Dismissed.

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