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Goods & Services Tax (GST) (2 judgments)

TITLE	BRIEF FACTS	RATIO
M/s. Cart Infralog Ltd. & Anr. Vs. The Additional Commissioner, HQ Anti-Evasion Unit, CGST & CX, Kolkata South Commissionerate & Ors. WPA 16556 of 2025 with IA No. CAN 1 of 2025 Calcutta High Court Click to view	The petitioners challenged the Show Cause Notice dated 11.06.2025 issued under Section 74 of the CGST Act for FY 2018-19, 2019-20 and 2023-24, alleging ineligible ITC of Rs. 88,57,040 and excess ITC of Rs. 1,48,84,011. During pendency of the writ petition, an Order-in-Original dated 09.12.2025 was passed despite their detailed reply dated 10.11.2025. The petitioners contended that recovery should first be pursued against defaulting suppliers and that their supporting documents were not properly considered.	The Court held that mere non-reflection of invoices in GSTR-2A cannot automatically justify denial of ITC to a bona fide purchaser, particularly where receipt of supplies and possession of tax invoices were not disputed and no collusion was alleged. The Department must first proceed against the defaulting supplier. It further held that Section 74 cannot be mechanically invoked by merely alleging fraud, wilful misstatement or suppression to overcome limitation under Section 73. The Order-in-Original dated 09.12.2025 and consequential recovery notice dated 12.06.2026 were set aside and fresh adjudication directed, subject to deposit of Rs. 10,00,000 under protest within four weeks. Matter Remanded; Writ Petition Allowed and Disposed Of.
Shrawan Singh Devda, Proprietor of Ashapura Construction v. The Union of India & Ors. D.B. Civil Writ Petition No. 15910/2026 Rajasthan High Court Click to view	The petitioner, proprietor of Ashapura Construction, challenged cancellation of his GST registration by order dated 03.08.2023 with effect from 31.03.2023 for failure to furnish GST returns for six consecutive months. He had not replied to the show-cause notice dated 09.05.2023. His subsequent appeal under Section 107 of the RGST Act was filed beyond both the prescribed and condonable periods and was dismissed as time-barred on 10.06.2026. He sought restoration of registration and adjudication on merits.	The Court held that the Appellate Authority cannot condone delay beyond the maximum period prescribed under Section 107 and that writ jurisdiction cannot routinely be invoked to circumvent the statutory limitation scheme. Interference after expiry of limitation is permissible only in exceptional circumstances, such as complete violation of natural justice or inherent lack of jurisdiction, neither of which was established. Cancellation effective from a date within the period of default was not retrospective in the strict sense, and no separate notice for such effect was required. Decisions following Molana Construction Company contrary

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		to earlier binding precedent were held per incuriam. Writ Petition Dismissed.

Income Tax (3 judgments)

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Hero Fincorp Limited v. DCIT, Circle 10 (1), Delhi ITA No. 3094/DEL/2025 Income Tax Appellate Tribunal, Delhi Click to view	Hero Fincorp Limited challenged additions arising from assessment proceedings. It had earned exempt dividend income of ₹1,16,450 and made a suo motu disallowance of ₹910 under Section 14A, whereas the Assessing Officer computed ₹56,97,807, subsequently restricted by the CIT(A) to ₹1,16,450. The Assessing Officer also rejected the DCF valuation adopted for share warrants converted into equity shares and, applying NAV, added ₹168,30,67,669.50 under Section 56(2)(viib), which the CIT(A) upheld.	The Tribunal held that, in the absence of satisfaction regarding the incorrectness of the assessee's suo motu disallowance, the Assessing Officer could not invoke Rule 8D; accordingly, the ₹1,16,450 disallowance was deleted. On valuation, it held that DCF valuation cannot be rejected merely by comparing projections with subsequent actual results, particularly when the projections were supported by past growth and later actual performance. The authorities were therefore unjustified in substituting NAV and making the addition of ₹168,30,67,669.50 under Section 56(2)(viib). Both additions were deleted. Appeal Allowed.
Kandhasamy Amaravathy (Late) Represented by Legal Heir R. Ravindran v. The Income Tax Officer, Ward-1, Trichy & Anr. W.P.(MD) No. 20203 of 2026 and W.M.P.(MD) Nos. 14959 and 14960 of 2026 Madras High Court Click to view	The writ petition was filed by the legal representative of deceased assessee Kandhasamy Amaravathy, who died on 24.12.2022. A notice under Section 133(6) was subsequently issued in the deceased's name on 09.05.2025. The petitioner replied on 20.06.2025 informing the Department of the death. Despite such intimation, a notice dated 30.03.2026 under Section 135A read with Section 148 for AY 2022-23 was again issued in the deceased assessee's name and was challenged.	The Court held that Section 159 governs proceedings concerning a deceased assessee and deems the legal representative to be an assessee for purposes of the Act. Since the impugned notice was issued in the name of the deceased assessee despite the Department having been informed of his death, the matter was remitted to the Income Tax Officer to issue a fresh notice in the name of the legal representative(s). The specified period was directed to be excluded while computing limitation under Section 149, and the legal representative was directed to participate in fresh proceedings. Matter Remanded; Writ Petition Disposed Of.
Loonchand Dhanraj HUF Versus Assistant Commissioner of Income Tax Circle 5(3)	The petitioner challenged the notice dated 29.03.2019 under Section 148 and the order dated 04.10.2019 rejecting objections to reopening for AY 2012-13. In the	The Court held that the proposed reopening concerned the very same share transactions that had been specifically examined during the original scrutiny assessment. After considering

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R/Special Civil Application No. 18101 of 2019 Gujarat High Court Click to view	original scrutiny under Section 143(3), the Assessing Officer had specifically examined transactions in shares of Prissm Remedies Pvt. Ltd., including their purchase and sale at substantially different prices, and obtained detailed replies, valuation workings and supporting documents before passing the assessment order dated 09.03.2015.	detailed documentary evidence and explanations, the assessment had been completed under Section 143(3). Reopening on the same issue amounted to a mere change of opinion and was impermissible unless the Revenue possessed fresh tangible material demonstrating escapement of income and suppression of material facts. Accordingly, the notice dated 29.03.2019 and order dated 04.10.2019 were quashed and set aside. Petition Allowed.

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