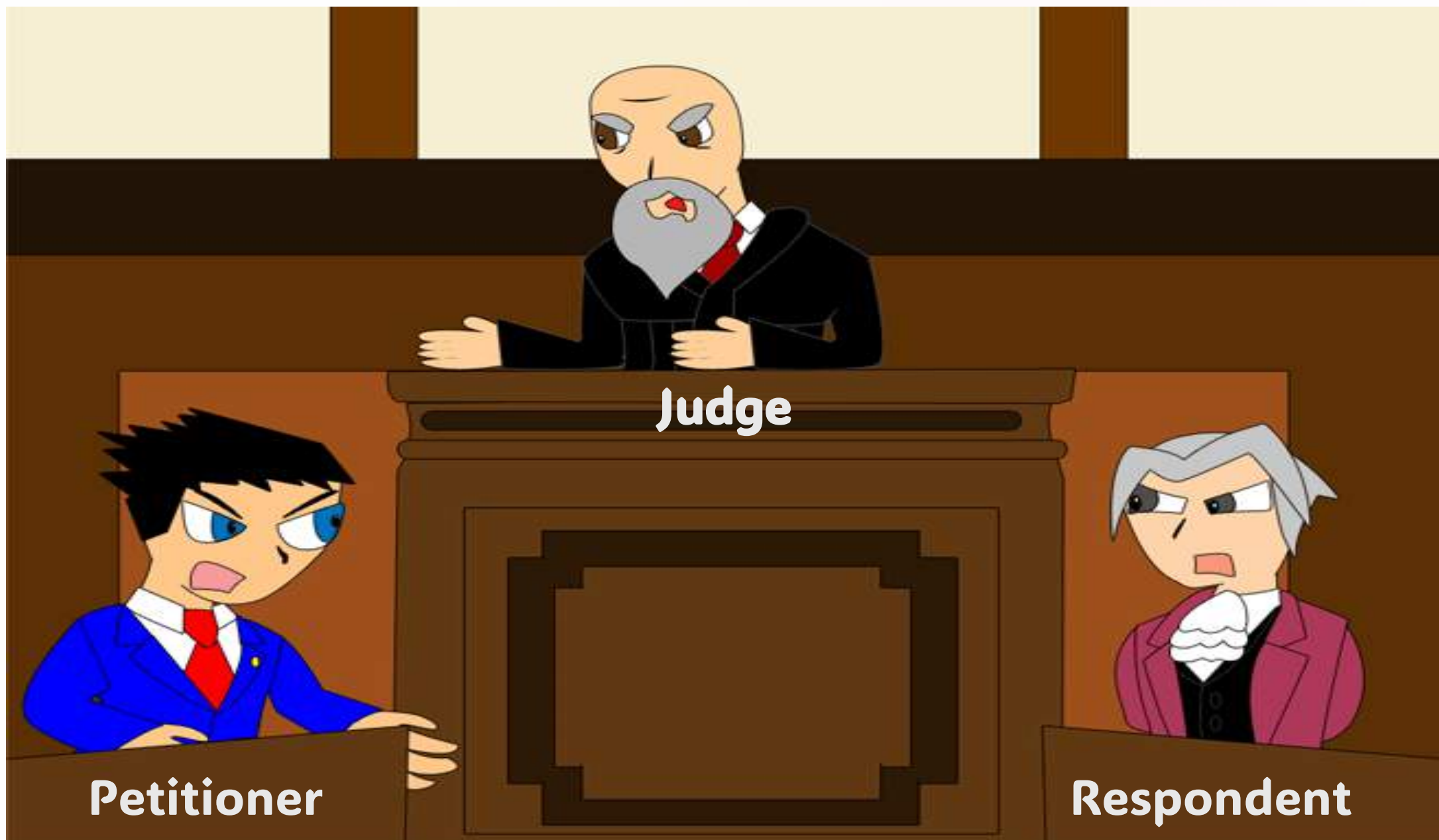


Important Landmark Judgements



-By CA Umesh Sharma

Date: 25.04.2025



Judge

Petitioner

Respondent

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IMPORTANT SUPREME COURT JUDGEMENTS

1] Topic: Royalty is not a tax, but states can levy tax on royalty

Supreme Court Judgement

Parties Involved

Mineral Area Development Authority v/s. Steel Authority of India

Date: 25/07/2024 and 14/08/2024

I. Analysis of First Judgments dated 25/07/2024

The court clarified that **royalty is a contractual consideration** paid by the lessee (mining operators) to the lessor (Central Government) for enjoyment of mineral rights.

It arises out of a contractual obligation in the mining lease. Therefore **royalty is not a tax** but a contractual payment for mineral extraction.

Earlier confusion caused by ***India Cement Ltd. v. State of Tamil Nadu (1990)***, which held royalty as a tax, was overruled.

1] Topic: Royalty is not a tax, but states can levy tax on royalty

Supreme Court Judgement

Parties Involved

Mineral Area Development Authority v/s. Steel Authority of India

Date: 25/07/2024 and 14/08/2024

II. Analysis of Second Judgment dated 14/08/2024

The second judgment **clearly allows States to tax royalty.**

However, tax **cannot be levied on transactions before 1st April 2005.**

The **second judgment explicitly waived** interest and penalties for tax demands **raised before 25th July 2024.**

Also, Payments for past dues will be staggered over **12 years** (starting from 2026) to ease the financial impact



2] Topic

Input Tax Credit (ITC) on the construction of immovable properties like shopping malls used for leasing.

Supreme Court Judgement

Parties Involved

Safari Retreats Pvt. Ltd.

vs.

Union of India

Date

03/10/2024

A fight between “and” & “or”

Plant and Machinery V/s Plant or Machinery

The question is whether the explanation that lays down the meaning of the expression “plant and machinery” in Section 17 will apply to the expression “plant or machinery” used in Section 17 (5)(d)?

- The respondent **argued** that the use of "**plant or machinery**" in Section 17(5)(d) of the CGST Act **was a legislative mistake**, and it should be read as "**plant and machinery**."
- However, it was **countered** that the legislature intentionally used "**plant or machinery**" in clause (d) while "**plant and machinery**" was used in other sections.
- This distinction was made consciously, as seen from the Model GST Law in 2016, and no corrections were made by the legislature over the years.



Court Findings



Therefore, the **court rejected the argument to read "or" as "and,"** as doing so would negate the legislative intent.



Also, the definition of **Plant and Machinery** is given under the CGST act. However, the definition of **Plant or Machinery** is not given.



Now whether to qualify the building as plant, it will be based on the functionality test.



The expression “plant or machinery” has a different connotation. It can be either a plant or machinery.



Supreme Court Judgement - Key Points

1

Criteria for "Plant"

The court established that **if a structure is essential** to the business operations, **it could be considered a "plant"** and potentially qualify for input tax credit.

This suggests that malls constructed for renting purposes may satisfy the **functionality test** and be eligible for ITC.

2

Remand to High Court

The Supreme Court did not make a final decision on the ITC issue, instead **remanding the case back to the Orissa High Court.**

Note: This word **Plant or Machinery** proposed to be amended to **Plant and Machinery** with retrospective effect.
[Amendment proposed by Finance Act, 2025 dated 29.03.2025.]

INPUT TAX CREDIT

3] Topic: Authority should conduct Enquiry on suppliers in case of non-payment of GST

Calcutta High Court Judgement

Suncraft Energy Private Limited and AnotherAppellant

V/s

The Assistant Commissioner, State Tax.....Respondent date: 02.08.2023

☐ Facts and Judgement:-

The appellant had challenged the order of the Respondent whereby the respondent ordered to reversed the ITC availed by the appellant.



*The **Appellant submitted** that they have fulfilled all the conditions as stipulated under Sub-section (2) of Section 16 and they also paid the tax to the the supplier and a **valid tax invoice** has been issued by the supplier.*



*The court observed that the authority has not conducted any enquiry on the supplier more particularly when clarification has been issued where furnishing of outward details in **Form GSTR 1** by a corresponding supplier and the facility to view the same in **Form GSTR 2A** by the recipient is in the nature of tax payer facilitation.*



Therefore, the court order that the authority ought to have taken action against the selling dealer. The demand raised on the appellant is not sustainable.

Similar cases:

Laxmi traders V/s AC of State Tax (CALCUTTA HIGH COURT) date: 22.11.2023

DY Beathel Enterprises V/s the STO (MADRAS HIGH COURT) date: 24.02.2021

NOTE:-

The **Special Leave Petition (SLP)** filed by the department in **SUPEREME COURT** against the Calcutta High Court's judgment.

The court found that the **demand involved was small**, and considering the circumstances, they decided not to interfere with the judgment.

Hence, the Special Leave Petition was dismissed.



4] Topic: ITC disallowed due to delay in filing GSTR-3B after 16(4) time limit

Madras High Court Judgement

Kavin HP GAS Gramin Vitrak V/s Commissioner of Commercial Taxes

Date: 24.11.2023



Facts and judgements:

Petitioner filed **GSTR-3B belatedly**, after the due date prescribed under **section 16(4)** due to financial crunch and availed the input tax credit.

So, the **proceedings for recovery of input tax credit claimed belatedly** is to initiated against the petitioner.

- Also, **GSTR-2 Form is not available**, then electronic filing is not possible, then taxable person cannot be expected to file the Form electronically.
- In order to show his bonafide, petitioner has filed physical return. Moreover, **all tax liability is paid and there is no loss of revenue to the department**. The petitioner has also claimed due to **financial crisis** he was unable to file GSTR 3B Return electronically.
- **Incomplete filing** of GST return is not the option provided in the GST Portal
- Held that: The respondents shall **permit the petitioner to file manual returns**. Further the respondents are directed to accept the belated returns and if are in accordance with law, the claim of ITC may be allowed.

5] Topic: Petitioner Filed GSTR-3B Nil, still eligible to claim ITC

Madras High Court Judgement

Sri Shanmuga Hardwares Electricals V/s The State Tax Officer

Date : 20/02/2024



Facts and Judgements:

Respondent Argument

The tax authorities had rejected the ITC claim just because their GSTR-3B returns didn't show these credits.

Petitioner Contention

A company challenged the tax assessment orders for the years 2017-2020. They **mistakenly filed nil returns** during these years. However, they believed they were **eligible to claim Input Tax Credit (ITC)**.

They pointed to their **GSTR-2A returns** and **GSTR-9 returns**, which both showed these ITC claims.

Court Decision

The court found that the tax authorities should not have rejected the claim without looking at all relevant documents.

*As a result, the **High Court** instructed that the company should provide all necessary document, and the tax officer should reassess the situation fairly and issue decision.*

6] Topic: Sales Credit Note were reported as ITC

Madras High Court Judgement



Oasys Cybernetics Private Limited Vs State tax Officer
(Date: 12/04/2024),



Facts and Judgements:

The petitioner stated that the **credit notes were reported as Input Tax Credit** and that there was **no revenue impact as a consequence**.

He further submitted that the relevant credit notes were enclosed to the authorities.

The court observed that the **explanation of the petitioner was not examined i.e. whether the amount reflected as ITC tallies with the value of credit notes** issued by the petitioner.

*The Hon'ble High Court set aside the impugned order and **remanded the matter for reconsideration**. The respondent is directed to provide a reasonable opportunity and thereafter issue a fresh order.*

7] Topic: ITC Misclassified as CGST & SGST instead of
IGST.

Kerala High Court Judgement

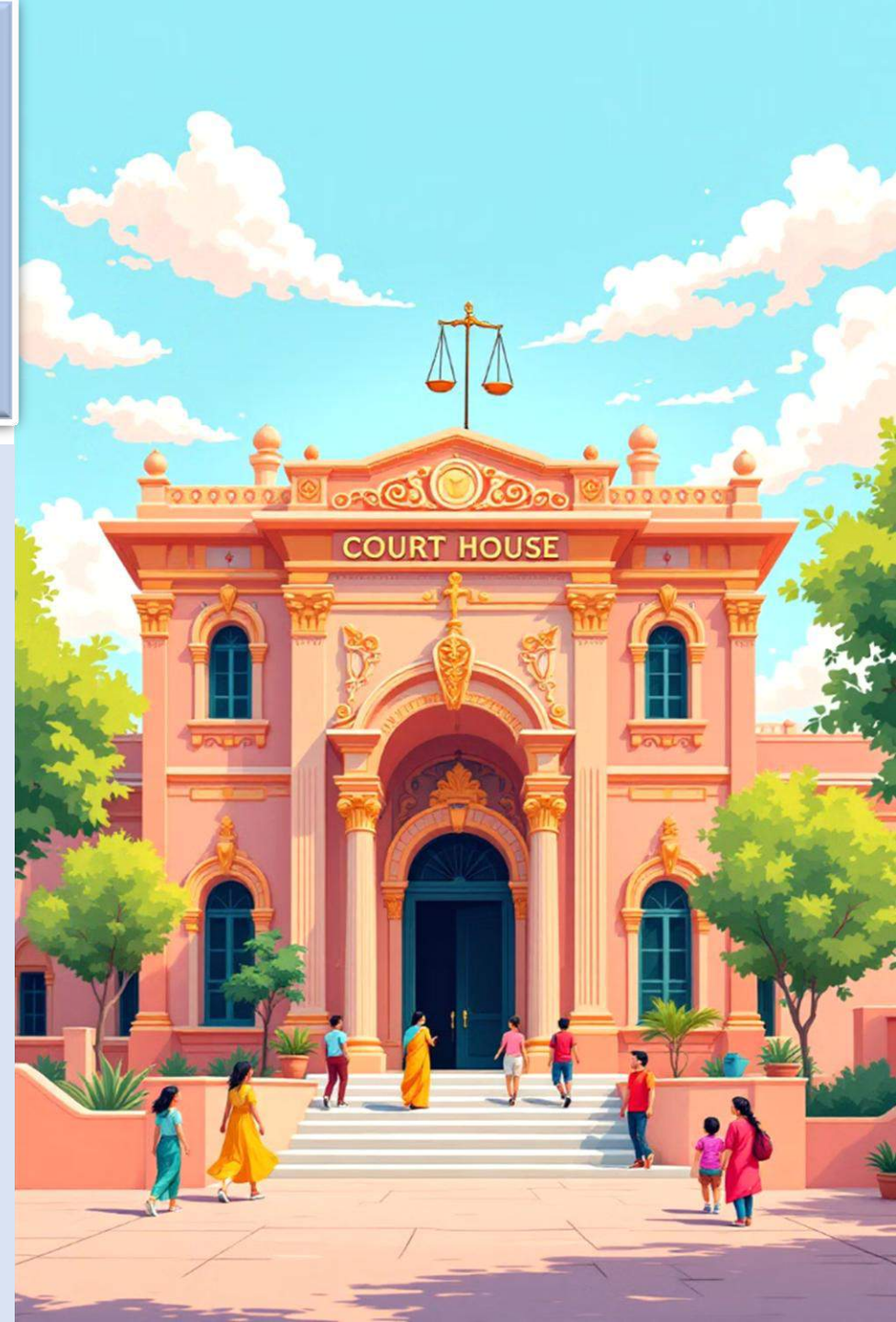
Parties Involved:

Rejimon Padickapparambil Alex

V/s

Union of India

Date: 26/11/2024



Respondent's Contentions

1

Mismatch Between GSTR-2A and GSTR-3B

Discrepancy between the returns indicated excess utilization of ITC under CGST/SGST instead of IGST.

2

Violation of ITC Utilization Rules

Section 49 of the CGST Act mandates proper reporting of ITC. So, the incorrect classification leads to the statutory order of incorrect and excess utilization.



Petitioner's Contentions

1. No Revenue Loss

Tax was **paid correctly but misclassified** under CGST and SGST instead of IGST. No excess credit utilization.

2. Technical & Procedural Error

Error was merely **procedural**, as the IGST component was split into CGST and SGST due to the absence of outward IGST liability.

3. Reference to CBIC Circular 192/04/2023

ITC available in electronic credit ledger is treated as a **single pool** and should **not lead to interest** or penalty if total balance is sufficient.



Court's Findings

1

Procedural Neutrality & No Revenue Loss

Error was **purely procedural**. The total ITC balance was sufficient to cover tax liabilities.

2

Reliance on CBIC Circular No. 192/04/2023

ITC across CGST, SGST, and IGST should be treated as a single pool, making such misclassifications revenue-neutral.

3

Judgment

Demand raised under Section 73 was **quashed**.

8] Topic

Challenge to ITC denial under CGST Act,
Sections 16(2)(aa): ITC eligibility based on GSTR-2B reflection.
&
Section 16(2)(c): ITC denial if supplier doesn't deposit tax.

Gauhati High Court Judgement

Parties Involved

Mcleod Russel India Limited V/s Union of India & Others.

Judgement Date

27/02/2025



Arguments

1 Respondents

They Justified ITC denial under **Section 16(2)(c)**.
Also, Revenue protection requires ensuring **ITC is granted only when tax is actually paid**.

2 Petitioner

ITC should not be denied to the purchasing dealer if the selling dealer fails to deposit tax.
Tax authorities should **recover dues from the defaulting seller**, unless there is collusion.





Court's Observations & Ruling

1

On Section 16(2)(c) Ruling

ITC cannot be denied solely because the supplier failed to pay GST.
Department must **recover tax from the seller** in absence of the collusion.

2

On Section 16(2)(aa) Status

Challenge admitted for **further review** in upcoming hearings.



9] Topic

Input Tax Credit (ITC) Disallowance due to
Invoice Error – GSTN Mismatch

Delhi High Court Judgement

Parties Involved

B. Braun Medical India Pvt. Ltd.
V/s
Union of India & Ors.

Date

12/03/2025



Details of the case



Invoice Error

Supplier mistakenly assigned **Bombay GSTN** and address of the petitioner **instead of Delhi GSTN** on invoices issued .



Key Finding

On verification by court it is found that **no duplicate ITC claims** existed from any other entity.



ITC Rejection

Tax authorities **denied Input Tax Credit** based on technical GSTN mismatch.



Petitioner Profile

Delhi-based pharmaceutical company with **legitimate purchase record.**



Court Judgment

The Delhi High Court **set aside** impugned ITC rejection order, and the petitioner is permitted to **avail ITC after invoice correction.**

₹5.65Cr

ITC Allowed

Full credit amount restored to taxpayer for the respective years, ensuring **substantial justice over technical errors.**



10] Topic:
**Wrong GST deposit by NOIDA in GSTR-1;
showed invoice in B2C instead of B2B due to
which ITC not reflected in GSTR-3B of
petitioner**

ALLAHABAD HIGH COURT

Parties Involved

Surender GuptaAppellant
V/s
Appellate Authority State GST.....Respondent

Date:
28/03/2025

Case Details and Background

Initial Transaction

Petitioner (head of Hindu Undivided Family) paid one-time lease rent of ₹97.18 lakhs with GST of ₹17.49 lakhs to NOIDA for commercial property

Legal Proceedings

Proceedings under Sections 61 and 73 of CGST Act initiated against petitioner as Input tax credit was claimed even after non reflection of same in GSTR-2A and GSTR-3B

Hearing

During court proceedings, NOIDA admitted its error in GST deposit



NOIDA's Error

NOIDA wrongly deposited the GST under incorrect head (B2C), causing it not to reflection of ITC in petitioner's GSTR-3B returns

Penalty Imposed

Authorities imposed additional tax and penalty of ₹19.22 lakhs, ignoring documentary evidence of payment.



Court Decision and Implications

Court's Ruling

The Court held that the petitioner, having fulfilled his tax obligations, should not be penalized for NOIDA's mistake.

Consequently, it quashed the penalty and tax demand.

11] Topic:

Input Tax Credit—Validity of denial when seller was registered at the time of transaction and returns were filed.

ALLAHABAD HIGH COURT

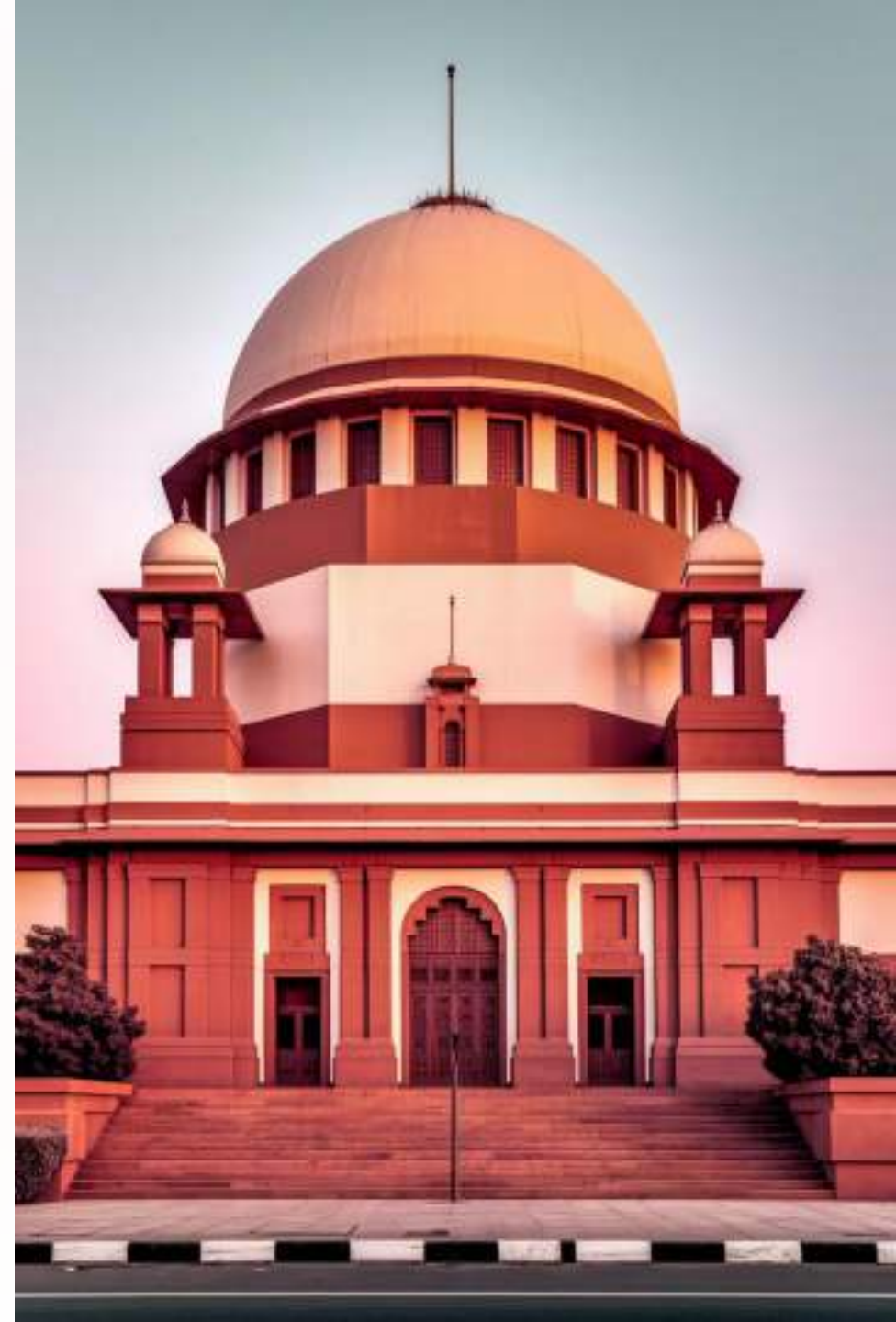
Parties Involved:

Solvi EnterprisesAppellant

V/s

Additional Commissioner.....Respondent

Date: 24/03/2025





Case Background and Transaction Details

1

Transaction Date: 06.12.2018

The petitioner purchased goods from a registered seller who later had their **GST registration cancelled** with effect from **29.01.2020**.

2

Valid Documentation

The transaction was supported by **valid tax invoice** and reflected in **GSTR-2A**.

3

Authority's Action

Authorities passed orders without verifying tax deposit status from GSTR-3B and without considering the seller's registration status at transaction time.

4

Court's Finding

The High Court found this arbitrary and violative

Court's Judgment and Implications

Court's Ruling

The Court held that **when the selling dealer was registered at the time of transaction** and returns were duly filed, **denial of ITC is not justified** solely on the ground of later cancellation.

Final Decision

The impugned orders are quashed and the matter remanded for fresh decision after affording hearing and applying proper verification.



12] Topic:

Blocking of ITC under Rule 86A and scope of authority to create a negative balance.

DELHI HIGH COURT

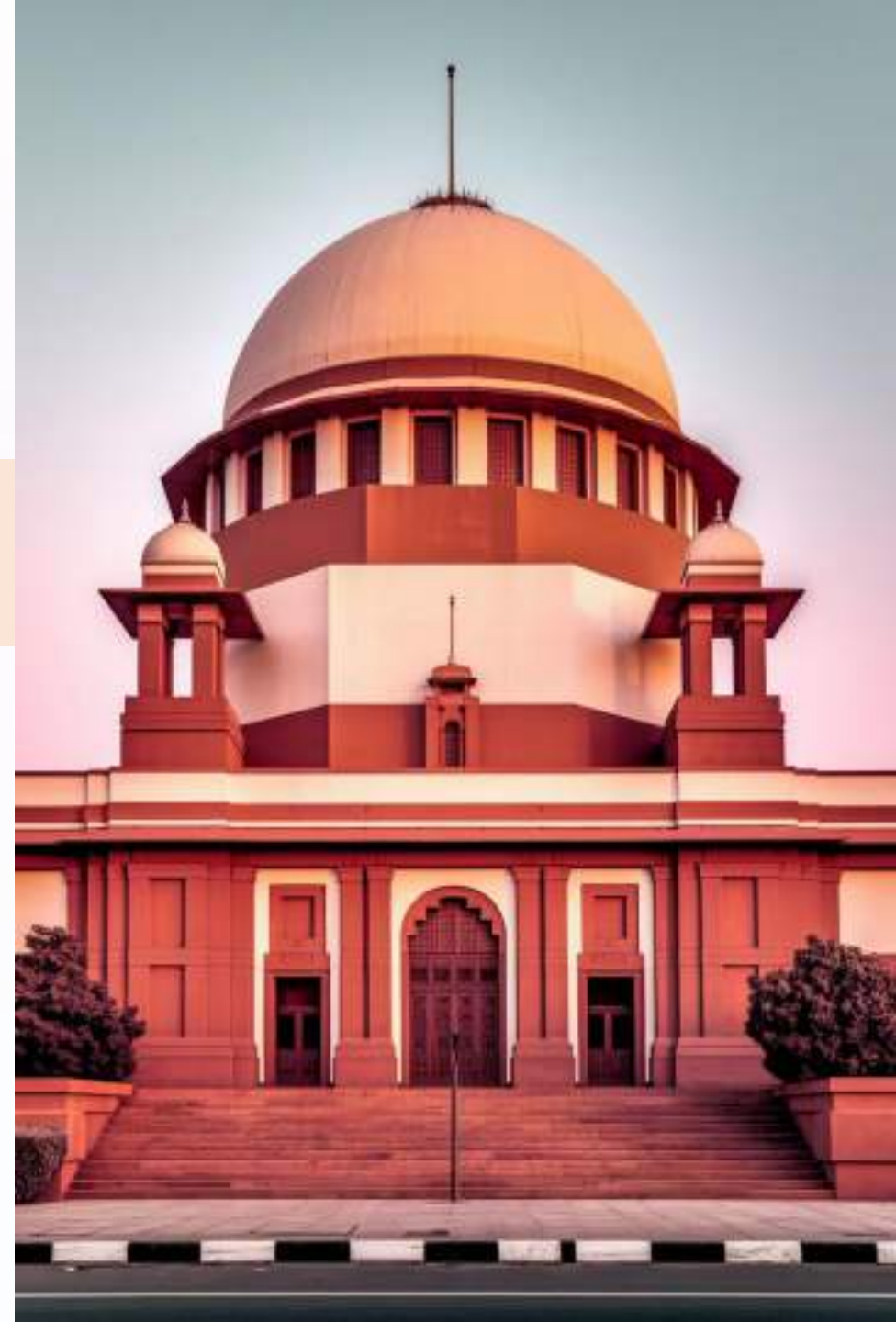
Parties Involved:

Best crop science pvt. ltd.Appellant

V/s

Principal Commissioner, CGST.....Respondent

Date : 24/09/2024



Case Background

The Dispute

The case revolves around whether the Commissioner or officer under Rule 86A can block more ITC than the available credit, effectively creating a negative balance in the taxpayer's Electronic Credit Ledger (ECL).

Revenue's Contention

The Revenue contended that the Commissioner has the power to block an amount equivalent to the ITC deemed fraudulently availed, even if it exceeds the available balance.

Petitioner's Argument

Petitioners argued that the ITC is a vested right and the power to block ITC is limited to the actual available balance in the ECL.



Court's Ruling

Limitation on Blocking ITC

The court ruled that Rule 86A permits the blocking of ITC equivalent only to the available balance in the Electronic Credit Ledger (ECL) at the time of the order.

No Negative Balance

It does not allow the creation of a negative balance or blocking more than what is available.

Protection of Taxpayer Rights

The court emphasized that the ITC is a valuable resource for taxpayers and should be restricted only as per the conditions outlined in Rule 86A, ensuring that the taxpayer's rights are not unduly compromised.

Final Decision

Therefore, the orders creating an artificial negative balance are set aside.





13] Topic: ITC– Receipt of goods – Physical possession – Deemed receipt

Patna High Court

Parties Involved:

Sane Retails Private Limited.....Appellant

V/s

The State of Bihar, Commissioner.....Respondent

Date : 11-04-2025

Respondent

The **respondents** argued that the petitioner was not eligible for ITC because the goods purchased were not physically received by the petitioner, as the goods were delivered directly to the end consumers, which was not in compliance with Section 16(2)(b) condition of the CGST Act



Petitioner

The **petitioner** argued that physical receipt of the goods is not a mandatory requirement for claiming ITC, as the necessary tax had been paid and the goods were delivered according to the dealer's instructions.



Court Decision

The **Court** ruled that **physical possession is not mandatory** where dealer instructs delivery directly to end consumer. It remanded the matter back and instructed as to whether delivery to end customers **was supported by records. If found valid, ITC should be allowed.**

14] Topic: ITC on Demo Vehicle

Punjab and Haryana High Court

Parties Involved:

BMW India Pvt. Ltd....Appellant

V/s

AAAR for state of Haryana.....Respondent

Date: 12.11.2024



The **respondent** argued that **Input Tax Credit (ITC)** should **not be allowed on demo vehicles** that are capitalized in the books of authorized dealers.



The **petitioner** contended that the **demo vehicles are used by the authorized dealers to promote further sale of motor vehicles** of the similar type and therefore, such vehicles appear to be used in the course or furtherance of business and **ITC should be allowed** as per GST provisions and clarifications issued through Circular No. 231/25/2024-GST.



The court ruled in favor of the petitioner, stating that **ITC is permissible on demo vehicles** capitalized by authorized dealers and used for business purposes. If the **depreciation** is claimed on tax component then ITC is not allowed.

LEASEHOLD RIGHTS & DEVELOPMENT RIGHTS

15] Topic: Whether assignment of Leasehold Rights constitutes supply of service?

Gujarat High Court Judgement



Gujarat Chamber of Commerce & Industry & Others vs. Union of India

Date: 03/01/2025

The issue involved: Whether the **assignment of leasehold rights** of the plot of land allotted on lease **by GIDC** to a **third party** on **payment of lumpsum consideration constitutes** a "**supply of service** Or, Whether it qualifies as a **transfer of immovable property**, which is explicitly excluded from GST's purview under **Clause 5 of Schedule III** to the GST Act.

Summary of Judgement

Such transactions do not fall under the provisions of Section 7(1)(a) of the GST Act (scope of supply), Clause 5(b) of Schedule II (classification as supply of services), Therefore, **no GST is applicable** to this transaction. The court agreed with petitioner argument that it is **Absolute Transfer** of Rights for Lumpsum consideration. This assignment results in the **transfer of ownership-like rights**, aligning more with the **sale** of property. Also, **Stamp Duty** is also paid on the transfer of such rights. Further it was also stated that the **legislative intent** was not to levy GST on transfer of immovable property.

Court's Decision:

The court quashed and set aside the impugned orders related to the GST liability on such transactions. No ITC can be utilized as the supply is not leviable to GST

Note: Similar Judgement is passed by, **BOMBAY HIGH COURT** in case of **Pnacea Biotec Limited V/s Union of India** Dated: 21.01.2025



16] Topic:

**GST Liability on Development Agreements
Interpretation of TDR and FSI**

**High Court of Judicature at Bombay,
Nagpur Bench**

**Parties Involved:
M/s Shrinivasa Realcon Private Ltd.
Vs.
Deputy Commissioner Anti-Evasion, CGST
& CE Nagpur**

Date: 08/04/2025

Arguments and Court Decision

The Petitioner's Contention

The petitioner argues that the **agreement** dated 07/01/2022 does not involve the transfer of **development rights** or **FSI**, which are required for GST to be applicable under **clause (5B)** of the notification.

According to the petitioner, the **agreement is simply for developing the land** in exchange for a **monetary consideration and apartments**, and therefore, it does not meet the criteria for levying GST on the transaction.

The Respondent's Argument

The **respondents (CGST authorities)** argue that the agreement should be treated as falling under **clause 5B** of the notification, which applies to the transfer of development rights and FSI. They contend that this provision should allow them to charge GST on the transaction.

Decision of Court: The court reviewed the agreement and the relevant law, concluding that it did not involve the transfer of development rights or FSI. Since the GST notification (clause 5B) only applies to such transfers, the court ruled that the SCN and GST order issued to the petitioner were invalid.



17] Topic:

Whether a revenue sharing arrangement under a development agreement is considered a "supply of services"

Bombay High Court

Parties Involved:

**Nirmal Lifestyle Developers Pvt. Ltd.
Vs.
Union of India and others**

Date: 09/04/2025

Arguments and Court Decision

The Petitioner's Contention

The petitioner argues that the **revenue sharing arrangement** should not be considered as a **supply of services** under GST.

They contend that the **development rights** transferred under this agreement are more akin to the **sale of land**, which is **exempt from GST** according to **Schedule III** of the CGST Act.

The Respondent's Argument

The respondents are defending the imposition of GST on the arrangement, arguing that the **revenue sharing arrangement does indeed constitute a taxable service** under GST.

Decision of Court: The court **granted interim relief**, order issued on **2nd January 2025** will not be **enforced until the case is resolved**. The court referenced a similar **Gujarat HC case** where a **lease assignment** was not taxed under GST and concluded that even if there was a transfer, it would involve immovable property, which is exempt from GST.

MISCELLANEOUS

18] Topic: Request to allow rectification of FORM GSTR-3B

Kerala High Court Judgement



Parties Involved:

Chukkath Krishnan PraveenAppellant

V/s

State of Kerala.....Respondent

Date: 08.12.23

Facts of the case:

The petitioner, a registered dealer under the CGST/SGST Act, filed a writ petition under Article 226 of the Constitution of India.

The **appellant had mistakenly accounted Input Tax Credit of CGST and SGST instead of IGST** in Form GSTR 3B.

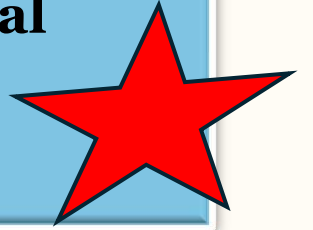
The primary requests included rectification of mistakes in Form GSTR-3B, refund of IGST input tax credit, and reconsideration of assessment orders.

Judgement of the court:

The **Hon'ble High Court state that** present writ petition is disposed of with a direction to the respondent **to permit the petitioner to rectify the mistake in Form GSTR-3B by accounting input tax credit as IGST instead of CGST and SGST credit.**

19] Topic: Stay on Demand due to absence of GST Appellate Tribunal

Calcutta High Court Judgement



Parties Involved

AD Well International Private Limited

V/s

The State of West Bengal & Ors.

Date : 05/02/2025

Facts of the case:

The petitioner challenged an appellate order dated 24th July 2024, which had imposed a GST demand. The primary issue raised was that the GST Appellate Tribunal had not yet been constituted, which left taxpayers without a proper appellate forum. The Court considered the Ministry of Finance's **Circular No. 224/18/2024-GST**, which provides relief from recovery of dues until the Tribunal is constituted. So, the petitioner was granted an interim stay with a **condition to deposit 10%** of the disputed tax.

Held by Court: The High Court granted an unconditional two-week stay on the GST demand. If the petitioner **deposits 10% of the balance disputed tax, the stay will continue** until the writ petition is disposed of or further orders are passed.



20] Topic:
**Validity of GST assessment orders lacking DIN
and assessing officer's signature**

ANDHRA PRADESH HIGH COURT

Parties Involved

Yantra Epcom Solutions Pvt. Ltd. Appellant
V/s
The Chief Commissioner of State TaxesRespondent

Date: 19.03.2025

Details of the Case

- The petitioner challenged GST assessment orders and recovery proceedings for two tax periods, citing **absence of signature and DIN on the orders**.
- The Court relied on its own Division Bench rulings and the Supreme Court decision in Pradeep Goyal, which mandated **DIN as essential**.

As both requirements are not met, the orders are declared invalid and quashed.





Court's Judgement



Court's Ruling

The Court held that unsigned assessment orders lacking a DIN number are unenforceable.



Orders Invalidated

It set aside the impugned orders and recovery proceedings.



Future Proceedings

The Court granted liberty to initiate fresh assessments after proper notice.



21] Topic:

**Demand order exceeding show-cause notice
amount; violation of statutory provisions**

Allahabad High Court Judgement

**Parties Involved:
SR Construction Appellant
V/s
State of U.P.....Respondent**

Date: 02/04/2025

CASE DETAILS

Petitioner's Challenge

The petitioner challenged a GST demand order where the final demand exceeded the amount mentioned in the original show-cause notice.

The original show cause notice indicates the amount 28,15,200/- whereas the order indicates 59,27,500/- for tax, interest and penalty.

Court's Observation

The Court noted that under Section 75(7), a final order cannot impose a higher demand or be based on grounds not mentioned in the notice.

The petitioner also raised the issue of procedural unfairness as the date for reply and hearing were fixed for the same day.

COURT DECISION



Order Quashed

The High Court quashed the GST demand order



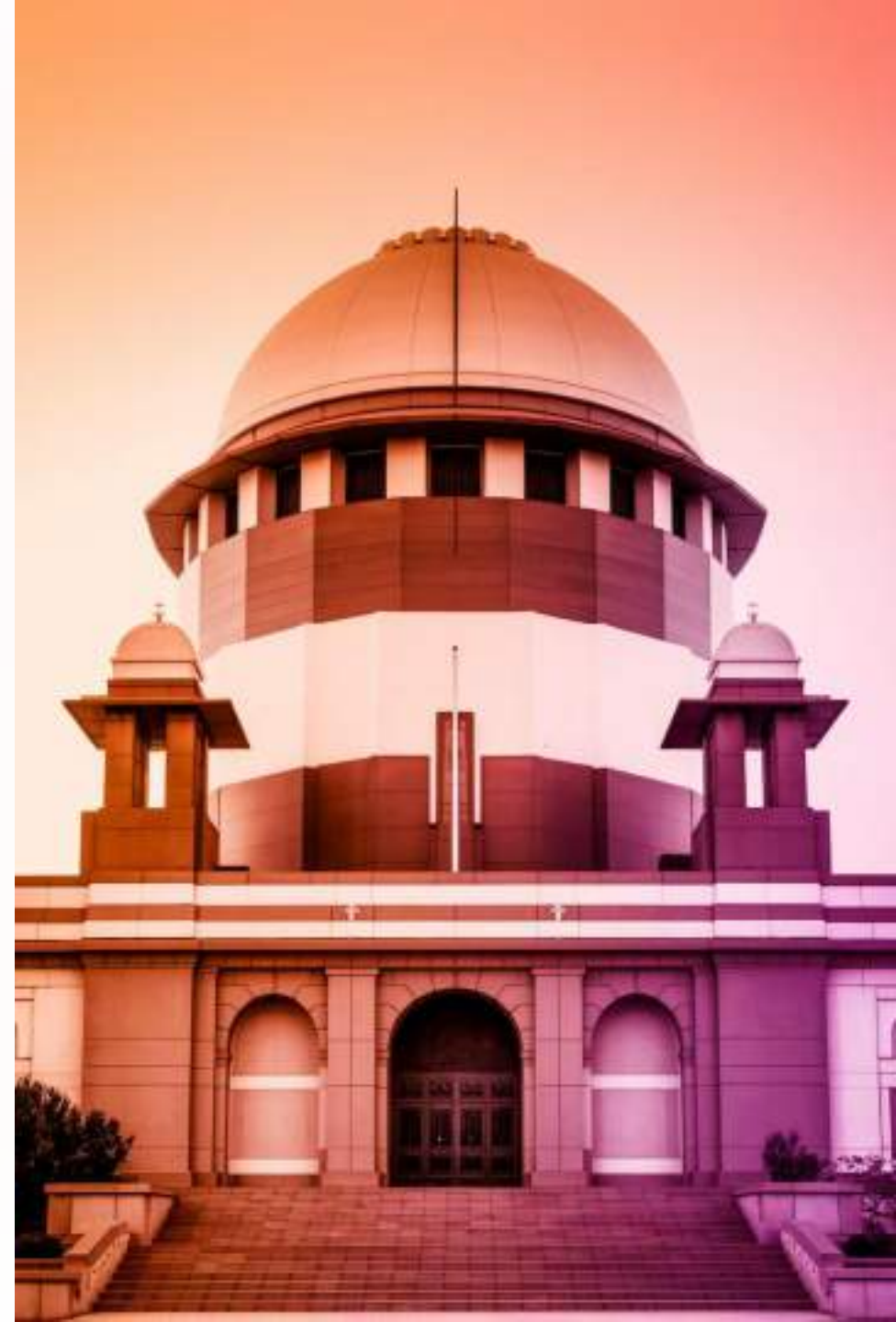
Matter Remanded

Case sent back for fresh adjudication



Due Opportunity

Proper hearing to be provided to petitioner





22] Topic:

**Two Parallel Proceedings, Adjudication by
DGGI.**

DELHI HIGH COURT

Parties Involved

**DLF Home Developers LimitedAppellant
V/s
Sales Tax Officer Delhi & Anr.Respondent**

Date : 04/09/2024

Case Details

Petitioner's Challenge

The petitioner challenged the demand of Rs. 28,79,06,786 under Section 73, which included interest and penalty for the tax period 2017-2018.

Petitioner's Contention

The petitioner contended that a show cause notice was already issued by the DGGI for the same issue covering a broader period from July 2017 to March 2021.



Court's Decision



Court's Agreement

The court agreed that two authorities cannot proceed simultaneously on the same issue



Action Taken

Set aside the demand, directing that the DGGI would handle the adjudication



Final Decision

The court ruled in favour of the petitioner, quashing the demand related to the reversal of ITC on non-business transactions and exempt supplies





23] Topic:

**Multiple Periods cannot be clubbed in Single Show
Cause Notice**

KARNATAKA HIGH COURT

Veremax Technoligie Service Limited

V/s.

The Assistant Commissioner of CGST Bengalure

Date : 04/09/2024

A photograph of a wooden desk with a gavel, a stack of papers, and a 'SHOW CAUSE NOTICE' document. The desk is set in a room with a window in the background. The document in the foreground is titled 'SHOW CAUSE NOTICE' and features three circular stamps. A gavel is positioned on the left side of the desk, and a stack of papers is in the center. A clipboard with a pen is also visible.

Case Details

1

Issuance of Show Cause Notice

The respondent issued a consolidated show cause notice covering multiple tax periods from 2017-18 to 2020-21

2

Petitioner's Challenge

The petitioner challenged the notice, contending that Section 73 of the CGST Act mandates separate notices for each tax period

3

Legal Argument

The petitioner argued that a three-year limitation period is applicable to each assessment year individually



COURT'S DECISION AND IMPLICATIONS

Court's Finding

The court found that the consolidated show cause notice for multiple years contravenes the provisions of the CGST Act and established precedents

Action Taken

The court quashed the impugned notice issued by the respondent

Allowed Remedy

The respondent was allowed to issue separate notices for each tax period in compliance with Section 73 of the CGST Act, 2017

24] Topic: Clerical Mistake in E-way bill not justify Penalty u/s 129

Allahabad High Court

Parties Involved:

Vishnu SinghAppellant

V/s

State of UP and 2 OthersRespondent

Date: 20.02.2025



The Allahabad High Court set aside the penalty and tax imposed under **Section 129(3)** of the GST Act due to a **minor clerical mistake in the e-way bill**.



Petitioner by mistake mentioned the **SAP document number instead of the tax invoice number** in the e-way bill.



The court held that a mere human error, without intent to evade tax, does not justify penalty proceedings. Relying on past judgments, it ruled that the e-way bill's **purpose is to track goods movement, not penalize minor discrepancies**.

25] Topic: Retrospective cancellation of GST registration

Delhi High Court

Parties Involved:

MS New Vision EnterprisesAppellant

V/s

Commissioner Delhi Goods and Service Tax & Ors.

.....Respondent

Date : 10/01/2025

Facts of the case:

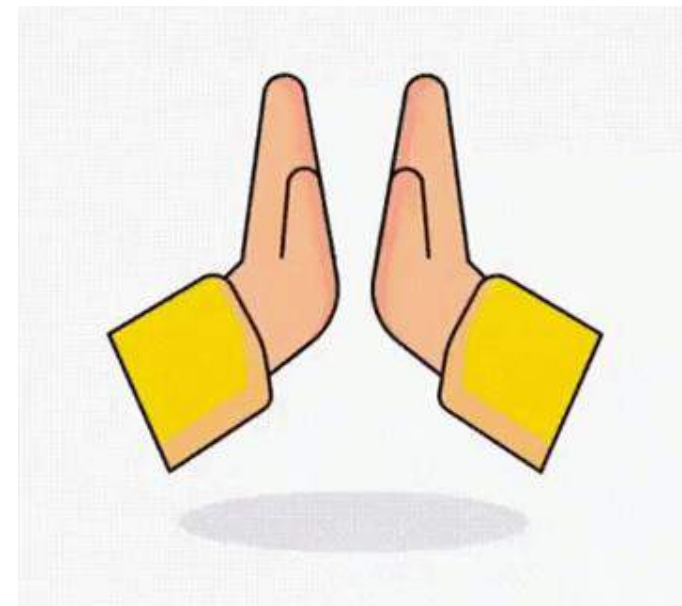
The petitioner's GST **registration was canceled with retrospective effect**, though the SCN provided no indication of such intent.

The High Court emphasized that **retrospective cancellations must be justified through explicit reasoning in the SCN.**

The court also held that **mere non-filing of returns does not automatically warrant retrospective cancellation.**

Judgement of the court:

Since the absence of prior notice violated natural justice, the court modified the order, making the cancellation effective only from the SCN issuance date.



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