

M/s Aparna Collection v. Union of India & Ors.

Later dates on Form GST DRC-01 and DRC-07 do not make a Section 74 SCN or order time-barred when the substantive SCN and Order-in-Original were issued within limitation.

Date of Order: October 5, 2026
Case Law No: GIB-DHC-2026-126
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CASE DESCRIPTION / SUMMARY

Background

Two writ petitions by the same proprietorship arose from Section 74 proceedings alleging inadmissible ITC availed on invoices of allegedly non-existent suppliers (Rs.23,06,264/- in the first matter and Rs.2,68,320/- in the second). The substantive SCNs were dated 11.07.2024 and 09.07.2024, but the DRC-01 summaries were dated 23.08.2024 and 28.08.2024; the Orders-in-Original were dated 27.01.2025 and 29.01.2025, with DRC-07 in the second matter dated 21.02.2025. The petitioner contended that the DRC-01/DRC-07 dates govern limitation, making the SCNs barred under Section 74(2) (cut-off asserted as 04.08.2024) and the order barred under Section 74(10) (cut-off asserted as 04.02.2025). It also argued that no fraud, wilful misstatement, suppression, knowledge or collusion was shown, so Section 74 could not be invoked.

Final Verdict

The Court held that Section 74(2) and 74(10) attach to the issuance of the substantive notice under Section 74(1) and the order under Section 74(9), while Rule 142 treats DRC-01 and DRC-07 only as electronic summaries that follow them. Following *Rishi Enterprises and Suresh Kumar* (Delhi HC), **the dates on Forms DRC-01 and DRC-07 cannot by themselves render the substantive SCN or adjudication order time-barred**; here both SCNs and both orders preceded the cut-off dates asserted by the petitioner, so no patent jurisdictional defect was shown. The pleas on fraud, suppression, knowledge, collusion and admissibility of ITC were held to be matters of fact for the Appellate Authority, and since the petitioner had participated in adjudication and no breach of natural justice was shown, the Court declined to convert writ jurisdiction into appellate jurisdiction (Commercial Steel). The petitions were disposed of with liberty to appeal under Section 107, all merits contentions left open, and any request to exclude the time spent in the writ to be considered by the Appellate Authority in accordance with law.

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