GST PULSE

DAILY CASES - LAW DIGEST

(Period from 04.11.2026 to 17.11.2026)

AT A GLANCE

TOTAL CASES	HIGH COURTS	SUPREME COURT	GSTAT	KEY ISSUES
07	03	01	03	REFUND • CANCELLATION • VALUATION • WORKS CONTRACT

CASE-AT-A-GLANCE

Sl.	COURT	CATEGORY	CASE	ISSUE	SECTION / RULE	OUTCOME / IN FAVOUR OF
1.	HC	Cancellation	Jingso Tayang v. Union of India	Restoration of registration cancelled for non-filing of returns; revocation time lapsed	—	Disposed of; apply for revocation in 2 months – Taxpayer
2.	HC	Refund	AC, CGST v. Volvo Group India	IGST refund on exports denied under omitted Rule 96(10)	54 / R.96(10)	Appeal dismissed – Taxpayer
3.	HC	Valuation	Sterlite Power Transmission v. Union of India	GST on corporate guarantee to related person; deemed value under Rule 28(2)	2, 7, 13, 15, 34, 74, 164, 168 / R.28, 31	Partly allowed; fresh determination – Partly both
4.	SC	Works Contract	Sterling and Wilson v. Union of India	Rate on solar power generating systems under EPC contract; 70:30 split retrospectivity	2, 8, 9, 15, 74, 122	Appeal allowed – Taxpayer

5.	GSTAT	Input Tax Credit	Fatehpur Foundry v. Addl. Commr. (Appeals)	ITC on purchases from non-existent supplier; fabricated GRs; Section 74	16, 74, 107, 112, 113, 160	Appeal dismissed – Revenue
6.	GSTAT	Refund	Commr. CGST, Rajkot v. Reliance Industries	SEZ unit refund of unutilised ITC, including ISD-distributed credit	2, 54; IGST 16 / R.8, 89, 92	Appeals dismissed – Taxpayer
7.	GSTAT	Show Cause Notice	Grace Book Centre v. Commr., State GST	Section 74 demand on survey and notional turnover; no foundational facts; non-speaking order	9, 11, 31, 50, 70, 74, 75, 107, 112, 113, 122, 169 / R.49, 142	Appeal allowed – Taxpayer

DETAILED CASE NOTES

CASE-01 | Jingso Tayang v. Union of India

COURT	CASE NO.	DATE OF DECISION	CORAM
Gauhati High Court (Itanagar Bench)	WP(C) 553 of 2026	16.11.2026	Hon'ble Mr. Justice Budi Habung

SUBJECT CATEGORY / SECTION

CANCELLATION – Registration cancellation and revocation under the CGST Act, 2017 and CGST Rules (no section or rule numbers are cited in the order)

ISSUE INVOLVED

Whether, after the registration was cancelled for non-filing of returns for six continuous months and the period to apply for revocation has expired, the High Court can direct the department to restore the GST registration.

BRIEF FACTS

The petitioner, a pharmaceutical trader, did not file GST returns for 6 continuous months owing to personal and medical difficulties. A show-cause notice dated 17.12.2024 was issued and the Superintendent, CGST & SGST (Respondent No. 3) cancelled the registration (GSTIN

12AONPT8383A2ZQ) by order dated 07.07.2025 with effect from 07.07.2025. The petitioner is ready to file all pending returns and pay tax, interest, penalty and late fee, but cannot apply for revocation as the prescribed time has expired. He relied on Pankaj Mohan Vs. Union of India (WP(C) 7342/2025, co-ordinate Bench), where similar relief was granted.

FINAL DECISION

Writ petition disposed of at the motion stage. Petitioner to apply to Respondent No. 3 for revocation of cancellation within 2 months; the authority to facilitate compliance and restore registration within 30 days of fulfilment of conditions.

DIRECTIONS

(i) Petitioner to approach Respondent No. 3 within 2 months with an appropriate application for revocation of cancellation; (ii) petitioner to file pending returns and pay outstanding tax, interest, penalty and late fee; (iii) Respondent No. 3 to facilitate compliance, including access to the GST portal where required; (iv) on verification, restoration of registration to be completed within 30 days from fulfilment of conditions; (v) restoration does not absolve the petitioner of any statutory liability under the CGST Act, 2017 and Rules.

CASE-02 | AC, CGST v. Volvo Group India

COURT	CASE NO. [Neutral Citation]	DATE OF DECISION	CORAM
High Court of Karnataka (Division Bench), Bengaluru	WA 1527 of 2026 (T-RES) [2026:KHC:62762-DB]	13.11.2026 (uploaded 15.11.2026)	Hon'ble the Chief Justice Vibhu Bakhru and Hon'ble Mrs. Justice K.S. Hemalekha

SUBJECT CATEGORY / SECTION

REFUND – Section 54 CGST Act; Rule 96(10) CGST Rules; Section 4 Karnataka High Court Act, 1961

ISSUE INVOLVED

Whether refund of IGST paid on exports (March 2020), rejected under Rule 96(10) of the CGST Rules, must be granted when Rule 96(10) was omitted on 08.10.2024 during pendency of the writ petition, the Revenue contending that the omission is only prospective.

BRIEF FACTS

The respondent exported finished goods in March 2020 on payment of IGST and claimed refund of Rs. 4,38,95,926. The Assistant Commissioner rejected it by Order-in-Original dated 21.07.2025 under Rule 96 read with Section 54 of the CGST Act. The respondent challenged Rule 96(10) and the order in W.P. No. 32359/2025. Rule 96(10) was deleted by notification dated 08.10.2024 during the proceedings. The Single Judge, following Hikal Limited Vs. Union of India (W.P. 15251/2020 dated 09.12.2025), directed grant of refund on 15.12.2025. The Revenue appealed with a delay of 142 days (condoned).

FINAL DECISION

Delay of 142 days condoned; no ground to interfere with the Single Judge's order; writ appeal dismissed. Pending IA disposed of.

DIRECTIONS

No fresh directions; the Single Judge's order dated 15.12.2025 directing grant of refund stands.

CASE-03 | Sterlite Power Transmission v. Union of India

COURT	CASE NO.	DATE OF DECISION	CORAM
High Court of Delhi (Division Bench)	W.P.(C) 2966/2024 and 15 connected petitions (lead case)	17.11.2026	Hon'ble Mr. Justice Anil Kshetarpal and Hon'ble Mr. Justice Bharat Parashar

SUBJECT CATEGORY / SECTION

VALUATION – Sections 2(33), 2(93)(c), 2(102), 7(1)(c), 7(2)(a), 13(2)(a), 13(2)(b), 13(2)(c), 15, 34, 74, 164, 168 CGST Act; Rules 28(1), 28(2), 31 CGST Rules; Articles 14, 19(1)(g), 246A, 265 of the Constitution of India

ISSUE INVOLVED

Whether a corporate guarantee given by a holding/group company to a bank or financial institution for the borrowings of a related person is a taxable supply of services under Section 7 of the CGST Act, and whether the 1% deemed valuation under Rule 28(2) of the CGST Rules (inserted by Notification No. 52/2023-CT, amended by Notification No. 12/2024-CT) and Circulars No. 204/16/2023-GST and 225/19/2024-GST are valid.

BRIEF FACTS

A batch of 16 writ petitions by companies that furnished corporate guarantees for subsidiaries/group companies challenged GST on such guarantees, Rule 28(2) (deemed value of 1% of the guarantee amount per annum, inserted w.e.f. 26.10.2023), Notification No. 12/2024 (adding 'located in India' and 'per annum') and the two Circulars, besides show-cause notices and demands. W.P.(C) 15738/2024 and 12955/2025 raised additional issues, which were left open.

FINAL DECISION

Petitions partly allowed. Show-cause notices, orders and demands set aside to the extent contrary to the findings; proper officers to determine liability afresh after hearing. W.P.(C) 15738/2024 and 12955/2025 disposed of on the corporate guarantee issue and listed before the roster bench on 09.12.2026 for the additional issues.

DIRECTIONS

(i) Impugned SCNs/orders/demands set aside to the extent contrary to the judgment; (ii) proper officers to determine liability afresh with adequate hearing; (iii) tax to be computed on

execution for the entire tenure but Revenue may collect in annual instalments; (iv) credit note under Section 34 for early discharge, subject to conditions; (v) Circulars not to be applied so as to bar proof of lower open market value or to treat continuing pre-26.10.2023 guarantees as fresh supply; (vi) left open: extended period under Section 74, pledge of shares, guarantees for recipients outside India before 26.10.2023, ITC eligibility of recipient, open market value, dates of execution/renewal; (vii) W.P.(C) 15738/2024 and 12955/2025 to be listed on 09.12.2026.

CASE-04 | Sterling and Wilson v. Union of India

COURT	CASE NO. [Neutral Citation]	DATE OF DECISION	CORAM
Supreme Court of India	SLP(C) 23844 of 2025 (Civil Appeal arising therefrom) [2026 INSC 1222]	16.11.2026	Hon'ble Mr. Justice Sanjay Kumar and Hon'ble Mr. Justice Sanjeev Sachdeva

SUBJECT CATEGORY / SECTION

WORKS CONTRACT – Sections 2(30), 2(119), 9(1), 8, 15, 74, 122(2)(b) CGST Act

ISSUE INVOLVED

Rate of GST on supply and installation of Solar Power Generating (SPG) systems under EPC contracts for 01.07.2017 to 31.12.2018: whether it is a works contract (18%) or a composite supply of goods taxable at 5% (2.5% CGST + 2.5% SGST) under Sl. No. 234 of Schedule I to Notification 1/2017-CT (Rate), and whether the 70:30 deemed value split (effective 01.01.2019) applies retrospectively.

BRIEF FACTS

The appellant executes turnkey EPC contracts for SPG systems. The Joint Commissioner, CGST, Thane (order dated 17.01.2025) and the Superintendent (Summary Order 24.01.2025) demanded CGST of Rs. 13,33,95,241 with penalty (Rs. 26,67,90,482 aggregate; Rs. 53,35,80,964 including SGST and penalty), treating the supply as a works contract (immovable property) taxable at 5% on 70% and 18% on 30% value, relying on Notification 24/2018-CT (Rate), Notification 27/2018-CT (Rate) and Circular dated 06.10.2021, and invoked Section 74 and Section 122(2)(b). The Bombay High Court dismissed WP 4616/2025 on 28.07.2025 citing alternate remedy. The Supreme Court stayed the order of 17.01.2025 on 25.08.2025.

FINAL DECISION

Appeal allowed; orders dated 17.01.2025 (Joint Commissioner, Thane) and 24.01.2025 (Superintendent, Range V, Santacruz) set aside. Parties to bear own costs.

DIRECTIONS

Impugned order dated 17.01.2025 and Summary Order dated 24.01.2025 set aside; no order as to costs.

CASE-05 | Fatehpur Foundry v. Addl. Commr. (Appeals)			
COURT	**CASE NO.**	**DATE OF DECISION**	**CORAM**
GSTAT, State Bench Prayagraj (Division Bench, Court I)	APL/22/ALB/2026	17.11.2026	Hon'ble Mr. Mahtab Ahmad, Member (Judicial) and Hon'ble Mr. Ashish Varma, Member (Technical)

SUBJECT CATEGORY / SECTION

INPUT TAX CREDIT – Sections 16(2)(a), 16(2)(b), 16(2)(c), 74, 107, 112, 113(5), 160(1) CGST Act; Rule 56 GSTAT (Procedure) Rules, 2025

ISSUE INVOLVED

Whether ITC of Rs. 1,40,827.50 (CGST and SGST) claimed on two purchases of June 2018 from a supplier later found non-existent was admissible under Section 16(2)(b)/(c), and whether Section 74 was validly invoked although the notice and order did not use the words 'fraud, wilful misstatement or suppression of facts'.

BRIEF FACTS

Appellant, a manufacturer of iron goods from scrap, bought goods from M/s Ganesh Enterprises, Kanpur (Invoice No. 50 dated 02.06.2018, taxable value Rs. 4,29,875; Invoice No. 54 dated 06.06.2018, taxable value Rs. 3,52,500) and availed ITC. The supplier was found non-existent in a 2022 inspection (Alert Notices 05.05.2022 / 09.05.2022), though it had surrendered registration on 10.11.2020 after filing returns. SCN dated 16.06.2022 under Section 74 led to OIO No. ZD090623008200X dated 02.06.2023 (tax Rs. 1,40,827.50, interest Rs. 1,35,194.40, penalty Rs. 1,40,827.50) and OIA No. ZD0901242729461 dated 30.01.2024 dismissing the first appeal. Before the Tribunal, the appellant produced GRs and weighbridge slips for the first time.

FINAL DECISION

Appeal dismissed; OIA dated 30.01.2024 and OIO dated 02.06.2023 confirmed. No order as to costs.

DIRECTIONS

Orders of the authorities below confirmed; copy of order to be sent to parties and authorities under Section 113(5).

CASE-06 | Commr. CGST, Rajkot v. Reliance Industries			
COURT	**CASE NO.**	**DATE OF DECISION**	**CORAM**
GSTAT, State Bench Rajkot (Division Bench)	APL/29/2026 and 7 connected appeals (APL/33/2026, APL/34/2026, APL/35/2026, APL/36/2026, APL/60/2026, APL/74/2026, APL/75/2026)	04.11.2026	Hon'ble Mr. Pramod Kumar Rai, Member (Judicial) and Hon'ble Mr. Kishori Lal, Member (Technical)

SUBJECT CATEGORY / SECTION

REFUND – Sections 2(61), 54(1), 54(3), 54(8)(e) CGST Act; Sections 16(1)(b), 16(3), 16(3)(a), 16(3)(b) IGST Act; Rules 8(1), 89(1), 89(4), 92(3) CGST Rules; Sections 7, 51 Special Economic Zones Act, 2005

ISSUE INVOLVED

Whether an SEZ unit can claim refund of unutilised ITC (IGST/CGST credit lying in its electronic credit ledger, including credit distributed by an Input Service Distributor) under Section 54 read with Rule 89 of the CGST Rules, when only the supplier is said to be entitled to refund on supplies to an SEZ unit.

BRIEF FACTS

Respondent, an SEZ unit, filed refund claims under the 'any other' category for unutilised ITC in the electronic credit ledger, relying on the Gujarat High Court in IPCA Laboratories Ltd. Vs. Commissioner (SCA 638/2021, 18.02.2022). The refund sanctioning authority rejected the claims under Rule 92(3) (order dated 16.08.2022), saying that Section 54(3) allows refund of unutilised ITC only in two cases and that supplies to SEZ are zero rated in the hands of the supplier, who alone can claim refund. The first appellate authority allowed the appeals applying IPCA and Britannia Industries. The Commissioner filed eight appeals before the Tribunal for different periods.

FINAL DECISION

All eight Revenue appeals dismissed; orders of the first appellate authority affirmed.

DIRECTIONS

No fresh directions; the orders of the first appellate authority allowing the refunds stand.

CASE-07 | Grace Book Centre v. Commr., State GST			
COURT	**CASE NO.**	**DATE OF DECISION**	**CORAM**
GSTAT, State Bench Prayagraj (Division Bench, Court I)	APL/80/ALB/2026	16.11.2026	Hon'ble Mr. Mahtab Ahmad, Member (Judicial) and Hon'ble Mr. Ashish Varma, Member (Technical)

SUBJECT CATEGORY / SECTION

SHOW CAUSE NOTICE – Sections 9(1), 11(1), 31(3)(c), 50, 70, 74(1), 74(9), 74(10), 75(2), 75(6), 75(7), 75(8), 107(6), 107(11), 107(12), 112(1), 112(8), 113(1), 113(5), 122(1)(i), 169(1)(c), 169(1)(d) CGST Act; Rules 49, 142(1A) CGST Rules

ISSUE INVOLVED

Whether a demand of tax, interest and penalty under Section 74 for 2017-18, based on a survey, an uncorroborated notional monthly turnover grid and a bill book bearing the old VAT TIN, can be sustained when the notice discloses no foundational facts of fraud, wilful misstatement or suppression and the first appellate order is non-speaking.

BRIEF FACTS

Appellant, a partnership trading in books, notebooks and stationery, was surveyed by the SIB on 31.03.2018 (sales of about Rs. 70,000 on the day; stock list not totalled or reconciled; cash memo book Nos. 1051-1100 with VAT TIN recording Rs. 16,909). SCN dated 30.12.2020 under Section 74 computed identical monthly turnovers of Rs. 1,00,000 (2.5%+2.5%) and Rs. 67,000 (6% +6%) for July 2017 to March 2018. The ex parte OIO (17.07.2021) confirmed tax Rs. 1,17,360, interest Rs. 75,569.76 and penalty Rs. 1,17,360 (total Rs. 3,10,289.76). The first appeal (filed 31.01.2024) was dismissed ex parte by OIA dated 07.07.2025. Over 82% of appellant's turnover was exempt printed books (Sl. No. 119 of Notification 2/2017-CT (Rate)).

FINAL DECISION

Appeal allowed. OIA dated 07.07.2025 and OIO dated 17.07.2021 set aside; demand of tax Rs. 1,17,360, interest Rs. 75,569.76 and penalty Rs. 1,17,360 dropped.

DIRECTIONS

(i) OIA and OIO with APL-04/DRC-07 summaries set aside; (ii) demand dropped and recovery proceedings withdrawn; (iii) pre-deposits under Section 107(6) (Rs. 14,670) and Section 112(8) (Rs. 11,736), to the extent actually paid and not refunded, to be refunded with interest; (iv) copy to parties and authorities under Section 113(5); no order as to costs.

KEY POINTS FOR TAXPAYERS

Cancellation

- A taxpayer whose registration was cancelled for non-filing of returns can obtain restoration through the High Court even after the revocation window has lapsed, where the Department has no objection. File all pending returns, pay tax, interest, penalty and late fee, and apply for revocation within the time granted. (Gauhati HC, Jingso Tayang)

Refund

- Refund of IGST paid on exports cannot be denied under the omitted Rule 96(10) of the CGST Rules, as the omission had no savings clause and ends pending proceedings. Exporters whose earlier-period refunds were rejected on this ground can rely on this ruling. (Karnataka HC, Volvo Group India)
- An SEZ unit can claim refund of unutilised credit under Section 54 read with Rule 89, particularly credit distributed by an ISD that no supplier can claim. High Court rulings stay binding until stayed by the Supreme Court, so cite them when a claim is rejected on the ground that only the supplier may claim. (GSTAT Rajkot, Reliance Industries)

Valuation

- A corporate guarantee given to a bank for a related company is a taxable supply even if no fee is charged, valued at 1% p.a. of the guarantee unless a lower open market value is proved on cogent material. Rule 28(2) does not apply to guarantees executed before 26.10.2023, and guarantees executed before 01.07.2017 and not renewed are outside GST. Keep records of execution, renewal and enhancement dates. (Delhi HC, Sterlite Power Transmission)

Works Contract

- Turnkey supply and installation of solar power generating systems from 01.07.2017 to 31.12.2018 is a composite supply of goods taxable at 5% under Sl. No. 234 of Schedule I, not a works contract; the 70:30 value split applies only from 01.01.2019. Demands raised on the 70:30 basis for the earlier period can be challenged, and the availability of an appeal does not bar a writ where arguable points arise. (Supreme Court, Sterling and Wilson)

Input Tax Credit

- Invoices, e-way bills and bank payments are not enough if the supplier turns out to be non-existent; preserve proof of movement and receipt of goods (GRs, weighment slips, toll records) and produce it before the adjudicating and first appellate authority, because transport documents produced for the first time before the Tribunal were treated as suspect and fabricated. (GSTAT Prayagraj, Fatehpur Foundry)

Show Cause Notice

- A Section 74 notice must itself disclose the foundational facts of fraud, wilful misstatement or suppression; a survey observation or a notional monthly turnover grid does not suffice. Segregate exempt supplies such as printed books, rely on returns and sales details, and challenge non-speaking or ex parte orders on merits. (GSTAT Prayagraj, Grace Book Centre)

KEY POINTS FOR DEPARTMENTAL OFFICERS

Cancellation

- Where the taxpayer is willing to comply, do not oppose restoration; facilitate portal access and complete restoration within the time fixed once returns and dues are cleared. (Gauhati HC, Jingso Tayang)

Refund

- Do not press refund rejections or appeals premised on the omitted Rule 96(10); the Supreme Court in Goodluck India holds that proceedings under an omitted rule without a savings clause cannot continue. (Karnataka HC, Volvo Group India)
- Do not reject an SEZ unit's refund of ISD-distributed unutilised credit solely because the claimant is not the supplier, and do not deny refund merely because the Department has filed an SLP without a stay; the manual-refund circulars only prescribe procedure. (GSTAT Rajkot, Reliance Industries)

Valuation

- Apply Rule 28(2) only to guarantees executed, renewed, extended or enhanced on or after 26.10.2023 and treat the 1% value as rebuttable by proven open market value. Notices and demands that proceeded otherwise must be re-determined after a hearing; extended period under Section 74 and ITC eligibility of the recipient remain open. (Delhi HC, Sterlite Power Transmission)

Works Contract

- Do not apply the 70:30 split or 18% on the service portion to solar power generating system contracts for periods before 01.01.2019; the system is to be treated as goods at 5% for that period, and penalty or extended-period action built on the contrary view cannot stand. (Supreme Court, Sterling and Wilson)

Input Tax Credit

- Where the supplier is found non-existent, record specific findings on non-receipt of goods and test the authenticity of transport documents; state in the notice and order the facts pointing to collusion, though Section 160(1) saves a notice that in substance meets Section 74. (GSTAT Prayagraj, Fatehpur Foundry)

Show Cause Notice

- Frame Section 74 notices with particulars showing fraud, wilful misstatement or suppression, reconcile survey findings with returns, avoid computing demand on notional turnover, and pass reasoned orders under Sections 75(6) and 107(12). (GSTAT Prayagraj, Grace Book Centre)

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