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**RECENT LANDMARK GST
JUDGMENT**

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INTERMEDIARY SERVICES

- **Dharmendra M. Jani Vs Union of India, [2023-VIL-346-BOM], dated 6 June 2023:** The Bombay High Court (HC) has upheld the validity of provisions about the place of supply (PoS) in the case of the intermediary under the Integrated Goods and Services Tax Act, 2017 (IGST Act).
- **Magna Automotive India Private Limited v Union of India & Ors – WP No. 14325 of 2024 [Bombay High Court]**– The services provided by an Indian subsidiary entity to its foreign principal entity located outside India wouldn't amount to “intermediary” services.
- **Amazon Development Centre India (P.) Ltd. vs. Additional Commissioner of Central Tax [2025] 174 taxmann.com 1249 (Karnataka)**, Customer Support Services Provided to Foreign Affiliates Not Intermediary Services.
- **Ernst and Young Limited Vs. Additional Commissioner, CGST Appeals -II, Delhi and Anr. in W.P. (C) – 8600/2022**, A Person Who Supplies the Goods and Services On His Own Account Cannot Be Considered As Intermediary.
- **Ohmi Industries Asia Private Limited v. Assistant Commissioner, CGST, W.P.(C) 6838/2022**, An activity between only two parties can, therefore, NOT be considered as an intermediary service.

INTERMEDIARY SERVICES

- **Bluefish Pharmaceuticals Pvt. Ltd. v. Union of India & Ors. – Writ Petition No. 19351 of 2024 [Karnataka High Court, 2025]** – R&D and business support services provided to a foreign parent company on a principal-to-principal basis do not constitute intermediary services; export of services under LUT entitles the assessee to refund of accumulated/unutilised ITC, and rejection of refund on intermediary grounds was held without jurisdiction, with directions to grant refund along with applicable interest.

MULTIPLE ASSESSMENT YEARS

- **Pramur Homes and Shelters v. Union of India & Ors. TS-1011-HC(KAR)-2025-GST**, Composite GST Show Cause Notices Covering Multiple Financial Years Held Invalid.
- **Milroc Good Earth Developers V. Union of India & Ors. [W.P.No.2203 of 2025]-Bombay High Court at Goa**, there is no scope for consolidating various financial years/tax period which is attempted by the impugned Show Cause Notices assailed in the Petition.
- **Hi Reach Broadband Pvt. Ltd. v. Assistant Commissioner (ST)- W.P. Nos. 20731, 24077, 27416, 28893 & 30267 of 2025-(Telangana High Court)**, multiple Show Cause Notices (SCNs) and multiple Orders-in-Original (OIOs) for the same tax period cannot sustained under GST law, or such proceedings must be rectified and consolidated.
- **Tharayil Medicals vs. The Deputy Commissioner & Ors. - WA No. 627 OF 2025- Kerala High Court-** An independent show cause notice be issued to the assessee for each different years of assessment while proceeding under Section 74.
- **R A and Co. v. Additional Commissioner of Central Taxes – [2025] 176 taxmann.com 731 [Madras High Court]** – show cause notices under GST cannot be clubbed for multiple financial years; each financial year is a separate unit for the purpose of limitation, and “bunching” notices covering more than one financial year is legally impermissible.

MULTIPLE ASSESSMENT YEARS

- **Ambika Traders v. Additional Commissioner – [2025] 177 taxmann.com 134 [Delhi High Court]** – In cases involving fraudulent availment of Input Tax Credit (ITC), issuance of a consolidated show cause notice is permissible and may be necessary to establish a continuous fraudulent modus operandi or willful misstatement by the assessee.
- **Mathur Polymers v. Union of India [2025] 177 taxmann.com 860 (Delhi)** – Following the reasoning in Ambika Traders, the Court reaffirmed that consolidated proceedings are not prohibited by statute. It held that for extended ITC fraud schemes, a single SCN is necessary to establish the full extent of the fraudulent activities.
- **Rite Water Solutions (India) Ltd. v. Joint Commissioner, CGST & Central Excise – Writ Petition No. 466 of 2025 [Bombay High Court, Nagpur Bench]** – show cause notice issued covering multiple financial years was quashed and set aside; following the Goa Bench decision in Milroc Good Earth Developers, the Court held that clubbing demands across different financial years in a single notice is impermissible in the absence of statutory sanction.
- **S J Constructions v. Assistant Commissioner – [2025] 178 taxmann.com 570 [Andhra Pradesh High Court]** – a single composite show cause notice or assessment order covering multiple periods is invalid, as such consolidation is prejudicial to the taxpayer's rights, particularly the right to effectively pursue statutory remedies and file appeals.

MULTIPLE ASSESSMENT YEARS

- **DBL Lucknow Sultanpur Highways Ltd. Vs. UOI [2025] 190 taxmann.com (WP – 7515 of 2025) – All. High Court**
 - Held that revenue authorities can issue a single, composite Show Cause Notice for multiple financial years and multiple noticees, as adjudication is dispute-based rather than return-based. However, it held that such proceedings must strictly adhere to mandatory limitation periods and are barred by Section 6(2)(b) if parallel proceedings have already been initiated by another tax authority.

BLOCKED CREDIT-UNDER SECTION -17

- **Chief Comm. Of Central Goods and Service Tax. v. Safari Retreats (P.) Ltd. [2024] 167 taxmann.com 73/90 GSTL 3/106 250-Supreme Court** held that restrictions u/s. 17(5)(c) & (d) are not applicable to construction of commercial buildings intended for letting out on rent.
- **UOI & Ors. vs. Anand Traders [SPECIAL LEAVE PETITION (CIVIL) DIARY NO(S). 28945/2025]- Supreme Court-** To resolve conflicting interpretations of Rule 86A on negative blocking of credit ledger.
- **Commissioner of Central Goods and Service Tax & Ors. v. Karuna Rajendra Ringsinha [SLP No. Diary No(s). 21136/2025.]- Supreme Court-**[Blocking of ITC in ECL is permissible only when backed by material evidence as per Rule 86A, and cannot be done arbitrarily – Supreme Court upholds Delhi High Court’s judgment.](#)
- **Arraycom (India) Limited v. State of Gujarat & Ors.-Special Civil Application No. 11979 of 2025 (Gujarat High Court)-**Input Tax Credit on an insurance policy covering stock-in-trade and business premises cannot disallowed by wrongly classifying it as motor vehicle insurance under Section 17(5) of the CGST Act.
- **Rawman Metal & Alloys vs. The Deputy Commissioner of State Tax, NO. 10928 OF 2025-** ST ITC Cannot Be Blocked Under Rule 86A If Credit Ledger Has Nil Balance

ELIGIBILITY OF INPUT TAX CREDIT

- **McLeod Russel India Limited v. Union of India & Ors. – WP(C) No. 5725 of 2022 [2025 (12) TMI 756] (Gauhati High Court)**–Section 16(2)(aa) of the CGST Act cannot deny Input Tax Credit to a bona fide recipient solely on account of default by the supplier in furnishing invoice details in GSTR-1.
- **Sahil Enterprises v. Union of India, [2026] 182 taxmann.com 144 (TRIPURA)** – The Court held that Section 16(2)(c) of the CGST Act must be "read down" so as not to deny Input Tax Credit (ITC) to a bona fide purchaser if the supplier defaults on depositing the tax. It ruled that a purchaser cannot be expected to perform the impossible task of ensuring the supplier's compliance, and denying ITC in such bona fide transactions would amount to double taxation
- **Eagle Security & Personnel Versus Union of India–Writ Petition No.1687 Of 2024– (Bombay High Court)**– Reverse charge notification denying ITC to service providers are constitutionally valid.
- **M/s Kesarwani Traders v. State of U.P. & Others, [2025] Writ Tax No. 1235 of 2025 (ALLAHABAD)** – The Court held that Input Tax Credit (ITC) cannot be denied to a buyer solely because the supplier's GST registration was cancelled retrospectively after the transaction. It ruled that if the supplier was registered and active on the date of the invoice and the transaction is proven genuine through evidence like stamped e-way bills and bank payments, the buyer's credit remains valid.

ELIGIBILITY OF INPUT TAX CREDIT

- **Union of India & Anr. Vs. Yasho Industries Ltd – SLP (Civil) Diary No. 17547 of 2025 [Supreme Court]** mandatory pre-deposit for filing of an appeal can be made using accumulated ITC from the Electronic Credit Ledger.
- **Rawman Metal & Alloys vs. The Deputy Commissioner of State Tax, NO. 10928 OF 2025–** ST ITC Cannot Be Blocked Under Rule 86A If Credit Ledger Has Nil Balance
- **Tvl. Kavin HP Gas Gramin Vitrak Vs Commissioner of Commercial Taxes (Madras High Court) –W.P.(MD) No. 7173 and 7174 of 2023–**Challenging department's order under section 16(4).
- **Suncraft Energy Private Limited and Anr. Vs. The Assistant Commr. State Tax Ballunge Charge and Ors.– 2023-TIOL-917-HC-KOL-GST–**ITC cannot be denied to recipient without due investigation of supplier

RIGHTS IN LAND

- **The State of Karnataka & Anr. v. Taghar Vasudeva Ambrish & Anr. – Civil Appeal Nos. 7846–7847 of 2023 [2025 (12) TMI 505] [Supreme Court]**–leasing of residential premises as a hostel to students and working professionals is exempt from GST as “renting of residential dwelling for use as residence” under Entry 13 of Notification No. 9/2017-IGST (Rate).
- **Gujarat Chamber of Commerce and Industry & Ors. vs. Union of India & Ors. R/Special Civil Application No. 11345 of 2023 (judgment dated 03.01.2025)**–Assignment of long-term leasehold rights constitutes is not taxable supply under Section 7 of the GST Act, or such transfer amounts to sale of immovable property outside GST.
- **Aerocom Cushions Private Limited v. Assistant Commissioner (Bombay HC, Nagpur Bench)**: Held that the assignment or transfer of leasehold rights in a plot of land for consideration constitutes a "sale of land" or "benefits arising out of land," which is an immovable property. Consequently, such transactions are not subject to the levy of GST under the CGST Act, 2017.
- **Prahitha Construction (P.) Ltd. v. Union of India, [2024] 159 taxmann.com 437 (Telangana)** Held that the transfer of development rights (TDR) under a Joint Development Agreement does not amount to a "sale of land" and is therefore subject to GST. It ruled that since the agreement does not result in an automatic transfer of ownership or title to the developer, the transaction remains a taxable supply of service.

RIGHTS IN LAND

- **Rohan Corporation India Pvt. Ltd. v. State of Karnataka – [Karnataka High Court, 2025]** – sale of an incomplete building on an “as is where is” basis, without any obligation to provide construction services, does not attract GST under Entry 5(b) of Schedule II; mere absence of a completion certificate is insufficient, and such transaction amounts to sale of immovable property excluded from GST, entitling the assessee to refund of tax paid under protest.
- [**Mala Sahni Seth vs. Delhi Development Authority \[2025\] 180 taxmann.com 303 \(Delhi\)**](#)– GST Not Leviable on DDA’s Conversion Charges as These Form Part of Immovable Property Sale Consideration.
- **Builders Association of Navi Mumbai vs. Union of India [2018] 92 taxmann.com 134 (Bombay)/[2018] 53 GSTR 374 (Bombay)/[2018] 67 GST 334 (Bombay)/[2018] 12 GSTL 232 (Bombay)[28-03-2018]** Payment of one-time lease premium to acquire a leasehold land from City Industrial and Development Corporation of Maharashtra Limited (CIDCO) attracts liability to pay tax in terms of GST Act as lease/letting out of a building for business is supply of goods/services

REFUND ISSUES

- **State of Jharkhand v. BLA Infrastructure Pvt. Ltd. – Civil Appeal (arising out of Jharkhand GST matter) [2026 (38) CENTAX 186] [Supreme Court]** – refund of statutory pre-deposit made under Section 107 of the GST Act is not governed by Section 54; such pre-deposit is not “tax”, and once the appeal is allowed, refund must follow automatically with interest and cannot be denied on technical or procedural grounds.
- **IDP Education India Pvt. Ltd. v. Union of India – Writ Petition [Bombay High Court, 2025]** – support services provided on a principal-to-principal basis to a foreign entity are not intermediary services under Section 2(13) read with Section 13(8) of the IGST Act; such services qualify as export of services, and refund of IGST cannot be denied on the ground of intermediary classification.
- **ALKEM LABORATORIES LTD. Versus UNION OF INDIA 2021 (46) G.S.T.L. 113 (Guj.)**: The Gujarat High Court held dated 4.02.2021 that since the adjudication order was passed in violation of principles of natural justice, the consequential recovery (and any amount collected) could not be sustained and the matter was remanded, entitling the assessee to restoration/refund subject to fresh adjudication.
- **Addwrap Packaging (P.) Ltd. v. Union of India [2025] 175 taxmann.com 592 (Gujarat)**: The Gujarat High Court held 13.06.2025 that on omission of Rule 96(10) with prospective effect applicable to pending cases, exporters were entitled to refund of IGST paid on export of goods and all pending proceedings denying such refund were liable to be quashed.

REFUND ISSUES

- **ALKEM LABORATORIES LTD & Ors. v. Union of India – [Bombay High Court, 2025]** – omission of Rules 89(4B) and 96(10) of the CGST Rules without a saving clause amounts to repeal, resulting in abatement of all pending, non-final proceedings initiated under those Rules; such proceedings cannot be continued, refunds must be processed without reference to the omitted Rules, and Section 6 of the General Clauses Act does not apply to repeal of subordinate legislation.

SECTION 73 AND SECTION 74

- **Raghuvansh Agro Farms Ltd. v. State of U.P. (2026) 38 Centax 53 (All.) | Writ Tax No. 3829 of 2025– [Allahabad High Court]** holding that mere allegations of circular trading based on survey findings are insufficient unless the foundational ingredients of fraud, wilful misstatement, or suppression of facts are expressly recorded and supported by evidence.
- [**Vedant Road Carriers Pvt. Ltd. vs. Assistant Commissioner of West Bengal, State Tax, Jorasanko and Jorabagan Charge \(2026\) 38 Centax 234 \(Cal.\) \[Calcutta High Court\]**](#) held that an adjudication order cannot go beyond the grounds alleged in the Show Cause Notice (SCN). Any demand confirmed on a new or different basis than what is stated in the SCN is illegal and unsustainable in law.
- **GR Infra Projects Limited, Ratlam v. State of Madhya Pradesh & Ors.– SLP (C) No. 33594 of 2025 [Supreme Court]**–Section 74 SCN can withstand judicial scrutiny.
- **Power Engineering (India) Private Limited v Union of India & Ors – WP No. 1718 of 2024 (F) [Bombay High Court, Goa Bench]** recovery of refund without issuance of a show cause notice under Section 73(1) read with Rule 142 of the CGST Rules, 2017, and without adjudication, is legally sustainable.
- **Million Lights v. Union of India & Ors.–W.P. No. 9890 of 2023 (T-RES) [Karnataka HC]**–payment made during DGGI search cannot be treated as voluntary under Section 74(5) of the CGST Act.

SECTION 129 OF CGST ACT

- **Panchhi Traders v. State of Gujarat & Anr. – R/Special Civil Application No. 9250 of 2020 with connected matters [2025 (12) TMI 941] [Gujarat High Court]** Confiscation proceedings under Section 130 of the CGST Act can initiated straightaway for goods intercepted in transit without first completing proceedings under Section 129 of the CGST Act.
- [**Venkateshwara Traders v Union of India & Ors – D.B. Civil WP No. 2413 of 2025 \[Rajasthan High Court, Jaipur Bench\]**](#) Revenue has not followed the mandatory procedure under section 129 of the Act before confiscating the same under section 130.
- **ASP Traders v State of Uttar Pradesh & Ors – Civil Appeal no. 9764 of 2025 [Supreme Court]**– No payment of penalty for the release of goods u/s 129 of CGST Act amounts to waiver of the right of assessee to file an appeal.
- **Kamal Envirotech Pvt. Ltd. v. Commissioner of GST and Anr.–2025 SCC OnLine Del 184 [Delhi High Court]** held that Section-129 is not purely punitive and should not be interpreted as a blanket provision to impose penalties for every minor lapse.
- **T.K. Printers v. Additional Commissioner Grade 2 and Anr. Writ Tax No. 1486 of 2023 – [Allahabad High Court]**, delivered a significant judgment in favor of the assessee by setting aside tax and penalty imposed under Section 129 of the CGST/UPGST Act, 2017.

PENALTIES

- **Reckitt Benckiser India Private Limited v. State of Madhya Pradesh & Ors. – W.P. No. 10820 of 2020 with W.P. No. 1665 of 2023 [2025 (12) TMI 1001] [Madhya Pradesh High Court]** Show cause notice for imposition of penalty under a repealed State VAT law cannot issued after the coming into force of the GST regime.
- **Ultratech Cement Limited V. Union of India & Ors.-WPT No. 90 of 2025 [Chhattisgarh HC]** No penalty under Section 74 is justified when GST and interest were paid voluntarily, and there is no fraud r suppression.
- **Ushabala Chits Private Limited v. Commissioner of State Tax, Andhra Pradesh & Ors. – W.P. No. 14745 of 2021 [2025 (12) TMI 868] [Andhra Pradesh High Court]** No interest or penalty collected by a chit fund foreman for delay in payment of monthly subscriptions is liable to GST as consideration for supply of services.
- **Tvl. Jainsons Castors & Industrial Products v. Assistant Commissioner (ST) – W.P. No. 36614 of 2024 [Madras High Court]** provides critical clarity on the imposition of late fees and penalties under the GST law. This landmark ruling ensures that taxpayers are not subjected to excessive penalties beyond what is legally prescribed.

MISCELLANEOUS

- **Amit Mehra v. Union of India – [2026 (38) CENTAX 280] [Supreme Court]** – despite allegations of large-scale fake ITC fraud under the CGST Act, prolonged pre-trial custody, absence of charge framing, offences being triable by a Magistrate, and the maximum sentence of five years justified grant of bail; while economic offences warrant a stricter approach, bail cannot be denied solely on gravity, and disputed facts must be examined at the trial stage.
- **Commissioner of GST, DGST Delhi v. Global Opportunities Pvt. Ltd. – [2026 (39) CENTAX 11] [Supreme Court]** – Counselling and student recruitment services provided to foreign educational institutions on a principal-to-principal basis, with consideration received in foreign exchange, are not intermediary services; such consultancy qualifies as export of services under the IGST Act, and the assessee is entitled to refund of GST along with applicable statutory interest.
- **Armour Security (India) Ltd. v. Union of India – [Supreme Court, 2025]** – Issuance of summons u/s 70 of the CGST Act or conduct of investigation does not amount to initiation of proceedings; proceedings commence only upon issuance of a show cause notice, and Section 6(2)(b) bars parallel adjudication, not parallel investigation, thereby harmonizing the principles of single interface and cross-empowerment under GST.

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