

17<sup>th</sup> June, 2026**BSE Limited**Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001**National Stock Exchange of India Limited**Exchange Plaza, G. Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai 400 051**Script Code: 500259****Script Code: LYKALABS**

Dear Sir/Madam,

**Sub.: Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 - GST (Goods & Services Tax)****Ref.: GST Audit Observation for F.Y. 2020-21 to 2024-25**

The Company has received a Show Cause-cum-Demand Notice from the Office of the Principal Commissioner of CGST & Central Excise, Mumbai East, vide Centralised SCN No. CGST/ME/AE/AC/Lyka/2026-27, demanding Rs. 73,22,077/- due to erroneous refund claimed by the Company in contravention of Rule 96(10) of CGST Rules, 2017. A copy of the notice has been received and is attached herewith for reference.

Further, pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) details are disclosed as under:

Sr. No.	Particulars	Details
1.	Name of the authority	Assistant Commissioner (AE) CGST Mumbai East
2.	Nature and details of the action(s) taken, initiated or orders(s) passed	The Company has received Show Cause Cum Demand Notice, demanding Rs. 73,22,077/- due to erroneous refund claimed by the Company in contravention of Rule 96(10) of CGST Rules, 2017.
3.	Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	17/06/2026
4.	Details of the violation(s)/contravention(s) committed or alleged to be committed;	Notice alleges that the Company has availed ineligible refunds of Integrated Goods and Service Tax (IGST) on exports made under Advance Authorization. This contravenes the Rule 96(10) of the IGST/CGST Rules, 2017, thereby resulting in the availment of a double benefit.

5.	Impact on the financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	Demand of outstanding amount etc. under the Notice is disputed as per Rule 96(10) of CGST Rules, 2017 is omitted from October, 2024 without any saving Claus. The Company is exercising its right to defend the allegations.  There is no material impact on financials, operations or other activities of the Company.
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You are requested to kindly take this information on record.

Thanking you,

Yours faithfully,



For **Lyka Labs Limited**

**Yogesh Shah**

Whole- time Director and CFO

Place: Mumbai

Encl.: as above

	<p>प्रधान आयुक्त, जीएसटी तथा केंद्रीय उत्पाद शुल्क, मुंबई पूर्व का कार्यालय,  <b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CGST &amp; C.</b>  <b>EXCISE, MUMBAI EAST</b>          9वीं मंजिल, लोटस इन्फो सेंटर, परेल पूर्व, मुंबई-400012  <b>9TH FLOOR, LOTUS INFO CENTRE, PAREL EAST, MUMBAI-400012</b></p>	
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F. No. CGST/ME/AE/Gr-C/LYKA LABS/617/2025-26/15069

System Generated SCN – ZD270626054868P

Mumbai, the 11 June, 2026

**FORM GST DRC-01**  
**(Refer Rule 142 (1))**

To,  
 M/s. Lyka Labs Limited  
 GSTIN:- 27AAACL0820G1ZZ  
 Ground Floor, Block B,  
 Lyka Labs Limited and Spancer Company Ltd, 30  
 Forjett Street, Bhatia Hospital, Grant Road West,  
 Mumbai, Maharashtra, 400036

Tax Period	Financial Year	Act
April 2020 to Oct - 2024	2020-25	CGST/MGST/IGST Act, 2017

**Section/Sub-Section under which SCN is being issued:** Sub-section (1) of Section 74 & 74A of the Central Goods and Services Tax Act, 2017.

**NOTICE TO SHOW CAUSE CUM DEMAND**  
**Centralised SCN No. /CGST/ME/AE/AC/Lyka/2026-27**

Whereas, M/s Lyka Labs Limited (GSTIN: 27AAACL0820G1ZZ), (hereinafter to be called as 'the Taxpayer') having registered address situated at Ground Floor, Block B, Lyka Labs Limited and Spancer Company Ltd, 30 Forjett Street, Bhatia Hospital, Grant Road West, Mumbai, Maharashtra, 400036 is registered under Central Goods and Services Tax Act, 2017 (hereinafter referred to as 'the CGST Act, 2017') read with concurrent provisions of Maharashtra Goods and Services Tax Act, 2017 and relevant provisions of Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as 'the IGST Act, 2017') and engaged in Goods/ Services falling under the HSN 30042019, 30049069 & 30049029.

2. An information was received from the Customs department that the taxpayer has availed ineligible refunds of Integrated Goods and Services Tax (IGST) on exports made under Advance Authorizations. This contravenes the Rule 96(10) of the IGST/CGST Rules, 2017, thereby resulting in the availment of a double benefit.

**3. Submission made by the taxpayer:-**

3.1. For verification, a letter dated 23.01.2026 was issued to the taxpayer, seeking data and documents related to their imports and exports under Advance Authorizations. In response, the taxpayer submitted a letter dated 29.01.2026 requesting a one-week extension, citing the unavailability of their authorized representative. However, no further reply or data was received. Consequently, a summons dated 27.03.2026 was issued.

3.2. In response to the said summons, the taxpayer vide its letter dated 19.05.2026 submitted a written reply contending that Rule 96(10) of the CGST Rules, 2017 stands omitted vide Notification No. 20/2024 dated 8th October 2024. They argued that such omission was carried

out without the incorporation of any saving clause; therefore, the omission nullifies all pending proceedings, removes the basis of the allegations, and renders the continuation of such proceedings legally untenable.

3.3. The taxpayer further submitted that Rule 96(10) imposed a blanket restriction whereby even minimal procurement under specified notifications disqualified an exporter from claiming the entire IGST refund on exports. They stated this leads to disproportionate and unintended hardship, and restricts the exporter's flexibility.

3.4. The taxpayer argued that Rule 96(10) creates an unjustified distinction between exporters operating under the same Advance Authorisation scheme, solely based on the manner of export (with payment of IGST vs. under bond/LUT). They claimed this artificial differentiation results in discriminatory treatment, disrupts tax neutrality, and is arbitrary and violative of Article 14 of the Constitution of India. The taxpayer also submitted that Section 16 of the IGST Act read with Section 54 of the CGST Act does not empower the imposition of such blanket restrictions, rendering the rule ultra vires.

3.5. The taxpayer relied on the Kerala High Court judgment in the case of *Sance Laboratories Pvt. Ltd. v. UOI & Ors*, which declared Rule 96(10) ultra vires and unenforceable, holding that the omission of the rule will be applicable to all pending proceedings.

#### **4. Departmental Scrutiny and Grounds for Demand**

4.1. From the reply submitted, it appears that the main contention of the taxpayer is the lack of a saving clause when the Rule was omitted vide Notification No. 20/2024. An order on similar issue has been issued by Hon'ble High Court Bombay in matter of M/s Hikal Limited. The Hon'ble High Court has passed order in favour of M/s Hikal Limited. However, it is also to be noted that a SLP has been filed by the department having Diary No. 1166/2026 before the Supreme Court of India. Therefore, the issue regarding omission of the Rule 96(10) of CGST Rules has not attained finality till date. Therefore, to protect the Government Revenue, this SCN is being issued.

4.2. **Discrepancy in Refund Claims:** Along with its reply, the taxpayer reported item-wise entries specifying exports against advance licenses and normal exports. The total IGST involved against exports under advance license is Rs. 67,92,481/-. The taxpayer submitted that they only received a refund of Rs. 44,31,403/-; however, they have not provided any proof such as a Bank Statement or rejection order to prove the non-receipt of the balance refund.

4.3. **Merchant Exporter Restrictions:** From the GSTR-1 data available on GST BO Portal, it has been observed that the taxpayer exported goods with payment of tax at 0.1%. This indicates the taxpayer exported goods in the capacity of a Merchant Exporter, having purchased goods in terms of Notification No. 40/2017-Central Tax (Rate) or Notification No. 41/2017-Integrated Tax (Rate) both dated 23.10.2017. Refund of tax against these exports is also strictly restricted as per Rule 96(10) of the CGST Rules.

**4.4. Non-Cooperation and Section 74 Invocation:** The taxpayer is not co-operating by way of not providing the necessary data/documents or by delayed submission during the ongoing investigation.

**5. QUANTIFICATION OF DEMAND :-** The quantification of the erroneous refund claimed by the taxpayer in contravention of Rule 96(10) of the CGST Rules is as under:

**Total IGST Amount against Advance Licenses (F.Y. 2021-22 to F.Y. 2024-25): Rs. 67,92,481/-.** Details of the same is as under:

FY	Invoice Number	Invoice Date	Shipping Bill No.	Shipping Bill Date	Taxable Value	IGST Amt against Advance License
2021-22	LYK/21-22/035	30-09-2021	5566973	26-10-2021	50,89,000	508
2021-22	LYK/21-22/064	30-11-2021	6651644	10-12-2021	1,33,55,980	6,61,122
2021-22	LYK/21-22/072	31-12-2021	7477978	14-01-2022	54,57,675	7,469
2021-22	LYK/21-22/094	31-03-2022	9394699	31-03-2022	2,35,77,832	8,873
2022-23	LYK/22-23/020	31-05-2022	2015829	09-06-2022	2,08,32,210	5,229
2022-23	LYK/22-23/022	31-05-2022	1917622	06-06-2022	34,60,500	4,15,260
2022-23	LYK/22-23/073	30-09-2022	4869849	17-10-2022	47,22,000	8,44,520
2022-23	LYK/22-23/074	30-09-2022	4563327	30-09-2022	47,22,000	4,722
2022-23	LYK/22-23/106	30-12-2022	6613099	31-12-2022	24,54,000	2,94,480
2022-23	LYK/22-23/127	28-02-2023	8722134	24-03-2023	1,05,03,675	6,68,304
2023-24	LYK/23-24/053	14-08-2023	3352564	21-08-2023	1,08,10,800	19,45,944
2023-24	LYK/23-24/062	25-08-2023	5949886	11-12-2023	58,77,300	3,35,376
2023-24	LYK/23-24/0144	29-02-2024	8157304	08-03-2024	44,38,800	4,439
2024-25	LYK/24-25/0034	29-06-2024	2068522	29-06-2024	61,95,000	3,09,750
2024-25	LYK/24-25/0035	29-06-2024	4759620	11-10-2024	13,00,950	64,915
2024-25	LYK/24-25/0057	29-08-2024	3661568	31-08-2024	1,01,79,750	12,21,570
Total					132977472	6792481

**Total IGST Amount claimed for exports made with 0.1% tax rate (F.Y. 2020-21 to F.Y. 2023-24): Rs. 5,29,596/-.** Details of the same is as under:

FY	Taxable Value	Tax Rate	IGST
2020-21	47049768	0.1	47051
2021-22	194962936	0.1	194961
2022-23	273832048	0.1	273842
2023-24	13740866	0.1	13741
Grand Total	52,95,85,617		5,29,596

**The total erroneous refund claimed by the taxpayer is Rs. 73,22,077/-** in contravention of Rule 96(10) of CGST Rules, 2017.

6. Relevant provisions of GST:

6.1. Rule 96(10) of CGST Rules (omitted) is as follows:

*The persons claiming refund of integrated tax paid on exports of goods or services should not have -*

(a) received supplies on which the benefit of the Government of India, Ministry of Finance notification No. 48/2017-Central Tax, dated the 18th October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1305 (E), dated the 18th October, 2017 except so far it relates to receipt of capital goods by such person against Export Promotion Capital Goods Scheme or notification No. 40/2017-Central Tax (Rate), dated the 23rd October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1320 (E), dated the 23rd October, 2017 or notification No. 41/2017-Integrated Tax (Rate), dated the 23rd October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1321 (E), dated the 23rd October, 2017 has been availed; or

(b) availed the benefit under notification No. 78/2017-Customs, dated the 13th October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1272(E), dated the 13th October, 2017 or notification No. 79/2017-Customs, dated the 13th October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1299 (E), dated the 13th October, 2017 except so far it relates to receipt of capital goods by such person against Export Promotion Capital Goods Scheme.

Explanation.- For the purpose of this sub-rule, the benefit of the notifications mentioned therein shall not be considered to have been availed only where the registered person has paid Integrated Goods and Services Tax and Compensation Cess on inputs and has availed exemption of only Basic Customs Duty (BCD) under the said notifications

## 6.2. Section 20 of IGST Act, 2017-

Subject to the provisions of this Act and the rules made thereunder, the provisions of Central Goods and Services Tax Act relating to,—

- (i) scope of supply;
- (ii) composite supply and mixed supply;
- (iii) time and value of supply;
- (iv) input tax credit;
- (v) registration;
- (vi) tax invoice, credit and debit notes;
- (vii) accounts and records;
- (viii) returns, other than late fee;
- (ix) payment of tax;
- (x) tax deduction at source;
- (xi) collection of tax at source;
- (xii) assessment;
- (xiii) refunds;
- (xiv) audit;
- (xv) inspection, search, seizure and arrest;
- (xvi) demands and recovery;
- (xvii) liability to pay in certain cases;
- (xviii) advance ruling;
- (xix) appeals and revision;
- (xx) presumption as to documents;
- (xxi) offences and penalties;
- (xxii) job work;
- (xxiii) electronic commerce;
- (xxiv) transitional provisions; and
- (xxv) miscellaneous provisions including the provisions relating to the imposition of interest and penalty,

shall, *mutatis mutandis*, apply, so far as may be, in relation to integrated tax as they apply in relation to central tax as if they are enacted under this Act:

Provided that in the case of tax deducted at source, the deductor shall deduct tax at the rate of two per cent. from the payment made or credited to the supplier:

*Provided further that in the case of tax collected at source, the operator shall collect tax at such rate not exceeding two per cent, as may be notified on the recommendations of the Council, of the net value of taxable supplies:*

*Provided also that for the purposes of this Act, the value of a supply shall include any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier:*

*Provided also that in cases where the penalty is leviable under the Central Goods and Services Tax Act and the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, the penalty leviable under this Act shall be the sum total of the said penalties.*

*Provided also that a maximum amount of forty crore rupees shall be payable for each appeal to be filed before the Appellate Authority or the Appellate Tribunal.*

### **6.3. Section 74 of CGST Act, 2017:-**

*(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty equivalent to the tax specified in the notice.*

*(2) The proper officer shall issue the notice under sub-section (1) at least six months prior to the time limit specified in sub-section (10) for issuance of order.*

*(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.*

*(4) The service of statement under sub-section (3) shall be deemed to be service of notice under sub-section (1) of section 73, subject to the condition that the grounds relied upon in the said statement, except the ground of fraud, or any wilful-misstatement or suppression of facts to evade tax, for periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.*

*(5) The person chargeable with tax may, before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.*

*(6) The proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.*

*(7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.*

*(8) Where any person chargeable with tax under sub-section (1) pays the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent of such tax within thirty days of issue of the notice, all proceedings in respect of the said notice shall be deemed to be concluded.*

(9) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(10) The proper officer shall issue the order under sub-section (9) within a period of five years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within five years from the date of erroneous refund.

(11) Where any person served with an order issued under sub-section (9) pays the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within thirty days of communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded.

(12) The provisions of this section shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24.

*Explanation 1.*— For the purposes of section 73 and this section,—

(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;

(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under section 73 or section 74, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.

#### 6.4. Section 74A of CGST Act, 2017:-

(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:

*Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.]*

(2) The proper officer shall issue the notice under sub-section (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—

(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of tax due from such person or ten thousand rupees, whichever is higher;

(ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.

(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(7) The proper officer shall issue the order under sub-section (6) within twelve months from the date of issuance of notice specified in sub-section (2):

Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner, or an officer authorised by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of Central Tax, may, having regard to the reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.

(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within sixty days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i) of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of sub-section (5) shall be payable where any amount of self-

*assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.*

*(12)The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards*

*Explanation 1.—For the purposes of this section,—*

*(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;*

*(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.*

*Explanation 2.—For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.*

7. In view of the above provisions and facts of the case, it appears that the taxpayer has availed the exemption benefit of payment of IGST at the time of imports of goods under advance licenses and simultaneously they have also claimed the refund of IGST paid by them on export of goods against Advance Authorizations, which was not allowed to them as per the conditions mentioned in Rule 96(10) of CGST Rules 2017.

8. Thus, it appears that refund of IGST paid on export of goods amounting to Rs. 73,22,077/- (Rupees Seventy Three Lakh Twenty Two Thousands Seventy Seven only) received by the taxpayer from Customs for the period from Apr- 2020 to Oct-2024 was not eligible to them as per the provisions of Rule 96(10) of CGST Rules, 2017 as amended, read with Section 20 of the IGST Act, 2017 and accordingly, has been wrongly taken by them in violation of the law. Thus, the taxpayer has violated and contravened the conditions laid down in Rule 96(10) of CGST Rules, 2017 as amended and they have claimed erroneous refund amount of Rs. 73,22,077/- of IGST paid on export of goods.

9. Suppression of facts and mis-statements – As discussed above, it is evident that despite being aware of the express restriction laid down under Rule 96(10) of CGST Rules, 2017 proceeded to claim refund of IGST paid on export of goods while simultaneously availing the benefit of exemption of payment of IGST on the import of goods and purchasing goods under Notification No. 40/2017-Central Tax (Rate) or Notification No. 41/2017-Integrated Tax (Rate) both dated 23.10.2017. The act of claiming refund in contravention of the prevailing legal provisions amounts to a willful misstatement and suppression of material facts. Therefore, it appears that the provisions of Section 74 and 74A of CGST Act, 2017 are invocable in the present case. Explanation-2 to Section 74 of CGST Act, 2017 provides that –

*Explanation 2. —For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.*

10. Therefore, it appears that refund of "IGST paid on export of goods" amounting to Rs. 73,22,077/- claimed by the taxpayer was in contravention of provisions of Rule 96(10) of CGST Rules 2017 as amended. This refund amount of Rs. 73,22,077/- has been wrongly taken by them, and the same needs, to be recovered back from them. Therefore, an amount of Rs. 73,22,077/- erroneously refunded to the assessee appears to be recoverable from them under the provisions of Section 74/74A of the CGST Act, 2017 along with interest as applicable under Section 50 of the CGST Act, 2017 as amended. The noticee also appears liable for imposition of penalty under Section 74/74A read with Section 122(2)(b) of CGST Act, 2017 for failure to pay back the erroneous refund amount taken by them.

11. Now, therefore, M/s. Lyka Labs Limited (GSTIN: 27AAACL0820G1ZZ), having registered address situated at Ground Floor, Block B, Lyka Labs Limited and Spancer Company Ltd, 30 Forjett Street, Bhatia Hospital, Grant Road West, Mumbai, Maharashtra, 400036 is hereby called upon to show cause and explain to the Deputy/Assistant Commissioner, Division-VI, CGST & C. Ex., Mumbai East Commissionerate having office at 10<sup>th</sup> Floor, Lotus Info Center, Near Parel Railway Station, Parel East, Mumbai-400012, within 30 days of the receipt of this Notice as to why:-

- (i) The IGST refund amounting to Rs. 51,96,246/- (Rs. Fifty One Lakhs Ninety Six Thousands Two Hundreds Forty Six only), availed on export of goods against the advance licenses and in contravention of Rule 96(10) of CGST Rules 2017 for the period Apr-2020 to Mar-2024, should not be demanded and recovered from them under **Section 74(1)** of the CGST Act, 2017, read with Section 20 of IGST Act, 2017;
- (ii) The IGST refund amounting to Rs. 15,96,235/- (Rs. Fifteen Lakhs Ninety Six Thousands Two Hundreds Thirty Five only), availed on export of goods against the advance licenses and in contravention of Rule 96(10) of CGST Rules 2017 for the period Apr-2024 to Oct-2024, should not be demanded and recovered from them under **Section 74A(1)** of the CGST Act, 2017, read with Section 20 of IGST Act, 2017;
- (iii) The IGST refund amounting to Rs. 5,29,596/- (Rs. Five Lakhs Twenty Nine Thousands Five Hundreds Ninety Six only), availed on export of goods which were purchased Notification No. 40/2017-Central Tax (Rate) or Notification No. 41/2017-Integrated Tax (Rate) both dated 23.10.2017 and in contravention of Rule 96(10) of CGST Rules 2017 for the period Apr-2020 to Mar-2024, should not be demanded and recovered from them under **Section 74(1)** of the CGST Act, 2017, read with Section 20 of IGST Act, 2017
- (iv) Interest on the amount Sr. No. 11(i), (ii) & (iii) should not be demanded and recovered under Section 50(1) of the CGST Act, 2017 read with Section 20 of IGST Act, 2017.
- (v) Penalty on the amount at Sr. No. 11(i) & (iii) should not be imposed upon them under Section 74 of CGST Act, 2017 read with Section 122(2)(b) of CGST Act, 2017 and Section 20 of IGST Act, 2017;

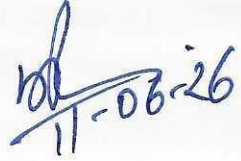
(vi) Penalty on the amount at Sr. No. 11(ii) should not be imposed upon them under Section 74A(5)(ii) of CGST Act, 2017 read with Section 122(2)(b) of CGST Act, 2017 and Section 20 of IGST Act, 2017.

12. The taxpayer is hereby requested to produce at the time of showing cause, the evidence, documentary or otherwise, on which they intend to rely in support of their defence. They should also mention in their written explanation whether they wish to be heard in person or through their legal representative/counsel before adjudication of the case. If no such mention is made in their written explanation, it will be presumed that they do not wish to be heard in person.

13. The taxpayer should also note that if no cause is shown against the action proposed to be taken within the stipulated period of 30 days or if they do not appear before the adjudicating authority when the case is posted for hearing, the case will be decided ex-parte on the basis of evidence already available on record.

14. This Show Cause Notice is issued only on the basis of information received regarding availment of refund in contravention of Rule 96(10) of CGST Rules 2017 as detailed in the show cause notice above and does not bar the department from issuing further demand notices, if warranted, on the basis of any subsequent actionable information/intelligence received in this regard.

15. This Show Cause Notice is issued without prejudice to any other or further action that may be taken against the taxpayer, either in this case or any other case under the provisions of CGST Act, 2017 read with IGST Act, 2017 and Maharashtra State GST Act, 2017 and Rules made thereunder or any other law for the time being in force.

  
11-06-26

(Sanjay Kumar S. Bundela)  
Assistant Commissioner (AE)  
CGST Mumbai East

F. No. CGST/ME/AE/Gr-C/LYKA LABS/617/2025-26/15069  
Mumbai, Dated June, 2026

Copy to: -

- 1) The Assistant/Deputy Commissioner of CGST & C. Ex., Division-VI, Mumbai East Commissionerate **for information and adjudication of the SCN.**
- 2) The Superintendent of CGST & C. Ex., Range-I, Division-VI, Mumbai East Commissionerate for information.
- 3) Notice Board