56th Edition

ICAI-GST NEWSLETTER

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8 Years of GST

Newsletter from The Institute of Chartered Accountants of India on GST

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Contents

President's Communication

Dear Professional Colleagues,

Greetings!

July 1, 2025, marked a significant milestone as India celebrated eight years of the Goods and Services Tax (GST)- the landmark *"One Nation, One Tax"* initiative launched in 2017. Over the past eight years, GST has evolved into a more streamlined and technology-enabled indirect tax system. This journey reflects not just a reform in taxation, but a bold stride toward greater economic integration and governance efficiency

India's GST collections have shown a robust upward trend, reflecting both sustained economic momentum and improved compliance. Between April and July 2025, GST collections rose by 10.7% year-on-year, amounting to ₹8.18 lakh crore. The gross GST revenue for July 2025 stood at ₹1.96 lakh crore, marking a 7.5% increase over July 2024 and 6% rise from ₹1.85 lakh crore collected in June 2025. Notably, GST revenue from domestic transactions grew by 6.7% year-on-year to ₹1.43 lakh crore, compared to ₹1.34 lakh crore in July 2024. These figures underline the continued resilience of the Indian economy & the growing effectiveness of the GST framework.

The Central Government has recently accelerated the process of appointing GST Appellate Tribunal (GSTAT) members. In a significant step toward operationalizing the State Benches of the Tribunal, one Technical Member (State) has been appointed to the Bihar Bench at Patna, two members have been appointed to the Uttar Pradesh Bench, and one member to the Gujarat Bench at Surat. These institutional developments, alongside strong revenue performance, signal a more robust and efficient GST ecosystem that is steadily aligning with the goals of ease of doing business and taxpayer facilitation.

This period also witnessed the profession coming together to celebrate the 77th CA Day with honour and renewed resolve. As we celebrated the occasion with pride and purpose, the presence of Shri Hardeep Singh Puri, Hon'ble Union Minister of Petroleum & Natural Gas, added meaningful perspective to the occasion. Addressing the gathering, he remarked, *"Chartered Accountants are the architects of financial integrity and partners in national governance."* He emphasised the profession's pivotal role in ensuring transparency, efficiency, and accountability, while urging members to embrace emerging technologies such as Artificial Intelligence (AI) to support India's journey towards becoming a developed nation.

As we reflect on these significant developments, it is evident that the profession stands at the forefront of change — adapting, innovating, and contributing meaningfully to the nation's progress. In this journey of continuous evolution, let us reaffirm our commitment to integrity, excellence, and forward thinking. *"Progress is not just about moving ahead—it's about moving with purpose, guided by values and driven by vision."* Let us continue to lead with conviction and shape a future that reflects the strength and spirit of our profession.

CA. Charanjot Singh Nanda
President
The Institute of Chartered Accountants of India

PHOTOGRAPHS

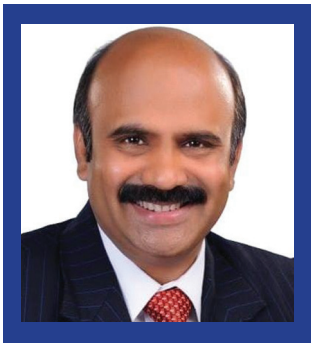
"GST Audit Refresher Course for Audit Officers" organised by GST & IDTC from 07-12 July 2025 at NACIN, Bengaluru

5 Day "Training on Audit and Financial Accounting Module for GST Inspectors" organised by GST & IDTC from 07-11 July 2025 at ICAI, Chennai.

5 Day "Training on Audit and Financial Accounting Module for GST Inspectors" organised by GST & IDTC from 14-18 July 2025 at NACIN, Chennai

"Certificate Course on GST" organised by GST & IDTC from 12 July to 10 Aug, 2025 at Ghaziabad, Uttar Pradesh.

Chairman's Communication



Esteemed Member,

Warm greetings!

As we mark the completion of eight transformative years since the implementation of the Goods and Services Tax (GST) in July 2017, it is an opportune moment to reflect on the journey of this landmark reform. Over these years, GST has evolved into a more streamlined, technology-driven, and compliance-oriented tax regime—reshaping India's indirect tax landscape and significantly contributing to the ease of doing business. The collaborative efforts of policymakers, administrators, and tax professionals have played a vital role in navigating this evolving framework.

The GST Portal has now been enhanced to allow taxpayers to file Appeal applications (Form APL-01) against SPL-07 orders issued in cases of rejection of waiver applications filed in Form SPL-01/SPL-02. Taxpayers are advised to carefully review the grounds and compile all relevant supporting documents before submission, as appeals once filed cannot be withdrawn. Further, to enhance transparency and control for taxpayers using Application Suvidha Providers (ASPs), GSTN will soon introduce key features on the GST Portal. Taxpayers will receive email/SMS alerts upon each successful OTP-based consent granted to ASPs, including details such as the ASP/GSP name, timestamp, and consent validity. Additionally, the portal will allow taxpayers to view and manage current and historical data access, including the option to revoke active consents through their dashboard.

The GST & Indirect Taxes Committee of ICAI continues to play a proactive role in supporting the capacity building of Government officials through structured and focused training programmes as well as extending faculty support to various initiatives. Recently, the Committee organised intensive training on Audit and Financial Accounting Module for GST Inspectors at NACIN, Chennai. Additionally, faculty support was provided to several other training programmes such as Workshop on Capacity Building for Improving Quality of Audit in GST held in NACIN Mumbai, GST Training Programme for Inspectors at Patna and faculty support to a GST Audit Refresher Course for officers at Bengaluru.

These initiatives reflect ICAI's steadfast commitment to strengthening the implementation of GST through meaningful collaboration with Government bodies and by equipping officials with the tools necessary for informed decision-making and effective compliance oversight.

As we look ahead to the future of GST, it is essential to continue strengthening engagement, building capacity, and leveraging technology to drive greater efficiency and transparency. We remain committed to supporting the nation's tax administration through knowledge-sharing, policy inputs, and skill development initiatives. Let us collectively reaffirm our resolve to contribute towards a more robust and responsive GST ecosystem that supports the vision of a self-reliant and digitally empowered India.

CA. Rajendra Kumar P
Chairman
GST & Indirect Taxes Committee
The Institute of Chartered Accountants of India

SUGGESTIONS FOR ALTERNATIVE ATTRIBUTION OF COMMON CREDIT

Background

Input Tax Credit is inadmissible when outward supplies are exempt under section 17(2) of CGST Act. When exempt outward supplies are made out of all inward supplies involved, then the entire input tax on inward supply is inadmissible, say, paper and ink used to print textbooks ('Wholly Exempt'). Another instance may be a single inward supply that cleaves into two or more individual articles, some of which are taxable and others non-taxable, this too attracts proportionate reversal of credit, say, crude oil used to produce petrol, diesel, kerosene, CNG, LPG and petroleum wax on fractional distillation ('Fractionally Exempt'). Yet another instance is where multiple inward supplies are involved in multiple outward supplies, where some are taxable and other are non-taxable, say, manufacture of articles of food for human consumption and supplied under a pre-package and labelled ('Jointly Exempt').

Criterion	Wholly Exempt	Fractionally Exempt	Jointly Exempt
Purchase for own purpose	Yes	Yes	Yes
Segregation of consumption	Yes	No	Yes
Clear record-keeping possible	Yes	No	Yes

Input tax credit, when admissible, goes to settle output tax collected on taxable supplies and whether the nature of input tax credit is admitted as indefeasible vest right (*Eicher Motors Ltd. v. UoI 1999 (106) ELT 3*) or conditional concession *(Jayam & Co. v. AC (2016) 96 VST 1 (SC)/ [2016] 15 SCC 125* and *ALD Automotive Pvt. Ltd. v. CTO [2018] 58 GSTR 468 (SC))*, it behaves as pre-paid output tax when set-off provisions in CGST Act are examined. Position taken in self-assessment regarding treatment of credit and its reversal does not operate independent of correlative tax positions taken in respect of outward supplies of deemed supplies. This article examines, the common mistakes about common credits when reversal is routinely applied based on turnover as the factor for determination without regard to the exact nature of their commonality.

Selection of common factor

With respect to allocation of common costs, costing accounting principles teach that the selection of factors or 'cost drivers' is key. Following use cases may be considered:

a) Area occupied is a reliable cost driver to allocate 'rent' to sales office and service station in an authorized service centre;

b) Units produced is a reliable cost driver to allocate 'power and utilities' to assembly of mobile phones and mobile tablet kits;

c) Manpower deployed is a reliable cost driver to allocate 'security and house-keeping charges' to software development services and online licensing departments.

Applying 'turnover' as the sole criteria clearly offends first principles of cost allocation for the reason that it distorts the overhead charged to different units or lines of business or reportable segments. Purpose of allocating is not to distribute costs but to accurately charge the overhead. With the same use cases, distortion created by applying turnover criteria will be as follows:

a) Sales office bears higher extent of rent expense than service station;

b) Each unit of mobile phone bears higher cost of power and utilities due to higher price per unit than mobile tablet units;

c) Online licensing department bears higher cost of security and house-keeping cost due to higher revenue from fewer people deployed.

Cost accounting principles frown on 'turnover' as the cost driver not only because it is primitive but also because it incorrectly reflects the reality of costs consumed in each use case. More instances can be listed to illustrate this distortion, but the point is already made with these.

Cost driver of last resort

Rules prescribed to implement mandate in section 17(2) offer a most unsuitable cost driver – turnover – as a last resort and recourse to this factor is necessary only when no other method of allocation is forthcoming due to taxpayer's disinclination to maintain sufficient records. Cenvat Credit Rules contains a clue that reversal of common credit based on a similar cost driver under rule 6 was applicable only when separate records were not maintained. There is no such express option found anywhere in Chapter V of CGST Rules, but when it is admitted that the purpose of the rules is the fulfil the mandate in the Act, such an option is inherent in section 17(2) itself.

Say, on in Jun 2024 company was awarded a contract to supply under an end-use exemption, say, public works (that apply whether supplies are goods or services) to be completed within Sept 2024. All necessary inward supplies between Jul and Sept 2024 were without claim of input tax credit. After a certain gap, sometime in Dec 2024 company

was awarded another contract for similar supplies, but for private works which were not eligible to said exemption to be completed by Mar 2025. All inward supplies between Jan and Mar 2025 were with claim of input tax credit.

In this illustration, section 17(2) is attracted but complied based on actual facts and respective records kept in respect of inward supplies in-

(i) Jul and Sept 2024 were without credit and

(ii) Jan and March 2025 were with credit.

If the facts of another case did not have the interval of time deliberated considered in this illustration, the outcome of reversal computation and compliance with mandate in law will be identical. And in yet another case had the two contracts were in the same period, it is still possible to result exactly the same reversal computation and compliance with mandate in law.

Rule 42 permits, subject to reliable record-keeping, to admit credit via 'T2' and 'T4', after excluding non-business credits (T1) and blocked credits (T3), such that residual credit that is indeterminate and identified as 'C2'. In the instances illustrations discussed, C2 will be 'zero'. And section 17(2) stands complied even without any resulting reversal.

Commonly assumed to be 'common credit'

Audit fee is commonly assumed to be a common credit (C2), in a multi-GSTIN legal entity, since audit is carried out of the HO (head office) as well as BO (branch offices). C2 must exist as a fact even if computed by mathematical derivation (C1 minus T4). If purpose of audit can be agreed to be (i) verification of correctness of compliance by all departments in the legal entity and (ii) identification of improvement areas for management decisions. On this premise, BO does not require audit. It is HO that will need to have assurance on (i) and assistance to identify (ii). From BOs perspective, (i) is either irrelevant or a fault-finding exercise by auditor; and (ii) brings out potential change that is undesirable for obvious reasons. As such, audit is not a service supplied 'to' BO but a service conduct 'on' BO and supplied 'to' HO by auditor.

Management cost and overheads of HO is another commonly assumed item of common cost. This assumption turns heavily on whether (i) sales billing are centralized in HO with BOs operating as implementation arms of the legal entity or (ii) sales billings are decentralized with BOs and HO operating as a back-office support centre. Without this fact, which is neither similar in all HO-BO structures nor similar in all firms in given industry. Variations can be so many that it can be different from (a) companies in same industry (b) departments within same company and (c) execution plan of contracts within same department of given company. And there cannot be a one-size-fits-all methodology without due regard to functions of HO-BO in each instance.

Function of HO	Function of BO	Business model
Accept contracts	Fulfil contracts	Main/Sub-contractor
Oversight	Accept contracts	Project manager
Accepts and fulfils	Accepts and fulfils	Independent
Research & Development (R&D)	Factory	Know-how provider
IPR	Sales	IP provider
Marketing	Distribution	Principal-Agent
Capital	Implementation	Investor-Investee
Cost centre	Revenue centre	Back-office support

It is submitted that no assumption be made about common credits based on centralized procurement of inward supplies or appearance of benefits from such inward supplies flowing to more than one distinct persons. Any assertion by taxpayer (or Revenue) as to reversal of common credits can be impeached by demonstrating the role of each distinct person.

Detecting commonality in uncommon credits

It would be uncharitable to make assumption that corporate expenses contain 'common credits'. Nothing could be farther from the truth. Common credit must be traceable to the three categories identified earlier.

Criterion	Wholly Exempt	Fractionally Exempt	Jointly Exempt
Purpose of purchases (of services) to benefit BO	No	No	No
Consultations with BO before purchase by HO	No	No	No
Use or benefits from purchases exclusively enjoyed by BO	No	No	No
Activities by vendor at location of BO on authority of HO	Yes	Yes	Yes
Liability to pay vendor for supplies exclusively with HO	Yes	Yes	Yes
Accounting of purchases by HO due to contract with vendor from HO	Yes	Yes	Yes

While the above table does not offer exhaustive criterion, more of them could be devised to detect commonality. And if the answers (listed above) disaffirm commonality, more stringent tests applied would reveal commonality provided the answers were different to those tests.

Wonder of permitted inconsistency in GST

Any procedure in GST is tested for its compliance for a given 'tax period' and there is no mandate to maintain consistency in compliance. That is, tax position taken in one tax period does not bar departure from this tax position in the next tax period and again revert back in any further tax period. This is the wonder of permitted inconsistency. In fact, this dynamic compliance is not limited to matters of procedural compliance, but even in matters of substantive legal compliance. And this liberty is permitted to tax authorities as much as is available to taxpayers.

As long as record-keeping is reliable, reversal of common credits (C2) can be NIL but Table 4 B2 (in Form GSTR-3B) cannot be NIL. With the mandate in rule 36(4)(b) entire available credit cannot be assumed to be admissible. From 1 Oct 2022 onwards, entire available credit must be claimed via Form GSTR- 3B, and inadmissible credits, whether T2, T3, D1 or D2, must be reported in Table 4 B2. As such, up to 30 Sept 2022, when this mandate was not applicable, if taxpayers were to assert that net credit were claimed in Form GSTR-3B, this position cannot lightly be rejected by Revenue, neither by logical derivation nor by adverse inference. Presumption runs in favour of Revenue when Table 4 B2 is NIL, but not before 1 Oct 2022. This permitted inconsistency or dynamic compliance of credit reversal qua tax period is permitted to all taxpayers except taxpayers undertaking REP/RREP projects where compliance under section 17(2) is mandated in rule 42 qua project.

Conclusion

Reversal of common credit requires identification and admission of 'common credits'. And if taxpayer asserts C2 to be NIL (after complying with reversals required in Table 4 B2), no presumption of non-compliance with section 17(2) can be lightly raised by Revenue. But if taxpayer lethargically admits common credits, then not only will input tax credit be liable to some reversal, but any relief claimed by way of special exclusion from output tax under conditional dispensation (such as circular 199 or 210) will also come under a cloud that will not be easy.

Contributed by CA. A Jatin Christopher

Invitation to write articles on GST

Chartered Accountants and other experts, with academic passion and flair for writing are invited to share their expertise on GST through ICAI-GST Newsletter. The article may be on any topic related to GST Law. While submitting the articles, please keep the following aspects in mind:

1) Article should be of 2000-2500 words.
2) An executive summary of about 100 words may accompany the article.
3) It should be original and not published/should not have been sent for publishing anywhere else.
4) Copyright of the selected article shall vest with the ICAI.

Please send editable soft copy of the article at *gst@icai.in*.

MANPOWER SUPPLY AND SECONDMENT OF EMPLOYEES

Introduction

Manpower supply is known as the supply of staffing services, which involves the provision of human resources either temporarily or permanently. This service category is categorized under the heading "Support Services" (*Heading No 9985 of 'Scheme of Classification of Services*').

Levy of tax under GST laws in respect of manpower supply services are determined by the degree of supervision, nature of contract and terms of employment. Understanding these factors is very crucial for determining the levy of GST by the supplier and the claim of Input Tax Credit (ITC) by the recipient.

Taxation of Manpower supply under the erstwhile Service Tax Laws

The personnel support services were called as "Manpower Supply Services" under the erstwhile Service Tax Laws. Manpower supply services were recognized as taxable services under section 65(105)(k) of the Finance Act, 1994. The levy of tax on manpower supply under the service tax regime can be divided into two parts:-

a. Levy of Service Tax prior to introduction of Reverse Charge Mechanism;

b. Levy of Service Tax after introduction of Reverse Charge Mechanism.

a. Levy of Service Tax prior to introduction of Reverse Charge Mechanism

Manpower supply was first recognized as taxable service under section 65(105)(k) read with section 65(68) of the Finance Act, 1994 w.e.f. 7th July 1997. Service tax was levied under forward charge mechanism at the applicable rate.

b. Levy of Service Tax after introduction of Reverse Charge Mechanism

Post introduction of reverse charge mechanism under *Notification No. 30/2012 – ST dt. 20th June 2012,* in accordance with S. No. 8, a partial reverse charge was applicable on the manpower supply services. Service Tax was payable by the corporate recipient, wherein manpower supply of services was provided by an individual, HUF or Partnership firm.

Furthermore, vide *Notification no. 7/2015-ST dt. 1st April, 2015,* a complete Reverse Charge was made applicable to these services.

Service Tax on manpower services was not applicable, where employer – employee relationship existed as services provided by an employee to his employer were excluded from the definition of services as per section 65B(44) of the Finance Act, 1994. Therefore, where the personnel are on the rolls of the recipient, there was no liability to pay service tax.

Taxability under GST Laws

Introduction of GST law ushered in the concept of supply. All forms of supply of goods and/or services in the course and furtherance of business for a consideration are covered under the ambit of supply. As per section 7(1) of the CGST Act, 2017, the following ingredients are required for any provision of services or sale of goods to be covered under the levy of GST -

1. It should be supply of goods or services or both;
2. It should be made for a consideration;
3. It should be made in the course or furtherance of business.

However, the application of supply under section 7(1) of CGST Act, 2017 is restricted by a non-obstantive clause under section 7(2) of CGST Act, 2017 which interalia provides that activities or transactions specified under schedule III of the CGST Act, 2017 shall be treated as neither supply of goods nor supply of services.

Whether GST is levied on Manpower Supply Services

For manpower supply services to be covered under the ambit of GST, it has to fulfill following conditions as enumerated under section 7 of CGST Act, 2017 and as mentioned above. Therefore, at the initial stage we need to examine the definition of services, consideration and business as per the CGST Act, 2017.

Services are defined under section 2(102) of CGST Act, 2017. As per the definition, services mean anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency, or denomination to another form, currency, or denomination for which a separate consideration is charged. This definition is significant as it provides a broad scope for taxation under GST, ensuring that all non-goods supplies with consideration—such as manpower supply, consulting, leasing, etc.—are brought within the ambit of GST.

Consideration is defined under section 2(31) of the CGST Act, 2017. As per the definition, consideration mean any payment made or to be made, whether in money or

otherwise, in response to, or for the inducement of supply of goods or services.

Business is defined under section 2(17) of the CGST Act, 2017. As per the said definition, business covers any trade, commerce, manufacture, profession, vocation, or similar activity, whether for a pecuniary benefit or not. The definition also includes activities such as supply of goods or services in connection with business, occasional transactions. This wide scope ensures that most economic activities fall within the ambit of GST, regardless of whether they are carried out for profit or not.

Therefore, on examination of the manpower supply services on the touchstone of the above definitions of service, consideration and business, it can be inferred that supply of manpower services for a consideration to a recipient whether or not for earning profits are exigible to the levy of GST. Such services are classified under Group: *99851 "Employment services including personnel search, referral service and labour supply service"* of Scheme of Classification of Services under GST. Upon going through the above discussion, following issues come under the consideration.

Whether Manpower supplier can be treated as pure agent under Rule 33 of the CGST Rules, 2017 and skip the levy of GST on reimbursement of salary received from the seconded company?

The said question was decided by West Bengal AAR in the matter of *Prodip Nandi, 13/WBAAR/2021-22 dt. 08.10.2021,* the digest of the said judgment is as follows -

The West Bengal Authority for Advance Ruling (WBAAR) in the case of Prodip Nandi clarified key aspects concerning the applicability of GST on manpower supply services and the scope of "pure agent" under rule 33 of the CGST Rules, 2017. The applicant, Prodip Nandi, is engaged in supplying manpower services to clients and also disburses salaries and wages to the workers on behalf of the clients. He raised invoices that separately reflected the salary component and his service charges. Based on this arrangement, he sought a ruling on whether he qualifies as a "pure agent" under rule 33 and if the salary/wages could be excluded from the value of supply for GST calculation.

The applicant contended that he merely facilitates the payment of salaries to the manpower deployed at the client's premises, based on authorization under the service agreement. He argued that he does not use the manpower for his own benefit and therefore should be considered a pure agent.

The Authority rejected the applicant's plea and held that he does not qualify as a pure agent. The ruling emphasized that under the contractual arrangement, the applicant directly engages the workers under employment agreements, maintains statutory records, and assumes full employer obligations such as EPF, ESI, and wage disbursement. Therefore, the manpower is not procured on behalf of the client but provided as part of the applicant's own service. As a result, the salary/wages component forms part of the taxable value and cannot be excluded under section 15 of the CGST Act, 2017.

The ruling drew a clear distinction between a genuine "pure agent" scenario — such as reimbursement of Government fees paid on behalf of a client — and the applicant's case where the supplier remains liable for all aspects of manpower deployment. This decision reiterates that service providers cannot claim pure agent status merely by showing cost elements separately in invoices. Substance of the relationship and contractual obligations determine the tax treatment under GST.

A similar ruling was given by Lucknow AAR in the matter of *M/s. Lucknow Producers Cooperative Milk Union Ltd, UPADGR 76/2021 dt. 16.04.2021*. A gist of the said ruling is as under -

In this case, the applicant, a manufacturer of milk and milk products, engaged manpower supply agencies to meet its staffing requirements. These agencies billed the applicant separately — one invoice for service charges and another for reimbursement of statutory liabilities like EPF and ESI contributions paid by them.

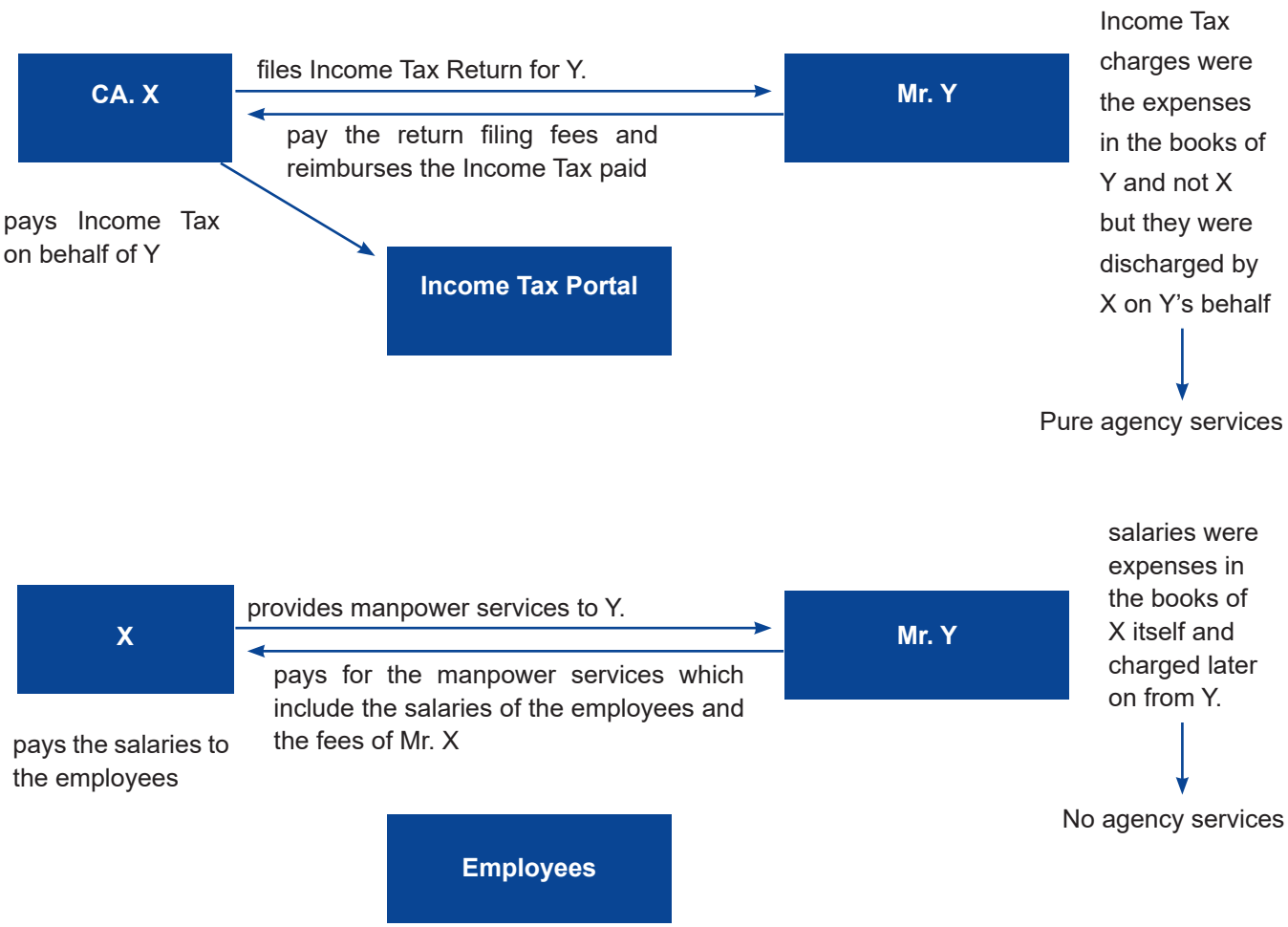
The applicant argued that reimbursements of EPF and ESI should not attract GST, relying on rule 33 of the CGST Rules, 2017, which allows exclusion of expenses incurred by a "pure agent" from the taxable value.

However, the Authority for Advance Ruling (AAR) rejected the applicant's claim, observing that the entire amount paid by the applicant to the manpower agency, including reimbursements, constitutes consideration under section 2(31) and section 15 of the CGST Act. Thus, the entire payment — including statutory reimbursements — is subject to GST at 18% (9% CGST + 9% SGST).

The AAR clarified that to qualify as a "pure agent," certain conditions must be met — most importantly, the supplier must act solely on behalf of the recipient for third-party expenses in addition to supplying services on their own account. In this case, the manpower agency was not procuring any additional services, nor was there a specific contractual agreement designating them as a pure agent.

One important notable point from above two judgements is that to fall within the ambit of the concept of "Pure Agent", the expense in question should primarily be seen from the point of view of receiver of service, however being paid by the supplier on behalf of receiver of services and consequently reimbursed by the receiver to the supplier of services.

This is clarified in the below diagram:



Whether secondment of employees is considered as manpower supply services under GST Law?

Secondment means a process by which employer may assign an employee to another employer on temporary basis with the right of the staff to return to the previous employer.

Seconded employee is the permanent core employee of the contractor. Eg. - The contractor X has seconded the employee to a project or a worksite of say contractor Y. The seconded employee remains the sole responsibility of the original employer i.e. contractor X. The employee will return to the home-base of contractor X upon completion of the project-work.

In terms of section 7(2) read with Entry No 1 of Schedule III of CGST Act, 2017, services by an employee to the employer in the course of or in relation to his employment are not supply of services in the course and furtherance of business as envisaged under section 7(1) of CGST Act, 2017.

The supply of services by a seconded employee has two aspects which are described as follows and the levy of GST is also described herewith:-

Part 1: The seconded employee will receive salary from his original employer: Such a transaction is not covered under the levy of GST as per section 7(2) read with Entry 1 of Schedule III of the Act.

Part 2: The original employer (Contractor X) may receive reimbursement of salary along with certain amount over and above the reimbursement of salary: In such a case the reimbursement of salary and amount received over and above the salary are liable to levy of GST.

Whether GST is applicable under manpower supply services where employer-employee relationship is established between the seconded employee and seconded company?

Where employer-employee relationship is established between the seconded employee and seconded company, the said transaction is not covered under the ambit of supply in terms of section 7(2) read with Entry No 1 of Schedule III of the CGST Act, 2017. The same is supported by various judicial pronouncements, which are discussed as follows :-

Hon'ble Allahabad High Court in the matter of *CCE vs Computer Sciences Corporation India Pvt Ltd, 2015 (37) STR 62.*

The assessee hired certain employees from his group companies. These employees were either directly employed by the assessee or were transferred from other Group Companies to the assessee in India. During

the tenure of their employment in India, the expatriate employees performed their duties and responsibilities like other employees of the assessee in India. A letter of employment was entered into between the expatriate employee and the assessee from the date when the employee was transferred to India for the duration of the employment in the country. The assessee company also incurred expenditure on such employees in the form of provident fund and had also deposited TDS on total salary earned by such employees. The Hon'ble High Court observed that there is no taxable services such as manpower services which is being provided by the group companies to the assessee and consequently same will not be chargeable to service tax.

Delhi Tribunal in the case of *M/s Paramount Communication Ltd v. CCE, Jaipur, reported at 2013-TIOL-37-CESTAT-DEL*

The assessee company was sharing services of some personnel with its sister concerns. The Hon'ble Tribunal held that there is no case of manpower supply by the appellant to the sister concern company as the employees continued to do work of the appellant also and were in an arrangement in which certain employees work for two sister concerns and the expenses of employees are shared, the manpower is not supplied by one company to other. The service is by the personnel to the two companies in question and not one company providing service to the other company. So there is no taxable activity on the part of the appellant to the other to be taxed under manpower supply service taxable as per section 65(105)(k) of the Finance Act, 1994.

Bain & Co. India Private Limited v. Commissioner of ST, New Delhi, 2014 (35) S.T.R. 553 (Tri.–Del.)

The Department had alleged that the assessee company had received manpower supply services from its holding company situated at Boston, USA, as the holding company had deployed certain employees to the appellant company for which the appellant company had made payment in foreign exchange. The Hon'ble Tribunal held that, it is not disputed that the salaries payments in respect of the deputed employees were paid by the Indian entity and TDS on the same were deposited by the Indian entity. The Indian entity had only made payment of Social Security Contribution in terms of US Federal Insurance Contribution Act, 1935, thus, mere payment of Social Security Contribution cannot be construed to be manpower supply services.

M/s Volkswagen India Pvt. Ltd. vs Commissioner of Central Excise, Pune-I, 2014 (34) S.T.R. 135 (Tri – Mum).

The CESTAT, Mumbai, in the case of *M/s Volkswagen India Pvt. Ltd. vs Commissioner of Central Excise, Pune-I*, held that Volkswagen India was not liable to pay service tax under reverse charge for foreign employees deputed from its group companies. The company had entered into an inter-company agreement with its German holding company for deploying skilled personnel. These employees worked solely under Volkswagen India's control, followed its policies, and were paid by the Indian company with TDS deducted in India. A portion of their salary was routed through the foreign company and reimbursed. The Revenue treated this as a "manpower supply service" attracting service tax. However, the Tribunal observed that there was a clear employer-employee relationship between the Indian company and the deputed personnel. It emphasized that mere reimbursement of salary does not amount to consideration for manpower supply. The Tribunal also noted that no service provider-client relationship existed between the foreign company and the appellant. Relying on past rulings and CBEC clarifications, the Court found the case not taxable under manpower services. Consequently, the demand, interest, and penalties were set aside, allowing the appeals.

Hon'ble Supreme Court in the matter of CESTAT-Bangalore (Adjudication) vs Northern Operating Systems Private Limited, Civil Appeal No. 2289-2293 of 2021.

Hon'ble Supreme Court in the above captioned matter had departed from the settled legal position and held that service Tax is applicable on secondment of employees. The facts of the case and judgement held by the Supreme Court are as follows -

Facts: Northern Operating Systems Private Limited (NOS) was registered as a manpower recruitment agency with service tax authorities. Proceedings for non-payment of service tax on manpower supply received by it from its entities located in USA, UK and Dublin were initiated by the Service Tax Authorities. NOS pleaded that it had entered into contracts with its overseas group entities for secondment of skilled personnel to assist with back-office and IT functions in India. Under the agreements, seconded employees worked under NOS's direction and control during the deputation period. However, they remained on the payroll of the overseas entities, which paid their salary, bonuses, and social security benefits. NOS merely reimbursed these expenses to the overseas company without any markup. Upon completion of their assignment, the secondees were repatriated to the overseas companies. NOS argued that since the overseas company remained the legal employer, the arrangement fell under the employer–employee exemption in service tax law.

Question Before the Hon'ble Supreme Court was that who was the real employer of the seconded employees. If the

Indian entity is treated as the employer, then payment made to group entity by Indian entity is mere reimbursement of expenses and not liable to tax. If the foreign entity was the employer then, amount paid by the Indian entity to foreign entity is liable to levy of tax.

Court Held: The Court adopted substance over form approach in order to examine the employer-employee relationship. It was held that the group entity retained all the control over the employees, disbursed their salary. NOS only exercised operational control over the employees, which was deemed insufficient for establishing employer-employee relationship. Further after end of deputation with NOS, the seconded employees were to return back to the base of foreign entity. Therefore, charges paid by NOS to its group companies were deemed as manpower supply and was liable to levy of tax.

Following this judgement, multiple notices were issued by the Revenue under GST to the taxpayers who were involved in these transactions without noticing the fact that Hon'ble Supreme Court clearly stated that every case is different and the decision cannot be applied in every case without looking at the facts. Also, to prevent any mechanic use of the power following this judgement, CBIC issued *Instruction No. 05/2023-GST dt. 13.12.2023*. This Instruction clearly mentions that arrangements for secondment of employees and their tax implications may be different in every case depending on the factual matrix including the terms of the contract between overseas entity and Indian entity. Thus, the NOS judgement should not be applied mechanically in every case.

Even if the Revenue seeks to levy tax on the arrangements of secondment in view of the Northern Operating System judgement, one remedy is to seek shelter under rule 28 of the CGST Rules, 2017.

2nd proviso of rule 28 of the CGST Rules, 2017 states as follows:

"Provided that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the value of said supply of services."

Further *Circular No. 210/4/2024-GST dt. 26.06.2024* clarified that the provisions of the rule are applicable on the import of services also. Hence, the value decided by the entity shall be considered as the value of supply.

In other words, if ultimately the case falls into the ambit of GST and the secondment arrangement is held to be a supply, then a possible solution is to put the case into rule 28 and with the help of "Nil value", tax can be as good as Nil. The same situation is also envisaged by the Hon'ble Delhi High Court in the case of *Metal One Corporation India Pvt. Ltd vs Union Of India & Ors.* on 22 October, 2024 and Karnataka High Court in the case of *M/s Alstom Transport India Limited vs The State of Karnataka on 9 July, 2024*

Conclusion

The taxation of manpower supply and secondment services under GST requires a nuanced assessment of the contractual terms, control dynamics, and reimbursement structures involved. While GST clearly applies to manpower supply where service providers deploy personnel under their own employment to clients for a consideration, the secondment of employees presents a more complex scenario. If the secondees are fully integrated into the Indian entity's operations, under its supervision, and paid directly with proper statutory deductions, Courts have often recognized the existence of an employer-employee relationship, exempting such transactions from GST. However, the Supreme Court's ruling in Northern Operating Systems Pvt. Ltd. departed from earlier precedents by holding that mere operational control by the Indian entity does not establish employment if the foreign group company retains key responsibilities and reimbursement is involved. This judgment emphasizes a "substance over form" approach and this precedent laid down by the Hon'ble Supreme Court here should be carefully considered. However, as mentioned by the Instructions also as discussed above, this judgement was very specific and should not be followed blindly. Rather, businesses engaging in secondment or manpower supply must thoroughly review their contracts and structure their arrangements with clarity, ensuring they comply with GST provisions and judicial interpretations to avoid litigation and unexpected tax liabilities.

Contributed by CA. Manu Gawri

JUDICIAL PRONOUNCEMENTS

1. Strict Timelines in GST Refunds are Mandatory–Delay Vitiates Proceedings

In ***Suraj Mangar v. Assistant Commissioner of West Bengal State Tax & Ors., the Division Bench of the Calcutta High Court (M.A.T. No. 104 of 2024, dt. 30.07.2025)*** heard an appeal against the rejection of the appellant's GST refund claim under section 54 of the WB GST Act, 2017. The appellant had filed a refund application on 24.12.2021, which was acknowledged on 10.01.2022 (2 days beyond the 15-day limit under rule 90(2)) and followed by a show cause notice on 08.02.2022, fixing the reply date as 23.02.2022 - beyond the statutory 60-day limit for passing a refund order under section 54(7). The Proper Officer rejected the claim citing grounds like small size of premises, absence of e-way Bill, and inputs from Bhutan Customs.

The Court held that the 60-days limit under section 54(7) is mandatory, non-compliance vitiates the process. It was also found the rejection grounds extraneous, noting e-way bills were not required for non-motorised transport and GST officers cannot question exports cleared by Indian Customs. Citing *Circular 125/44/2019-GST dt. 18.11.2019*, the Court emphasised adherence to prescribed timelines. The Single Judge's order upholding rejection was set aside, and the respondents were directed to refund the entire amount with interest under section 56 within 30 days.

2. No Penalty under GST without Proof of Intent to Evade Tax

In ***Shakuntalam Associates v. Additional Commissioner Grade-2 (Appeal)-V, the Hon'ble Allahabad High Court (Writ Tax No. 913 of 2022, dt. 30.07.2025)*** heard a writ petition challenging the seizure of goods and imposition of penalty under section 129(3) of the CGST Act. The petitioner contended that goods were being transported from Delhi to Delhi with valid tax invoice, e-way bill, and bilty, but the name of the transporter was inadvertently omitted from the e-way bill. The goods were detained based on the driver's statement suggesting the destination was Ghaziabad, though the petitioner clarified that the vehicle was diverted to godown at Chikamberpur for consolidation into a full truckload before proceeding to Delhi.

The Court noted that all other transport details were correct, there was no denial of the petitioner's explanation, and no evidence of intention to evade tax existed. Relying on *Varun Beverages Ltd. v. State of U.P.* and *Satyam Shivam Papers (P.) Ltd., [2023 (71) G. S. T. L. 4 (All.)],* and the judgment of the Hon'ble Supreme Court in *Assistant Commissioner (ST) v. Satyam Shivam Papers (P.) Ltd. [2022 (57) G. S. T. L. 97 (SC)*], it held that in absence of mala fide intent, penalty under section 129 was unwarranted. The orders dated 30.04.2021 and 23.10.2021 were quashed, and the writ petition was allowed.

3. Bail Granted in GST Fake Invoice Case Considering Custody Period, Deposit

In ***Gopal Rawat v. Union of India (DGGI), (Miscellaneous Bail Application No. 7476 of 2025 dt. 29.07.2025),*** the Rajasthan High Court heard a bail application under section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (BNSS) concerning alleged issuance of goods-less invoices by the petitioner's firm, M/s VLR Corporation, involving fraudulent Input Tax Credit (ITC) of ₹ 7,19,68,871/- without actual supply of goods. The petitioner contended that the alleged offence under section 132(1) of the CGST Act was bailable and compoundable up to ₹ 5 crore, out of which ₹1.37 crore has been deposited to the concerned authority, there were no criminal antecedents, and the case was exclusively triable by a Judicial Magistrate. He had been in custody since 02.05.2025 and the charge sheet had been filed. The Department opposed bail, citing the gravity of economic offences.

Relying on *Ratnambar Kaushik v. Union of India [2023 (68) G. S. T. L. 233 (SC)]*, the Court noted that the trial would take time, the case rested largely on documentary evidence, to be tendered by the respondent would essentially be documentary and electronic. The ocular evidence will be through official witnesses, due to which there can be no apprehension of tampering, intimidating or influencing.

Considering the deposit made, absence of antecedents, and the stage of proceedings, the Court granted bail with conditions, including surrender of passport and travel restrictions.

4. Vague Show Cause Notice and Non-Speaking Orders in GST Cancellation Quashed for Breach of Natural Justice.

In ***Swapnil Prakash Bhogle v. Union of India & Ors., the Bombay High Court (Writ Petition No. 8552 of 2025, dt. 29.07.2025)*** dealt with a challenge to a GST registration cancellation process. The petitioner assailed the vague show cause notice dt. 18.08.2023, the cancellation order dt. 31.08.2023, and the rejection of the revocation application dt. 08.12.2023.

The Court noted that the SCN merely alleged "non-compliance of any specified provisions" without citing any specific breach, defeating the purpose of a SCN and violating principles of natural justice. A general statement about non-compliance with any specified provisions of GST Act or rules does not amount to giving a valid show cause notice. Despite the petitioner's reply regarding the place of business, the cancellation order was non-speaking, unreasoned, and failed to reflect consideration of the response. Similarly, the revocation rejection was a bare conclusion without reasoning. There was nothing to indicate any consideration of compliance filed by petitioner. Holding the entire process in gross violation of natural justice, the Court quashed all impugned orders and revived the registration, while permitting the authorities to issue a fresh, detailed SCN if they wished to proceed. All merits were kept open.

5. Determination of limitation period of three month in Show Cause Notice - "three months" meant three British calendar months.

In ***Tata Play Ltd. v. Sales Tax Officer Class II/AVATO, Department of Trade and Taxes, New Delhi (W. P. (C) No. 4781 of 2025, dt. 29.07.2025)***, the Delhi High Court dealt with a writ petition challenging a GST Show Cause Notice dt. 30.11.2024 and consequential demand order dt. 28.02.2025 for FY 2020–21. The petitioner alleged that the SCN was issued beyond the limitation prescribed under section 73(2) & (10) of the CGST Act and that adequate opportunity for personal hearing under section 75(4) was denied. Tata Play contended that the SCN ought to have been issued by 28.11.2024, relying on *Cotton Corporation of India v Assistant Commissioner (ST) (Audit) (FAC), 2025 SCC Online AP.* Tata Play claimed a "portal glitch" prevented proper hearing requests. The Department argued the SCN was within time if computed as three calendar months and that sufficient hearing opportunities were given but not availed.

The Court, relying on *Himachal Techno Engineers (SC) (2010) 12 SCC 210*, held that "three months" meant three British calendar months, making the SCN timely. It found that two hearing dates were fixed, one adjourned on request and the other missed by the petitioner without further adjournment requests; thus, natural justice was not breached. Holding that no exceptional grounds existed to bypass the alternate appellate remedy under section 107, the Court dismissed the writ, allowing Tata Play to file an appeal by 31.08.2025 with pre-deposit.

6. Water & Effluent Storage Tanks Held as Plant and Machinery – ITC Allowed under GST

In ***M/s. Nitta Gelatin India Limited – Advance Ruling, (Order No. KER/19/2025, dt. 27.06.2025)*** the Kerala Authority for Advance Ruling examined whether the company could avail ITC on GST paid for constructing a fresh water storage tank (2000 KL) and a guard pond (effluent storage tank, 7000 KL) at its Koratty manufacturing unit. The applicant argued that these were integral to plant and machinery, essential for uninterrupted production and environmental compliance, and should not be treated as "civil structures" excluded under section 17(5)(c) & section 17(5)(d) of the CGST Act.

Authority applying the functionality test laid down by the Hon'ble Supreme Court in *CC of CGST v. Safari Retreats (P.) Ltd. (Civil Appeal No. 2948 of 2023)* and noting their capitalization under "Plant and Machinery," the Authority held both structures served operational, process-linked roles rather than passive structural functions. They were thus, classified as plant and machinery, making the ITC restriction inapplicable. The AAR ruled that ITC is admissible on goods and services used for their construction, provided they are capitalized as plant and machinery and used in manufacturing operations. The ruling thereby aligns with the overarching objective of the GST framework to ensure seamless flow of credit and to avoid cascading of taxes on capital inputs used in the course of business.

7. Training Services to State Skill Development Corporation Not Exempt under GST – Supply Held Taxable

In ***M/s. Ethnus Consultancy Services Pvt. Ltd. – Advance Ruling, (Order No. KAR/ADRG/25/2025, dt. 28.07.2025),*** the Karnataka Authority for Advance Ruling examined whether training services provided under the Kalike Jothege Kaushalya programme of the Karnataka Skill Development Corporation (KSDC) were exempt under Entry 72 of *Notification No. 12/2017-CT (R)*. The applicant, engaged in skill training and employability development, contended that as the programme was fully government-funded, the services were nil-rated.

The Authority observed that Entry 72 of *Notification No. 12/2017 – CT(R)* requires the services to be provided directly to the Central/State Government or UT administration, in a training programme where at least 75% of the cost is borne by the Government. It held that KSDC, being an independent legal entity and not the State Government itself, meant the first condition was not met, rendering further conditions

irrelevant. Consequently, the exemption was inapplicable, and the consideration received from KSDC was held liable to GST as a taxable supply.

8. Motor Vehicle Seat Parts retain 18% GST classification – Complete Seats at 28%"

In ***Sri. Gubbi Rajashekarappa Mahesh, Prop. M/s. Fine Tools (India) Pvt. Ltd. – (Order No. KAR/ADRG/24/2025, dt. 28.07.2025)*** Advance Ruling, the Karnataka AAR dealt with the classification and GST rate applicable to *"parts of seats of a kind used for motor vehicles."* The applicant manufactured tailor-made seat components such as springs, straps, fasteners, and sheet metal sub-assemblies, exclusively for motor vehicle seats. They contended that post-amendment by *Notification No. 05/2024-CT(R) dt. 08.10.2024*, *"seats of a kind used for motor vehicles"* were moved to Entry 210A of Schedule IV (28% GST), but *"parts thereof"* remained under Entry 435A of Schedule III (18% GST).

The Authority agreed that while complete seats for motor vehicles now attract 28% GST, their parts continue to fall under Entry 435A, attracting 18% GST after examining relevant notifications, tariff headings, and *Circular No. 235/29/2024-GST dt. 11.10.2024*, it ruled that such parts are classifiable under HSN 9401 90 00 and taxable at 18%.

9. PVC Raincoats Classified as Plastic Apparel – 18% and not textile article.

In ***M/s. Aristocrat Industries Private Limited v. West Bengal Authority for Advance Ruling (Order No. 05/ WBAAAR/Appeal/2025 dt. 22.07.2025)*** AAAR dealt with the classification and GST rate applicable to "PVC raincoats". Appellant, engaged in manufacturing PVC raincoats, challenged *WBAAR Ruling No. 28/WBAAR/2024-25 dt. 27.02.2025*, which classified PVC raincoats under HSN 3926 (plastics) attracting 18% GST, instead of HSN 6201 (textile apparel) attracting 5% GST for items priced below ₹1,000. The appellant argued that PVC raincoats should be treated as textile apparel per HSN 6201, citing Supreme Court judgments and the principle of classification based on end use and common parlance. The Revenue agreed with the WBAAR's findings.

The Appellate Authority condoned the delay in filing and examined HSN Explanatory Notes, noting that Chapter 62 applies only to textile fabrics, while Chapter 39.26 expressly covers apparel made from plastic sheets, including raincoats. The Authority held that PVC is a synthetic polymer and the manufacturing process produces a non-woven plastic product, making classification under 3926 mandatory. Given that Chapters 39 and 62 are mutually exclusive, the appeal was dismissed, and the original ruling was upheld. PVC Raincoats would be covered under HSN 3926 and GST @ 18% would be covered under Entry No. 111 of Schedule III of *Notification No. - 1/2017 – CT(R)*.

10. Pre-GST Contract Dispute Awards Escape GST Levy

In ***M/s. Shoft Shipyard Pvt. Ltd. Gujarat Authority of Advance Ruling (Order No. GUJ/GAAR/2025/23, dt. 26.06.2025)*** dealt with whether GST is applicable on the interest and arbitration costs awarded to them for a contract executed in the pre-GST era. Applicant received a 2009 work order from Goa Shipyard Ltd. (GSL) for construction of a ship hull and towing. While most payments were made, GSL withheld ₹1.39 crore, citing unrelated contractual losses. The amount was written off in FY 2012–13. Arbitration initiated in 2014 culminated in a 2017 award in the applicant's favour, granting the principal sum with interest and ₹1.75 lakh arbitration cost. GSL deposited the principal in 2019, paid in 2020; interest and costs were received in 2024. The applicant argued no GST applied, as supply and invoicing occurred pre-GST, with service tax already discharged on towing. The Revenue contended interest and arbitration cost were taxable under GST as received post-implementation.

The Gujarat AAR examined sections 12, 13 and 142 of the CGST Act, along with *Circular No. 178/10/2022 dt. 03.08.2022* and held that the transactions pertained entirely to the pre-GST era. Since manufacture, clearance, and invoicing occurred before 1 July 2017, and the contract had no clause for penalties or interest on delayed payment, the sums awarded did not constitute consideration for any supply under GST. Arbitration costs under section 31A of the Arbitration Act, 1996, were similarly outside GST scope. The applicant is not liable to pay GST on the "interest awarded under arbitration" & "costs awarded under arbitration", received by them.

Contributed by CA. Ashit Shah

GSTN ADVISORIES

1. GST Portal is now enabled to file appeal against waiver order (SPL 07)

Taxpayers who have filed waiver applications via Forms SPL-01/SPL-02 and have received Rejection Orders (Form SPL-07) from the jurisdictional authorities can now file appeals (Form APL-01) through the GST Portal.

The GST Portal has now been enabled to allow taxpayers to file Appeal applications (APL -01) against SPL 07 (Rejection) Order. Steps to file appeal against SPL-07 orders:

- Navigate to: *Services → User Services → My Application*
- Select Application Type as: "Appeal to Appellate Authority"
- Click on New Application
- In the application form, under Order Type, select: "Waiver Application Rejection Order" and enter all the relevant details. After entering the details, proceed to file the appeal.

The option to withdraw appeal applications filed under the waiver scheme is not available on the GST portal. Hence, taxpayers should exercise due caution while filing such appeals.

If any taxpayer does not want to file appeal against "Waiver Application Rejection Order" but intend to restore the appeal application (filed against original demand order) which was withdrawn for filing waiver application can do so by filing undertaking. The option for filing of undertaking is available under "Orders" section in "Waiver Application" case folder.

In case of any difficulty or technical issue, taxpayers shall raise a ticket on the GST Helpdesk at: *https://selfservice.gstsystem.in*

2. Advisory on upcoming security enhancements

The GST System is being continuously enhanced to strengthen data security and improve transparency to the taxpayers.

In this effort, the below mentioned enhancement shall be shortly introduced to provide transparency and control to the taxpayers who interact with the GST System using Application Suvidha Providers (ASP). The ASP use GST System authorised API channel partners that are called GST Suvidha Providers (GSP). The role of a GSP is to provide API access between GST System and ASP.

Email and SMS notification service to inform taxpayer upon every successful OTP consent access provided by taxpayer to the ASP. The taxpayers authorized signatory shall receive notification via email and/or SMS whenever ASP successfully obtains their consent, by providing OTP from the GST System, to access their data over APIs. The notification would have following details:

- Name of the ASP and the underlying GSP
- Date and Time of the OTP Consent
- Validity Period of the consent

The GST Common Portal is being further enhanced to provide view of current & historic access gained by ASP / GSP and enable taxpayer with an option to revoke any active consent. The taxpayer shall be able to access this after logging to their GST Common Portal dashboard.

The exact dates, when the above functionalities will become available, shall be published vide respective advisories.

3. Advisory regarding GSTR-3A Notices issued for non-filing of Form GSTR 4 to cancelled Composition Taxpayers

As per the provisions of section 39(2) of the CGST Act, 2017, read with rule 68 of the CGST Rules, 2017, notices in Form GSTR-3A are required to be issued in cases of non-filing of Form GSTR-4. However, it has come to notice that due to a system-related glitch, such notices have been inadvertently issued in certain cases where they were not applicable — including instances involving taxpayers whose registrations had been cancelled prior to the FY 2024–25.

The issue is currently under active examination, and the technical team is implementing appropriate corrective measures to ensure that such instances do not recur. In the meantime, taxpayers who have either duly filed the relevant return or whose registrations were cancelled prior to the FY 2024–25 are advised to ignore these notices, as no further action is required on their part in such cases.

For any other issues or concerns, taxpayers are advised to raise a grievance through the Self-Service Portal available on the GST Portal, along with all relevant details, to facilitate prompt and effective resolution.

GST Compliance Schedule

GST Compliances for the month of August, 2025

Forms	Compliance Particulars	Due Dates
GSTR 7	Return to be furnished by the registered persons who are required to deduct tax at source.	10.09.2025
GSTR 8	Return to be furnished by the registered electronic commerce operators who are required to collect tax at source on the net value of taxable supplies made through it.	10.09.2025
GSTR 1	Statement of outward supplies by the taxpayers having an aggregate turnover of more than ₹ 5 crore or the taxpayers who have opted for monthly return filing.	11.09.2025
GSTR-1A	Amendment to GSTR-1 filed for the month of August, 2025.	
IFF	Statement of outward supplies by the taxpayers having an aggregate turnover up to ₹ 5 crore and who have opted for the QRMP scheme.	13.09.2025
GSTR 5	Return to be furnished by the non-resident taxable persons containing details of outward supplies and inward supplies.	13.09.2025
GSTR 6	Return to be furnished by every Input Service Distributor (ISD) containing details of the input tax credit received and its distribution.	13.09.2025
GSTR 3B	Return to be furnished by all the taxpayers other than who have opted for QRMP scheme comprising consolidated summary of outward and inward supplies.	20.09.2025
GSTR 5A	Return to be furnished by Online Information and Data base Access or Retrieval (OIDAR) services provider for providing services from a place outside India to non-taxable online recipient (as defined in Integrated Goods and Services Tax Act, 2017) and to registered persons in India and details of supplies of online money gaming by a person outside India to a person in India.	20.09.2025
PMT-06	Payment of GST for a taxpayer with aggregate turnover up to ₹ 5 crores during the previous year and who has opted for quarterly filing of return under QRMP scheme.	25.09.2025

QUIZ

1. **XX & Co., a registered manufacturing company in Delhi has purchased metal scrap from MM Scrap Dealer, an unregistered partnership firm. Who is liable to pay GST on this transaction?**
   a) MM Scrap Dealer will pay GST under forward charge.
   b) No GST is payable on scrap
   c) XX & Co. will pay GST under reverse charge.
   d) As the supplier i.e. MM Scrap Dealer is unregistered, no GST is payable.
2. **In which of the following cases is cancellation of an already generated e-way bill not permitted under GST law?**
   a) When the goods are not transported at all.
   b) When incorrect details were entered while generating the e-way bill
   c) When the e-way bill has already been verified in transit by the Commissioner or an authorised proper officer.
   d) When the mode of transport is changed before dispatch.
3. **XYZ & Co. is having three branches located in Meerut, Noida, Lucknow. Meerut and Noida branch are engaged in the business of shoes and Lucknow branch deals in the trading of garments. Which of the following option is correct with regard to the registration?**
   (a) XYZ & Co. can obtain single registration for Uttar Pradesh declaring any one of the branches as principal place of business and other branches as the additional places of business.
   (b) XYZ & Co. can obtain separate registration for each of the three units – Meerut, Noida and Lucknow.
   (c) XYZ & Co. can obtain one GST registration for Lucknow branch (dealing in trading of garments) and one registration for another two branches (dealing in trading of shoes)
   (d) All the above
4. **Mr. X has submitted a waiver application under section 128A in SPL-01. The proper officer has rejected the said application in SPL-07. Can Mr. X file an appeal against such rejection order?**
   (a) No, the rejection of a waiver application is treated as final and cannot be appealed under GST.
   (b) No, Appeals can be filed only against adjudication orders, not against waiver application rejections.
   (c) Yes, Mr. X can file an appeal using Form APL-01 on the GST Portal, selecting "Waiver Application Rejection Order" as the order type.
   (d) No, Mr. X must re-submit the waiver application instead of filing an appeal against the rejection.
5. **In which of the following cases can goods be transported without a tax invoice, using a delivery challan as per rule 55 of the CGST Rules?**
   (a) Transportation of goods for job work
   (b) Transportation of goods for reasons other than supply.
   (c) Supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known.
   (d) All the above
6. **Mr. K hires a work contractor for repairing office building for a lump sum amount of Rs. 11,80,000/- including GST @18%. Half of the expenditure has been debited in the 'Repairs and Maintenance' account and half of the expenditure is capitalised in the building A/c. Determine the amount of ITC available to Mr. K.**
   (a) ₹ 90,000/-
   (b) ₹ 1,06,200/-
   (c) ₹ 2,12,400/-
   (d) Nil
7. **M/s. MNO Ltd. supplied goods to M/s. BCD Ltd. for ₹5,00,000 on a credit period of 60 days. It has been also provided that if the payment is made before the credit period, discount will be allowed. The recipient, M/s. BCD Ltd., provides tools worth ₹50,000 free of cost for use in manufacturing. MNO Ltd. additionally charges ₹10,000 for packing and ₹15,000 for freight. Since BCD Ltd. makes the payment within 5 days, MNO Ltd. offers an early payment discount of ₹25,000. Determine the value of supply.**
   a) ₹ 5,25,000/-
   b) ₹ 5,45,000/-
   c) ₹ 5,50,000/-
   d) ₹ 5,75,000/-
8. **Under section 62 of the CGST Act, if a registered person furnishes a valid return within 30 days of service of an assessment order issued for non-filing of returns, then -**
   a) The assessment order is deemed to be null and void ab initio.
   b) The assessment order stands withdrawn but the liability to pay interest and late fees remains.
   c) The person must file an appeal to get the order set aside as the returns are now furnished.
   d) The assessment order can be modified only by the Revisional Authority.
9. **Which of the following return is required to be furnished by Input Service Distributor?**
   a) GSTR-6
   b) GSTR-6A
   c) Both (a) and (b)
   d) GSTR-5
10. **Which of the following modes of payment is not permitted for deposit into the electronic cash ledger under GST?**
    a) Credit Card
    b) Debit Card
    c) Cash deposit exceeding ₹10,000 through over the counter mode for a single challan
    d) Unified Payment Interface (UPI) from any bank

The names of first five members who were the top scorers in the last Quiz are as under:

Name	Membership No.
CA Pradeep Modi	400611
CA. Ayush Gupta	430751
CA. Akshara	257816
CA. Prasanth Surya	247652
CA. Zeeshan Ahmed	466638

Please provide reply of the above MCQs in the link given below. ***Top five scorers will be awarded hard copy of the publication 'GST Act(s) and Rule(s)- Bare Law' & their names will be published in the next edition of the Newsletter.***
Link to reply: - ***https://forms.gle/1HCo7zbTE3Fbcc7JA***

GST & INDIRECT TAXES COMMITTEE

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GST STATUTES

- GST Acts
- GST Rules
- Notifications including the amended notifications
- Circulars/ Orders

- Minutes of GST Council meetings
- GSTN Advisories
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Your suggestions on the website are welcome at gst@icai.in

GST and Indirect Taxes Committee
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