



# ICAI-GST

NEWSLETTER

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# President's Communication



**Dear Professional Colleagues,**

As per reports, India's GST collections for February 2025 have shown a remarkable growth of **9.1%**, totalling **₹1.84 lakh crore**. The rise in domestic GST revenue by 10.1% reflects the effectiveness of the Atma Nirbhar Bharat policies, which are contributing to economic self-reliance despite global challenges. This increase in domestic collections, alongside a 7.2% growth in GST from imports, indicates the continued resilience of our economy.

In addition, I am proud to highlight the ongoing collaboration between ICAI and key Government bodies. Recently, CBIC members Shri Shashank Priya and Shri Yogendra Garg visited ICAI Delhi on 9<sup>th</sup> February 2025 for the 100<sup>th</sup> meeting of the GST and Indirect Taxes Committee of ICAI, where they acknowledged our contributions to the GST landscape. Their recognition reinforces the important role, ICAI plays in shaping tax policy and minimizing disputes.

The **GST and Indirect Taxes Committee of ICAI** has been assisting the Government in its capacity building initiatives for the officers of the Central Tax, State Tax, Union Territory Tax and other Government Departments. The capacity building programmes organized by the Committee for the State Tax Officers help extensively in building goodwill and forging a strong partnership between the profession and the Government. I am pleased to inform you that in furtherance of this objective, ICAI, through its GST and Indirect Taxes Committee, has entered into **MoUs with Department of State Taxes, Government of Assam at Guwahati and Taxation Department, Government of Meghalaya at Shillong** to enhance capacity building, policy research, and consulting.

The evolving regulatory landscape presents both challenges and opportunities. As trusted advisors, we are well-positioned to help businesses adapt. The integration of AI, blockchain, and data analytics is revolutionizing the GST landscape, empowering professionals to enhance compliance, optimize tax processes, and deliver greater value to businesses and stakeholders.

I encourage you to actively engage in ICAI's initiatives, knowledge programs, and skill workshops. Our collective efforts will strengthen the profession and support India's economic growth. Let's continue to work with integrity and excellence.

**CA. Charanjot Singh Nanda**

President

The Institute of Chartered Accountants of India

# RECENT EVENTS



*MoU Signing Ceremony with Taxation Department, Govt. of Meghalaya at Shillong on 4<sup>th</sup> February 2025.*



*MoU Signing Ceremony with Department of State Taxes, Govt. of Assam at Guwahati on 4<sup>th</sup> February 2025.*

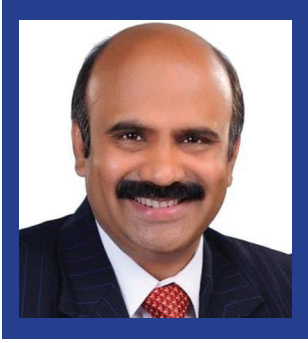


*National Conference on GST on 7<sup>th</sup> & 8<sup>th</sup> February, 2025*



*Shri Shashank Priya (Member, GST, Legal, CX & ST) and Shri Yogendra Garg (Member, IT & Taxpayer Services) of CBIC at ICAI, ITO*

# Chairman's Communication



**Dear Member,**

I along with Vice-Chairman of the GST & Indirect Taxes Committee, CA. Umesh Sharma, would like to present to you the 51<sup>st</sup> Edition of the ICAI GST Newsletter which encapsulates the recent developments in GST as also the various initiatives taken by the Committee towards GST knowledge sharing.

The Hon'ble Union Finance Minister, Smt. Nirmala Sitharaman presented the Union Budget 2025 on 1<sup>st</sup> February, 2025. The GST proposals introduced in the Union Budget 2025 are essentially arising out of the recommendations put forth by the GST Council at its 55<sup>th</sup> meeting. The proposal to retrospectively amend section 17(5)(d) of the CGST Act, 2017 to replace the phrase "plant or machinery" with "plant and machinery" has sought to reverse the "Safari Retreat" judgment, which had allowed input tax credit on construction costs for rental properties. The industries that have structured their ITC claims based on the Safari Retreats ruling or the prevailing interpretation of existing provisions now need to urgently reassess their tax positions in order to avoid any further demands.

In order to curb tax evasion, the Government has proposed the implementation of a Track and Trace Mechanism for specified commodities vulnerable to evasion. This initiative will involve affixing a unique mark on such goods or packages to monitor their movement throughout the supply chain. Further, *Circular No 243/37/2024-GST* has clarified that the supply of vouchers is to be treated as neither the supply of goods nor services. Consequently, the provisions regarding the time of supply for vouchers have been proposed for omission.

The GST & Indirect Taxes Committee of ICAI has recently revised its flagship publication '**Background Material on GST**'. The Revised (13<sup>th</sup>) Edition of the Background Material provides a comprehensive and up-to-date understanding of the provisions of GST law, catering to members, professionals, tax administrators, and stakeholders at every level. Further, the Committee has also revised its publication namely, '**Handbook on Reverse Charge under GST**'. This publication seeks to present all the relevant provisions relating to tax payable under reverse charge in a simplified manner and at one place. The publications of the Committee hosted on the website are available for free download and print. You can order the hard copy of the publication by visiting the <https://cds.icai.org/#/> of the ICAI. Your inputs will help us serve you better and continue enhancing the resources we provide.

If have any questions or thoughts to share, feel free to reach out. Stay tuned for more updates in the next edition.

**CA. Rajendra Kumar P**

Chairman

GST & Indirect Taxes Committee

The Institute of Chartered Accountants of India

# Validity of Proceedings against Amalgamating Company Post Amalgamation

Schemes for amalgamation and merger that involve transferor and transferee companies that has to be normally approved by the National Company Law Tribunal (NCLT) face the challenge with regard to the applicability of GST on transactions between the appointed date and the date of the amalgamation order. There is no clarity on the taxation of transactions which fall between the appointed date and date of order of NCLT approving the scheme of arrangement.

It is in this context that few of the statutory provisions including clarification of the Central Board of Indirect Taxes and Customs (CBIC) have to be considered to appreciate the controversy and to instill adequate safeguards to secure the interests of the parties.

Sec 87 of the Central Goods and Services Tax Act, 2017 (CGST Act) reads as follows:

## **87. Liability in case of amalgamation or merger of companies:**

- (1) *When two or more companies are amalgamated or merged in pursuance of an order of court or of Tribunal or otherwise and the order is to take effect from a date earlier to the date of the order and any two or more of such companies have supplied or received any goods or services or both to or from each other during the period commencing on the date from which the order takes effect till the date of the order, then such transactions of supply and receipt shall be included in the turnover of supply or receipt of the respective companies and they shall be liable to pay tax accordingly.*
- (2) *Notwithstanding anything contained in the said order, for all purposes of this Act, the said two or more companies shall be treated as distinct companies for the period up to the date of the said order and the registration certificates of the said companies shall be cancelled with effect from the date of the said order.*

Rule 41 of the Central Goods and Services Tax Rules, 2017 (CGST Rules) reads as follows:

## **41. Transfer of credit on sale, merger, amalgamation, lease or transfer of a business.-**

- (1) *A registered person shall, in the event of sale, merger, de-merger, amalgamation, lease or transfer or change in the ownership of business for any reason, furnish the details of sale, merger, de-merger, amalgamation, lease or transfer of business, in FORM GST ITC-02, electronically on the common portal along with a request for transfer of unutilized input tax credit lying in his electronic credit ledger to the transferee:*

*Provided that in the case of demerger, the input tax credit shall be apportioned in the ratio of the value of assets of the new units as specified in the demerger scheme.*

*Explanation:- For the purpose of this sub-rule, it is hereby clarified that the "value of assets" means the value of the entire assets of the business, whether or not input tax credit has been availed thereon.*

- (2) *The transferor shall also submit a copy of a certificate issued by a practicing chartered accountant or cost accountant certifying that the sale, merger, de-merger, amalgamation, lease or transfer of business has been done with a specific provision for the transfer of liabilities.*
- (3) *The transferee shall, on the common portal, accept the details so furnished by the transferor and, upon such acceptance, the un-utilized credit specified in FORM GST ITC- 02 shall be credited to his electronic credit ledger.*
- (4) *The inputs and capital goods so transferred shall be duly accounted for by the transferee in his books of account.*

There are a few other relevant provisions which will be mentioned at the appropriate places.

Rule 41 says that Form GST ITC-02 is the statement provided on the common portal about the fact of the amalgamation and merger and this is crucial in the context of the issue regarding tax proceedings against a "non-existent" entity which is the subject of discussion.

This is because from and after the date of the order of the NCLT confirming the amalgamation and merger, the transferor entity ceases to exist.

Though ITC-02 does not specifically deal about the intimation to the proper officer about the underlying transactions, the proper officer would be cognizable about the underlying transaction, since the same is inevitable to be mentioned in the FORM ITC-02. Hence, the proper officer cannot feign ignorance about the underlying transactions, in the instant case, being an amalgamation.

Section 87 deals with the tax liability on certain transactions between the appointed date or the effective date and the date of the NCLT order. In the normal course, the transactions between two companies in the process of amalgamation and merger between the effective date and the date of the order (referred to as the "said period") would get nullified as the order would take effect from the appointed or effective date.

CGST Act has provided for a deviation from this normal rule and for the said period, the transactions would be considered as supply by one entity and receipt by the other entity. The provisions of the GST laws would apply as if the amalgamation or merger has not taken place, and both would continue as independent taxable persons. Till the date of the NCLT order, both the companies being regarded as distinct entities would be required to discharge their respective tax liabilities. Therefore, during the “said period” the financials would show a different picture as compared to the returns under the GST laws. It also provides that the registration certificates of the said companies would stand cancelled with effect from the date of the said order. In this regard, reference may be made to *section 29 - cancellation or suspension of registration*.

Transfer of credit lying in the electronic credit ledger of the transferor is governed by the provision of rules 41 and 41A as also CBIC *Circular No. 133/03/2020-GST dt. 23.03.2020*. This credit will be allocated in the ratio of value of assets of each registration held.

Coming back to the question of the “non-existent” entity after the amalgamation or merger from the effective date and its implication from a GST perspective it may be useful to refer to the judgment of the *Delhi High Court in HCL Info Systems vs. Commissioner of State Taxes W.P.(C) 7391/2024 & CM APPL. 30899/2024 (Interim Relief)* wherein this concept has been adverted to after reference to several decisions of the Supreme Court dealing with provisions under the Income Tax Act, 1961 to hold that any proceedings after the communication of the order of the NCLT to the jurisdictional GST authority can be only against the merged amalgamated entity. Equally any adjudication process against the transferor entity would be non-est in law and declared null and void.

From a practical perspective, it is possible that the due diligence preceding the amalgamation or merger, audits of the transferor entity might not have culminated into further show cause and adjudication proceedings. Timely intimation of the NCLT order to the jurisdictional authority would ensure that proceedings are pursued against the amalgamated or merged entity only.

In this light it may be necessary to also consider the interpretation placed by the Delhi High Court on related provisions under the GST law dealing with the treatment of the two companies subject to amalgamation or merger as “distinct companies” and section 160 that provides for immunity of assessment proceedings against invalidity on certain grounds.

The facts in HCL Info Systems (supra) were that the scheme of arrangement was formulated between Digilife Distribution and Marketing Services Limited and the petitioner/HCL Infosystems Limited. The scheme ultimately came to be approved by the NCLT in terms of its order of 10 August 2022. The appointed date specified in that scheme was 01 April 2022. Pursuant to the aforesaid

scheme coming to be approved, both the amalgamating company as well as the petitioner informed and apprised the Registrar of Companies of the factum of the scheme having come to be duly approved.

On 12 October 2022, the amalgamating company moved an application for cancellation of its existing registration citing the reason for the filing of that application as being “transfer of business on account of amalgamation, merger, demerger, sale”. It was during the pendency of consideration of the aforesaid application that the GST authorities suspended the GST registration of the amalgamating company with effect from 12 October 2022.

On the same date, statement in FORM GST ITC-02 together with a certificate of a Chartered Accountant seeking transfer of the Input Tax Credit standing in the account of the amalgamating company to the petitioner was filed. Although GST authorities were duly apprised of the scheme having been approved and the amalgamating company thus having ceased to exist, a show cause notice (SCN) in the name of the amalgamating company came to be issued by the respondents on 29 September 2023 for Financial Year 2017-18. The proceedings for Financial Year 2017-18 were dropped on the merits of the case. However, notwithstanding those disclosures having been duly made, the authorities issued yet another SCN in the interregnum, for Financial Year 2018-19 on 03 December 2023. This notice too was in the name of the amalgamating company.

The challenge of the writ petitioners was that having intimated the GST authority about the fact of the merger in terms of the NCLT order, no proceedings are permissible after that date against the amalgamating company. To examine the validity of this contention the Delhi High Court referred to its own decision in *International Hospital Limited v. DCIT Circle 12 (2) 2024 SCC OnLine Del 6730*, wherein it was held as follows:-

*13. According to the writ petitioners, the challenge on grounds noticed above is no longer res integra and stands conclusively answered by the Supreme Court in Maruti Suzuki. It becomes pertinent to note that the judgment of the Supreme Court in Maruti Suzuki had come to be rendered on an appeal which arose from a judgment of this Court and which while upholding the decision rendered by the Tribunal had held that an assessment made in the name of Suzuki Powertrain India Ltd., and which had evidently under an approved Scheme amalgamated with Maruti Suzuki India Ltd., was a nullity. On facts it emerged that MSIL had duly intimated the AO of the amalgamation prior to the case being selected for scrutiny assessment. Notwithstanding that information being available, the AO appears to have framed a draft assessment order in the name of SPIL.*

*14. It was in the aforesaid backdrop that the Supreme Court firstly took note of an earlier decision of this Court in Spice Entertainment Ltd. v. Commissioner of Service*

*Tax, where it had been held that an assessment made in the name of a transferor company would be void ab initio and could not possibly be viewed as a procedural defect curable or rectifiable under section 292B of the Act.*

*18. Arguments flowing on lines similar to those which were addressed before us in this batch appear to have been urged before the Supreme Court in Maruti Suzuki with it being argued that a notice in the name of a company which stood dissolved would be a curable mistake and that in any case, section 170 of the Act would save those notices. This becomes apparent from a reading of paragraphs 32 and 33 of the report which are extracted hereinbelow:*

*“32. Mr. Zoheb Hossain, learned counsel appearing on behalf of the Revenue urged during the course of his submissions that the notice that was in issue in Skylight Hospitality Pvt. Ltd. was under Sections 147 and 148. Hence, he urged that despite the fact that the notice is of a jurisdictional nature for reopening an assessment, this Court did not find any infirmity in the decision of the Delhi High Court holding that the issuance of a notice to an erstwhile private limited company which had since been dissolved was only a mistake curable under section 292B. A close reading of the order of this Court dt. 06.04.2018 [Skylight Hospitality LLP v. CIT, (2018) 13 SCC 147], however indicates that what weighed in the dismissal of the special leave petition were the peculiar facts of the case. Those facts have been noted above. What had weighed with the Delhi High Court was that though the notice to reopen had been issued in the name of the erstwhile entity, all the material on record including the tax evasion report suggested that there was no manner of doubt that the notice was always intended to be issued to the successor entity. Hence, while dismissing the special leave petition this Court observed that it was the peculiar facts of the case which led the Court to accept the finding that the wrong name given in the notice was merely a technical error which could be corrected under section 292B. Thus, there is no conflict between the decisions in Spice Entertainment [CIT v. Spice Entertainment Ltd., (2020) 18 SCC 353] on the one hand and Skylight Hospitality LLP [Skylight Hospitality LLP v. CIT, (2018) 13 SCC 147] on the other hand. It is of relevance to refer to section 292B of the Income Tax Act which reads as follows:*

*“The assessment order was issued against the amalgamating company. This is a substantive illegality and not a procedural violation of the nature adverted to in section 292B.”*

The Delhi High Court then referred to the Supreme Court decision in *Pr. CIT (Central) v. Mahagun Realtors (P) Ltd — 2022 SCC OnLine SC 407* relied upon by the Revenue where it was held that that the proceeding could be initiated

and maintained against the amalgamating company and distinguished the same on the ground that the said decision had turned on the peculiar facts and circumstances where the parties had with intent suppressed the facts about the merger throughout and raised an additional ground only at the Tribunal stage.

The Delhi High Court then compared section 292B of the Income Tax Act and section 160 of the CGST Act and observed as follows:

*“12. We also bear in mind the conclusion rendered by the Supreme Court in the case of Maruti Suzuki and which had on a construction of section 292B of the IT Act held that a notice or order framed in respect of a non-existent entity would not be rectifiable in terms of that provision. We find that the CGST Act incorporates a provision which is parimateria to section 292B and which is section 160.”*

Again, dealing with section 87 of the CGST Act the Delhi High Court held:

*“17. We thus find ourselves unable to read section 87 as enabling the respondents to either continue to place a non-existent entity on notice or for that matter to pass an order of assessment referable to section 73 against such an entity. In fact, in terms of section 87, the liabilities of the non-existent company would in any case stand transposed to be borne by the amalgamated entity. This is, therefore, not a case where the Revenue would stand to lose or be deprived of their right to subject transactions to tax.*

*18. In our considered opinion, the principles that we had identified in International Hospital albeit in the context of the IT Act would equally apply to the CGST Act.”*

What emerges from the above is that the date of communication in merger or amalgamation cases to the GST authority in the proper form as contemplated in rule 41 and the cancellation process of the registration as envisaged has to be ensured to effective challenges any proceedings in the name of the transferor company after the date of the NCLT order.

**Contributed by CA. S. Thirumalai & CA. Sri Harsha**





# JUDICIAL PRONOUNCEMENTS

**1. Seizure of goods on the ground of under valuation - sufficient evidence to prove the actual movement of goods from West Bengal/Assam to Delhi via Kanpur or not - burden to prove - power to seize goods [M/s. Jaya Traders through its proprietor Mr. Vishwanath Tiwari and others vs. Additional Commissioner Grade-2 and another (Writ Tax No. - 1022 of 2021, 1019 of 2021, 1020 of 2021, 1021 of 2021, 1023 of 2021)]**

The case concerns the seizure of goods on the ground of under-valuation under the GST Act. The primary issue revolves around the burden of proof and whether the petitioner provided sufficient evidence to establish the actual movement of goods from West Bengal/Assam to Delhi via Kanpur. The Court held that under the GST Act, in the original or summary proceedings, the burden of proof rests on the assessee (the petitioner) to provide cogent material to support its claims. This burden only shifts to the department in subsequent re-assessment proceedings.

The Supreme Court, in *State of Karnataka Vs. M/s Ecom Gill Coffee Trading Pvt. Ltd. ((2023) (72) G. S. T. L. 134 (SC))*, emphasized that the burden of proof lies on the dealer to substantiate the genuineness of the transaction, particularly when claiming exemptions. The dealer must prove the physical movement of goods beyond doubt. Similarly, *the Allahabad High Court in M/s Shiv Trading Vs. State of UP (2024 (80) G. S. T. L. 121 (All.))* reinforced that the burden is on the assessee to establish the actual transaction, physical movement of the goods, and the genuineness of the transaction.

In the present case, the petitioner failed to provide any tangible evidence, such as truck numbers, toll receipts, or other documents, to prove the actual physical movement of goods from West Bengal/Assam to Delhi via Kanpur. As a result, the accompanying tax invoices and other documents could not be considered genuine, leading to a clear contravention of the GST Act and the relevant rules. The petitioner did not produce any material to substantiate the movement of the goods.

Section 129 of the GST Act refers that any person transports any goods while they are in transit in contravention of the provisions of this Act or the rules made thereunder, the said goods shall be liable to be detained or seized. The Division Bench in *M/s Shiv Shakti Trading Company Vs. State of UP ((2013) 58 VST 29 (All))* upheld the seizure of goods due to under-valuation, stating that the transporter must declare the true value of goods. Failure to do so results in improper documentation and justifies the seizure of goods.

In conclusion, the under-valuation with the intent to evade tax justified the seizure under the GST Act.

The petitioner failed to provide necessary evidence to challenge the authorities' findings, and thus the Court found no grounds to interfere with the impugned order. The petition was dismissed.

**2. Cancellation of GST registration of the petitioner, on the ground that the petitioner has not conducted any business in the declared place of business [M/s. Golden Enterprises vs. The Assistant Commissioner, Trichy Coimbatore, Tamil Nadu (W. P. No. 5289 of 2025 & W. M. P. No. 5865 of 2025 dt. 17.02.2025)]**

The petitioner challenged the cancellation of their GST registration, which was based on an inspection that found the business premises closed. The authorities concluded that the petitioner was not conducting business at the declared location. However, the petitioner clarified that the closure was temporary due to the proprietor's travel abroad during the Diwali holidays for ten days.

The petitioner had been regularly paying taxes and filing returns, and the closure was explained as a short-term situation. The Court observed that the respondents had not verified the actual operational status of the business before proceeding with the cancellation. Given the genuine reason for the closure, the Court set aside the cancellation order.

The Court directed the respondents to instruct the GST Network to enable the petitioner to file pending returns and pay any outstanding tax or penalties within a week of receiving the order. The petitioner was granted four weeks to file the returns and pay any due taxes, interest, and late fees from the date of restoration of their GST registration.

In conclusion, the Court restored the GST registration based on the valid explanation provided by the petitioner and disposed of the petition accordingly.

**3. Challenge to SCN and the consequential order issued u/s 73 of the CGST Act, 2017/ SGST Act, 2017 - no proper service of SCN (the SCN was posted in the "Additional Notices and Orders" tab) - Petitioner was unaware of the proceedings until the intimation of the recovery proceeding was uploaded in the portal. [M/s. Ramanattu Motor Corp., vs. State of Kerala, State Tax Officer, Alappuzha, State Tax Officer (Arrear Recovery) (WP(C) No. 23872 of 2024 dt. 20.02.2025)]**

The petitioner challenged the Show Cause Notice (SCN) and the subsequent order issued under section 73 of the CGST and SGST Acts, alleging improper service of the SCN. The petitioner claimed to have been unaware of the proceedings until a recovery notice was uploaded to the GST portal. The core issue was that the SCN was posted in the "Additional Notices and

Orders” tab, a tab that was not prominently highlighted or well-explained on the portal, making it difficult for the petitioner to locate critical notices.

The Court observed that the unclear structure of the portal contributed to the petitioner missing the notice, as there were no clear instructions about where to check for such important communications. Citing previous decisions, the Court noted that the failure to properly serve the notice violated natural justice, as it deprived the petitioner of an opportunity to respond.

As a result, the Court set aside the determination order and directed that the petitioner be allowed to file a response to the SCNs within 30 days. The petition was allowed in favor of the petitioner, reinforcing the importance of proper notice dissemination on digital platforms.

**4. Detention and seizure of goods due to the expiration of the e-way bill during intra-state stock transfer [M/s. Saahaj Milk Producer Company Ltd. vs. State of U.P. and 3 others (Writ Tax No. - 251 of 2023 dt. 27.02.2025)]**

The petitioner challenged the detention and seizure of goods due to the expiration of the e-way bill during an intra-state stock transfer. The goods were intercepted while in transit because the e-way bill had expired. The petitioner argued that this occurred due to a mistake made by the driver.

The petitioner filed a letter on 16.03.2021, informing the authorities about the mistake. While the driver’s statement about visiting his village was not corroborated with additional details, the letter submitted by the petitioner at the time of detention was not disbelieved. The Court referred to the Supreme Court’s judgment in *Assistant Commissioner (ST) & Others v. M/s. Satyam Shivam Papers Private Limited (2022 (57) G. S. T. L. 97 (SC))*, where it was ruled that the intent to evade tax must be proven for detention to be justified.

The Court concluded that the detention, seizure of goods, and penalty were not justified as there was no evidence of tax evasion, and the goods were part of a legitimate intra-state transfer.

**5. Whether a single SCN can be issued for multiple tax periods [M/s. Veremax Technologies Services Limited vs. The Assistant Commissioner of Central Tax (Writ Petition No. 15810 of 2024 dt. 04.09.2024)]**

The Hon’ble High Court of Karnataka ruled that a single SCN cannot be issued for multiple tax periods. The law stipulates that particular actions must be completed within a designated year, and such actions should be executed in accordance with the law’s provisions. Section 73(10) stipulates that particular actions must be completed within a designated year, and such actions should be executed in accordance with law’s provisions. There is also provision for specific time limits for annual returns, which must align with the financial year to which the tax pertains.

The Court found that issuing a consolidated SCN for multiple years, from 2017-18 to 2020-21, violated both the CGST Act and established legal precedents.

**6. Challenge to SCN issued u/s 73 and 74 of the CGST Act, 2017 / Kerala SGST Act, 2017 - non-compliance with the period stipulated for completing the audit [M/s. Rajive & Company vs. The Deputy Commissioner (Audit), The State Tax Officer and State of Kerala, (Thiruvananthapuram) (WP(C) No. 39222 of 2024 dt. 11.12.2024)]**

The petitioner challenged the timeliness of an audit under section 65 of the CGST Act. Section 65 requires the audit to be completed within three months from the commencement date, which is defined as the date when the records and documents called by the tax authorities are made available or the actual commencement of the audit at the place of business, whichever is later. Although the petitioner claimed non-compliance with the time frame, the Court noted that additional records were provided by the petitioner on 09.04.2024. Thus, the commencement date was deemed to be 09.04.2024, and the audit should have been completed within three months from that date.

The Court also pointed out that the final report was filed within the prescribed time, making the petitioner’s argument regarding limitation under section 65(4) of the GST Act inapplicable. As the audit was completed within the required period, the Court dismissed the petition, finding no merit in the petitioner’s claim. The decision affirmed that the audit process complied with the statutory timeline.

**7. Whether an assessment order can be passed against a deceased person [Unnikrishnan R. vs. Union of India (W.P.No. 12464 of 2024 dt. 12.06.2024)]**

The Court ruled that such an order is “non-est in law” if the business of the deceased person is not being operated by their legal heirs. The SCN issued in this case was deemed legally invalid because it was directed towards a deceased person. The petitioner, a legal heir, had not continued the deceased person’s business and was, therefore, not liable for any tax demand under the GST law.

The Hon’ble Madras High Court held that the SCN was legally invalid since it was directed at a deceased person. Also, the Petitioner being legal heir has not continued the business and therefore could not be liable for the tax demand. However, if the Petitioner continues the business, tax demand could be raised and recovered under section 93 of the CGST Act. The Impugned Order is set aside, and directed the respondent to issue common notice to the Petitioner representing the interest of the other legal heirs/legal representatives of the deceased dealer.

**Contributed by CA. Nikhil Gupta & CA. Pallavi Garg**

# UNION BUDGET 2025-26 HIGHLIGHTS- INDIRECT TAXES

## Goods & Services Tax

### Amendments proposed in the CGST Act, 2017, the IGST Act, 2017, the UTGST Act, 2017 & GST (Compensation to States) Act, 2017

To be effective from a date to be notified after the enactment of the Finance Bill, 2025

- **Amendment in section 2(61) and sections 20(1) and 20(2) of the CGST Act, 2017**

It is proposed to explicitly provide for the distribution of Input Tax Credit (ITC) by the Input Service Distributor (ISD) in relation to inter-State supplies, on which the tax is liable to be paid under the reverse charge mechanism (RCM), by inserting reference to sub-section (3) and sub-section (4) of section 5 of the Integrated Goods and Services Tax Act the definition of "Input Service Distributor".

Similar amendment is proposed to be made in sections 20(1) and 20(2) to enable the distribution of ITC by the Input Service Distributor for inter-State supplies, where tax is paid under the reverse charge mechanism by inserting references to sub-sections (3) and (4) of section 5 of the Integrated Goods and Services Tax (IGST).

The proposed amendments will come into effect from 1<sup>st</sup> April 2025.
- **Amendment in section 2(69)(c) of the CGST Act, 2017**

It is proposed to amend the definition of "local authority" provided in section 2(69), by replacing the term "municipal or local fund" with "municipal fund or local fund". Additionally, an Explanation is proposed to be inserted after the sub-clause to define the terms "Local Fund" and "Municipal Fund," thereby clarifying the scope and application of these terms within the definition of "local authority".
- **Insertion of section 2(116A) in the CGST Act, 2017**

A new clause (116A) in section 2 of the CGST Act, 2017 is proposed to be inserted to provide definition of 'Unique Identification Marking' for implementation of Track and Trace Mechanism.
- **Omission of sections 12(4)/13(4) of the CGST Act, 2017**

It is proposed to omit sections 12(4)/13(4) which provides for the taxability of vouchers thereby treating transactions in vouchers neither as supply of goods nor supply of services.
- **Amendment in section 17(5)(d) of the CGST Act, 2017**

It is proposed to amend section 17(5)(d) by replacing the phrase "plant or machinery" with "plant and machinery." This amendment will be applicable retrospectively from 1<sup>st</sup> July 2017, overriding any conflicting judgments, decrees, or orders from any Court or authority.
- **Amendment of proviso to section 34(2) of the CGST Act, 2017**

It is proposed to amend the proviso to section 34(2) of the CGST Act, 2017 to explicitly require the reversal of the corresponding input tax credit, if claimed by the registered recipient, when a credit note is issued. This reversal is necessary for reducing the tax liability of the supplier in relation to the said credit note.
- **Amendment in section 38 of the CGST Act, 2017**

It is proposed to amend section 38(1) by omitting the term "auto-generated" in reference to the statement of input tax credit in the said sub-section.

Consequential amendments are proposed to be made in section 38(2) of the CGST Act, 2017, by removing the term "auto-generated" with respect to the statement of input tax credit in the sub-section. Additionally, the expression "including" will be inserted after the words "by the recipient" in clause (b) of the sub-section to broaden the scope of the clause.

A new clause (c) is proposed to be inserted under section 38(2) to allow for the prescription of additional details to be included in the statement of input tax credit.
- **Amendment in section 39(1) of the CGST Act, 2017**

It is proposed to amend section 39(1) of the CGST Act, 2017, to introduce an enabling provision that will allow for the prescription of conditions and restrictions for the filing of returns under the said sub-section.
- **Amendment in section 107(6) of the CGST Act, 2017**

It is proposed to amend section 107(6) of the CGST Act, 2017, to mandate a 10% pre-deposit of the penalty amount for appeals before the Appellate Authority in cases where the appeal involves only a penalty demand, without any tax demand.
- **Amendment in sections 112(8) of the CGST Act, 2017**

It is proposed to amend section 112(8) of the CGST Act, 2017, to require a mandatory 10% pre-deposit of the penalty amount for appeals before the Appellate Tribunal in cases where the appeal pertains solely to a penalty demand, with no tax demand involved.
- **Insertion of sections 148A and 122B in the CGST Act, 2017**

Section 148A is proposed to be inserted to provide for an enabling mechanism for Track and Trace Mechanism for specified commodities.

Section 122B of CGST Act, 2017 is proposed to be inserted to provide penalty for contraventions of provisions related to the 'Track and Trace Mechanism' provided under section 148A.

• **Amendment in Schedule III of the CGST Act, 2017**

It is proposed to amend Schedule III by inserting a new clause (aa) in paragraph 8. The amendment will specify that the supply of goods warehoused in a Special Economic Zone (SEZ) or Free Trade Warehousing Zone (FTWZ) to any person, before clearance for export or to the Domestic Tariff Area (DTA), shall not be treated as a supply of goods or services.

Further, it is proposed to amend Explanation 2 of

Schedule III to specify that the explanation will apply with respect to clause (a) of paragraph 8 of the same Schedule.

Further more, it is also proposed to insert Explanation 3 to define the terms 'Special Economic Zone,' 'Free Trade Warehousing Zone,' and 'Domestic Tariff Area' for the purposes of the newly proposed clause (aa) in paragraph 8 of the said Schedule.

The above proposed amendment shall become applicable retrospectively from 1<sup>st</sup> July 2017.

However, it has also been proposed that no refund of tax already paid will be available for the aforesaid activities or transactions.

### Amendments proposed in the Customs Act, 1962

#### Amendments to be effective from the date on which the Finance Bill, 2025 receives the assent of the President of India

• **Insertion of section 18(1B) in the Customs Act, 1962**

It is proposed to insert section 18(1B) in the Customs Act, 1962, to establish a clear time limit of two years for the finalization of provisional assessments. This period may be extended by the Commissioner of Customs for an additional one year, provided sufficient cause is demonstrated. Additionally, for pending cases, the time limit will be calculated from the date Finance Bill receives assent.

• **Insertion of section 18(1C) in the Customs Act, 1962**

It is proposed to insert section 18(1C) in the Customs Act, 1962, to outline specific grounds on which the two-year time limit for finalizing provisional assessments may be suspended.

• **Insertion of section 18A in the Customs Act, 1962**

It is proposed to insert section 18A in the Customs Act, 1962, to allow for the voluntary revision of entries made post-clearance. This provision would enable importers and exporters to revise any entry related to goods within a prescribed timeframe and in accordance with specific conditions. It also provides for treating such revised entries as self-assessments, allowing for duty payment, or considering the revised entry as a refund claim under section 27. Additionally, the section outlines certain cases where this provision will not apply.

• **Insertion of new Explanation in section 27(1) of the Customs Act, 1962**

It is proposed to insert a new explanation in section 27(1) of the Customs Act, 1962, to clarify that the limitation period for refund claims, arising from a revised entry under section 18A or an amendment under section 149 of the Customs Act, 1962, shall be one year from the date of payment of duty or interest.

• **Insertion of new clause in Explanation 1 of section 28 of the Customs Act, 1962**

A new clause proposed to be inserted in Explanation 1 of section 28 of the Customs Act, 1962, wherein the relevant date in the case where duty is paid under the revised entry under section 18A is the date of payment of duty or interest.

• **Insertion of new clause in section 127A of the Customs Act, 1962**

A new clause is proposed to be inserted after clause (d) and (e) in section 127A of the Customs Act, 1962, to define Interim Board, Member of the Interim Board and pending applications.

• **Insertion of new provisos in section 127B of the Customs Act, 1962**

It is proposed to insert two new provisos after sub-section (5) of section 127B of the Customs Act, 1962, to specify a clear end date for the receipt of applications under this section.

• **Insertion of new sub-section in section 127D of the Customs Act, 1962**

A new sub-section is proposed to be inserted after sub-section (2) in section 127D of the Customs Act, 1962, to clarify that the powers of the Settlement Commission shall be exercised by the Interim Board. Additionally, the provisions of this section will apply to the Interim Board, mutatis mutandis, in the same manner as they apply to the Settlement Commission.

• **Insertion of new sub-section in section 127F of the Customs Act, 1962**

A new sub-section is proposed to be inserted after sub-section (4) in section 127F of the Customs Act, 1962, providing that the powers and functions of Settlement Commission shall be exercised or performed by the Interim Board.

• **Insertion of proviso in section 127G of the Customs Act, 1962**

A new proviso to section 127G of the Customs Act, 1962 is being inserted providing that the powers and functions of Settlement Commission shall be exercised or performed by the Interim Board.

• **Insertion of proviso to section 127H of the Customs Act, 1962**

A new sub-section is proposed to be inserted after sub-section (3) in section 127H of the Customs Act, 1962 providing that the powers and functions of Settlement Commission shall be exercised or performed by the Interim Board.

## Amendments proposed in the Customs Tariff Act, 1975

- Amendment in First Schedule of the Customs Tariff Act, 1975**

To streamline the customs tariff structure, simplify the rate slabs, enhance the identification of goods, and align tariff lines with the World Customs Organization (WCO) classification, it is proposed to amend the First Schedule of the Customs Tariff Act, 1975. This amendment aims to reduce tariff rates slabs from 25%, 30%, 35%, and 40% to 20% and from 150%, 125% and 100% to 70%.
- Amendment in Notification No. 11/2018 – Customs dt. 02.02.2018**

It is proposed to amend the *Notification No. 11/2018 – Customs dt. 02.02.2018*, to exempt 25 items from the levy of Social Welfare Surcharge. This proposed amendment shall be applicable with effect from 2<sup>nd</sup> February, 2025.
- Amendment in Notification No. 153/94 – Customs dt. 13.07.1994**

It is proposed to amend the *Notification No. 153/94 – Customs dt. 13.07.1994*, where currently, articles of foreign origin can be imported into India for maintenance, repair and overhauling subject to their export within six months extendable to 1 year. The duration for export in the case of railway goods imported for such purpose has been increased from 6 months to 1 year further extendable by 1 year.
- Amendment in ICGR (Import of Goods at Concessional rate of Duty for Manufacture of Excisable Goods) Rules, 2017**

It is proposed to amend rules 6 and 7 to increase the time limit for fulfilling end use from current six months to one year. Further, the importers will now have to file only a quarterly statement instead of monthly statement.

## GST Compliances for the month of March, 2025 or the Quarter ended March, 2025

Forms	Compliance Particulars	Due Dates
GSTR 7	Return to be furnished by the registered persons who are required to deduct tax at source.	10.04.2025
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.	10.04.2025
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.	11.04.2025
IFF	Statement of outward supplies by the taxpayers having an aggregate turnover upto ₹ 5 crore and who have opted for the QRMP scheme.	13.04.2025
GSTR 1A	Amendment of outward supplies of goods or services for the current tax period	
GSTR 5	Return to be furnished by the non-resident taxable persons containing details of outward supplies and inward supplies.	13.04.2025
GSTR 6	Return to be furnished by every Input Service Distributor (ISD) containing details of the input tax credit received and its distribution.	13.04.2025
CMP 08	Statement containing the details of self-assessed tax for Quarter 4 of FY 2024-25 by the registered person paying tax under section 10.	18.04.2025
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.	20.04.2025
GSTR 5A	Return to be furnished by Online Information and Database 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.	20.04.2025
GSTR 3B	Return to be furnished by the taxpayers who have opted for QRMP scheme for Quarter 4 of FY 2024-25 comprising consolidated summary of outward and inward supplies. (For registered taxpayers having their place of business in the states of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep)	22.04.2025
GSTR 3B	Return to be furnished by the taxpayers who have opted for QRMP scheme for Quarter 4 of FY 2024-25 comprising consolidated summary of outward and inward supplies. (For registered taxpayers having their place of business in states of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi)	24.04.2025

# GST UPDATES

## 1. Notification of date for applicability of certain CGST Rules

Notification No. 09/2025 – CT dt. 11.02.2024 has notified the date for applicability of amendments in certain CGST rules made vide Notification No. 12/2024-CT dt. 10.07.2024.

The following amendments shall become applicable with effect from 11.02.2025:

### a) Amendment in rule 8(4A) – Application for registration

A second proviso has been inserted in rule 8 after sub-rule (4A) laying down that every registration application filed by a person, who has not opted for authentication of Aadhar number, shall be followed by taking photograph of the applicant along with verification of the original copy of the documents uploaded with the application in Form GST REG-01 at any of the notified Facilitation Centers to complete the application process.

### b) Amendment in rule 138 – Information to be furnished prior to commencement of movement of goods and generation of e-way bill

In sub-rule (3), after the third proviso, a proviso has been inserted to lay down that the unregistered person, who is exempted from obtaining registration under section 24(i)/(ii), and generates e-way bill in respect of inter-State movement of handicraft goods irrespective of value of consignment, shall submit the details electronically, on the common portal, in Form GST ENR-03 either directly or through a Facilitation Centre notified by the Commissioner.

Similarly, the unregistered person who opts to generate e-way bill in Form GST EWB-01 on the common portal shall also submit the details electronically, on the common portal, in Form GST ENR-03.

Once the details so provided are validated, a unique enrolment number will be generated and communicated to the said unregistered person.

### c) Amendment in Form GSTR-3B

Form GSTR-3B has been amended to provide for the adjustment of negative liability of previous tax period.

The following amendments shall become applicable with effect from 01.04.2025:

### d) Amendments in rule 39 - Procedure for distribution of input tax credit by Input Service Distributor (ISD)

The Finance Act, 2024 has amended the definition of ISD as provided under section 2(61) of the CGST Act, 2017 and substituted section 20 of the said Act which prescribes the provisions for manner of

distribution of credit by ISD. This amendment shall become effective from 01.04.2025.

Consequent to the afore-mentioned amendments, rule 39 which lays down the procedure for distribution of input tax credit by ISD has also been amended. The clauses and explanation that formed part of unamended section 20 have been incorporated in the amended rule 39.

A new sub-rule (1A) has been inserted in the rule to provide the manner of distribution of credit in respect of input services, attributable to one or more distinct persons, which are subject to reverse charge under sections 9(3) and 9(4). The sub-rule lays down that the registered person, having the same PAN and State code as an ISD, may issue an invoice/credit note/debit note as per rule 54(1A) to transfer the credit of such common input services to the ISD, which will then distribute the credit in the prescribed manner.

### e) Amendment in Form GSTR-7

Form GSTR-7 has been amended to provide for invoice-level details (No., Date & Value) in Table 3 & 4.

### f) Amendment in Form GSTR-8

Form GSTR-8 has been amended to provide for the detail of the place of supply in Tables 3 & 4.

## 2. Clarifications regarding GST Rates & Classification

### a) Classification and GST rate on pepper of genus Piper

Pepper of genus Piper, whether green (fresh), white or black, is covered under HS 0904 and attracts 5% GST.

It has been further clarified that an agriculturist supplying dried pepper from their plantation, being produced out of the cultivation of land is not liable for registration under GST as per section 23(1) of the CGST Act, 2017.

### b) Clarification regarding raisins supplied by an agriculturist

It has been clarified that an agriculturist supplying raisins is not liable to be registered under section 23(1) of the CGST Act and is exempt from GST.

### c) Clarification on GST rate on ready to eat popcorn

S. No.	Type	Clarification
1.	Ready to eat popcorn mixed with salt and spices, classifiable under HS 2106 90 99,	5%, if other than pre-packaged and labelled
		12%, if sold as packaged and labelled

2.	Popcorn mixed with sugar thereby changing its character to sugar confectionary (e.g. caramel popcorn), classifiable under HS 1704 90 90	18%
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The issue for the past period up to 14.2.2025 has been regularized on 'as is where is' basis.

**d) Fly ash based Autoclaved Aerated Concrete Blocks (AAC)**

S. No.	Type	Rate Clarification
1.	Fly ash bricks, fly ash aggregates and fly ash blocks classifiable under HS 6815.	12%
2.	Articles of cement, of concrete or of artificial stone, whether or not reinforced classifiable under HS 6810.	18%
3.	Autoclaved aerated concrete (AAC) blocks containing more than 50% fly ash content will classify under HSN 6815.	12%

**e) Effective date of amended entry regarding ground clearance**

Prior to the 50<sup>th</sup> GST Council meeting, motor vehicles with an engine capacity exceeding 1500 cc (SUVs and utility vehicles) attracted a 22% Compensation Cess.

After the 50<sup>th</sup> GST Council meeting, *Notification No. 03/2023-Compensation Cess (Rate) dt. 26.07.2023* substituted entry 52B to apply the cess to all motor vehicles classified as utility vehicles (regardless of the name), with engine capacity exceeding 1500cc, a length over 4000mm, and ground clearance of 170 mm or more. Further, an explanation was added, clarifying that "ground clearance" refers to the unladen condition.

The GST Council has clarified that this amendment will be effective from 26.07.2023.

*Circular No. 247/04/2025-GST dt. 14.02.2025*

**3. Procedure to be followed in Department appeal filed against interest and/or penalty only, related to Section 128A of the CGST Act, 2017**

In cases where the tax amount has been fully paid by the taxpayer on demands made under section 73 of the CGST Act and the department is in appeal or under the process of filing an appeal only on account of wrong interest calculation and/or wrong imposition or

non-imposition of penalty amount under the provisions of CGST Act or IGST Act and the taxpayer fulfils other conditions of section 128A and the rules made thereunder, the proper officer may proceed towards withdrawing such appeal filed and in case where the order under section 73 is under review stage only, accept the same.

*Instruction No. 02/2025-GST dt.07.02.2025*

## GSTN ADVISORIES

**1. Advisory On E-Way Bill Generation For Goods Under Chapter 71**

Rule 138(14) of the CGST Rules, 2017, read with its Annexure S.Nos. 4 and 5, states that goods covered under Chapter 71 viz., Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal, Jewellery, goldsmiths', and silversmiths' articles, except those classified under HSN 7117(Imitation Jewellery), are exempt from the mandatory requirement of generating an E-Way Bill.

Pursuant to the introduction of the E-Way Bill for goods classified under Chapter 71, excluding HSN 7117 (Imitation Jewellery), in the state of Kerala for intra-state movement, the National Informatics Centre (NIC) has provided an option to generate EWBs for goods covered under Chapter 71 except 7117 under the category "EWB for Gold" on the EWB portal.

Various industry stakeholders have voluntarily been generating EWBs for goods under Chapter 71 due to the availability of this option in the EWB system. In this regard, it has been clarified that while the system previously allowed EWB generation for goods under Chapter 71, this facility has now been withdrawn.

Accordingly, taxpayers and transporters engaged in the movement of goods under Chapter 71 (except HSN 7117) are advised that EWB generation is not required. However, for the intra-state movement of such goods within the state of Kerala, the generation of an EWB has been mandated vide *Notification No.10/24-ST dt. 27.12.2024* issued by the state of Kerala.

**2. Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Maharashtra and Lakshadweep and also in Jharkhand and Andaman and Nicobar Islands**

Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application. The above-said functionality has been developed by GSTN. It has been rolled out in Maharashtra and Lakshadweep on 8<sup>th</sup> February, 2025 and also in Jharkhand and

Andaman and Nicobar Islands on 15<sup>th</sup> February, 2025. The said functionality also provides for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail,

- (a) A link for OTP-based Aadhaar Authentication OR
- (b) A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail)

If the applicant receives the link for OTP-based Aadhaar Authentication as mentioned in point 3(a), she/he can proceed with the application as per the existing process. However, if the applicant receives the link as mentioned in point 3(b), she/he will be required to book the appointment to visit the designated GSK, using the link provided in the e-mail.

The feature of booking an appointment to visit a designated GSK is now available for the applicants of Madhya Pradesh, Jharkhand and Andaman and Nicobar Islands. After booking the appointment, the applicant gets the confirmation of appointment through e-mail (the appointment confirmation e-mail), she/he will be able to visit the designated GSK as per the chosen schedule.

At the time of the visit of GSK, the applicant is required to carry the following details/documents-

- (a) a copy (hard/soft) of the appointment confirmation e-mail
- (b) the details of jurisdiction as mentioned in the intimation e-mail
- (c) Aadhaar Card and PAN Card (Original Copies)
- (d) the original documents that were uploaded with the application, as communicated by the intimation e-mail.

The biometric authentication and document verification will be done at the GSK, for all the required individuals as per the GST application Form REG-01. The applicant is required to choose an appointment for the biometric verification during the maximum permissible period for the application as indicated in the intimation e-mail. In such cases, ARNs will be generated once the Biometric-based Aadhaar Authentication process and document verification are completed.

The operation days and hours of GSKs will be as per the guidelines provided by the administration in the states.

### 3. Advisory for GST Registration Process (Rule 8 of CGST Rules, 2017)

In line with recent developments in the GST registration process, applicants must adhere to the following steps as per Rule 8 of the CGST Rules, 2017:

#### i. Applicants Not Opting for Aadhaar Authentication:

- If you choose not to authenticate via Aadhaar, you must visit the designated GST Suvidha Kendra (GSK) for photo capturing and document verification.
- Upon selecting “NO” for Aadhaar authentication, an email will be sent with GSK details and required documents.
- You can schedule an appointment via a link in the email. An appointment confirmation will follow through mail.
- Visit the GSK at the scheduled time for photo capturing, document verification.

#### ii. Applicants Opting for Aadhaar Authentication and application identified for Biometric Authentication:

- Promoters/Partners opting for Aadhaar authentication should first visit the GSK for biometric authentication and photo capturing, followed by the PAS.
- Promoters/Partners opting for Aadhaar authentication must visit the GSK for photo capturing and biometric authentication. The PAS is required to carry the documents listed in the intimation email for verification at the GSK. Additionally, the PAS must undergo photo capturing and biometric authentication at the GSK as part of the process.
- If a Promoter/Partner has already been biometric verified in any State/UT during a previous registration, they will not need to visit the GSK again for photo capturing, biometric authentication, or document verification for any other entity where they act as Promoter/Partner. However, if she/he becomes the PAS of the entity, only document verification at the GSK will be required.
- In case PAS has already been biometric verified in any State/UT during a previous registration, she/he will need to visit the GSK only for document verification.
- If the Promoter/Partner and PAS are the same individual, she/he must visit the GSK for photo capturing, biometric authentication, and document verification. If already biometric verified in the past, only document verification at the GSK is required.

#### iii. Non-Generation of Application Reference Number (ARN):

- **For applicants opted Aadhaar-authentication and application identified for Biometric Authentication:** If any of the Promoter/Partner or PAS fails to visit the GSK or biometric authentication fails or document verification is not



completed within 15 days of submitting Part B of REG-01, the ARN will not be generated. Ensure that your Aadhaar details (name, date of birth, gender) are accurate to avoid authentication failures. If any discrepancies occur, update Aadhaar and visit the GSK within 15 days.

- **For non-Aadhaar applicants:** If photo capturing or document verification is not completed within 15 days, the ARN will not be generated.

#### 4. Advisory on Introduction of Form ENR-03 for Enrolment of Unregistered Dealers/Persons in e-Way Bill Portal for generating e-way Bill.

Notification No. 12/2024 dt. 10.07.2024 has introduced a new feature in the E-Way Bill (EWB) system to facilitate the enrolment of unregistered dealers supplying goods, with effect from 11.02.2025. Form ENR-03 has also been introduced for the enrolment of unregistered dealers.

Unregistered dealers engaged in the movement or transportation of goods can now generate e-Way Bills by enrolling themselves on the EWB portal and obtaining a unique Enrolment ID. This ID will serve as an alternative to the supplier GSTIN or recipient GSTIN for generating e-Way Bills.

#### User Guide for ENR-03 Enrolment

##### i. Accessing ENR-03:

- a) As per the notification, an Unregistered Person (URP) can enrol using Form ENR-03.
- b) The option is available under the "Registration" tab in the main menu of the EWB portal.

##### ii. Filling Out the ENR-03 Form:

- a) Upon selecting the option, the enrolment screen will be displayed.
- b) The applicant must select their State and enter their PAN details, which will be verified.
- c) The type of enrolment must be selected, and address details must be provided.
- d) A mobile number must be entered, which will be verified via OTP.

##### iii. Creating Login Credentials:

- a) The user must create a username, check its availability, and set a password before submitting the details.
- b) Upon successful submission, a 15-character Enrolment ID will be generated, and an acknowledgment will be displayed.
- c) This Enrolment ID can be used for generating e-Way Bills in place of a GSTIN.

##### iv. Generating an e-Way Bill:

- a) The enrolled URP can log in to the EWB portal using the registered credentials.
- b) By selecting the 'Generate New' option, the Enrolment ID will be auto-populated as the Supplier/Recipient.
- c) Other relevant details must be entered before proceeding with e-Way Bill generation.

For further assistance or queries, taxpayers may contact the GST Helpdesk or refer [https://tutorial.gst.gov.in/downloads/news/user\\_manual\\_for\\_enr\\_03\\_final.pdf](https://tutorial.gst.gov.in/downloads/news/user_manual_for_enr_03_final.pdf)



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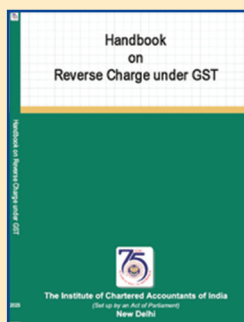
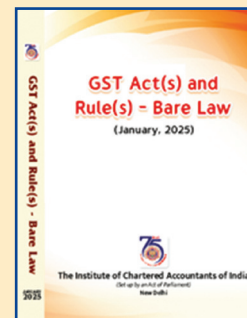
For more details, visit <https://idtc.icai.org/about-certificate-course.html>



# PUBLICATIONS

## GST Act(s) and Rule(s) - Bare Law

The publication “GST Act(s) and Rule(s) – Bare Law” is a compilation of Act(s) and Rule(s) pertaining to GST, namely the Constitution (101<sup>st</sup> Amendment) Act, the Central Goods & Services Tax Act, 2017, the Integrated Goods & Services Tax Act, 2017, the Union Territory Goods & Services Tax Act, 2017, the GST (Compensation to States) Act, 2017, the Central Goods & Services Tax Rules, 2017 and the Integrated Goods & Services Tax Rules, 2017. The publication is amended for the changes taken place up to 1<sup>st</sup> January, 2025.

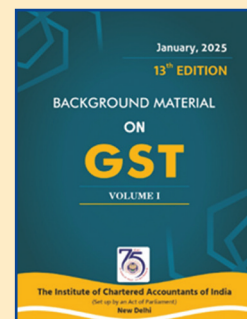


## Handbook on Reverse Charge under GST

The publication “Handbook on Reverse Charge under GST” covers concepts / procedures relating to reverse charge mechanism in GST in an easy-to-understand lucid language. It offers comprehensive insights and guidance to the registered persons who are liable to make payment of tax under reverse charge. This publication is updated up to 1<sup>st</sup> February, 2025.

## Background Material on GST –13<sup>th</sup> Edition (January, 2025)

This is a comprehensive publication covering the entire gamut of GST law. It was first published in 2016 (on the basis of Model GST Law). GST law has been explained in this publication through analysis, charts, tabular presentations, FAQs, MCQs etc. The publication is updated with all the amendments made by various notifications issued up to 20<sup>th</sup> January, 2025.



## 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](mailto:gst@icai.in).



# GST QUIZ

- What will be the rate of tax and nature of supply of services if the same is not determinable at the time of receipt of advance?**

  - 12%, inter-State supply
  - 12%, intra-State supply
  - 18%, inter-State supply
  - 18%, intra-State supply
- XYZ Associates, a partnership firm registered under GST in the State of Haryana has provided certain services amounting to ₹ 90,000/- to Mr. A of Punjab who is unregistered under GST. Which of the following is correct with respect to the requirement of e-way bill?**

  - E-way bill is required as the supply of services exceed ₹ 50,000/-.
  - E-way bill is required as the supply of services is made to Mr. A, an unregistered person.
  - E-way bill is not required as the supply is made of service.
  - E-way bill is not required as the supply of services do not exceed ₹ 1,00,000/-.
- The due date of filing FORM GSTR- 4 from FY 2024-25 is -**

  - 18<sup>th</sup> day of April following the end of such FY.
  - 20<sup>th</sup> day of the succeeding quarter.
  - 30<sup>th</sup> day of April following the end of such FY.
  - 30<sup>th</sup> day of June following the end of such FY.
- What happens if the taxpayer disagrees with the revision of order passed by the Revisional Authority?**

  - The taxpayer can appeal to the High Court.
  - The taxpayer must accept the revision and cannot file any further appeal.
  - The taxpayer can appeal to the Appellate Tribunal within the prescribed time limit.
  - The taxpayer must pay the revised amount and then file a refund claim.
- What will happen to the rest of Input Tax Credit (ITC) carried forward in respect of a regular dealer switching over to composition scheme under GST, after adjusting the tax on inputs held in stock?**

  - Carry forward the rest of ITC.
  - ITC kept in abeyance till the taxable person opts for normal scheme once again.
  - ITC lapses
  - Electronic credit ledger will freeze the ITC available.
- MCD is receiving the services of facility management such as housekeeping, civil maintenance, furniture maintenance and horticulture agency for the upkeep of their office from M/s. ABC Ltd. Determine the taxability of the above transaction.**

  - Tax shall not be levied as it is neither supply of goods or services.
  - Taxable
  - Exempt as it is covered under *Notification No. 12/2017-CT(R) dt. 28.06.2017.*
  - It is out of scope of GST.
- For which of the following acts done by a taxable person, inspection can be ordered under GST law?**

  - Suppression of any transaction of supply of goods or services.
  - Suppression of stock of goods in hand.
  - Contravention of any of the provisions of the GST law to evade tax.
  - All of the above
- What is the condition under which the Advance Ruling shall not be binding?**

  - Applicant is unsatisfied with the ruling.
  - Ruling is general in nature.
  - Change in law, facts or circumstances.
  - None of the above
- What shall be the time of supply of lottery for the supplier dealing in specified actionable claims?**

  - Date of issue of invoice
  - Date of receipt of consideration by the supplier.
  - Later of (a) or (b)
  - Earlier of (a) or (b)
- What are the possible situations once the job work is completed by the job worker?**

  - Principal may bring back the goods.
  - Principal may ask the job worker to send it to another job worker.
  - Principal may directly sell the goods from the place of business of job worker.
  - Any of the above

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

Name	Membership No.
CA. Aditya Dhanuka	305212
CA. N K Bharath Kumar	223407
CA. Pranay Sharad Jajodia	627428
CA. Gaurav Agarwal	302996
CA. Vijay	575374

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/JwEa7qqZVCo7gg948>



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- ✓ Details of Certificate Courses, Programmes, Seminars etc. on GST & other Indirect Taxes
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Notifications including the amended notifications



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Your suggestions on the website are welcome at [gst@icai.in](mailto:gst@icai.in)

**GST and Indirect Taxes Committee**  
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