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NEWSLETTER

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President's Communication



Dear Professional Colleagues,

Greetings!

The Goods and Services Tax (GST) remains a key driver of India's economic growth, contributing significantly to Government revenues. In May 2025 the Goods and Services Tax (GST) collections saw a significant increase by 16.4% compared to the same month in May 2024, reaching over ₹ 2.01 lakh crore. This growth can be attributed to a consistent rise in both domestic and import-related GST collections. Revenues from domestic transactions in May 2025 rose by 13.7%, totalling approximately ₹ 1.50 lakh crore, while GST revenue from imports surged by 25.2%, amounting to ₹ 0.51 lakh crore, compared to May, 2024.

The GST & Indirect Taxes Committee of ICAI continues to play a proactive role in supporting GST policy making & implementation, building GST capabilities, and fostering a culture of informed compliance. The Committee has consistently organized capacity building and knowledge-enhancement programs tailored for Central/Union Territory and State Tax Officials. Recently, the Committee collaborated with the Zonal Campuses of NACIN located in Patna, Mumbai and Shillong and extended faculty support for the capacity building programmes organised for the GST officers.

The Accounting Standards Day celebrations, organised by the Institute of Chartered Accountants of India (ICAI), in Delhi witnessed the distinguished presence of Smt. Rekha Gupta, Hon'ble Chief Minister of Delhi, who attended the occasion as Chief Guest. In her address, she praised the vital role of Chartered Accountants in maintaining tax discipline and driving economic progress, referring to them as the "Financial Doctors" who safeguard India's financial health. She also expressed the Delhi Government's desire to collaborate with ICAI as a 'Knowledge Partner' for economic development.

Since implementation, Chartered Accountants have played a crucial role in simplifying GST compliance, helping businesses navigate evolving tax structures, and ensuring timely, accurate filings. As the backbone of tax governance, CAs bridge the gap between policy objectives and their implementation, ensuring that businesses—whether large or small—adapt seamlessly to regulatory changes and stay in compliance with the law.

As India progresses on its path of inclusive and sustainable economic development, Chartered Accountants remain the torchbearers of accountability, trust, and financial stewardship.

Wishing continued success to all stakeholders dedicated to building a stronger, transparent, and resilient India.

Warm Regards

CA. Charanjot Singh Nanda

President

The Institute of Chartered Accountants of India

PHOTOGRAPHS



(From L to R) CA. Rajendra Kumar P, Chairman, GST & IDTC, met CBIC Members, Mr. Surjit Bhujbal IRS (Customs), Mr. Yogendra Garg IRS (IT, TPS & Technology) & Mr. Shashank Priya IRS (GST, CX & ST) and shared ICAI's GST initiatives and explored avenues for proactive support.



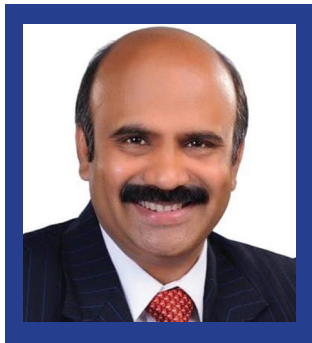
CA. Rajendra Kumar P, Chairman, GST & IDTC, met Mr. Mahesh Rustogi, IRS Director General Taxpayer Services to discuss ICAI's role in strengthening GST awareness and outreach



CA. Rajendra Kumar P, Chairman, GST & IDTC, CA. Umesh Sharma, Vice Chairman, GST & IDTC, along with other Council members at Residential Refresher Course on GST held at Mumbai



CA. Rajendra Kumar P, Chairman, GST & IDTC at One Day Workshop on GST at Sivakasi



Dear Member,

As we step into June 2025, I would like to remind all concerned to ensure timely filing of Form SPL-01 or SPL-02, as applicable, in cases where the registered person has opted for the waiver scheme under Section 128A of the CGST Act, 2017. Timely compliance is essential to avail the benefits offered under the scheme.

The Goods and Services Tax Network (GSTN) has rolled out third phase reforms of Table 12 of GSTR-1/1A to streamline HSN-wise summary reporting to minimize errors and misclassification. From May, 2025 onwards, manual HSN entry has been replaced with a dropdown selection, and new tabs for B2B and B2C transactions have been introduced. The registered persons are required to report HSN-wise summary of B2B and B2C supplies separately. This will improve compliance accuracy and reduce mismatches in returns. Further, Biometric-based Aadhaar authentication for GST registration applicants began in Sikkim on May 1, 2025, streamlining applicant verification. This will enhance the verification process and ensure the authenticity of applicants.

As Chairman of the GST & Indirect Taxes Committee, I regularly engage with senior Government officers to explore collaborative opportunities and identify ways the Committee can proactively support the Government's GST initiatives. Recently, I had the opportunity to meet several senior CBIC officials, including the Member (GST), Member (IT, TPS & Tech.), Member (Customs), Director General (DGTS), Director General (DGGST), Joint Secretaries (TRU-I & TRU-II) and the Commissioner (GST Policy Wing). I reaffirmed ICAI's commitment to contributing through technical expertise, capacity building, and knowledge sharing.

Given that GST is an ever-evolving law, staying updated and *au courant* is a sine qua non for our members. I encourage all of you to subscribe to GST Updates through the Committee's website at idtc.icai.org to stay informed and make the most of the weekly webinars organised by the Committee. These sessions are designed to provide timely insights, practical guidance, and updates on key developments in the field of GST.

I welcome all stakeholders to share their insights and recommendations with us at gst@icai.in. We welcome your inputs on themes and issues you'd like us to explore in upcoming editions. Together, your feedback helps us shape each issue into a more relevant, insightful, and impactful resource.

CA. Rajendra Kumar P

Chairman

GST & Indirect Taxes Committee

The Institute of Chartered Accountants of India

EDUCATION AND GST: UNPACKING AMBIGUITY

I. Abstract

At its essence, Education is a process of transfer of knowledge, skills, and values passed down through time across generations. A process designed purposefully to help individuals reach their full potential, ultimately serving both personal growth and the greater good of society.

Education is crucial not only for personal and social development but also for the economic growth of the individual as well as the nation as a whole.

It was for this reason, the 86th Constitutional Amendment Act, 2002, introduced Article 21A, making education a Fundamental Right for children aged 6 to 14 years.

21A. Right to education

The State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine.

To maintain the spirit of Article 21A of providing free education, appropriate provisions are provided under Goods and Services Tax (GST), which generally exempts

most educational services from tax, especially when provided by recognized institutions.

However, the recent amendments and clarifications by way of circulars have put out a few grey areas which challenge the spirit of the Constitution of providing free education, as it possesses the potential of actually making the education expensive.

In this article, we explore the said grey areas within the GST framework that affect educational services, understand the ambiguity caused by them by making a part of the educational services taxable, and examine how the partial taxation of certain services poses challenges for educators, institutions, and students alike.

II. Statutory Framework

The exemptions are provided for a formal education if the same is provided by a recognized body, i.e., an educational institution. Listed below is the basic exemption provided under GST for educational services (Refer *Notification 12/2017-CT(R)*):

S.No	HSN	Description of Services	Rate	Condition
(1)	(2)	(3)	(4)	(5)
66	Heading 9992 or Heading 9963	<p>Services provided—</p> <p>(a) by an educational institution to its students, faculty and staff;</p> <p>(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee;</p> <p>(b) to an educational institution, by way of,—</p> <p>(i) transportation of students, faculty and staff;</p> <p>(ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union Territory</p> <p>(iii) security or cleaning or house-keeping services performed in such educational institution;</p> <p>(iv) services relating to admission to, or conduct of examination by, such institution;</p> <p>(v) supply of online educational journals or periodicals:</p> <p>Provided that nothing contained in sub-items (i), (ii) and (iii) of item (b) shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent:</p> <p>Provided further that nothing contained in sub-item (v) of item (b) shall apply to an institution providing services by way of,—</p> <p>(i) pre-school education and education up to higher secondary school or equivalent; or</p> <p>(ii) education as a part of an approved vocational education course.</p>	Nil	Nil
66A	Heading 9992	Services of affiliation provided by a Central or State Educational Board or Council or any other similar body, by whatever name called, to a school established, owned or controlled by the Central Government, State Government, Union Territory, local authority, Governmental authority or Government entity.	Nil	Nil

2. Definitions:— For the purposes of this notification, unless the context otherwise requires,—

(y) “*educational institution*” means an institution providing services by way of—

- (i) *pre-school education and education up to higher secondary school or equivalent;*
- (ii) *education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;*
- (iii) *education as a part of an approved vocational education course;*

To summarise the above, GST exemption is provided for education services provided by recognised educational institutions, i.e., schools, colleges, universities, etc., to their students, faculty, and staff. Any educational service that is not a part of the entry no. 66 and 66A, supra, are taxable under GST.

III. The Grey Area

Between the exemption and taxability of educational services provided by educational institutions lies the affiliation service, typically offered by a board, university, or similar authority to a school, college, or other such educational institutions imparting formal education.

The CBIC by its *Circular no. 234/28/2024-GST dt. 11.10.2024* clarified the applicability of GST @ 18% on the affiliation services while referring to its earlier *Circular no. 151/07/2021-GST dt. 17.06.2021* wherein accreditation services of educational boards were clarified to be taxable under GST @ 18%. Based on this, CBIC clarified the applicability of GST on affiliation services, equating them to accreditation services. Hence, the ambiguity arose.

Services of affiliation, in principle, are altogether different from accreditation services in common parlance. While ‘Accreditation’ is a process of assessing and recognizing an institution’s adherence to specific quality standards and ensuring that the institution maintains high-quality standards, ‘Affiliation’, on the other hand, is given to ensure that the institution follows a very specific set of standards, curriculum, and framework which is provided and formally recognised by the educational boards providing affiliation.

This half-hearted attempt to make affiliation services taxable under GST further gained strength with the introduction of a new entry no. 66A, supra, in the *Notification No. 12/2017-CT (R)* by amending the said notification via *Notification No. 08/2024-CT(R)* wherein specific exemption is provided for educational boards providing the affiliation services to Government Schools, indicating that the said service was always taxable and continues to be taxable for other educational institutions.

IV. The Concept

Affiliation services refer to the process and support offered to schools, colleges, or educational institutions to help them become officially and formally associated with a recognized board, university, or accrediting body, which standardizes and structures education by defining learning standards, curriculum, and frameworks.

Affiliation is mandatory for any educational institution as it grants educational institutions the legitimacy and recognition necessary to offer formal education. Any educational institution not formally affiliated with any board, university, or accrediting body cannot provide any formal education or qualification or any degree recognised by law for the time being in force, and hence will fail to qualify as an educational institution under GST. This makes ‘Affiliation’ an integral part of disseminating formal education, without which an educational institute cannot function.

In summary, unless a school, college, university, or similar institution is affiliated with a recognized educational board—whether Central, State, or otherwise—it cannot offer formal education recognized under any prevailing law. Such institutions, lacking legal legitimacy and recognition, would be treated merely as tuition centres and fall outside the scope of the term “educational institutions.”

V. The Ambiguity

A cursory examination of entry No. 66 suggests that the exemption is granted for a limited purpose, i.e., specifically for services provided by an educational institution to its students, faculty, and staff. However, the affiliation service carries the risk of extending beyond this intended scope.

The service of affiliation, as discussed above, is not provided by an educational institution to its students, faculty, or staff but is provided to an educational institution by an educational board—whether Central, State or otherwise and therefore the service falls out of the scope of the exemption provided by entry no. 66.

In essence, the exemption provided in entry no. 66 is in line with the spirit of Article 21A of the Constitution of India, which guarantees the right to education. However, the limitations on the applicability of the exemptions provided in entry no. 66 undermines that spirit as it impacts the very purpose of ensuring free education.

Also, from a broader perspective, affiliation service is the heart and soul of imparting formal education and cannot be separated therefrom. Affiliation service procured by an educational institution is always in the course and furtherance of providing services to its students, faculty, and staff.

Affiliation services are integral to student admission and examination processes, extending beyond mere

classroom instruction. Educational boards grant affiliation to institutions to ensure students follow a recognized curriculum, receive education within a structured framework, and undertake examinations aligned with board standards. When students enroll in a school or college, they are effectively joining a board-approved program. Therefore, although affiliation is an inward supply for the institution, it is inseparably linked to the educational services provided to students.

Another perspective to look at the affiliation service is whether it would necessarily constitute a supply in terms of section 7 of the CGST Act, 2017. To constitute a supply, a transaction has to be in the course and furtherance of business and can the service of affiliation be considered in the course and furtherance of business of the board, providing the said affiliation is another contentious issue to ponder upon. An ambiguity waiting to be explored and will always be subject to interpretation.

Though the definition of the term 'Business' as provided by section 2(17) of the CGST Act, 2017 is of wide amplitude, but is at large restricted to the commercial activities being trade, commerce, manufacture, profession, vocation, adventure, wager, or any other similar activity.

The educational activity cannot be termed as a commercial activity as the same is not a trade, commerce, manufacture, profession, vocation or adventure, and hence not a business, per se. Similarly, the service of affiliation, being an integral part of educational activity, should not ideally be treated as a business activity, as the same is mandatory for educational institutions and is always in the course and furtherance of education only.

VI. Judicial Interpretation

What constitutes the term 'education' is not defined in the GST Act, however, its meaning can be understood based on various pronouncements by the Hon'ble Supreme Court over the period. A few of them are listed below:

- a) Indian Medical Assn. v. Union of India, (2011) 7 SCC 179
- b) Bhartiya Seva Samaj Trust v. Yogeshbhai Ambalal Patel, (2012) 9 SCC 310
- c) Sole Trustee, Lok Shikshana Trust v/s. CIT – (1976) 1 SCC 254
- d) P.A. Inamdar v. State of Maharashtra (2005) 6 SCC 537

In summary, education is the process of cultivating and developing an individual's knowledge, skills, intellect, and character.

The fact that affiliation is an integral part of education can be established from the pronouncement of *The Hon'ble Apex Court in Gujarat University v. Krishna Ranganath*

Mudholkar (AIR 1963 SC 703), wherein the Hon'ble Court broadly held that the term "education" is of wide scope and encompasses not only the act of imparting education but also all matters related to the regulation and control of education.

It is through affiliation, the educational board regulates and controls the education offered by schools, colleges, etc., by providing common standards, curriculum, and framework.

The Hon'ble Supreme Court, in State of Tamil Nadu v. K. Shyam Sunder [(2011) 8 SCC 737], further emphasized the importance of a common curriculum, holding its formulation and prescription to be an integral and essential aspect of education.

This reinforces the principle that regulatory and supervisory functions such as curriculum setting and affiliation performed by education boards are not ancillary, but form a core part of the educational framework, essential for maintaining uniformity, quality, and legitimacy in formal education.

Further, *the Hon'ble High Court of Gujarat in the case of Sahitya Mudranalaya (P.) Ltd. v/s. Additional Director General – 2020 SCC OnLine Guj 3508* and the High Court of Karnataka in the case of *Principal Additional Director General, DGGSTI v/s. Rajiv Gandhi University of Health Sciences – Writ Appeal No. 856 of 2022 (T-Res)*, decided on 30.07.2024 equated the educational boards to and considered them as educational institutions only.

In summary, judicial interpretations affirm that educational boards qualify as educational institutions, as they play a crucial role in the delivery of education not necessarily by direct teaching, but by regulating key elements such as curriculum design, standardization, and academic frameworks. These functions ensure uniformity, quality, and legal recognition of formal education. Students admitted to affiliated schools or colleges are, in effect, also students of the educational board through the curriculum it governs.

The above principle was affirmed by the Hon'ble Bombay High Court in *Goa University vs. Joint Commissioner of CGST (W.P. No. 723/2024)*, where the Court held that affiliation is a core activity linked to student admission and examinations. It emphasized that educational boards qualify as educational institutions, and students of affiliated schools or colleges are also considered students of these boards. This view aligns with Explanation (iv) of *Notification 12/2017-CT(R)*, which recognizes educational boards as institutions for providing examination-related services.

The Hon'ble Court essentially read down the clarification given by the *Circular 234/28/2024-GST dt. 11.10.2024*, read with *Circular 151/07/2021-GST dt. 17.06.2021*,

holding it to be contrary to the plain language of the notification and settled legal position.

However, the ambiguity is further deepened by the contrary decisions rendered by the *Hon'ble Madras High Court in M/s. Sree Ramu College of Arts and Science (Affiliated to Bharathiar University) vs. Joint Commissioner, Office of the Commissioner of GST & Central Excise and Pondicherry University*, [2024 (83) G. S. T. L. 411 (Mad.)], and by the *Hon'ble Telangana High Court in Care College of Nursing and Others vs. Kaloji Narayana Rao University of Health Sciences*, [2024 (86) G. S. T. L. 244 (Telangana)].

Both Courts unequivocally denied the exemption for affiliation services, holding that affiliation fees are not specifically covered under *Notification No. 12/2017-CT(R)*. The Courts emphasized that exemption notifications must be interpreted strictly, and their scope should not be expanded beyond what is clearly stated.

It is a well-settled principle of law that the applicability of an exemption notification must be determined not by the intended purpose of the rule-making authority, but strictly by the express language used in the notification, as this best reflects the legislative intent.

VII. Conclusion

A bare reading of entry no. 66 and 66A of *Notification 12/2017-CT(R)* with *Circular 151/07/2021-GST dt. 17.06.2021* and *Circular 234/28/2024-GST dt. 11.10.2024* gives the impression that the service of affiliation provided by educational boards to educational institutions is, per se, taxable except for the specific exemptions provided therein. However, there is more to the exemption entry than what meets the eye.

Even otherwise, the State must ensure free and compulsory education to all, and imposing GST on such a core part of education activity will only lead to an increase in the cost of education.

Recognizing the above, the Government exempted the service of affiliation provided by Central or State educational boards, councils, or other similar bodies to Government schools under entry No. 66A. However, confining this exemption solely to Government schools through a separate entry appears neither fair nor equitable, given that the non-government educational institutions also perform the essential function of delivering formal education within the broader public framework.

In India, education, at large, is imparted by non-government schools, colleges, and universities, which are currently excluded from the scope of the exemption under entry No. 66A. These institutions form a vital part of the country's educational ecosystem and play a crucial role in assisting the Government in fulfilling its fundamental duty and constitutional obligation to provide education.

Furthermore, educational boards, in granting affiliation to schools or colleges, discharge statutory functions for which they have been specifically constituted. Any fees collected in the course of performing these functions cannot be treated as consideration under a contractual arrangement, as the obligation arises not from a contract but from statute under which these boards are constituted.

The above principle was also upheld by the Hon'ble Karnataka High Court in the case of *Principal Additional Director General, DGGSTI v/s. Rajiv Gandhi University of Health Sciences*, supra.

Nevertheless, despite being excluded from the scope of the exemption under entry No. 66A, educational institutions may still seek relief under the original exemption provided in entry No. 66. Whether such a position will ultimately withstand judicial scrutiny, however, remains to be seen.

Another important aspect is the status of international boards. With the increasing adoption of globally recognised curriculum in India, such as those offered by the International Baccalaureate (IB) and Cambridge Assessment International Education (CAIE), the affiliation services received from these boards would qualify as an import of service. Consequently, such transactions may attract GST liability under the reverse charge mechanism.

Entry No. 66A exempts affiliation services provided by a Central or State board, council, or any other similar body. International boards such as IB and CAIE, which perform comparable functions—setting curriculum, standardizing education, and conducting examinations—are, in essence, similar bodies. Therefore, their affiliation services should reasonably qualify for the same exemption, given the functional parity with Indian educational boards.

These international boards would also qualify as educational institutions under the definition provided in *Notification No. 12/2017-CT(R)*, supra. The definition does not draw any distinction between Indian and international educational institutions. Accordingly, the exemption available to educational institutions should apply equally to international boards, provided they fulfil the prescribed criteria.

In between all the chaos around the taxation and exemption of the service of affiliation, both entry nos. 66 and 66A needs a revamp, keeping in mind a broader perspective, as any denial of exemption based on technicality may fall in line with the plain reading of the statute and exemption notification, but will never fall in line with the spirit of the Constitution, which may result in reading down of that part of the statute if not the entire statute.

Contributed by CA. Yogesh Harjai

RECENT JUDICIAL PERSPECTIVES ON GST IN THE REAL ESTATE SECTOR

BACKGROUND

The real estate sector has long been a focal point for litigation under erstwhile indirect tax laws as well as GST due to its intricate transactional structures and the wide-ranging tax implications involved. From challenges to the constitutional validity of levying service tax on under-construction sales of immovable property to the taxability of joint development agreements, this sector has witnessed extensive legal disputes.

This article presents an analysis of recent judicial pronouncements impacting the real estate sector.

1. Shashi Ranjan Constructions Pvt. Ltd. vs. Union of India - Civil Writ Jurisdiction No. 6700 of 2024 dt. 05.05.2025

Facts and Dispute:

- The petitioner entered into a Development Agreement on 27.11.2014, agreeing to hand over 43% of the constructed area (comprising shops, offices, flats, and parking spaces) in exchange for development rights over 57% of undivided land share.
- The project received its completion certificate on 20.12.2018.
- A show-cause notice (SCN) dt. 09.10.2023, followed by an order on 30.11.2023, demanded GST on the construction services provided to the landowner in lieu of consideration received in form of development rights.

Petitioner's Arguments: -

- GST on Development Agreements was introduced only from 01.04.2019 via *Notification No. 4/2019 – CT(R) dt. 29.03.2019*.
- In the instant case, the Development Agreement predates the GST law. Reliance was placed on *CIT vs. Balbir Singh Maini (2018) 12 SCC 354*, which held that with the registration of the Development Agreement, the land stood transferred to the builder. Since the development rights were transferred before GST came into force, GST should not apply to the construction services rendered thereafter.
- Alternatively, the constructed portion was handed over after the completion certificate, and thus, as per section 7(2) read with Schedule III of the CGST/BGST Act, such a transfer should not be treated as a supply.

Revenue's Arguments: -

- The tax demand pertains to construction services (SAC 9954) and not the transfer of development rights. Such services were taxable under *Notification No. 11/2017-CT(R) dt. 28.06.2017*.
- Petitioner has only tried at best to confuse the Court by using the term 'transfer of development rights' in place of the correct term 'supply of construction services'.
- No exemption applies to built-up property transferred in exchange for development rights.
- Reference was made to *Prahitha Constructions Pvt. Ltd. v. UOI [Telangana HC - WP 5493/2020]* which held that construction services provided to landowners constitute taxable supply.

Court's Ruling:

- The petitioner did not get any right on the said property until the completion of the project. After the project is completed and completion certificate is issued, the petitioner gets a right to sell the area of the property which is called "Developers Area".
- The transfer of development rights is subject to GST and does not tantamount to sale of land.
- *Notification No. 11/2017 – CT(R) dt. 28.06.2017* already covered the construction services. As the development rights (consideration) were received before the issuance of completion certificate, GST is applicable.
- *Notification 4/2018 – CT(R) dt. 25.01.2018 as amended by Notification No. 23/2019 – CT(R) dt. 30.09.2019* provides that taxation on transfer of development rights as well as supply of construction services occurs when the constructed area is handed over to the landowner upon project completion.
- Petitioner is held liable to pay GST on construction services rendered in lieu of development rights under the Development Agreement dated 27.11.2014.

Author's View:

- While the Court correctly noted that construction services were rendered in exchange for development rights, it overlooked that such rights were transferred pre-GST i.e., on date of execution of Development Agreement viz. 27.11.2014.
- Under Rule 3 of the Point of Taxation Rules, 2011, point of taxation of service shall be the time of receipt of such

advance. In the present case, since the consideration, being development rights, was received in advance, prior to the actual provision of construction services to the landowner, the point of taxation was triggered under the then-prevailing service tax regime. Accordingly, the construction services rendered to the landowner were chargeable to service tax.

- Section 142(11)(c) of the CGST Act unequivocally states that, notwithstanding anything contained in section 13 (which governs the time of supply for services), no GST shall be payable on services to the extent that tax was already leviable under Chapter V of the Finance Act, 1994. This provision firmly establishes the principle that GST and service tax operate independently and cannot be imposed concurrently on the same transaction. Therefore, since the construction services in question were subject to service tax at the time of the transaction, they do not attract GST by virtue of section 142(11)(c) of the CGST Act.

2. Rohan Corporation India Pvt. Ltd. vs. Union of India - Writ Petition No. 12700 OF 2023 (T-RES) dt. 10.09.2024

Facts and Dispute:

- The petitioner acquired the under-construction 'Lotus Shopping Mall' through a liquidation process on an 'as is where is basis'. Since the completion certificate had not been issued, liquidator discharged and collected GST on sale of said mall under protest.
- The petitioner later applied for a refund, arguing that this was a simple sale of immovable property which is neither supply of goods nor supply of services in accordance with entry 5 of Schedule III to CGST Act.
- GST authorities rejected the refund application on the grounds that, in the absence of a completion certificate for the shopping mall, its sale by the liquidator to the petitioner was liable to GST under Entry 5(b) of Schedule II of the CGST Act.
- Aggrieved by this decision, the petitioner challenged the refund rejection order by filing the present writ petition.

Petitioner's Arguments: -

- For GST to be levied, the fundamental requirement is the existence of a "supply" of either goods, services, or both. In this case, there was no construction agreement between the petitioner and the liquidator. The transaction was a straightforward sale of immovable property, subject to stamp duty. Such a transaction, being a sale simpliciter on payment of stamp duty, falls outside the scope of the GST Act. Reliance was

placed on the *Supreme Court's ruling in Union of India vs. VKC Footsteps India Pvt. Ltd. [2021 (52) GSTL 513 (SC)]* which affirmed that transactions involving stamp duty, as well as taxes on alcoholic liquor for human consumption, lie beyond the ambit of GST.

- Merely because a transaction is listed in Schedule II does not automatically render it a "supply" unless it qualifies as such under section 7(1) of the CGST Act. Notably, section 7(1A) of CGST Act, inserted retrospectively, serves only to classify a supply not to determine its existence.
- For a transaction to fall under Para 5(b) of Schedule II, it must involve the actual performance of construction activity by the service provider for the benefit of the recipient. In the absence of a construction contract and any construction work undertaken after such an agreement, Paragraph 5(b) has no applicability. This view is supported by the *Supreme Court's decision in Larsen & Toubro Ltd. vs. State of Karnataka [(2014) 1 SCC 708]*, which held that construction activity qualifies as a works contract only from the date the builder enters into a contract with the purchaser, and only the value additions made thereafter are taxable. Further support comes from the *Gujarat High Court's ruling in Munjaal Manishbhai Bhat vs. Union of India & Others [2022 (62) GSTL 262 (GUJ.)]* which emphasized that supply is initiated only upon entering into an agreement between the supplier and recipient. Construction undertaken prior to such an agreement does not constitute a taxable supply.
- Therefore, if a completed or partially completed immovable property is sold without any subsequent construction service, such a transaction does not attract Paragraph 5(b) of Schedule II or section 7 of the CGST Act. In such cases, the absence of a completion certificate is irrelevant.
- *Notification No. 11/2017-CT(R) dt. 28.06.2017* prescribes applicable GST rates for construction services, which apply only where construction activity is involved.

Revenue's Arguments:

- Due to the absence of a completion certificate, the sale is to be considered a supply under Entry 5(b) of Schedule II to CGST Act.

Court's Ruling:

- In the case of *Union of India vs. VKC Footsteps India Pvt. Ltd. [2021] 93 GSTR 160 (SC)*, the Supreme Court observed that the term "goods," being defined as movable property, inherently excludes immovable

property. Although the definition of “services” under GST is broad covering anything other than goods, money, and securities, the Court emphasized that it must be interpreted contextually and cannot be expanded to include immovable property. The judgment further noted that stamp duties and taxes on alcoholic liquor for human consumption form a substantial part of the Revenue for State Governments. Consequently, Parliament has intentionally kept such items outside the purview of GST to preserve the fiscal autonomy and revenue streams of the States.

- Rights in immovable property are distinct from the manner in which such property is utilized. While the use of property may, in certain cases, constitute a service depending on the relevant statute, the rights in immovable property themselves, based on the preceding judicial discussion, do not qualify as a service. A review of the definitions of “immovable property” under various statutory frameworks, including the General Clauses Act, the Transfer of Property Act, and the Registration Act, confirms that immovable property encompasses not only the tangible physical asset but also the rights and interests arising from it.
- Even if entry 5 of Schedule III were not there, sale of land and building cannot be brought under GST as they are covered under the State List II and there is no intention to tax sale/ acquisition immovable property per se under the GST legislations.
- Contracts involving the transfer of goods as part of executing a building project qualify as works contracts, whereas contracts that involve only the provision of services fall under the scope of construction services. An examination of the present sale deed indicates that the transaction pertains to the sale of a largely completed building, albeit with some pending work. The deed explicitly states that the sale was made on an ‘as is where is’ basis by the liquidator. Importantly, the liquidator has no continuing service obligations, nor is there any meeting of minds (consensus ad idem) between the parties indicating that the liquidator was to provide construction or works contract services to the petitioner. Therefore, from the liquidator’s perspective, the transaction is a sale of immovable property regardless of its stage of completion without any further service component.
- If the contract is one for sale of land or sale of building without there being any construction services involved or works contract services being involved, the question of attracting GST will not apply and consequently, Entry 5 of Schedule III will have to be read, construed and understood so as to ensure that the tax legislation does not fall foul of the Constitution as the stamp duties on sale of immovable property as such will endure to the benefit of the States.

Author’s View:

- This ruling clarifies that the absence of a construction agreement nullifies the applicability of entry 5(b) of Schedule II. Immovable property sales, even incomplete constructions, are not taxable under GST if no service element is involved.
- One of the most significant observations made by the Court is that the term “land” also encompasses the benefits arising from it, which are to be treated as immovable property. Furthermore, the Court emphasized that transactions involving immovable property fall within the State List under Schedule VII of the Constitution and are therefore subject to stamp duty. As a result, such transactions lie outside the ambit of GST.

3. **Shrinivasa Realcon (P.) Ltd. vs. Deputy Commissioner, CGST & Central Excise - Writ Petition No. 7135 of 2024 dt. 08.04.2025**

Facts and Dispute:

- Petitioner was appointed as a developer by the owner vide agreement dt. 07.01.2022 to develop the land of Plot No. 2 measuring 8000 sq. ft. into a multi-storied complex for the monetary consideration of ₹ 7/- crores and two apartments to be allotted to owner.
- Department issued notice to recover GST from petitioner on transfer of development rights by owner to petitioner in accordance with entry 5B of *Notification No. 13/2017 CT(R) dt. 28.06.2017 as amended by Notification No. 5/2019 – CT(R) dt. 29.03.2019*.
- Petitioner preferred a writ petition against impugned notice and consequent order.

Petitioner’s Arguments:

- A development agreement does not fall within the ambit of entry 5B of the Reverse Charge Mechanism (RCM) notification, which pertains specifically to services involving the transfer of development rights or FSI for the purpose of construction of a project by a promoter.
- The impugned development agreement does not involve the supply of Transferable Development Rights (TDR) as contemplated under Regulation 11.2 of the Unified Development Control and Promotion Regulations applicable in the State.

Revenue’s Arguments:

- Clause 18 of the development agreement referred to transfer of development rights and hence was covered under entry 5B of RCM Notification and thereby, liable to GST.

Court’s Ruling:

- The expression “transfer of development rights,” when read in conjunction with FSI as referred to in entry 5B of the RCM notification, pertains exclusively to

TDR as envisaged under Clause 11.2.2 of the Unified Development Control and Promotion Regulations (UDCPR) for the State of Maharashtra.

- Clause 11.2.1 of the said regulations defines TDR as compensation in the form of Floor Space Index (FSI) or development rights, enabling the owner to undertake construction of built-up area, subject to the provisions stipulated in the regulations.
- The TDR/FSI contemplated under Entry 5B of the RCM notification cannot be equated with the development rights obtained by a developer from the landowner pursuant to a development agreement and hence, does not fall within the scope of Entry 5B of the RCM notification.
- Accordingly, the show cause notice and the impugned adjudication order are liable to be quashed and set aside.

Author's View:

- Court has adopted a narrow interpretation of entry 5B of the RCM Notification, holding that only statutory transfers of TDR/FSI fall within its ambit so as to trigger GST liability under RCM. It is pertinent to note that entry 5B employs the expression "transfer of development rights" and not "transferable development rights", thereby leaving scope for judicial interpretation to confine its applicability to rights arising under statutory schemes, as opposed to contractual arrangements under private development agreements.
- It must be noted that Court has merely held that GST on development rights is not payable under the RCM in terms of entry 5B of the relevant notification. Court has not ruled that transfer of development rights is altogether out of GST. In the absence of a definitive clarification from the GST Council or a ruling of larger bench of the High Court, the issue continues to remain unsettled.

- Another significant implication of this ruling is that the landowner transferring development rights may become liable to discharge GST under the forward charge mechanism. This development has the potential to create considerable disruption in the real estate sector. It remains to be seen how this ruling will influence other States, where the decision of the Hon'ble Bombay High Court holds only persuasive value and does not constitute a binding precedent.

CONCLUSION

Despite multiple notifications, circulars and judicial pronouncements, the taxation of real estate under the GST regime remains fraught with ambiguity and interpretational uncertainty. Applicability of GST on development rights, particularly in cases involving Joint Development Agreements (JDAs) or area-sharing arrangements between landowners and developers, continues to generate litigation. Further, the manner of valuation and point of taxation are subjects of uncertain administrative practice and inconsistent departmental audits.

In this backdrop, the industry players now look to the GST Council as well as Hon'ble Supreme Court for definitive guidance on the correct interpretation and application of GST provisions to such real estate transactions. A conclusive pronouncement is essential not only to ensure uniformity in tax administration, but also to restore commercial certainty in one of the most vital sectors of the Indian economy.

Until such clarity emerges, stakeholders are advised to exercise caution, review their contractual frameworks, and consider seeking appropriate legal opinions to mitigate potential tax risks.

***Contributed by CA Sidharth Sheth &
CA Jinesh Shah***

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.

JUDICIAL PRONOUNCEMENTS

1. Service of Notice – Show Cause Notice (*Punjab State Cooperative Milk Producers Federation Ltd. – W.P. No. 5349 of 2025, dt. 28.04.2025– Delhi High Court*)

The writ petition revolves around procedural lapses and natural justice under section 74 of the CGST Act, 2017.

The petitioner challenged the Order-In-Original dated 30th January 2025, citing lack of proper service of the Show Cause Notice (SCN). The SCN, dated 15th November 2022, was claimed to be received for the first time only on 2nd March 2023, indicating improper service. The Department used multiple addresses of the petitioner; the operative one being in Karol Bagh. However, the SCN was mistakenly sent to the East Patel Nagar address, leading to non-receipt. Due to the miscommunication on the correct address, personal hearing notices were not received, denying the petitioner a chance for oral submissions.

The impugned order was set aside. The Department was directed to serve personal hearing notices via specified email addresses and upload the same on the GST portal. The petitioner was given one final opportunity for hearing. Limitation for passing order post-SCN was relaxed due to unique circumstances. Petitioner must update correct GST portal details within 15 days. Jurisdiction was aligned with the Karol Bagh address (Commissionerate North).

2. Pre-deposit payment under section 107(6) can be made by using Electronic Credit Ledger (*Union of India Vs. Yasho Industries Ltd. – Special Leave Petition No. 17547 of 2025, dt. 19.05.2025 – Supreme Court of India*)

The Hon'ble Supreme Court has dismissed the Special Leave Petition filed by the Revenue in a case concerning pre-deposit payments under section 107(6)(b) of the CGST Act.

The assessee had deposited ₹3.26 crores as pre-deposit using the Electronic Credit Ledger while filing an appeal under section 107. The Department rejected this mode of payment, directing the registered person to use the Electronic Cash Ledger instead, citing non-compliance.

The Hon'ble High Court based on CBIC Circular No. CBIC-20001/2/2022-GST dt. 06.07.2022 upheld that pre-deposit can be made validly via the Electronic Credit Ledger and quashed the Department's directive.

The Hon'ble Supreme Court declined to interfere with the Hon'ble High Court's ruling and dismissed the Revenue's Special Leave Petition (SLP D.No. 508/2025). It observed that the earlier notices issued were in petitions filed by registered person, not the Department. This upholds the position that pre-deposits under section 107(6)(b) can be made via the Electronic Credit Ledger, as clarified by the CBIC circular.

3. Pre-decisional hearing is mandatory for invoking Rule 86A (*State of Karnataka vs. K-9 Enterprises*

– Special Leave Petition No. 11543 of 2025, dt. 16.05.2025 – Supreme Court of India)

The Supreme Court has dismissed the Special Leave Petition (SLP) filed by the Revenue on the ground of delays of 243 days in filing the SLP as well as on merits that pre-decisional hearing is mandatory for invoking rule 86A.

The registered person, K-9 Enterprises, challenged the blocking of their Electronic Credit Ledger by the tax authorities under rule 86A. The blocking was based on a field officer's report claiming the suppliers were non-existent. The Revenue did not issue a SCN or provide a hearing before blocking the credit. The registered person contended that reliance on a third-party officer's report, without forming an independent opinion, satisfies the legal threshold of "reasons to believe." Moreover Circular No. CBEC-20/16/05/2021-GST/1552 dt. 02.11.2021 further supports the requirement for due process before exercising powers under rule 86A.

The High Court held that blocking of ITC under rule 86A has serious civil consequences, hence a pre-decisional hearing is mandatory. The Department's reliance solely on another officer's report amounted to borrowed satisfaction, which is not valid under law. The mandatory conditions of rule 86A were not complied with, including absence of independent satisfaction and reasons to believe. The impugned blocking order was therefore quashed.

The ruling in K-9 Enterprises sets a clear precedent reinforcing due process and taxpayer rights under GST. Blocking of ITC is not permissible without following the safeguards enshrined in rule 86A and the broader principles of natural justice.

4. Input Tax Credit (ITC) was disallowed due to the delay in filing GSTR-3B returns (*Diamond Timber Industries – W.P. No. 27169 of 2024, dt. 19.05.2025 – Calcutta High Court*)

The Hon'ble High Court's order deals with a challenge to an adjudication order under section 73 of the CGST/ WBGST Act, 2017, where ITC was disallowed due to the delay in filing GSTR-3B returns.

The ITC claim was disallowed because the GSTR-3B return was filed after the due date prescribed under section 39. This was treated as a contravention warranting action under section 73 (non-fraud cases). The petitioner claimed relief under section 16(5) of the CGST Act as section 16(5), inserted via retrospective amendment from 01.07.2017, provides an extended timeline or a revised condition regarding the filing of returns to claim ITC for past tax periods.

The Hon'ble High Court noted that the return for the period August 2019 to March 2020 was filed not later than 14.01.2021. Given the newly inserted section 16(5), which appears to relax the previous limitation, the petitioner's claim needed reconsideration under this new provision. This order acknowledges the legislative intent behind inserting section 16(5)—to provide relief

where returns were filed within an extended time and allow rightful ITC. It reinforces that procedural delays should not frustrate substantial ITC rights, especially when legislative changes permit such benefit.

5. Negative blocking of Electronic Credit Ledger (DGGSTI Vs. Super Products – SLP No. 21064 of 2025, dt. 19.05.2025 – Supreme Court of India)

The Supreme Court has dismissed the SLP filed by the Revenue.

The petitioner challenged the order dated 08.10.2024 that blocked its Electronic Credit Ledger under rule 86A of the CGST Rules, 2017, resulting in a negative balance in the Electronic Credit Ledger. The petitioner argued that such “negative blocking” is not permissible under the rule.

The Court reaffirms the findings from *Best Crop Science (P.) Ltd. – W.P. No. 15380 of 2023, dt. 24.09.2024*, stating that:

- ❖ Rule 86A is not a recovery mechanism; it is a preventive provision to temporarily restrict the use of ITC when the authorities have a reason to believe that the ITC was fraudulently availed or is ineligible.
- ❖ Blocking more ITC than is available (i.e., resulting in a negative Electronic Credit Ledger balance) is not permitted under rule 86A.
- ❖ Such blocking exceeds the authority granted under rule 86A and effectively turns the rule into a de facto recovery mechanism, which is beyond its legislative intent.
- ❖ Any recovery of tax or demand must be carried out under due process of law as prescribed under sections 73 or 74, not via blocking or offsetting of Electronic Credit Ledger.

The Hon’ble Supreme Court held that no case for interference is made out in exercise of the jurisdiction under Article 136 of the Constitution of India. The SLP is accordingly dismissed.

6. Confiscation proceedings under section 130 cannot be initiated in respect of discovery of excess stock (Maa Amila Coal Depot – Allahbad High Court – W. P. No. 1772 of 2025, dt. 30.05.2025)

The Hon’ble Allahabad High Court in this judgment following its earlier ruling in *Dinesh Kumar Pradeep Kumar vs. Hon’ble Supreme Court (2024 (89) G. S. T. L. 239 (All))* has decisively held that:

“Confiscation proceedings under section 130 of the GST Act cannot be initiated merely upon finding excess stock unless specific ingredients of the section are met. Instead, proceedings must be initiated under section 73/74 for recovery of tax.”

Confiscation proceedings under section 130 require independent findings of deliberate tax evasion, improper movement, or other mens rea components. Mere discovery of excess stock even if not recorded does not ipso facto warrant confiscation, unless accompanied by evidence of intention to evade tax. Regular assessment and recovery route as per section 73/74 must be applied for determining and demanding tax liability due to stock discrepancies.

7. Revocation of GST Cancellation on Non-Filing of Returns (Hemanta Kumar Bhagwati – Gauhati High Court – W. P. No. 2700 of 2025, dt. 30.05.2025)

The Hon’ble Gauhati High Court in this case has taken a pragmatic and equitable view, aligning procedural fairness with the object of GST law. It reaffirms that:

“GST registration should not be cancelled irreversibly due to unintentional procedural lapses if the taxpayer is ready to make good the defaults.”

Even post-cancellation, GST registration can be restored if taxpayer clears all dues and files pending returns before final adjudication as proviso to rule 22(4) empowers the officer to drop cancellation proceedings if the taxpayer files all pending returns and clears all tax dues with interest and late fee. Courts can direct restoration of cancelled GST registration even after lapse of 270 days, to uphold substantive justice. Unless the taxpayer is a willful defaulter, procedural lapses alone should not result in permanent debarment from GST ecosystem. Restoration does not absolve tax liability. The petitioner must still pay tax, penalty, interest and late fees for non-compliance. It was clarified that limitation under section 73(10) (3-year time period for adjudication) will be counted from date of this order for past years, except FY 2024-25 which will follow section 44 timeline (annual return).

8. ITC Denial due to Non-Payment of Tax by Supplier (R. T. Infotech – Allahabad High Court – W. P. No. 1330 of 2022, dt. 30.05.2025)

The Hon’ble Allahabad High Court rightly held that:

“A bonafide purchasing dealer cannot be penalized for the default of the selling dealer when payments were made through banking channels against tax invoices.”

This judgment reinforces the principle of substantive compliance and strengthens ITC defense for genuine purchasers — especially in a GSTR-2A mismatch scenario. If the buyer pays tax via banking channel against a valid invoice, it creates a presumption of good faith and eligibility for ITC. Buyer cannot be held liable for the supplier’s failure to deposit tax if all other conditions under section 16(2)(a), (b), (d) are fulfilled. Denial of ITC solely on buyer without parallel proceedings or findings against supplier is unjust. Ignoring relevant evidence (such as recovery initiated from supplier) constitutes a reviewable error in appeal. Where factual matrix requires deeper verification (especially supplier behavior), the matter can be remanded back for fresh adjudication.

The Hon’ble Apex Court in the case of *Suncraft Energy [2024 (80) G. S. T. L. 225 (SC)]* had occasioned to consider that the party who has paid the tax on invoices being raised and non-discharge of duties by the counterpart of the seller, the Court was pleased to remand the matter for making due inquiry from the supplier.

Similarly, the *Madras High Court* in the case of *D.Y. Beathel Enterprises [2022 (58) G. S. T. L. 269 (Mad.)]* has taken a view that in absence of non-performance of duty by the supplier, action must be taken against the supplier simultaneously and the purchaser alone shall not be suffered.

Contributed by CA. Ashit Shah

GST UPDATES

1. Grievance Redressal Mechanism for processing of application for GST registration

Any applicant whose Application Reference Number (ARN) has been assigned to Central jurisdiction and who has a grievance in respect of any query raised in contravention of the *Instruction No. 03/2025 dt. 17.04.2025* which had been issued for processing of GST registration application, regarding grounds of rejection of application etc. may approach the jurisdictional Zonal Principal Chief Commissioner/Chief Commissioner.

Following instructions have been issued to provide a quick and effective grievance redressal mechanism to applicants:

- 1) An email address to be publicized by the Principal Chief Commissioner/Chief Commissioner of CGST Zones on which the applicants can raise their grievances. Wide publicity may be given to this email id.
- 2) The applicants may send grievances containing ARN details, jurisdiction details (Centre/State) and issue in brief on that email address.
- 3) In case where grievance received pertains to State Jurisdiction, the office of Principal Chief Commissioner/Chief Commissioner shall forward the same to the concerned State jurisdiction and a copy endorsed to the GST Council Secretariat.
- 4) Principal Chief Commissioner/Chief Commissioner may ensure timely resolution of grievances received by them and intimate the applicants regarding the same. In case where queries raised by the officer are found to be proper, the applicants may be suitably advised.
- 5) Principal Chief Commissioner/Chief Commissioner may submit a monthly report on the status of grievance redressal to DGGST who would compile the same and put up for perusal of the Board.

Instruction No. 04/2025-GST dated 02.05.2025

GSTN ADVISORIES

1. Reporting of HSN codes in Table 12 and list of documents in table 13 of GSTR-1/1A

Vide *Notification No. 78/2020 – CT dt. 15.10.2020*, it is mandatory for the taxpayers to report minimum 4 digits or 6 digits of HSN Code in table-12 of GSTR-1 on the basis of Aggregate Annual Turnover (AATO) in the preceding Financial Year. To facilitate the taxpayers, these changes are being implemented in a phase-wise manner on GST Portal wherein Phase 2 was implemented on GST Portal effective from 01.11.2022. In Phase 2, taxpayers with AATO of upto 5 crores are required to mandatorily report 4-digit HSN codes for goods & services and taxpayers with

AATO of more than 5 crores are required to mandatorily report 6-digit HSN codes for goods & services. Manual user entry is allowed in Phase 2 for entering HSN or description and warning or alert message shall be shown in case of manual HSN. However, taxpayers will be able to file GSTR-1 after manual entry.

In continuation of the phase wise implementation, Phase-3 of reporting of HSN codes in Table 12 of GSTR-1 & 1A shall be implemented from May 2025 return period. Further, Table 13 of GSTR-1/1A is also being made mandatory for the taxpayers from the said tax period. The following changes are made-

- i) Manual user entry of HSN will not be allowed.
- ii) HSN code can be selected from drop down only.
- iii) A customized description mentioned in HSN master will auto-populate in a new field called "Description as per HSN Code".

In Table-12 validation with regards to value of the supplies have also been introduced.

- i) These validations will validate the value of B2B supplies shown in different Tables viz: 4A, 4B, 6B, 6C, 8 (recipient registered), 9A, 9B (registered), 9C (registered), 15 (recipient registered), 15A (recipient registered) with the value of B2B supplies shown in Table-12.
- ii) Similarly, validations will validate the value of B2C supplies shown in different tables viz: 5A, 6A, 7A, 7B, 8 (recipient unregistered), 9A (export), 9A (B2CL), 9B (unregistered), 9C (unregistered), 10, 15 (recipient unregistered), 15A (recipient unregistered) with the value of B2C supplies shown in Table-12.
- iii) In case of amendments, only the differential value will be taken for the purpose of validation.

However, initially these validations have been kept in warning mode only, that means warning or alert message shall be shown in case of mismatch in values, whereas taxpayers will be able to file GSTR-1 in such cases. Further, in case B2B supplies are reported in other tables of GSTR-1, in that case B2B tab of Table-12 cannot be left empty.

2. Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Sikkim

Rule 8 of the CGST Rules, 2017 provides 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 functionality relating to this has been rolled out in Sikkim on 1st May,

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 (a), she/he can proceed with the application as per the existing process.

However, if the applicant receives the link as mentioned in point (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 being enabled for the applicants of Sikkim and the applicants can book slots from 1st May, 2025. 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 State.

3. Updates in Refund Filing Process for various refund categories-Reg

GSTN has been made important changes in the refund filing process under the following categories:

- (a) Export of services with payment of tax
- (b) Supplies made to SEZ unit/SEZ developer with payment of tax
- (c) On account of refund by supplier of deemed export.

For the above refund categories, the requirement to select a specific tax period ('From' and 'To') while filing refund applications has been removed. The taxpayers can now directly proceed with selecting the refund category as above and clicking on "Create Refund Application."

Taxpayers must ensure that all the returns (GSTR-1, GSTR-3B etc) due till the date of refund application, are filed. The said refund categories are changed from 'Tax Period based filing' to 'Invoice based filing'. The taxpayers can upload eligible invoices and claim refund in the following statements:

- (a) Export of services with payment of Tax (Statement 2)
- (b) SEZ supplies with payment of Tax (Statement 4)
- (c) In case of Deemed Exports, the application by supplier (Statement 5B)

The invoices once uploaded with a refund application will be locked for any further amendment and will not be available for any subsequent refund claims. The said invoices will be unlocked only if the refund application is withdrawn, or a deficiency memo is issued.

4. Advisory on Appeal withdrawal with respect to Waiver scheme

In the GST system, when Withdrawal application (APL-01W) for appeal is filed before issuance of final acknowledgment (APL-02) by the Appellate authority, then the system automatically withdraws the Appeal application (APL-01). In such cases, the status of the appeal application will automatically change from "Appeal submitted" to "Appeal withdrawn".

However, if withdrawal application is filed after issuance of final acknowledgment, then the withdrawal of such appeal is subjected to the approval of the Appellate Authority. Once the Appellate Authority approves the withdrawal application, the status of the Appeal application changes from "Appeal submitted" to "Appeal withdrawn".

Waiver scheme under Section 128A mandates that any appeal against the requisite demand order should not remain pending with Appellate Authority. In both the above-mentioned cases, the status of the Appeal application is changed to "Appeal Withdrawn" which essentially fulfilled the requirement.

While filing waiver application or in the already filed waiver application, taxpayers need to upload the screenshot of the appeal case folder showing status as "Appeal withdrawn".

5. Advisory on reporting values in Table 3.2 of GSTR-3B

As per the earlier advisory dated April 11, 2025, it was communicated that the auto-populated values in Table 3.2 of Form GSTR-3B would be made non-editable starting from the April 2025 tax period (i.e., for the return to be filed in May 2025).

However, in the interest of taxpayer convenience and to facilitate smooth filing, it has been decided that Table 3.2 shall remain editable for the time being. Taxpayers can report or amend the auto populated entries, if required and furnish their returns accurately, ensuring the correctness of the disclosed information.

GST Compliance Schedule

GST Compliances for the month of June, 2025 or the Quarter ended June, 2025

Forms	Compliance Particulars	Due Dates
GSTR 7	Return to be furnished by the registered persons who are required to deduct tax at source.	10.07.2025
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.	10.07.2025
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.	11.07.2025
GSTR 1	Statement of outward supplies by the taxpayers having an aggregate turnover up to ₹ 5 crore and who have opted for the QRMP scheme.	13.07.2025
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.	13.07.2025
GSTR 6	Return to be furnished by every Input Service Distributor (ISD) containing details of the input tax credit received and its distribution.	13.07.2025
CMP 08	Statement containing the details of self -assessed tax for Quarter 1 of FY 2025-26 by the registered person paying tax under section 10.	18.07.2025
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.	20.07.2025
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.	20.07.2025
GSTR 3B	Return to be furnished by the taxpayers who have opted for QRMP scheme for Quarter 1 of FY 2025-26 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)	22.07.2025
GSTR 3B	Return to be furnished by the taxpayers who have opted for QRMP scheme for Quarter 1 of FY 2025-26 comprising consolidated summary of outward and inward supplies. (For registered taxpayers having their place of business is 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)	24.07.2025

QUIZ

- What is the maximum time limit within which the seized goods should be released in case of non-service of notice (in case of no extension)?
 - six days
 - sixty days
 - six months
 - twelve months
- ABC Ltd., a company engaged in the business of lottery, sold lottery tickets on 10.05.2025. The payment was received on 05.05.2025, and the invoice was issued on 12.05.2025. As per the provisions of GST law, what will be the time of supply in this case?
 - 05.05.2025
 - 10.05.2025
 - 12.05.2025
 - 01.06.2025
- Transportation of passengers by _____ are exempt from GST.
 - air-conditioned stage carriage
 - radio Taxi
 - air travel in economy class terminating at a Nagaland airport
 - All of the above
- Mr. X, unregistered under GST has taken a loan on 01.09.2022 from Z Ltd. worth of ₹ 5,00,000/- for purchasing a car. He defaulted in loan amount and subsequently the lending company repossessed the car from Mr. X on 01.04.2025. The said car is sold by the company on 05.05.2025. Determine the purchase value for the lending company.
 - ₹ 2,00,000/-
 - ₹ 2,50,000/-
 - ₹ 3,00,000/-
 - ₹ 3,50,000/-
- Who shall be liable to pay the dues of tax, interest, and penalty of the private company in case of its winding up whether before or after its liquidation?
 - Shareholders
 - Every person who is director at the time of winding up of the company shall jointly and severally be liable.
 - Every person who was director of the company at any time during the period, for which the tax was due, shall jointly and severally be liable.
 - Liquidator
- The responsibility for correctness of any particulars furnished in the return or other details furnished by the goods and services tax practitioners shall continue to rest with the –
 - registered person on whose behalf the return and details are furnished.
 - goods and services tax practitioner
 - Either (a) or (b)
 - Both (a) and (b)
- Services by a recovery agent to M/s. XYZ Bank Ltd., is liable for GST in the hands of:
 - Recovery Agent
 - M/s. XYZ Bank Ltd.
 - Both of the above
 - Either (a) or (b)
- Whether Mr. X, registered under composition scheme can claim Input Tax Credit (ITC)?
 - Yes, he can claim ITC of input goods only.
 - Yes, he can claim ITC of input services only.
 - Yes, he can claim ITC of input goods or/and services.
 - No, as he cannot claim ITC as he is registered under composition scheme.
- State whether corporate guarantee provided by ABC Pvt Ltd. to PQR Bank for related company XYZ Ltd., is taxable and what shall be the value of supply in that case?
 - No, Exempt
 - Yes, higher of 1% of guarantee offered or actual consideration
 - Yes, Open Market value
 - None of the above
- Which of the following statement is correct with respect of a person paying tax under composition scheme?
 - He can make supply to SEZ.
 - He cannot make supply to SEZ even if located in same state.
 - He can make supply to SEZ subject to the approval of Central Government.
 - None 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. Darvin M. Pipalia	177265
CA. Dhruv Joshi	626264
CA. Mahesh Parmar	548177
CA. Asha K Sharma	518070
CA. Rajesh Kumar	507988

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/u6ANwarsCj6eWQvU8>



GST & INDIRECT TAXES COMMITTEE

A ONE STOP SOLUTION FOR GST AND OTHER INDIRECT TAXES

www.idtc.icai.org



The website of GST & Indirect Taxes Committee viz. idtc.icai.org provides the users a well-set platform for sharing and gaining knowledge on GST and easy accessibility to the Committee.

- ✓ Publication on GST & other Indirect Taxes (Available for free download and online ordering)
- ✓ Regular GST Updates
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- ✓ Knowledge resources on GST such as Articles, Legal Updates etc.
- ✓ Details of Certificate Courses, Programmes, Seminars etc. on GST & other Indirect Taxes
- ✓ Upcoming Events



GST Acts



GST Rules



Notifications including the amended notifications



Circulars/ Orders

GST STATUTES – A NEW FEATURE



Minutes of GST Council meetings



GSTN Advisories



GST Press releases



Other useful links



Instructions/ Guidelines

Your suggestions on the website are welcome at gst@icai.in

GST and Indirect Taxes Committee
The Institute of Chartered Accountants of India
ICAI Bhawan, A-29, Sector-62, Noida, U.P.
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