



# ICAI-GST

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# President's Communication



**Dear Professional Colleagues,**

Greetings!

India's economy continues to exhibit remarkable resilience and sustained momentum, reflected in the robust GST collections of ₹ 1,94,184 crores in May 2026, registering a growth of 3.2 per cent, over the corresponding month of the previous year. The sustained increase in revenues, attributed largely to growth in economic activity and consumption, underscores the strengthening fundamentals of the Indian economy and reaffirms the GST's success as a transformative reform that has fostered transparency, formalisation and greater tax compliance.

As GST enters the tenth year of its implementation, the focus is increasingly shifting towards strengthening institutional mechanisms, enhancing ease of compliance and leveraging technology to create a more efficient and taxpayer-friendly ecosystem. Further, the introduction of GST 2.0 last year stands as a notable example of the steps taken by the government to rationalise the system by incorporating lessons learned over the years and aligning the system with the evolving needs of the economy. The success of the GST regime is a result of the collective efforts of all stakeholders, particularly the members of the Institute, whose professional competence, integrity and commitment have played a vital role in facilitating compliance, creating awareness and helping businesses navigating an evolving tax landscape. Against this backdrop and in line with ICAI's philosophy of Nation First, the GST & Indirect Taxes Committee continues to actively support the Government through policy advocacy, knowledge dissemination and capacity building. During the period, the Committee submitted to the CBIC a compilation of practical issues faced by taxpayers while filing Form GSTR-3B, together with clarifications in a Question-and-Answer format, to facilitating smoother compliance and address common implementation challenges.

The Committee also continued to extend faculty support to various training programmes conducted for officers of the Central and State Tax administrations and other stakeholders. During the year, such support was extended for Training Programme on GST for officers of the Commissionerate of CT & GST, Odisha, a Two-Week Certificate Course for GST Sahyogis, and a Five-Day GST Training Programme for Government officers in Agartala, Tripura.

To enhance stakeholder awareness of the newly operationalised Goods & Services Tax Appellate Tribunal (GSTAT), the Committee organised Public Outreach Programmes at Chennai and Kolkata on 09.05.2026 and 16.05.2026 respectively in the gracious presence of Hon'ble Justice Dr. Sanjaya Kumar Mishra, President, GSTAT. These initiatives reflect ICAI's enduring commitment to supporting a transparent, efficient and accessible dispute resolution framework and to serving as a trusted knowledge partner in the country's GST journey.

As India progresses towards achieving the vision of Viksit Bharat 2047, a robust, technology-driven and responsive tax ecosystem will play a pivotal role in accelerating economic growth and enhancing global competitiveness. I am confident that the members of the Institute will continue to uphold the highest standards of professionalism and contribute constructively towards strengthening the indirect tax framework and advancing the nation's economic aspirations.

I extend my best wishes to all members and stakeholders for continued success and meaningful contributions towards India's growth and development.

**CA. Prasanna Kumar D**

President

The Institute of Chartered Accountants of India

# PHOTOGRAPHS



*"GST Act(s) and Rule(s) – Bare Law" 12th (April 2026) Edition was released at the 107th Meeting of the Committee held on 04.05.2026.*



*Meeting with Justice (Dr.) Sanjaya Kumar Mishra, Hon'ble President, Goods and Services Tax Appellate Tribunal (GSTAT), by CA. Umesh Sharma, Chairman, and CA. Rajendra Kumar P., Vice -Chairman, GST & IDTC on 13.05.2026.*



*A Training Programme on GST for Officers was conducted at Agartala, Tripura from 18.05.2026 to 22.05.2026.*



*Two Week Certificate Course for GST Sahyogis conducted from 26.05.2026 to 04.06.2026 at Agartala, Tripura.*



*The GST & Indirect Taxes Committee of ICAI organized a Public Outreach Programme on GSTAT in Chennai on 09.05.2026.*



*Outreach Programme on the GST Appellate Tribunal held on 16.05.2026 at Kolkata, organized by the GST & Indirect Taxes Committee.*

# Chairman's Communication



**Esteemed Member,  
Warm Greetings!**

GST has emerged as a cornerstone of India's economic reforms, driving transparency, uniformity and ease of doing business. As the framework continues to evolve, the role of the profession in providing constructive support and thought leadership has become increasingly significant. The GST & Indirect Taxes Committee, through its various initiatives and engagements, strives to uphold this responsibility and contribute meaningfully towards strengthening the indirect tax ecosystem.

A significant milestone in the evolution of the GST framework was achieved with the Ministry of Finance's notification dated 7<sup>th</sup> May 2026 authorising the Principal Bench of the Goods and Services Tax Appellate Tribunal (GSTAT) to function as the National Appellate Authority for Advance Ruling. This important development is expected to promote uniformity in advance rulings across States and reduce litigation-related uncertainties for taxpayers having multi-State operations.

In another important development aimed at enhancing transparency, traceability and data integrity in the movement of goods, GSTN has introduced key enhancements to the e-Way Bill system. These include mandatory reporting of the "Ship To GSTIN" (or "URP", where applicable) in Bill-To/Ship-To transactions and the introduction of a voluntary e-Way Bill closure facility through OTP-based authentication upon delivery. While these changes were originally proposed to be implemented from 15<sup>th</sup> June 2026, the timeline has subsequently been extended to 1<sup>st</sup> August 2026 to facilitate adequate preparedness and smooth transition for taxpayers and other stakeholders. Taxpayers, transporters, and ERP/API integrators may utilise the intervening period to align their systems and internal processes accordingly.

Continuing the journey towards greater digitisation and automation of GST processes, GSTN has also introduced a standardised Annexure-B Offline Utility for specified refund categories involving accumulated Input Tax Credit (ITC). Going forward, taxpayers would be required to furnish Annexure-B through the prescribed Excel-based utility in place of PDF uploads. The utility facilitates HSN/SAC-wise reporting of inward supplies, appropriate disclosure of ITC reversals and invoice validation with GSTR-2B data. It also enables uploading of up to 2,50,000 line items in a single refund application, thereby significantly improving efficiency and standardisation in the refund filing process.

I am also pleased to share that the Committee has recently released two important publications for the benefit of stakeholders, namely, the **Handbook on Government Supplies under GST (Including TDS Provisions)** and the **Revised (12th Edition) of GST Act(s) and Rule(s) – Bare Law**. These publications are available for free download on the website of the GST & Indirect Taxes Committee, while printed copies may be procured through the CDS Portal.

I hope that this edition of the Newsletter serves as a valuable source of knowledge and guidance in your professional journey. I encourage all members to continuously enhance their knowledge and skills, as our collective growth strengthens the profession, benefits society and contributes to the nation's progress.

**CA. Umesh Sharma**  
Chairman

GST & Indirect Taxes Committee  
The Institute of Chartered Accountants of India

# Common Mistakes in VAT (UAE)

## Introduction

Value Added Tax in the United Arab Emirates was introduced from 1 January 2018 under Federal Decree- Law No. 8 of 2017. The move to apply VAT is one of a number of measures aimed at encouraging profitable growth and to help diversify government earnings, supporting the long-term sustainability of the UAE's economy. While the standard rate of VAT in the UAE is just 5%, the compliance conditions for this new tax are complex and are a major challenge for numerous businesses.

Since the introduction of VAT, numerous businesses, including MSMEs, have found it gruelling to understand the VAT legislation and ensure they're compliant. It seems that minor mistakes are being made because of a lack of understanding of certain provisions in the legislation. With little or no in-house tax expertise, businesses are facing more than just the original cost of non-compliance – they're also incurring fresh penalties, reassessments and administration costs. While no company is vulnerable to making VAT errors, there are certain Mistakes that are far more common than others.

This composition examines the most common mistakes and helps companies avoid them to alleviate losses and ensure VAT compliance.

## Incorrect VAT Registration or Late Registration

One of the most common errors made by businesses in the UAE concerning VAT is incorrect or belated VAT enrollment. Businesses must register for VAT under the UAE VAT law if the value of their taxable supplies exceeds AED 375,000 in the last 12 months. Although these thresholds are easily set, numerous businesses don't monitor their turnover regularly and, accordingly, miss their enrollment deadline.

There are also a number of organisations that incorrectly believe that they only need to register for VAT after they've exceeded the applicable threshold, failing to consider whether or not they will reach that threshold in the near future.

## Incorrect Input VAT Recovery

Under the UAE VAT law, businesses are entitled to reclaim input VAT on all charges relating to taxable activities. Still, input VAT isn't recoverable on charges relating to exempt and non-taxable activities. Numerous businesses inaptly reclaim VAT on entertainment charges, employee-related benefits and other personal charges.

Businesses that carry on both taxable and exempt enterprises and activities will be required to account for input duty under an apportionment system. Large and medium enterprises that both sell exempt and taxable inventories will have the capability to apply input duty apportionment, a fairly new concept that small businesses are likely to fail to take advantage of properly.

## Errors in VAT checks

Common mistakes made by a large number of businesses include furnishing deficient invoices and failing to include

needed details on an invoice. There are also errors made by furnishing a simplified invoice when a full tax invoice is needed.

Deficient invoicing can cause considerable inconvenience for suppliers and buyers; likewise, because, if incorrect, an invoice can restrict the buyer from claiming input VAT and also penalise the supplier for any errors in their invoice.

With VAT changes, it's important for businesses to ensure that their invoices are updated in line with the regulations and that the team understands any new processes too.

## Poor Record Keeping Practices

VAT compliance requires record-keeping. Businesses must keep VAT-related records and accounts for five years, including tax invoices, accounting records, import and export records and copies of all submitted VAT returns.

Numerous small businessmen fall into the trap of not keeping sufficient records. This can cause problems during a VAT inspection and help a business avoid being suitable to support its input tax claims, leading to litigation and tax demands.

## Failure to Account for the Reverse Charge Mechanism

The mechanism of reverse charge also seems to give rise to a lot of errors from businesses. This mechanism (formerly applicable in certain contexts within the domestic VAT system) reverses the usual position in cross-border situations, transferring the responsibility for accounting for VAT from the supplier to the recipient.

When a UAE business purchases services from outside the UAE, the recipient may be required to account for VAT under the reverse charge mechanism. However, VAT may be underreported if a UAE business doesn't properly account for these transactions in its VAT returns.

## Incorrect VAT Treatment of inventories to and from Designated Zones

Supply of goods and services to designated zones is a regular source of VAT errors caused by frequent misunderstandings concerning the applicable VAT treatment of similar transactions. The common misconception is that supplies of goods and services into designated zones are automatically outside the compass of VAT. While in some cases where goods are concerned, designated zones may be considered as outside the UAE, for others, the position is entirely opposite.

Failure to rightly classify these types of transactions and purchases can result in either underpayment or overpayment of VAT. Businesses are required to ensure accurate bracket and document customs entries, and shouldn't make hypotheticals about transactions grounded solely on the location within the bonded area or other zones.

## Misclassification of supplies to GCC implementing States

Supplies to GCC implementing states are frequently inaptly treated. One of the most common mistakes is

treating all similar supplies as zero-rated exports. Still, no similar Supply should ever be treated as zero-rated exports unless crucial factors are first analysed like:

- whether the recipient is VAT registered,
- whether the destination country is a fully implementing state.
- whether the supplier has exceeded the applicable threshold for that jurisdiction.

Supplies of goods and/ or services to registered persons may be liable to the reverse charge, while supplies of similar goods and/ or services to non-registered customers may continue to attract a VAT rate of 5% on forward charge basis.

### Incorrect Input Tax Apportionment of Capital Goods

A common error on the part of businesses in relation to input tax recovery on capital goods is treating the matter as an event of some significance from which all obligations are later discharged. When applying the VAT provisions on capital assets, the treatment of similar goods is regulated by the rules of the Capital Assets Scheme. In agreement with the Scheme, a portion of the input VAT recoverable on the goods can be recovered over a period of time, typically 10 years for buildings and 5 years for other assets. The recoverable quantum is therefore allowed according to intended use on the date of accession; still, a periodic adjustment is also needed based on the degree to which the capital asset is actually used. It's a frequent oversight not to account for changes in the usage of capital assets

over time. Whilst usage of taxable assets is increasing, fresh input VAT could be recovered, but dwindling usage must be accounted for with a tax reversal.

Failure to adjust annually for inflation can cause unanticipated problems during audits, especially for assets like real estate that have high value.

As an added compliance measure, businesses are recommended to set up acceptable IT systems and processes to record the use of capital assets and recalculate depreciation annually.

### Conclusion

VAT in the UAE has unnaturally converted the country's circular tax geography. While the VAT rate remains fairly low, the breadth and specialised nature of the provisions require businesses to exercise nonstop diligence and informed judgment. Failure to address these issues can expose businesses to fiscal penalties, tax reassessments, and/ or increased scrutiny from the authorities. Consequently, compliant organisations must adopt a visionary and structured approach to VAT compliance by enforcing robust internal controls, maintaining comprehensive attestation, and ensuring that applicable personnel possess acceptable specialised knowledge.

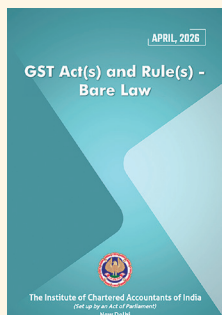
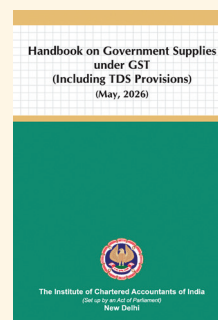
Eventually, VAT compliance shouldn't be viewed simply as a statutory demand, but as an essential element of sound fiscal governance.

– Contributed by CA. Rajat Mohan

## PUBLICATIONS

### Handbook on Government Supplies under GST (Including TDS Provisions)

The GST & Indirect Taxes Committee has released the publication, "Handbook on Government Supplies under GST (Including TDS Provisions)", comprehensively updated up to 15<sup>th</sup> April 2026. This Handbook specifically focuses on the GST implications of supplies made to and by the Government and seeks to address an area that, despite its practical significance, has not received extensive dedicated coverage in GST literature.



### GST Act(s) and Rule(s) – Bare Law

The GST & Indirect Taxes Committee has released the Revised (12<sup>th</sup>) Edition of "GST Act(s) and Rule(s) – Bare Law", updated with all amendments up to 31<sup>st</sup> March 2026, including changes introduced through the Finance Act, 2026 and the CGST (Fifth Amendment) Rules, 2025 making it the most comprehensive and up-to-date GST Bare Law reference.

# JUDICIAL PRONOUNCEMENTS

## 1. Cancellation of GST Registration through a Non-Speaking Order Violates Principles of Natural Justice [Nijumoni Gogoi Versus Union of India – High Court of Gauhati - W.P.(C) No. 2383 of 2026]

### Background

The petitioner, Nijumoni Gogoi, was engaged in the business of transport services and was registered under the CGST/SGST Acts with GST registration effective from 07.03.2022. A Show Cause Notice (SCN) dated 12.02.2025 was issued proposing cancellation of GST registration on the ground of failure to furnish returns for a continuous period of six months. Simultaneously, the registration was suspended.

The petitioner allegedly failed to notice the SCN uploaded on the GST portal and did not file a response within the prescribed time limit. Consequently, the Proper Officer passed an order dated 17.04.2025 cancelling the GST registration. The petitioner challenged the cancellation order before the Hon'ble Gauhati High Court under Article 226 of the Constitution, contending that the cancellation order was arbitrary, non-speaking, and violative of principles of natural justice.

### Issue Involved

Whether cancellation of GST registration on the basis of a non-speaking cancellation order, without assigning cogent reasons as required under Rule 22 of the CGST Rules, 2017, is legally sustainable.

### Contentions of the Respondent

The respondents contended that:

1. The petitioner had defaulted in filing returns for a continuous period exceeding six months, thereby attracting Section 29(2)(c) of the CGST Act read with Rule 21 of the CGST Rules.
2. The petitioner neither filed a reply to the show cause notice nor appeared before the Proper Officer despite opportunity being granted.
3. The petitioner also failed to avail the statutory remedies of filing an application for revocation of cancellation or preferring an appeal within the prescribed limitation period.
4. The conduct of the petitioner demonstrated negligence and lack of vigilance, and therefore no interference under writ jurisdiction was warranted.

### Court's Observations

The Court observed that the SCN merely alleged non-filing of returns for a continuous period of six months without specifying the exact tax periods or months for which returns were allegedly not filed. Hence, the SCN lacked material particulars necessary for an effective response. The Court further noted that Rule 22(3) of the CGST Rules mandates that cancellation orders must be passed

in Form GST REG-19 and must contain specific reasons for cancellation.

However, the impugned order merely referred to "Others – Rule 22(1)/Rule 21A(2A)" without assigning any substantive reasons. It was emphasized that even if the assessee failed to respond to the SCN or appear for hearing, the Proper Officer was still obligated to pass a speaking order. Orders having adverse civil consequences cannot be treated as mere formalities.

The Court reiterated that recording reasons is an integral part of natural justice and fair procedure. Absence of reasons indicates lack of application of mind and renders the order arbitrary and illegal. The Court also observed that cancellation of GST registration has serious civil consequences since it effectively prevents the assessee from conducting business lawfully under the GST regime. Although there was delay in approaching the Court, the Court held that the statutory infirmities and violation of principles of natural justice in the cancellation order outweighed the delay.

### Order

The Hon'ble Gauhati High Court set aside and quashed the cancellation order dated 17.04.2025. The matter was restored to the stage of issuance of the Show Cause Notice in Form GST REG-17.

The Court granted liberty to the petitioner to:

1. File a reply to the SCN showing cause against cancellation; or
2. Furnish all pending returns and make payment of tax dues along with applicable interest, late fee, and penalty.

The Proper Officer was directed to proceed thereafter in accordance with Section 29 of the CGST Act and Rule 22 of the CGST Rules and pass an appropriate order in Form GST REG-19 or REG-20 expeditiously.

## 2. Provisional Attachment of Bank Accounts under Section 83 Valid despite Absence of Pre-Decisional Hearing [Mohammed Kamran Versus Additional DGGI, Bangalore - High Court of Karnataka - Writ Petition No. 9407 of 2026]

### Background

The petitioner, Mohammed Kamran, proprietor of M/s MK Traders engaged in the business of old steel and iron scrap trading, was initially subjected to inspection by the State GST authorities on 17.06.2025. The petitioner claimed to have furnished all documents requisitioned by the authorities for the assessment years 2021-22 to 2025-26. Subsequently, the Directorate General of GST Intelligence (DGGI) initiated investigation based on intelligence inputs alleging that the petitioner was involved in a network of fictitious entities engaged in fraudulent avilment of

Input Tax Credit (ITC). The petitioner was arrested on 16.09.2025 under Section 132(1)(b) and (c) of the CGST Act and remained under judicial custody till 31.12.2025. During the period of custody, the respondent provisionally attached the petitioner's bank accounts under Section 83 of the CGST Act through an order dated 27.10.2025. The petitioner challenged the provisional attachment before the Hon'ble High Court of Karnataka under Article 226 of the Constitution.

### Issues Involved

1. Whether proceedings initiated by the Central GST authorities were barred under Section 6(2)(b) of the CGST Act on account of alleged prior initiation of proceedings by State GST authorities.
2. Whether provisional attachment of bank accounts under Section 83 without granting a pre-decisional hearing violated principles of natural justice.
3. Whether interference under Article 226 was warranted at the stage of investigation and provisional attachment.

### Contentions of the Respondent

The respondents contended that:

1. The DGGI investigation was initiated independently based on specific intelligence inputs revealing large-scale fraud involving fake invoices, circular trading, fictitious firms, and wrongful availment of ITC through non-existent entities.
2. Investigation through BIFA analytics disclosed coordinated fraudulent activity involving common IP addresses and fictitious firms.
3. The proceedings initiated by the Central GST authorities were distinct from any preliminary inquiry conducted by the State GST authorities.
4. Section 83 of the CGST Act does not mandate a pre-decisional hearing before provisional attachment.
5. Adequate statutory remedy was available to the petitioner under Rule 159(5) of the CGST Rules by way of filing objections against the attachment order.

### Court's Observations

The Court observed that the petitioner had failed to place any material on record demonstrating formal initiation of adjudicatory proceedings by the State GST authorities. No show cause notice, adjudication document or particulars regarding identity of subject matter or tax period were produced.

Therefore, the plea of statutory bar under Section 6(2) was held to be premature and unsupported by evidence. On the issue of natural justice, the Court relied upon the decision in *Principal Commissioner of Central Tax GST Commissionerate v. Narasimhan Engineering Contractors (P.) Ltd.* (W.A. No.1015/2025, dated 10.09.2025) and held that Section 83 does not contemplate any pre-decisional hearing before provisional attachment. The statutory framework under Rule 159(5) provides a complete post-decisional remedy by enabling the affected person to file

objections and seek release of the attached property. The Court further referred to the decision of the Supreme Court of India in *Radha Krishan Industries v. State of Himachal Pradesh* (2021), wherein it was clarified that provisional attachment is a protective measure intended to safeguard the interest of revenue and that procedural safeguards are available through post-attachment objections and hearing. The Court held that absence of prior notice, even during the petitioner's custody, did not invalidate the provisional attachment since the statute consciously omitted such requirement and adequate alternative remedies were available.

It was also observed that allegations involving fake invoices, circular trading and fraudulent ITC are factual matters requiring adjudication in appropriate proceedings, including pending criminal proceedings. Therefore, the High Court would be slow to interfere in exercise of writ jurisdiction at a nascent stage of investigation.

### Order

The High Court of Karnataka held that:

1. The plea of bar under Section 6(2) of the CGST Act was not substantiated by any material and therefore rejected.
  2. The provisional attachment order was not vitiated merely because no pre-decisional hearing was granted.
  3. No case for interference under Article 226 of the Constitution was made out. Accordingly, the writ petition was disposed of with liberty to the petitioner to avail the statutory remedy under Rule 159(5) of the CGST Rules. The Court further clarified that the provisional attachment proceedings would remain subject to the outcome of connected proceedings pending in W.P. No. 38771/2025.
- 3. Summary Show Cause Notice Cannot Substitute Statutory Notice under Section 73 of GST Act – Court Quashes Demand Order for Violation of Mandatory Procedure [M/s. Riyan Enterprises & Anr. Versus State of Assam & Ors. - High Court of Gauhati - WP(C)/2258/2026]**

### Background

The petitioner, M/s. Riyan Enterprises, a proprietorship concern engaged as a Government contractor and registered under the GST regime, challenged the validity of the order dated 30.04.2024 passed under Section 73(9) of the Assam GST Act, 2017. The challenge was primarily on the ground that no proper show cause notice under Section 73(1) had been issued prior to adjudication. The petitioner had only been served with a Summary Show Cause Notice in Form GST DRC-01 dated 18.12.2023. Consequentially, further proceedings such as suspension of GST registration and cancellation proceedings were also initiated against the petitioner.

### Issue Involved

Whether issuance of only a Summary Show Cause Notice in Form GST DRC-01, without issuance of a proper

and prior show cause notice under Section 73(1) of the AGST Act, constitutes valid compliance with the statutory requirements for adjudication under Section 73(9).

### **Contentions of the Respondent**

The respondent authorities submitted that the issue involved in the present case was substantially covered by the earlier common judgment of the Gauhati High Court in *Construction Catalysers Private Limited & Ors. v. State of Assam & Ors.* The Standing Counsel contended that, in case the impugned order was set aside, liberty should be granted to the department to initiate de novo proceedings in accordance with paragraph 29(F) of the earlier judgment.

### **Court's Observations**

The Court observed that Section 73(1) mandates issuance of a proper show cause notice by the Proper Officer before initiating adjudication proceedings. Rule 142(1) only requires that a summary of such notice be issued electronically in Form GST DRC-01. Therefore, the summary notice cannot substitute the statutory show cause notice itself.

The Court relied upon its earlier judgment dated 26.09.2024 wherein it had categorically held that:

- Form GST DRC-01 is merely a summary and not the actual show cause notice;
- The statement under Section 73(3) cannot replace the notice under Section 73(1);
- The show cause notice, statement and adjudication order must all be issued by the Proper Officer in compliance with the statutory scheme;
- Compliance with Sections 73(1) to 73(11) and Rule 142 is a condition precedent for a valid adjudication order under Section 73(9).

Since it was undisputed that no proper and prior show cause notice had been issued to the petitioner, the Court held that the adjudication proceedings were legally unsustainable.

### **Order**

The Gauhati High Court set aside and quashed the impugned order dated 30.04.2024 passed under Section 73(9) along with all consequential actions arising therefrom. However, liberty was granted to the respondent authorities to initiate fresh proceedings in accordance with law and the directions contained in paragraph 29(F) of the earlier common judgment. The Court further directed that the period from issuance of the Summary Show Cause Notice dated 18.12.2023 till service of the certified copy of the present order would stand excluded for the purpose of computing limitation under Section 73(10) of the AGST Act. The writ petition was accordingly allowed.

### **4. Corporate Guarantees Without Consideration: Taxable Supply or Outside the Ambit of CGST? / Whether providing corporate guarantees without consideration for subsidiary companies constitutes a taxable supply under the CGST Act. [M/s. D P Jain**

*& Co. Infrastructure Private Limited Versus Union of India & Ors. - High Court of Bombay - Writ Petition No. 2087 of 2025]*

### **Background**

M/s. DP Jain & Co. Infrastructure Private Limited is engaged in the construction of National and State Highways under contracts awarded by National Highways Authorities and State Corporations between 2020 and 2022, the Petitioner executed three unconditional corporate guarantees on behalf of its group/subsidiary companies to secure loans sanctioned by the State Bank of India and Bank of Maharashtra. Each guarantee deed, the explicitly contained a clause stating that the Petitioner had neither received nor would receive any commission, fee, or other consideration from the borrower.

The Assistant Commissioner of State Tax conducted a detailed investigation into the Petitioner's books for the financial years 2017–18 to 2022–23, and although these guarantees were visible in the books of accounts, no GST liability was raised.

Thereafter, the Senior Intelligence Officer, the Directorate General of GST Intelligence (DGGI) issued a summons dated July 20, 2023, alleging non-payment of GST. This was followed by the Ministry of Finance issuing Notification No. 52/2023-Central Tax dated October 26, 2023, which inserted Sub-Rule (2) into Rule 28 of the CGST Rules, 2017. The said impugned Sub-Rule (2) in Rule 28 amended by Notification No. 12/2024-Central Tax, dated 10.07.2024, And Circular No. 204/16/2023 dated October 27, 2023, declaring that corporate guarantees provided to related entities constitute a taxable supply of service even when made without consideration.

Subsequently, (DGGI) initiated investigation proceedings alleging non-payment of GST on such corporate guarantees. The petitioner challenged:

- Circular No. 204/16/2023-GST dated 27.10.2023,
- Circular No. 225/19/2024-GST dated 11.07.2024,
- Rule 28(2) inserted in the CGST Rules vide Notification No. 52/2023, and
- The show cause notice/summons issued against it.

### **Issue Involved**

Whether furnishing a corporate guarantee by a holding company to banks on behalf of its subsidiary entities, without any consideration, constitutes a "taxable supply of service" under the CGST Act, and is exigible to tax under GST? Another issue concerned the constitutional validity of Rule 28(2) of the CGST Rules, which deemed the value of corporate guarantee services to be 1% per annum of the guaranteed amount.

### **Contentions of the Respondents**

Corporate guarantees provided by the petitioner to related entities amounted to supply of services under GST law. Rule 28(2) of the CGST Rules, inserted through Notification No. 52/2023 dated 26.10.2023, specifically

prescribed valuation of such corporate guarantees at 1% of the guaranteed amount per annum. Even prior to insertion of Rule 28(2), valuation could be undertaken under Rule 28(1)(c) read with Rules 30 and 31 because corporate guarantees were supplies between related persons. The DGGI investigation was valid because the earlier investigation conducted by State GST authorities did not cover the “corporate guarantee issue,” and hence there was no bar under Section 6(2)(b) of the CGST/MGST Acts. The respondents argued that corporate guarantees had an element of service since they enabled subsidiaries to obtain credit facilities from banks.

### **Court’s Observations**

- The court extensively analyzed the concepts of “consideration,” “service,” “supply,” and “corporate guarantee” under the CGST Act and the Indian Contract Act.
- The Court noted that all three guarantee deeds specifically stated that the petitioner had neither received nor would receive any fee, commission, or consideration for issuing the guarantees, hence without consideration.
- The guarantees in question were issued without consideration and therefore lacked an essential ingredient of taxable supply which is consideration under Section 7 of the CGST Act
- The Court distinguished corporate guarantees from bank guarantees. It observed that the petitioner was not in the business of issuing guarantees commercially; rather, the guarantees were internal support mechanisms intended to safeguard subsidiaries and group companies.
- The Court heavily relied on the Supreme Court decision in Commissioner of CGST & Central Excise Vs. Edelweiss Financial Services Ltd., where it was held that issuance of corporate guarantees without consideration does not constitute a taxable service.
- Execution of a corporate guarantee by a holding company for its subsidiaries, without consideration, is not a “supply” or “supply of service” taxable under Section 9 of the CGST Act. it is a contingent contract and cannot be pressed into service unless the guarantee is invoked;
- Although the court granted relief to the petitioner on merits, it refused to strike down Rule 28(2). The court reiterated the settled principle that fiscal legislation enjoys a strong presumption of Constitutionality, and courts should exercise restraint while examining economic and taxation measures.

### **Order**

The Hon’ble Bombay High Court (at Nagpur) partly allowed the Writ petition and held that there is no supply of service when corporate guarantee is extended by the holding company without consideration. Further, the proceedings initiated against the petitioner, including the show cause notice dated 28.01.2025, were quashed.

Furthermore, the Court held that Rule 28(2) of the CGST Rules is not unconstitutional or ultra vires.

### **5. Whether Education Consultancy and Recruitment Support Services Provided to Foreign Universities Qualify as Export of Services or Intermediary Services? [Fateh Education Consulting Private Limited Versus Assistant Commissioner, CGST Division, CGST Delhi West Commissionerate, Commissioner, Division Central Tax Delhi West Commissionerate - High Court of Delhi - No.- W. P. (C) 17500/2025]**

#### **Background**

The petitioner, Fateh Education Consulting Private Limited, was engaged in providing education consultancy, marketing, and recruitment support services to foreign universities. It filed a refund claim of ₹2,63,38,771/- for the period September 2023 to March 2024 paid on account of export of services with payment of tax. On 30.10.2025, the Assistant Commissioner of Central Tax rejected the refund on the ground that the petitioner was promoting courses of foreign universities, identifying suitable prospective students, assisting in recruitment of such students, and receiving commission linked to tuition fees paid by such students. It was held that the petitioner was acting as an agent of the foreign university and was liable to be treated as an intermediary under Section 2(13) of the IGST Act, with the result that the services did not qualify as export of services. The petitioner challenged this rejection via a writ petition.

#### **Issue Involved**

Whether the education consultancy, marketing, and recruitment support services rendered by an Indian entity to foreign universities qualify as an “export of services,” or if they fall under the definition of “intermediary” services under Section 2(13) of the IGST Act, thereby disentitling the petitioner from claiming refund of IGST?

#### **Contentions of the Respondents**

The respondent department contended that the petitioner was promoting courses of foreign universities, identifying prospective students, assisting in admissions, and receiving commission linked to tuition fees. On this basis, it was argued that the petitioner acted as an agent/intermediary of the foreign universities rather than providing services on a principal-to-principal basis. The respondent admitted that the nature of the services in this case is materially identical to the services evaluated in the Commissioner of Delhi Goods and service Tax DGST v. Global Opportunities Private Limited 2025 SCC Online Del 6316, where in it was held to qualify as export of services and not intermediary services. Therefore, the services could not qualify as export of services and refund was inadmissible.

#### **Court’s Observations**

The Court observed that the issue was already settled by earlier decisions including Commissioner of Delhi Goods and service Tax DGST v. Global Opportunities Private

Limited 2025 SCC Online Del 6316 and The Union of India & Ors. Versus Kc Overseas Education Pvt Ltd Nagpur. The Court emphasized three determinative tests for identifying intermediary services are contractual recipient of the service, the person liable to pay consideration, and the nature of the service supplied.

Since the petitioner had agreements directly with foreign universities, raised invoices on them, received payment from them, did not charge students, and had no authority to bind the universities or guarantee admissions, the services could not be treated as intermediary services merely because assisting students in India is merely incidental. Therefore, the services qualified as export of services.

### Order

The Delhi High Court set aside the impugned order dated 30.10.2025 rejecting the refund claim. The Court ruled that the petitioner's activities constitute an export of services rather than intermediary services. The Court directed the respondent authorities to process and grant the refund to the petitioner along with applicable statutory interest within two months in accordance with law.

### 6. Restoration of GST registration may be considered under the statutory cancellation framework upon filing pending returns and payment of outstanding tax dues. [Smti Bina Taipodia Versus The Union of India, The Principal of Commissioner Excise and Customs Arunachal Pradesh., The Superintendent CGST and SGST Department, Arunachal Pradesh - High Court of Gauhati - WP(C)/212/2026]

#### Background

The petitioner, Smti Bina Taipodia, proprietor of M/s Luknu Buchi Enterprises was registered under the Goods and Services Tax (GST) Act, 2017. The Superintendent, CGST and SGST Department, Arunachal Pradesh on 07.10.2024 issued a show cause notice as to why the GSTR-3B returns had not been filed, for which the GST Registration was liable to be cancelled. Subsequently on 29.05.2025 GST registration was cancelled as the petitioner had failed to reply to the said Show Cause Notice. But the petitioner contended that she never received it. She later filed the pending returns and paid the requisite tax and penalty amount on 23.04.2026, but restoration of registration was not granted because of delay in applying for revocation.

#### Issue Involved

Whether the petitioner, whose GST registration was cancelled for non-filing of returns, was entitled to restoration of registration after complying with the pending return filings and tax/penalty obligations?

#### Contentions of the Respondent

The respondents fairly submitted that the present case was covered by earlier order passed by the Gauhati High Court on 19.03.2026, in case of Dug Rade v. Union of India. They agreed that similar relief could be granted to the petitioner by permitting her to apply for restoration of

GST registration in accordance with law.

### Court's Observations

The Hon'ble High Court observed that the cancellation was based solely on failure to file GST returns and that the petitioner had already filed the returns and deposited the penalty amount. The Court reviewed the case of Dug Rade, which itself relied on a string of coordinate bench precedents such as Pankaj Mohan and Dhirghat Hardware Stores, dealing with identical facts where registrations were cancelled under Section 29(2)(c) of the Act for failing to furnish returns for a continuous period of six months. The Court noted that under the proviso to Rule 22(4) of the CGST Rules, proceedings for cancellation may be dropped if pending returns are furnished and tax dues with interest and late fees are paid. The Court further held that cancellation of GST registration carries serious civil consequences and therefore restoration should be considered where compliance has been made.

### Order

The Court disposed of the writ petition by directing the petitioner to file an appropriate application for restoration of GST registration within 20 days from the date of the order. Upon receiving the application, the respondent authorities were directed to verify and consider the application in accordance with law and restore the GST registration thereafter. The entire exercise was directed to be completed within four weeks from receipt of the certified copy of the order.

### 7. Alternate Remedy Prevails: MP High Court Directs Assessee to GSTAT [SNS Minerals Private Limited Versus Assistant Commissioner and Others - High Court of Madhya Pradesh - Writ Petition No. 9413 of 2023]

#### Background

The petitioner, SNS Minerals Private Limited, is engaged in mining and supply of limestone and was registered under the CGST Act. During April 2018 to December 2018, it paid GST at 18% on royalty under reverse charge mechanism, while its output supply was taxable at 5%, resulting in accumulation of excess input tax credit. The petitioner reversed the ITC and claimed refund under Section 54(3) of the CGST Act amounting to ₹84,26,536/-. Initially, the refund claim was rejected, but later the appellate authority allowed the appeal, and the refund was sanctioned. Subsequently, the department challenged the refund sanction order and the appellate authority set aside the refund already granted, leading to the present writ petition before the High Court.

#### Issue Involved

Whether the High Court should entertain the writ petition challenging the Order-in-Appeal dated 17.02.2023, despite the constitution and functioning of the GST Appellate Tribunal, and whether the petitioner should instead be relegated to the statutory appellate remedy available under the GST law.

## Contentions of the Respondent

The Respondents submits that:

- The refund sanction order dated 19.08.2021 was erroneous and prejudicial to revenue.
- The CGST Act empowers the department to review and challenge legally unsustainable orders.
- The appeal against the refund sanction order was maintainable and validly decided.
- The petitioner was not entitled to refund as ITC benefit had already been availed.
- The appellate authority had not reviewed its earlier order but had examined the legality of the refund sanction order independently.
- Adequate opportunity of hearing was granted; therefore, principles of natural justice were not violated.
- Proceedings under Section 73 for recovery of erroneous refund were independent and legally permissible.

## Court's Observations

The High Court observed that:

- The writ petition was entertained earlier only because the GST Appellate Tribunal had not been constituted at that time.
- The GST Appellate Tribunal is now functional in Madhya Pradesh, and an effective alternate statutory remedy is available.
- The issues raised by both parties require adjudication by the specialized GST Appellate Tribunal.
- The petitioner had participated in the adjudication proceedings and was not alleging violation of natural justice, lack of jurisdiction, or challenge to constitutional validity.
- The Supreme Court decisions in Radha Krishan Industries v. State of H.P. and Whirlpool Corporation v. Registrar of Trademarks were relied upon to reiterate that when a statute provides an effective appellate remedy, parties should ordinarily exhaust such remedy before invoking writ jurisdiction under Article 226.

## Order

The High Court dismissed the writ petition with the liberty to the petitioner to file an appeal before the GSTAT against the impugned order. Further, the interim relief/protection previously granted to the petitioner will continue to remain in force until its stay application is decided by the GSTAT.

## 8. Release of Perishable Goods under Section 129(1)(a) cannot be Denied Absent Prima Facie Evidence Against Ownership – [M/s Raja Supari Processing Unit v. Union of India & Anr.- High Court of Calcutta - WPA 647 of 2026]

### Background

The petitioner, M/s Raja Supari Processing Unit, supplied

and transported 17,710 kilograms of dried areca nuts to a consignee in New Delhi. During transit, the truck carrying the goods were intercepted by the CGST authorities and both the consignment and conveyance were detained. A show cause notice under Section 129(3) of the CGST Act read with Section 20 of the IGST Act was issued, followed by a demand order raising liability of ₹34,58,000 in respect of the goods and an additional ₹2,00,000 relating to the conveyance.

The petitioner approached the Calcutta High Court seeking release of the detained goods under Section 129 of the CGST Act.

### Issue Involved

Whether the detained consignment of perishable goods could be released in favour of the petitioner upon compliance with Section 129(1)(a) of the CGST Act, when the revenue failed to produce prima facie evidence disputing the petitioner's ownership of the goods.

## Contentions of the Respondent

The revenue relied upon the detention and demand order issued under Section 129 of the CGST Act. However, during the hearing, the revenue fairly submitted that no appeal had yet been preferred against the earlier judgment of the Calcutta High Court in Ranjeet Kumar Poddar v. Assistant Commissioner of CGST & CX, where in similar circumstances release of goods had been permitted upon compliance with Section 129(1)(a).

## Court's Observations

The Court observed that the goods in question were perishable in nature and that the revenue authorities had failed to place any concrete or unimpeachable evidence on record to prima facie establish that the petitioner was not the owner of the consignment.

Relying upon its earlier judgment in Ranjeet Kumar Poddar, the Court held that where ownership of the goods is not prima facie disproved, the petitioner is entitled to release of the consignment upon compliance with Section 129(1)(a) of the CGST Act.

The Court further clarified that release of the goods in favour of the petitioner would not depend upon payment relating to the conveyance by the owner of the vehicle.

## Order

The Calcutta High Court directed the revenue authorities to release the detained consignment in favour of the petitioner within three days from payment of the amount payable under Section 129(1)(a) of the CGST Act. The Court also observed that if the petitioner failed to file a statutory appeal within the prescribed period and the demand attained finality, the revenue authorities would be at liberty to recover the demand in accordance with law. The writ petition was accordingly disposed of.

**-Contributed By CA. Tanya Pandey & CS Impreet Kaur**

## GST Compliance Schedule

### Compliances for the month of June 2026

Forms	Compliance Particulars	Due Dates
GSTR 7	Return to be furnished by the registered persons who are required to deduct tax at source.	10.07.2026
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.	10.07.2026
GSTR 1	Statement of outward supplies by the taxpayers having an aggregate turnover of more than Rs. 5 crore or the taxpayers who have opted for monthly return filing.	11.07.2026
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.	13.07.2026
GSTR 6	Return to be furnished by every Input Service Distributor (ISD) containing details of the input tax credit received and its distribution.	13.07.2026
CMP 08	Statement containing the details of self-assessed tax for Quarter 1 of FY 2026-27 by the registered person paying tax under section 10.	18.07.2026
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.	20.07.2026
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.	20.07.2026
GSTR 3B	Return to be furnished by the taxpayers who have opted for QRMP scheme for Quarter 1 of FY 2026-27 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)	22.07.2026
GSTR 3B	Return to be furnished by the taxpayers who have opted for QRMP scheme for Quarter 1 of FY 2026-27 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)	24.07.2026

# GSTN ADVISORIES

## I. Filing of Annexure-B for Refund Applications involving Accumulated ITC using the offline utility in GST portal

Until now, while filing refund applications under specific categories involving accumulated Input Tax Credit (ITC), taxpayers were uploading Annexure-B in a PDF format, in terms of extant guidelines. In order to further automate the refund filing process and enable system-based verification of invoices and documents, a standardized Annexure-B Offline Utility has now been deployed on the portal. In order to bring uniformity, taxpayers are required to furnish Annexure-B through this prescribed utility going forward.

Taxpayers are advised to carefully note the following instructions while filing refund applications under the below mentioned refund categories where refund is claimed on account of accumulated Input Tax Credit (ITC).

### 1. Introduction of Annexure-B in Offline Utility for following categories

Annexure-B is required to be furnished through an offline utility for the following refund categories:

- Exports of Goods/Services without payment of tax (accumulated ITC) (excluding electricity)
- Supplies made to SEZ Unit/SEZ Developer without payment of tax
- ITC accumulated due to Inverted Tax Structure [Clause (ii) of first proviso to section 54(3)]
- Export of Electricity without payment of tax (accumulated ITC)

### 2. Annexure-B Offline Utility

An offline utility in Excel format has been introduced to enable taxpayers to enter invoice-wise details of inward supplies for which refund is claimed. The details in the offline utility are required to be reported HSN/SAC-wise, by segregating invoices into separate line items based on distinct HSN/SAC codes and categories of input supplies (Inputs, Input Services, Capital Goods), wherever applicable.

Further, all other columns in the utility must be filled specifically with respect to the HSN/SAC code and category of input supply reported in that line item, including the corresponding taxable value, tax amount, and whether such ITC is blocked under section 17(5) of the CGST Act or otherwise. A maximum of 10,000 entries can be made in one offline utility file. If there are more than 10,000 entries, the user should use multiple offline utility files to enter the data.

### 3. Structure of Annexure-B Offline Utility

The utility contains the following two tables:

- Table 1 – Reversal Details
- Table 2 – HSN/SAC-wise Inward Invoice Details for which ITC has been claimed in GSTR-3B

### 4. Reporting of Invoices with Multiple Categories / HSN-SAC Codes

In cases where a single invoice includes: Multiple categories of supplies such as Inputs, Input Services,

and Capital Goods, and/or Multiple HSN/SAC codes

- Taxpayers are required to split the invoice into separate line items in the offline utility.
- Each line item must represent only one category of input supply mapped to one HSN/SAC code.
- Invoice value and tax amounts must be proportionately distributed across such line items.

A specific note has been added in the Read Me section (Point 6) of the utility for taxpayer guidance. Users are requested to read these instructions clearly before entering the data in the utility to avoid validation errors.

### 5. Duplicate Document Validation

(Validation is applied separately for each type of inward supply and each document type):

- Supplier GSTIN
- Invoice Number
- Invoice Date
- Category of Input Supply
- HSN/SAC

For the same invoice, where the category of input supply and HSN/SAC are identical, only one line item should be reported.

Multiple entries under identical parameters will not be accepted.

### 6. Reporting of ITC Reversals

Taxpayers are required to correctly report ITC reversals as applicable:

- Reversals made under Rules 38, 42, 43 of the CGST Rules and section 17(5) shall be reported as per the corresponding month's GSTR-3B.
- Other ITC reversals reflected in Table 4(B)(2) of GSTR-3B shall also be reported accordingly.
- In cases where multiple offline utility files are used, reversal amounts shall be entered only in the final utility file, with all previous utility files reflecting reversal amounts as zero. The system recalculates the consolidated Net ITC after upload of all JSON files. Taxpayers are advised to review the consolidated summary carefully prior to submission.

### 7. Uploading Annexure-B JSON File

Upon generation of the Annexure-B JSON file, the taxpayer shall upload the same on the RFD-01 screen by clicking on the hyperlink "Click to upload the Statement of invoices (Unutilized ITC)" and proceed further for validation.

### 8. Post-Upload Validation and Reports

- Uploaded invoices shall be validated with GSTR-2B.
- Where validation against GSTR-2B is performed, results shall be displayed in the Valid documents sheet, indicating whether the invoices are present in GSTR-2B or not.
- In respect of invoices pertaining to GSTR-2B

periods up to October 2024 or earlier, the system will not carry outvalidation with GSTR-2B data. However, taxpayers will be allowed to enter details of such invoices in the utilityand upload on the portal. In such cases, the system will display a generic message indicating that the invoices arenot validated, however, these invoices will be part of the validated documents. This is an expected system behaviorand shall not be treated as an error. Taxpayers may proceed with filing the refund application in such scenarios.

- Any mismatches or validation failures in invoices pertaining to November 2024 or later period, shall be reflectedin an Invalid documents Report.

#### **9. Following details may be noted in respect of the Annexure B offline utility, namely :**

- Copy-paste functionality has been enabled for dropdown values in the offline utility. While using this feature,users must ensure that the value that user if copying and pasting must match with the exact dropdown value. Any deviation, including leading or trailing spaces, may result in validation errors. Additionally, users should not pastedata into any frozen/protected fields, as this may lead to processing or validation issues.
- Before using the newly downloaded utility, users should ensure that any previous version of the Annexure BOffline Utility is completely closed. Keeping an older version open simultaneously may cause issues with theenhanced copy-paste functionality.
- Users are advised to avoid using unnecessary spaces while entering or copy-pasting data (for example, extraspaces after supplier name or in other fields), as such inconsistencies may result in errors during JSON generationor upload.
- Users are requested to ensure that no changes are made directly to the JSON file after it has been generated. Incase any modifications are required, the same should be made in the offline utility, followed by revalidation andgeneration of a fresh JSON file for upload. Further, the name of the JSON file should not be altered after creation,as this may lead to upload issues.

#### **10.Line-Item Upload Limit in offline utility uploaded with Refund Applications**

Present system functionality allows taxpayers to enter up to 10,000 line items in one offline utility file and upload up to 25 such files, i. e. a total of 2,50,000 line items can be entered in a single refund application. In cases where the number of line items exceeds this limit, taxpayers should upload up to 2,50,000 line items through the offline utility, and the remaining invoices can be submitted as supporting documents after converting them into PDF format. Approaches to support higher-volume data ingestion are being evaluated and will be implemented in upcoming enhancements.

Taxpayers are requested to ensure accurate reporting in the offline utility to facilitate smooth and timely

processing of refund applications. A detailed user manual along with screenshots explaining the process will be shared shortly.

## **II. Advisory to Taxpayers and Stakeholders – Enhancements in the e-Way Bill (EWB) Portal**

### **1. Background**

It is hereby informed that certain functional enhancements are being implemented in the e-Way Bill (EWB) system with a view to strengthening data integrity, improvingtraceability of goods movement, and enabling system-driven closure of transactions. All taxpayers, transporters, ERP/API integrators, and other stakeholders are requested to take note of the following changes and initiate necessary system readiness measures.

### **2. Mandatory Capture of “Ship To GSTIN” in Bill-To/ Ship-To Transactions**

- a) In cases involving Bill-To/Ship-To scenarios, the field relating to the “Ship To GSTIN”shall now be captured as a mandatory data element during e-Way Bill generation.
- b) Where the consignee is an unregistered person, the value “URP” shall be entered inthe “Ship To GSTIN” field.

### **3. Introduction of Voluntary e-Way Bill Closure Facility**

- (i) A new e-Way Bill Closure facility has been introduced in the e-Way Bill system onvoluntary basis to enable closure of the e-Way Bill once delivery of goods is completed.
- (ii) The e-Way Bill may be closed by:
  - a) Supplier
  - b) Recipient
  - c) Transporter involved in the transaction
  - d) Driver or authorized person whose mobile number has been provided for closure
- (iii) For suppliers, recipients, and transporters, the e-Way Bill Closure option is availableafter login under the e-Way Bill section of the portal.
- (iv) Closure can be performed:
  - e-Way Bill-wise, or
  - Date-wise
- (v) A mobile number may be entered at the time of e-Way Bill generation specifically forclosure purposes. Currently, this option is voluntary in nature.
- (vi) If required, the mobile number can also be updated during:
  - Vehicle updation
  - Consolidated e-Way Bill operations
  - Extension of validity
- (vii) The mobile number–based closure facility has been provided under the Searchoption on the e-Way Bill Common Portal. All active e-Way Bills linked to the concerned mobile number are displayed, enabling closure by the authorized person.

(viii) e-Way Bills can be closed on:

- The same day of delivery, or
- The immediately succeeding day

(ix) An API has also been provided for system integrators and API users. For closure through API, the following details are required to be transmitted:

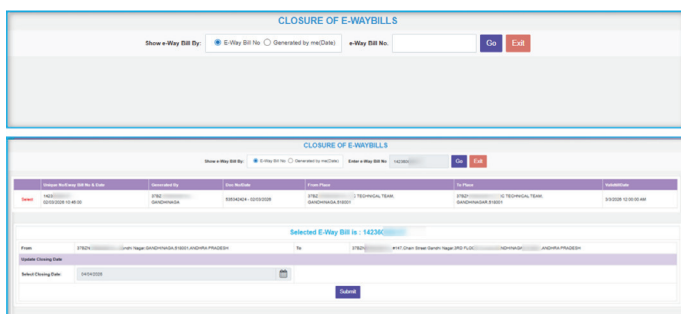
- e-Way Bill number
- Closure date
- Remarks

(x) Illustrative screenshots of the EWB closure functionality are appended below e-WayBill Close option provided for logged-in users.

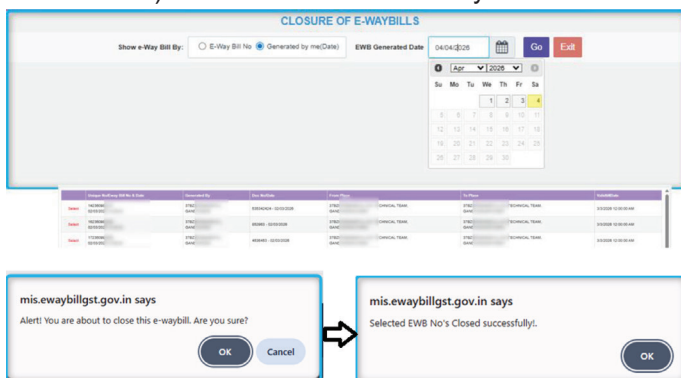


a) E-WayBill Closure by logged in user: i) by E-WayBill Number ii) by E-WayBill Generated Date

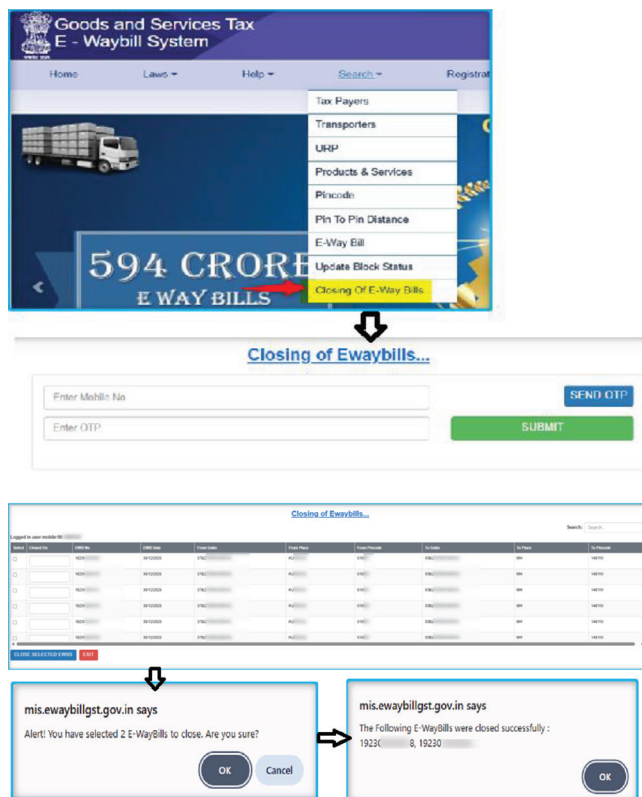
i) Screenshots of Closure by E-waybill Number ...



ii) Screenshot of closure by Generated Date



b) e-Way Bill Closure by Driver or authorized person



#### 4. API and System Integration Readiness

- Necessary API changes have been released by NIC in the Sandbox environment. The proposed changes will be deployed in production by 15th June, 2026. All stakeholders are requested to make necessary changes at their end accordingly.
- All ERP vendors, GSPs, ASPs and system integrators are advised to:
  - Access the updated API specifications.
  - Undertake testing in the Sandbox environment.
  - Carry out suitable configuration changes at their end.
  - Ensure seamless transition prior to production rollout.

#### 5. Action Required by Stakeholders

- All concerned stakeholders are advised to:
- Familiarize themselves with the revised data entry requirements and closure workflow.
  - Update internal processes, ERP configurations, and user manuals accordingly.
  - Conduct internal testing and user awareness sessions.
  - Ensure compliance from the notified date of implementation.

#### 6. Further Guidance

For detailed operational steps and feature descriptions, reference may be made to the accompanying technical documentation on the e-Way Bill Closure functionality. Any implementation-related queries may be routed through the designated helpdesk channels.

# QUIZ

1. **A registered supplier located in Jaipur sells machinery to a registered buyer located in Delhi on an “Ex-Factory” basis. The buyer sends his own truck to pick up the goods from the supplier’s factory in Jaipur. The supplier contends that since delivery was completed at the factory gate in Jaipur, the place of supply is Jaipur itself. What is the correct Place of Supply under GST law?**
  - a. Jaipur (Rajasthan), as “Ex-Factory” terms transfer risk and title at the factory gate itself, making it the point where the supplier’s delivery obligation ends and the place of supply is determined.
  - b. Delhi, as under Section 10(1)(a) of the IGST Act, place of supply is where the movement of goods terminates for delivery to the recipient, irrespective of who arranges transportation.
  - c. Jaipur (Rajasthan), as the buyer deployed his own vehicle to collect the goods, and control over goods having passed to the buyer within Rajasthan, the place of supply is the origin State.
  - d. Delhi, but only because the invoice mentions the buyer’s Delhi address; had no delivery address been mentioned, Jaipur (factory gate) would have been the place of supply under Section 10(1)(c) of the IGST Act.
2. **A train starts its journey from Mumbai to Delhi. Food packets are loaded onto the train at Gujarat and sold in Rajasthan. Wi-Fi service is provided throughout the journey. What will be the place of supply?**
  - a. Food → Rajasthan, Wi-Fi → Rajasthan
  - b. Food → Gujarat, Wi-Fi → Mumbai
  - c. Food → Mumbai, Wi-Fi → Gujarat
  - d. Food → Delhi, Wi-Fi → Delhi
3. **M/s Alpha Ltd. is a manufacturer of Pan Masala and pays GST on the basis of Retail Sale Price (RSP). M/s Beta Traders is a registered retailer who procures Pan Masala from Alpha Ltd. but sells the entire stock at a value other than the declared RSP. What is the correct position under Rule 86B for both entities?**
  - a. Only Alpha Ltd. is exempt from Rule 86B, as it pays tax on RSP basis on Pan Masala covered under Rule 31D, and the 1% cash restriction does not apply to suppliers who discharge tax liability at the RSP-based valuation stage.
  - b. Only Beta Traders is exempt under Rule 86B(f), being a non-manufacturer retailer dealing in Pan Masala covered under Rule 31D on which the supplier (Alpha Ltd.) has already paid tax on RSP basis.
  - c. Neither Alpha Ltd. nor Beta Traders is exempt — Alpha Ltd. being a manufacturer is explicitly excluded from Rule 86B(f), and Beta Traders loses the exemption as its entire supply falls outside the RSP framework, making Rule 31D inapplicable to its outward supply.
  - d. Both Alpha Ltd. and Beta Traders are exempt, as Pan Masala is specifically covered under Rule 31D and tax having been paid on RSP basis at the manufacturing stage is sufficient to extend the exemption across the entire supply chain.
4. **M/s Zenith Exports Pvt. Ltd., a registered entity located in India, appoints Trade Link FZE, a facilitation agent based in Dubai, to provide sales support services for Zenith’s customers located in Dubai. Zenith claims that since the agent is in Dubai and the end customers are also in Dubai, no GST liability arises in India. What is the correct GST position on the transaction between M/s Zenith Exports Pvt. Ltd. & Trade Link FZE?**
  - a. Zenith’s position is correct — since both Trade Link FZE and the end customers are in Dubai, the place of supply is outside India and no GST liability, including under RCM, arises in India.
  - b. The transaction qualifies as import of services by Zenith; post omission of Section 13(8)(b), place of supply is determined under Section 13(2) as the location of recipient (Zenith in India), making Zenith liable to pay GST under Reverse Charge Mechanism.
  - c. Since Trade Link FZE physically performs the facilitation services in Dubai and the commercial activity (identifying buyers, negotiating deals) entirely takes place outside India, the place of supply must be determined based on the location of performance of service and not the recipient’s location — keeping it outside India’s GST jurisdiction.
  - d. Since Trade Link FZE renders services in favour of Dubai-based customers of Zenith, the benefit of service flows outside India, and accordingly the transaction is treated as export of services — exempt from GST including RCM.
5. **M/s Horizon Ltd. Receives conflicting Advance Rulings on classification of its product from Maharashtra AAAR and Gujarat AAAR. The National Appellate Authority under Section 101A(1) is not yet constituted. The Government has issued a notification under Section 101A(1A) empowering an existing Authority to hear appeals under Section 101B. Where should M/s Horizon Ltd. file an appeal against the conflicting rulings.**
  - a. Before the Competition Commission of India (CCI), as the Government has notified CCI as the existing Authority under Section 101A(1A) to hear Section 101B appeals.
  - b. Before GSTAT, as it has been notified by the Government under Section 101A(1A) as the existing Authority to hear Section 101B appeals in place of the yet-to-be-constituted National Appellate Authority for Advance Ruling.
  - c. Appeal does not lie at the instance of M/s Horizon Ltd., as Section 101B restricts the right of appeal exclusively to an officer authorised by the Commissioner of the concerned States; the applicant has no locus standi.
  - d. A Writ Petition before the High Court under Article 226 of the Constitution, as the statutory remedy before the

National Appellate Authority is unavailable due to its non-constitution, making the High Court's writ jurisdiction the only available recourse.

6. **M/s Precision Tools, a sole proprietor making B2B taxable supplies of ₹1.9 lakh per month, applies for GST registration under Rule 14A on 15th March 2026 and is granted registration on 17th March 2026 upon successful Aadhaar authentication. He files GSTR-1 and GSTR-3B for March 2026. On 5th May 2026, he applies to withdraw from the Rule 14A registration by filing FORM GST REG-32. There are no pending cancellation proceedings and no changes made to particulars furnished in REG-01. Which of the following is correct?**
- The withdrawal application is not maintainable, as the applicant must furnish returns for a minimum of three months before filing REG-32, and having filed returns only for March 2026 (one month), the condition is not fulfilled.
  - Withdrawal can be filed voluntarily without any restriction by updating the registration details through FORM GST REG-14.
  - Withdrawal cannot be filed as one financial year from the date of registration has not been completed
  - The withdrawal application is maintainable, as the application is filed on or after 1st April 2026, requiring returns for only a minimum of one tax period; March 2026 returns having been filed and April 2026 returns not yet fallen due as on 5th May 2026, all prescribed conditions stand satisfied.
7. **During the GSTAT hearing, the appellant produces a Chartered Engineer's Certificate which was not submitted before the Adjudicating or First Appellate Authority. The Department opposes its admission. Under what condition can GSTAT admit this new evidence?**
- It can be admitted as a matter of right under "Principles of Natural Justice".
  - It can be admitted only if the appellant satisfies the Tribunal that the evidence was not available earlier or they were prevented by sufficient cause.
  - It cannot be admitted; GSTAT is a body of review, not a fact-finding authority.
  - It can be admitted only if the Department also submits counter-evidence.
8. **A registered person returns defective goods to the original supplier. Instead of following the prescribed documentation procedure, the person issues a debit note and generates an e-way bill quoting the debit note number. No GST is charged on the document and the remark 'goods returned' is mentioned therein. During transit, the goods are intercepted by the GST department. What is the most legally correct position under GST law in this case?**
- The movement of goods is valid, since an e-way bill has been generated.
  - A debit note is a valid document for return of goods under GST.
  - The movement of goods is invalid and the goods are liable to detention.
  - The movement of goods is valid if the original tax invoice is referenced.
9. **An adjudication order was passed against Mr. A on 15th January 2025. On 20th May 2025, Mr. A noticed an error apparent on the face of the record (being a clerical error) and applied for rectification. The proper officer suo-moto rectified the order on 25th August 2025.**
- The rectification is valid since the application was filed within six months from the date of the order.
  - The rectification is valid as Section 161 does not prescribe any time limit for clerical error rectification.
  - The rectification is invalid, as the rectification order was passed beyond six months from the date of the original order.
  - The rectification is valid since the error was apparent on the face of the record.
10. **Mr. A, a furniture manufacturer registered under GST, transfers his entire business undertaking to Mr. B, who is also registered under GST. The transfer includes plant and machinery, raw materials, finished goods, the showroom, employee contracts, and existing service agreements. The agreement clearly provides that the business is transferred as a going concern, with continuity of operations. In the above scenario, which of the following statements is correct under the GST law?**
- The transfer of business as a going concern is treated as a supply of goods, and GST is payable asset-wise at applicable rates.
  - GST is payable only on movable assets transferred, while transfer of contracts and employees is outside the scope of GST.
  - The transfer of business as a going concern is covered under Schedule III of the CGST Act and therefore is neither a supply of goods nor a supply of services.
  - The transfer of business as a going concern is treated as a supply of service and is exempt from GST.

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

Name	Membership No.
CA. Sakshi Agarwal	177734
CA. Shrushti Oswal	184221
CA. Sahil Jain	545108
CA. Siddharth Shah	165529
CA. Bhaskar Aabad	480421

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/jt2dnGsS67MsbLhp8>



# GSTART

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