

The New Law Behind the Budget

1961

2025

THE REFORM BUDGET  
2026-27

Reviewed By

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CHARTERED ACCOUNTANTS

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# **BUDGET ANALYSIS**

**2026-27**

**BY**

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## **A. CHANGES IN PROVISIONS RELATED TO INCOME TAX**

### **1. Shifting of the Act - Migration from Income Tax Act, 1961 to Income Tax Act, 2025.**

Finance Bill 2026 proposes two parallel Income Tax Frameworks

#### **✓ Assessment Year 2026-27**

- Income Tax Provisions of current Financial Year (FY 25-26) shall continue under the older law framework (Income-tax Act, 1961).
- ITR Filings and Audit Report for the FY 25-26 will be based on the provisions of the Income Tax Act, 1961.

#### **✓ Tax Year 2026-27**

- From 01<sup>st</sup> April, 2026 - Income Tax Act, 2025 will be applicable, and there would be a shift from Assessment Year to Tax Year as definition point.
- ITR Filing, TDS, Audit Report and other Income Tax reporting for Tax Year 2026-27 shall be based on the provisions and sections as per the New Income Tax Act, 2025.

### **Amendments in Income Tax Act, 1961.**

### **2. Change in Provisions related to International Taxation**

- ✓ A retrospective amendment has been made with effect from 1st June 2007 by inserting section 92CA(3AA) for computing days available for passing of Order.
  - TPO will have 60-day period available to pass the order and it shall override any judgement or order of court.
  - This amendment is intended to nullify the impact of rulings such as the *Madras High Court decision in DCIT v. Pfizer Healthcare India Pvt. Ltd.* on the limitation period for TPO orders.
- ✓ Section 144C has been amended to nullify the Madras High Court ruling in *Roca Bathroom Products Pvt. Ltd.*, new amendment u/s. 144C of the Act, clarifies that if Draft Assessment order is issued within time limit than final assessment order shall be valid. (*Effective retrospectively from 01<sup>st</sup> April, 2009*)

### 3. Change in Provisions related to ITR

- ✓ The due dates for filing ITR have been revised. The revised due dates for the ITR filings are summarised below:

Sr No	Type of Persons	Due Date
1	Assessee, including the partners of the firm where provisions of Section 92E apply.	30 <sup>th</sup> November
2	(i) Company; (ii) Assessee (other than a company) whose accounts are required to be <b>audited</b> under this Act or under any other law for the time being in force; (iii) partner of a firm whose accounts are required to be audited under this Act	31 <sup>st</sup> October
3	(i) Assessee having income from profits and gains of business or profession whose accounts are <b>not required to be audited</b> under this Act or under any other law for the time being in force; (ii) partner of a firm whose accounts are not required to be audited under this Act	31 <sup>st</sup> August
4	Any other assessee (Person having Salary, IFOS and Capital Gain Income)	31 <sup>st</sup> July

*(Effective from 01<sup>st</sup> March, 2026, therefore it shall apply to AY 26-27 filings)*

- ✓ Revised ITR filing dates changed from current 31<sup>st</sup> December to 31<sup>st</sup> March.
- ✓ Further new section 234-I inserted which levies an additional fee if ITR revised after 9 Months but before 12 Months from the end of relevant Tax year is as below; *(Effective from 01<sup>st</sup> March, 2026)*

Income not exceeding 5 Lacs	Fees Payable is Rs. 1,000
Income Exceeding 5 Lacs	Fees Payable is Rs. 5,000

- ✓ An updated return (ITR-U) can be filed for reducing the claim of the loss as compared to loss claimed in original ITR. However, it cannot be used to declare or claim any further/additional loss. *(Effective from 01<sup>st</sup> March,2026)*
- ✓ An updated return (ITR-U) can be filed even after a reassessment notice u/s. 148 is issued, if filed within the notice period time limit. Additional amount of 10% of tax and interest shall be payable. *(Effective from 01<sup>st</sup> March,2026)*

#### **4. Change in Provisions related to Assessment Proceedings**

- ✓ New Section 147A inserted retrospectively from 01<sup>st</sup> April, 2021, which clarifies the term “Assessing Officer” u/s. 148 and 148A as Jurisdictional Assessing officer and not the National Faceless Assessment Centre(NFAC) or NFAC Unit as per section 144B.
  - This amendment over ruled *Prakash Pandurang Patil v. ITO (Supreme Court)*, where Supreme Court dismissed the Department’s appeal that reassessment notices issued by a Jurisdictional Assessing Officer in violation of the statutory faceless scheme.
- ✓ Interest on the Demand due to Penalty Order u/s. 270A shall not be charged up to the date of the order passed by the Commissioner (Appeals) under section 250.
  - In cases covered under the DRP mechanism of section 144C, such interest shall not be charged up to the date of the Tribunal’s order under section 254.
- ✓ Dispute Resolution Committee under section 245MA may waive not only a penalty that is imposable in future, but also a penalty that has already been imposed. (*Effective from 01<sup>st</sup> March,2026*)
- ✓ Penalty u/s. 270A shall not be levied on any additional income offered under updated return (ITR-U), provided tax on such additional income is paid in full. (*Effective from 01<sup>st</sup> March,2026*)
- ✓ Assessing officer is now empowered to grant Immunity from prosecution u/s. 276C and 276CC along with the various penalty levied u/s. 270.
- ✓ Before passing any penalty order, the Department shall provide the assessee a reasonable opportunity of being heard by issuing a proper show-cause notice in respect of the proposed penalty proceedings. (*Effective from 01<sup>st</sup> March,2026*)
- ✓ Penalty order u/s. 270A shall be imposed as a part of the assessment or reassessment order for any order passed after 01<sup>st</sup> April, 2027 and not through any separate penalty order.
  - This amendment is expected to reduce the need for filing separate appeals before the CIT(A) against the penalty order and thereby help in lowering judicial proceedings and litigation.
  - There shall be Deemed approval of the Joint Commissioner.
- ✓ Prosecution provisions u/s. 276 for non deposit of TDS/TCS, wilful tax evasion, and wilful failure to file return changed from Rigorous Imprisonment to Simple Imprisonment.
- ✓ Any assessment order will not treated as invalid merely because of any mistake or non quoting of computer generated DIN as per new Section 292BA.

- This section will effectively overrule Delhi High Court's decision in *Brandix Mauritius Holdings Ltd.*, where court held that an assessment order issued without a valid Document Identification Number (DIN) can be declared invalid and deemed never to have been issued.
- ✓ Penalty & Prosecution Provisions under Black Money Act shall not apply in respect of undisclosed foreign assets where aggregate value of such assets does not exceeds Rs. 20 Lacs. (*Effective Retrospective from 01<sup>st</sup> October, 2024*).

### Changes of Income Tax, 2025.

#### 5. Changes in provision related to ITR & Assessment Proceedings.

- ✓ Major reforms are done in the ITR filings. Tax payer can file ITR-U by paying additional tax.
  - Details of additional tax payable over and above the normal rate of tax is mentioned below;

ITR-U Filings Dates (After Due Dates)	Additional Tax
Within 12 Months of normal due Dates	25% + Interest
Filed after 12 months but within 24 months	50% + Interest
Filed after 24 months but within 36 months	60% + Interest
Filed after 36 months but within 48 months	70% + Interest
ITR-U filed against the notice of Re-assessment as per Sec. 280 of new IT Act, 2025 <i>e.g. ITR-U filed against notice of Re-assessment after 24 months of due dates than Additional tax payable shall be (Normal Tax Rate + 60% + 10%)</i>	10% + Additional Tax based on Time Limit of filing + Interest

- An assessee may now claim or even set off of MAT credit or other eligible tax credits while furnishing an updated return (ITR-U), even if such credit was not claimed or set off in the original or revised return.
- ✓ Even in the new tax regime, issuance of notice of reassessment u/s. 280 or 281, definition of "Assessing Officer" means jurisdictional Assessing officer and not the National Assessment Centre or unit.
- ✓ Major relief in terms of block assessment are given to "Other Person" in the search cases. Block period of 5 years shall not apply automatically in "Other Person".
  - Assessment shall be restricted to the immediate preceding year till the date of search. Further, where undisclosed income pertains to only one specific year, the block assessment period of normal 5 years shall be limited to that particular one year instead of the entire block period.
- ✓ Time limit to complete the assessment in case of Search and Seizure shall be 18 Months from the end of the quarter in which search was initiated.

- ✓ Interest on the Notice of demand shall be payable at the simple rate of interest at 1% from the due date of demand order, which is generally 30 days till the date of amount paid.

## **6. Changes in provision related to Co-operative Societies**

- ✓ The definition of “co-operative society” has been amended and now clearly includes societies registered under;
  - Co-operative Societies Act, 1912,
  - Multi-State Co-operative Societies Act, 2002,
  - Consumers’ co-operative societies,
  - Primary agricultural credit societies,
  - Primary co-operative agricultural and rural development banks and
  - Any similar society formed under State/UT law.
- ✓ Deduction under section 149 has been extended to include activities relating to cotton seed and cattle feed carried on by co-operative societies.
- ✓ Further, the entire income earned by a co-operative society from investments in another co-operative society, by way of interest or dividends, shall be fully deductible.
- ✓ Dividend income received by a federal co-operative society from its investment in any company shall be allowed as a deduction from total income as per new section 150, provided that:
  - Such dividend is earned from investment recorded in books as on or before 31<sup>st</sup> January and
  - Dividend earned is distributed to its member of societies at least one month before the due date of filing the ITR.

## **7. Changes in provision related to Capital Gains**

- ✓ Changes in provisions of Buy-Back of Shares in the hand of **Share Holders** :
  - With effect from 01<sup>st</sup> April, 2026 amount received on buy-back of Shares shall be taxable in the hands of Share Holders as Capital gains and will be taxed at applicable LTCG or STCG rates, as the case may be. Currently buy back are taxed as below ;
    - Currently the amount received by shareholders on buy-back of shares is taxed as Dividend income and is liable to tax at applicable slab rates.
  - Further, entire buy-back consideration is taxable and shareholders are not allowed to claim any deduction for Cost of Acquisition.
- ✓ Change in provisions of Buy back of shares in the hands of **Promoters** :

- However in the hands of promoter Finance Bill proposed additional tax on capital gains arising on Buy-Back depending on nature of Gains and status of Promoters, details of tax on promoters is as per table below ;

Securities Holding Duration	Promoter is Domestic Companies	Promoter is other than Domestic Companies
Buy back after 12 months (Long term Gain)	22% (12.5% + 9.5%)	30% (12.5% + 17.5%)
Buy back within 12 Months (Short Term Gain)	22% (20% + 2%)	30% (20% + 10%)

- The above additional tax is applicable only in the case of promoters.
  - Non-promoter shareholders will continue to be taxed on buy-back proceeds at the normal applicable LTCG or STCG rates, without any such additional tax levy.
- ✓ Capital Gains on Redemption of Sovereign Gold Bonds (SGBs) will be exempted only if the bonds are redeemed at maturity.
  - ✓ New Act clearly stated that no deduction shall be permitted against dividend income or income from specified mutual fund/UTI unit.
  - ✓ Any reasonable commission or remuneration paid to a banker or agent for collecting interest on securities on behalf of the assessee shall be allowed as a deduction.

## **8. Changes in provision related to Business and Professionals & International Taxation.**

- ✓ MAT reduced from 15% to 14% for corporates under old regime.
- ✓ Under the new Income Tax law, any employees contribution amount payable like PF & ESI will be allowed as deduction if such amount is deposited on or before the date of filing of the Income Tax Return.
- ✓ Any Foreign company setting up Data Centre in India and selling such Cloud or Data Centre space to Indian Users through Indian Resellers only, than income of such Data Centre Company will be fully exempted upto 2047.
- ✓ Delay in filing of the Audit Report is subject to late Fees and relief for such fees shall not be claimed by way of Appeal Filing,

Delay in Audit Report	All Assessee other than Trust	Trusts and Sec. 8 Companies
Delay upto 1 Month	75,000	50,000
Delay exceeding 1 Month	1,50,000	1,00,000

- ✓ Deduction under section 147 shall be available to Offshore Banking Units and other eligible units in IFSCs commencing operations on or after 1st April 2026.
  - Deduction will be allowed for 20 consecutive tax years, or,
  - at the option of the assessee, for 20 years out of a block of 25 years, depending on the category of entity.
- ✓ Loans or advances may be extended to certain cross-border group entities where one entity is located outside India and the parent entity of the group is listed on a foreign stock exchange, and the Indian entity is engaged in finance-related activities.
- ✓ The time limit for passing the transfer pricing order by the TPO has been revised to one month prior to the month in which the assessment limitation period expires.
  - Accordingly, where the limitation period ends on **31st March**, the TPO order must be passed on or before **31st January** of that year.
  - TPO is further instructed to pass final assessment order one month before the limitation period or from the end of month in which the instruction received from the DRP.
- ✓ Additional time limit of 12 months shall be available if reference is made to the Transfer pricing officer (TPO) for completion of the assessment or reassessment.
- ✓ The provisions relating to Advance Pricing Agreements (APA) have been amended to allow not only the Indian taxpayer, but also the foreign Associated Enterprise(AE) whose taxable income in India is impacted by such APA, to furnish a modified return and can claim relief or refund of the withheld taxes in India.
- ✓ Several changes are made in section 206 relating to the Minimum Alternate Tax (MAT) provisions and the carry forward/set-off of MAT credit,
  - From 01<sup>st</sup> April 2026 MAT no new MAT credit shall be allowed to accrue and MAT liability shall be treated as final tax liability.
  - Assessee will not be permitted to carry forward any additional MAT credit from April, 2026 this amendment is done to ensure that Companies now opt for the concessional rate of Tax i.e. either 15% or 22%.
  - MAT credit up to FY 2025-26 will continue to be available but its utilisation will be restricted upto 25% of their normal tax liability in a year.
  - In the case of foreign companies, MAT credit may be set off only to the extent the normal tax liability exceeds MAT, and the unutilised credit may be carried forward for a maximum period of 15 years from the year in which it first became allowable.

- ✓ Companies opting for the tonnage tax scheme are required to comply with the minimum training requirements and company must furnish a certificate confirming compliance along with their return of income.
- ✓ NGOs are permitted to merge only with organisations having the same or similar objects. The Department may cancel the registration of the merged NGO if the merger does not comply with the prescribed conditions.
- ✓ ITAT shall not accept any appeal of the taxpayer/ assessee if the disputed amount of tax is below Rs. 25,000.
- ✓ Non Resident person whose status is changed to Resident in the current year and has global income, than such income shall not be deemed to accrue or arise in India, provided he was a non-resident for the immediately preceding five consecutive tax years and visits India for the first time to render services.
- ✓ Securities Transaction Tax (STT) increased to 0.05% from the existing rate of 0.02% on F&O transaction.
  - On option premium STT increased from 0.10% to 0.15%.
  - On Exercise of option STT increased from 0.125% to 0.15% of intrinsic price.
- ✓ Changes are made on Safe Harbour Provisions for the Information Technology companies, Common Mark Up benchmark is proposed for the various IT and software services us under,

<b>IT Services</b>	<b>Existing</b>	<b>Proposed</b>
Software	17%-18%	15.5%
IT Enabled	17%-18%	15.5%
KPO Outsourcing	18%-24%	15.5%
Contractual R&D	24%	15.5%
Data Centre Services	-	15%

- Safe harbour benefits to the IT and Software companies increased from current Rs. 300 Crores to Rs. 2,000 Crores.
- Safe harbour application would be rule based and not based on the TPO and company can make application for the continuous period of 5 years.

## 9. Changes in provision related to TDS & Other Deductions.

- ✓ TCS rates rationalised with majority items are now taxed at 2% of TCS, details of new rates are as below ;

Nature of Transaction	Old Rate	New Rates
Sale of alcoholic liquor for human consumption	1%	2%
Sale of tendu leaves	5%	2%
Sale of scrap	1%	2%
Sale of minerals (being coal, lignite or iron ore)	1%	2%
Remittance under Liberalised Remittance Scheme (LRS)	5%	2%
Sale of overseas tour programme package	5%/20%	2%

- ✓ Lower deduction of TDS shall be filed online electronically and officer will have right to issue or reject the application. Further deductor must deduct tax at the rate of Lower deduction Certificate.
- ✓ Delay or Non filing of TDS return shall attract Rs. 200 per day fee subject to maximum amount of TDS payable. Similarly delay or non filing of SFT forms shall attract fee Rs. 200 per day subject to Maximum of Rs. 1 Lacs.
- ✓ Section 509 requires notified person to submit the Crypto-transaction reporting to department. Failure to submit such report shall attract penalty of Rs. 200 per day of default and also Rs. 50,000 as fixed amount of penalty for submission of inaccurate reporting. The list of notified person are,
  - Crypto Exchange
  - Depositories/Intermediaries
  - Person Facilitating transfer of Crypto Assets
- ✓ New Act has inserted section 536 which deals with the transitional provisions arising due to shifting from old Income Tax, 1961 to New Income Tax Act, 2025. It will enable the smooth transitions for various Deductions and MAT credit availed or available under old law also available in new law.
- ✓ Disability pension received by armed forces are exempted from tax. Even the interest received by Individual or legal heir of Individual under Motor Vehicles Act, 1988 is also exempted.

## **B. The Foreign Assets of small taxpayers disclosure Scheme, 2026**

### ➤ **Objective of the scheme**

- ✓ The Scheme has been introduced as a one-time remedial measure to:
- ✓ Encourage voluntary disclosure of foreign assets/income that were not reported earlier;
- ✓ Provide relief to **small taxpayers** who committed inadvertent or low-value non-compliance;
- ✓ Reduce prolonged litigation under the Black Money (Undisclosed Foreign Income and Assets) framework.

### ➤ **Who is small tax payer**

- ✓ A person shall qualify if **all** the following conditions are satisfied:
  - Resident individual (including RNOR, where applicable);
  - Aggregate value of undisclosed foreign assets **does not exceed ₹50 lakh**;
  - Total income (excluding such foreign income) does not exceed the prescribed small taxpayer threshold under the Income-tax Act, 2025;
  - Non-disclosure was **not wilful, fraudulent, or arising from criminal activity**.

### ➤ **Foreign Assets and Income Covered**

- ✓ The Scheme generally covers:
  - Foreign bank accounts (including dormant/low-balance accounts);
  - Foreign shares, mutual funds, or ETFs;
  - Foreign retirement or pension accounts;
  - Foreign insurance policies with cash value;
  - Fractional or joint ownership in foreign property (where value threshold is met).
  - Foreign brokerage and investment accounts
- ✓ Excluded Assets
  - Assets derived from proceeds of crime;
  - Assets already under investigation, search, or prosecution;
  - Benami or fictitious holdings.
  - Assets disclosed earlier but under dispute
- ✓ Foreign Income Covers:
  - Income earned from such foreign assets (interest, dividends, capital gains)
  - Accretion in value where taxable under Indian law

### ➤ **Valuation of Foreign Assets**

- ✓ Bank accounts: peak balance or closing balance (as prescribed)
- ✓ Shares / securities: cost or fair value, as notified
- ✓ Property: acquisition cost or prescribed valuation
- ✓ Pension accounts: withdrawal value / vested amount

➤ **Manner of Disclosure**

- ✓ Disclosure to be made in a **separate prescribed electronic form**
- ✓ Asset-wise details required:
  - Country and jurisdiction
  - Nature of asset
  - Date of acquisition
  - Source of funds
  - Value as per prescribed rules
- ✓ Declaration to be **verified electronically**
- ✓ Once filed, disclosure **cannot be revised or withdrawn**.

➤ **Amount payable**

Sr No	Type of assets or income	Amount Payable	Condition
1	(a) Undisclosed asset located outside India; or (b) undisclosed foreign income.	Aggregate of,- (i) tax at the rate of 30% of the value of the undisclosed asset and Income located outside India as on the 31st March, 2026; (ii) Tax at the rate of 30% of the undisclosed foreign income; and (iii) An amount equal to 100% of tax determined in clauses (i) and (ii).	The aggregate value of the undisclosed asset located outside India and the undisclosed foreign income does not exceed Rs. 1 crore.
2	Foreign assets acquired: ☒ From income earned during non-resident period, or ☒ From income already offered to tax in India, <b>But not disclosed in the relevant foreign asset schedule</b> of the return of income.	A fee of 1 Lakh rupees.	The value of the asset located outside India does not exceed Rs. 5 crores.

- **Manner of Making Declaration**
  - ✓ Declaration must be filed in the prescribed electronic form.
  - ✓ Verification will be carried out electronically to confirm:
    - Eligibility of the assessee, and
    - Compliance with Scheme provisions.
  - ✓ A declaration shall be deemed **invalid** if: Any material information is found to be false, or Any condition of the Scheme is violated.
- **Procedure for Payment**
  - ✓ The prescribed authority shall communicate the amount payable within **one month** from the end of the month in which declaration is filed.
  - ✓ Payment must be made within **two months** from the end of the month in which the order is received.
  - ✓ An additional period of **two months** is allowed with **interest @ 1% per month or part thereof**
  - ✓ Upon payment, intimation must be filed electronically, a **conclusive certificate** confirming payment will be issued.
- **Tax Treatment of Declared Income and Assets**
  - ✓ Declared income or asset **shall not be included** in total income under, Income tax Act 1961 or Black Money Act 2015.
  - ✓ No **refund, set-off, rectification, or revision** shall be allowed.
  - ✓ The payment made is **non-refundable** under all circumstances.
- **Immunity Granted**
  - ✓ A valid declarant who makes full payment under the Scheme shall be granted:
    - Immunity from further tax
    - Immunity from penalty, and
    - Immunity from prosecution
- **This Scheme not apply to:**
  - ✓ Assets or income representing **proceeds of crime** where proceedings are initiated or pending under the **Prevention of Money Laundering Act, 2002**.
  - ✓ Income or assets for which **assessment has already been completed** under the Black Money Act, 2015

**C. CHANGE IN PROVISIONS OF GOODS AND SERVICE TAX**

✓ There are following changes in GST

<b>Provision</b>	<b>Amendment</b>	<b>Earlier Provision</b>	<b>Impact</b>
CGST Act - Section 15 (Valuation: Post-supply discounts)	Requirement of linking post-supply discounts to a pre-agreed contract and specific invoices is removed, subject to reversal of ITC by the recipient through credit note under Section 34.	Post-supply discounts were deductible only if agreed prior to supply and specifically linked to relevant invoices, along with proportionate ITC reversal.	Brings significant relief for commercial discounts (volume/year-end discounts); reduces valuation disputes and litigation.
CGST Act - Section 34 (Credit Notes)	Section 34 amended to explicitly cover post-supply discounts referred to in Section 15(3)(b).	No explicit statutory linkage between Section 15 discounts and issuance of credit notes under Section 34.	Provides clarity and statutory alignment; strengthens legality of credit notes issued for post-supply discounts.
CGST Act - Section 54 (Refunds)	(i) Provisional refund extended to inverted duty structure cases; (ii) Threshold limit for refund claims on exports with payment of tax removed.	Provisional refunds were largely restricted to zero-rated supplies; refund claims were subject to a minimum threshold.	Improves cash flow for manufacturers and exporters; reduces working capital blockage.
CGST Act - Section 101A (Advance Ruling Appeals)	New sub-section (1A) empowers Government to notify an existing authority (including a Tribunal) to hear appeals until National Appellate Authority is constituted.	No functional appellate forum for conflicting Advance Rulings due to non-constitution of National Appellate Authority.	Provides interim appellate remedy; reduces uncertainty arising from conflicting Advance Rulings.
IGST Act - Section 13 (Place of Supply: Intermediary Services)	Clause (b) of Section 13(8) omitted; intermediary services to follow general place of supply rule under Section 13(2).	Place of supply deemed to be location of supplier, resulting in GST on many cross-border intermediary services.	Major relief for service exporters; aligns GST with international VAT principles and reduces export taxation.

**D) IMPORTANT CURRENT YEAR PROVISIONS UNDER GST FOR F.Y. 2025-26****1. Registration under GST****✓ Compulsory Registration Irrespective of Thresholds Limit (Section 24)**

Sr No	Particular
1	Persons making any <i>inter-state taxable supply</i> of goods or services (i.e., supply from one State/UT to another)
2	Casual Taxable Persons (CTP)
3	Persons liable to pay tax under <i>reverse charge</i> (RCM)
4	E Commerce operator specified U/s 9(5)
5	Non-Resident Taxable Persons making taxable supply
6	Persons required to <i>deduct tax at source</i> (TDS)
7	Agents who make taxable supplies on behalf of others taxable person
8	Input Service Distributors (ISDs)
9	Persons supplying goods or services through an <i>electronic commerce operator</i> (ECO) who is required to collect tax at source (TCS) (Other than person specified U/s 9(5))
10	Every electronic commerce operator who is required to collect TCS
11	Person supplying Online Information and Database Access or Retrieval (OIDAR) services from outside India to persons in India
12	Every person supplying online money gaming from a place outside India to a person in India w.e.f 1.10.2023
13	Such other person or class of persons as may be notified by the Government on GST Council

**✓ Simplified GST Registration**

Sr No	Particulars
1	Rule 14A introduces an optional, fast-track electronic GST registration route for small/low-risk applicants whose monthly output tax liability is Rs 2.5 lakh or less.
2	Aadhar Authentication is mandatory for taxpayer opting to register under Rule 14A
3	Once Aadhaar authentication is successful, registration is granted electronically within 3 working days from the date of submission / ARN generation
4	If the taxpayer wants to withdraw from Rule 14A option, they must file FORM GST REG-32 after submitting all due returns
5	Only one registration per state or union territory is permitted under rule 14A for same PAN.

**2. Provisions relating to RCM under GST**

✓ Reverse Charge on specified Goods:

Sr.	HSN Code of Goods	Description	Supplier	Receiver	Notification Number
1	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person	Notification 4/2017-Central Tax (Rate)
2	14049010	Bidi wrapper leaves (tendu)	Agriculturist	Any registered person	Notification 4/2017-Central Tax (Rate)
3	2401	Tobacco Leaves	Agriculturist	Any registered person	Notification 4/2017-Central Tax (Rate)
4	5004 to 5006	Silk Yarn	Any person who manufactures silk yarn from raw silk or silk worm cocoons for supply of silk yarn	Any registered person	Notification 4/2017-Central Tax (Rate)
4A	5201	Raw Cotton	Agriculturist	Any registered person	Notification 43/2017-Central Tax (Rate)
5		Supply of lottery	State Government, Union Territory or any local authority	Lottery Distributor of Selling Agent	Notification 4/2017-Central Tax (Rate)
6	Any Chapter	Used vehicles, seized and confiscation goods, old and used goods, waste and scrap	Central Government, State Government, Union territory or a local authority	Any registered person	Notification 36/2017-Central Tax (Rate)
7	Any Chapter	Priority Sector Lending Certificate	Any registered person	Any registered person	Notification 11/2018 - Central Tax (Rate)
8	72, 73, 74, 75, 76, 77, 78, 79, 80 or 81	Metal Scrap	Any Unregistered Person	Any Registered Person	

## ✓ Reverse Charge on specified Services:

Sr.	Description	Supplier	Receiver	Notification Number
1	GTA Services - Transportation of Goods by Road	GTA	i) Any Factory ii) Any Society iii) Any Co-operative Society iv) Any Registered Person under GST v) Any body corporate, vi) Any partnership firm vii) Any casual taxable person	Notification 13/2017-Central Tax (Rate)
2	Legal Services	An individual advocate including a senior advocate or firm of advocates	Any business entity located in the taxable territory	Notification 13/2017-Central Tax (Rate)
3	Arbitral Tribunal Services	Arbitral Tribunal	Any business entity located in the taxable territory	Notification 13/2017-Central Tax (Rate)
4	Sponsorship Services	Any person other than a body corporate	Any body corporate or partnership firm	Notification 13/2017-Central Tax (Rate)
5	Services by Govt to Business Entity excluding: i) Renting of immovable property ii) Services by the Department of Posts and the Ministry of Railways (Indian Railways)	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory	Notification 13/2017-Central Tax (Rate)

	iii) Services in relation to aircraft or vessel inside or outside precincts of a port or an airport  Transportation of goods or passengers			
5A	Services supplied by Government excluding the Ministry of Railways (Indian Railways) by the way of renting of immovable property to a person registered under the Central Goods and Services Tax Act, 2017	Central Government, State Government, Union territory or local authority	Any Registered Person	Notification 13/2017-Central Tax (Rate)
5AA	Service by the way of renting of residential dwelling to a registered person	Any Person	Any registered person under CGST Act 2017	Notification No 5/2022 - CT (Rate) dated 13.7.2022
5AB	Service by way of renting of any immovable property other than residential dwelling	Any Unregistered Person	Any Registered person other than a person who has opted to pay tax under composition levy	
5B	Service supplied by any person by way of transfer of development right or Floor space Index (FSI) including additional FSI for a construction of project by a promoter.	Any person	Promoter	
5C	Long term lease of land (30year or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price development charges or by any other name) and/or	Any person	Promoter	

	periodic rent for construction of project by promoter			
6	Services supplied by a director of a company or a body corporate to the said company or the body corporate	Director of a company or body corporate	Company or body corporate located in the taxable territory	Notification 13/2017-Central Tax (Rate)
7	Services supplied by an insurance agent to any person carrying on insurance business	Insurance Agent	Any person carrying on insurance business	Notification 13/2017-Central Tax (Rate)
8	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company.	Recovery Agent	A banking company or a financial institution or a non-banking financial company, located in the taxable territory.	Notification 13/2017-Central Tax (Rate)
9	Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright	Author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in the taxable territory.	Notification 13/2017-Central Tax (Rate)
9A	Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of subsection (1) of section 13 of the Copyright Act, 1957 relating to original literary works to a publisher.	Author	Publisher	Notification No 22/2019 dated 30.09.2019
10	Supply of services by the members of Overseeing Committee to Reserve Bank of India	Members of Overseeing Committee constituted by the	Reserve Bank of India	Notification 13/2017-Central Tax (Rate)

		Reserve Bank of India		
11	Services supplied by a person located in non-taxable territory by way of transportation of goods by a vessel non-taxable territory from a place outside India up to the custom	A person located in Non-taxable territory	Importer	Entry No.10 of notification no. 10/2017 - Integrated tax (rate) dated 28 <sup>th</sup> June 2017.
12	Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs)	Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm	A banking company or a non-banking financial company, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
13	Services provided by business facilitator (BF) to a banking company	Business Facilitator	A banking company, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
14	Services provided by an agent of business correspondent (BC) to business correspondent	Business Correspondent	A business correspondent , located in the taxable territory	Notification 13/2017-Central Tax (Rate)
15	Security services (services provided by way of supply of security personnel) provided to a registered person with certain exceptions	Any person other than a body corporate	A registered person, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
16	Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, provided to a body corporate.	Any person, other than a body corporate who supplies the service to a body corporate and does not issue an invoice charging central tax at the rate of 6% to the service recipient.	Any body corporate located in the taxable territory".	Notification 29/2019-Central Tax (Rate) dated 13.12.2019

17	Services of lending securities of Securities under Lending scheme, 1997 (Scheme). Securities and Exchange Board of India (SEBI), as amended.	Lender	Borrower	Notification 22/2019-Central Tax (Rate) dated 30.09.2019
18	Import of Services	Services by any person who is located in Non-taxable territory	Any person located in taxable territory other than non-taxable online recipient	Entry No.1 of notification no. 10/2017 - Integrated tax (rate) dated 28 <sup>th</sup> June 2017.

✓ RCM on service supply through E Commerce Operator

Sr No	Type of Service	Status of service	Status of Recipient	Description of service	Tax payable by (Provider)	Tax payable by (Recipient)	Effective from
1	Transportation of passengers by a radio-taxi, motor cab, maxi cab and motorcycle	Taxi Driver or rent a cab operator	Any Person	Service provided by an agent of business correspondent to business correspondent	Nil	18% by E Commerce operators	From 1.7.17
2	Providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes	Unregistered Hotel, Inn, Clubs etc	Any Person	Service by way of providing accommodation in hotel, inns, guest house, clubs, campsite or other commercial places meant for residential or lodging purposes	Nil	18% by E Commerce operators	From 1.7.17
3	Restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises	All types of restaurants (Excl. hotels having room above 7500)	Any Person	Restaurant Services	Nil	5% by E Commerce operators	From 1.1.22

4	Services by way of house-keeping, such as plumbing, carpentering etc	House keeping, Cleaning, Plumbing Etc	Any Person	Service by the way providing House Keeping service, Cleaning, Plumbing Etc	Nil	18% by E Commerce operators	From 22.8.17
5	Transport of passengers, by any type of motor vehicles*	Transport of passenger by motor vehicles	Any person	Service by the way providing Trasport of passenger by any type of motor vehicles	Nil	18% by E Commerce operators	From 1.1.22
6	Local Delivery Service		Any Person	Service by the way of providing local delivery	Nil	18% by E Commerce operators	From 22.09.2025

### 3. GST Returns Due Dates

Form	Type of return	Taxpayer	Frequency	Due Date
GSTR 1	Outward Supply	Regular	Monthly	11 <sup>th</sup> of next Month
		QRMP	Quarterly	13 <sup>th</sup> of next month from end of quarter
GSTR 1A	Amending details of Outward Supplies (Optional)	Regular	Monthly	After due date of filing of GSTR 1 or actual date of filing of GSTR 1 which ever is later, till filing of GSTR 3b of the same tax period.
		QRMP	Quarterly	
GSTR 3B	Return	Regular	Monthly	20 <sup>th</sup> of next Month
		QRMP	Quarterly	22 <sup>nd</sup> /24 <sup>th</sup> of next month from end of quarter
GSTR 4	Annual Return	Composition tax payer	Annual	30 <sup>th</sup> April of next FY
GSTR 5	Return	Non-resident tax payer	Monthly	20 <sup>th</sup> of next Month
GSTR 5A	Return	OIDAR	Monthly	20 <sup>th</sup> of next Month

GSTR 6	Return	Input service distributor	Monthly	13 <sup>th</sup> of next Month
GSTR 7	Return	Person liable to deduct TDS	Monthly	20 <sup>th</sup> of next Month
GSTR 8	Return	E-Commerce operator	Monthly	10 <sup>th</sup> of next Month
GSTR 9	Annual Return	Regular	Annual	31 <sup>st</sup> December of next FY
GSTR 9C	Reconciliation statement	Regular	Annual	31 <sup>st</sup> December of next FY
GSTR 10	Final Return	Registered person applies for cancelation	Once	3 month from date of cancellation or cancellation order w.e.l
GSTR 11	Details of taxable supply of goods and services	Special agencies having UIN	--	At the time of filing of application for refund
CMP 08	Quarterly return	Composition tax payer	Quarterly	18 <sup>th</sup> of next month

#### 4. Block Credit under GST

Sr No	Type of ITC	Condition for eligibility	Credit Eligibility
1	Motor vehicle for transportation of person having seating capacity more than 13 person & related service	Any purpose	Yes
2	Motor vehicle for transportation of person having seating capacity up to 13 person & related service	a. used for further supply of motor vehicle	Yes
		b. used for provide passenger transportation service	Yes
		c. used for training on driving	Yes
		d. other than above	No
3	Motor vehicle for transportation of goods & related service	Used for transportation of goods	Yes
4	Vessels, Aircraft & Related service	a. used for further supply of vessels/aircraft	Yes
		b. used for provide passenger transportation service	Yes
		c. used for training on navigating/flying	Yes

		d. other than above	No
5	Related Service as per point 2(d) and 4(e) above	Received by manufacture of such vehicle	Yes
		Received by supplier of general insurance service of such vehicle	Yes
6	Leasing, renting or hiring of motor vehicle, vessels/aircraft as per point 2(d) and 4(e) above	a. for making an outward taxable supply of similar line of business or as an element of a taxable composite or mixed supply	Yes
		b. taxpayer engages in other line of business	No
7	Food and beverages, Outdoor catering, beauty treatment, Health services, cosmetic and plastic surgery, Life insurance and health insurance	a. for making an outward taxable supply of similar line of business or as an element of a taxable composite or mixed supply	Yes
		b. taxpayer engages in other line of business	No
8	Membership of club, health and fitness centre		No
9	Travel benefits extended to employee	a. On Vacation	No
		b. For business trip	Yes
10	ITC point no 7(b), 8, 9(a) as above	If it is obligatory for employer to provide to its employees	Yes
11	Works contract service (WCS) for construction of immovable service	a. used for further supply of WCS	Yes
		b. used for construction P&M (weather capitalised or not)	Yes
		c. other than above if capitalised in books of account	No

12	Goods or services for construction of immovable property on his own account (including used in the course or furtherance of business)	a. used for construction P&M (weather capitalised or not)	Yes
		b. other than above if capitalised in books of account	No
13	Goods or services or both received by NRTP	a. Goods Imported	Yes
		b. Other goods and services	No
14	Goods or services or both on which tax has been paid u/s 10	--	No
15	Goods or services or both used for personal consumption	--	No
16	Goods lost, Stolen, destroyed, written off or disposed of by way of gift or free sample	--	No
17	Any tax paid u/s 74 in respect of any period to FY 2023-24	--	No
18	Goods/ services used or intended to be use for Corporate Social Responsibility (CSR) Activities	--	No

#### 5. ITC availability in case of Works contract services

Sr No	Types of inward supply	Types of property	Use of the property for	Type of expenditure	Credit eligibility		
1	Work Contract	Immovable property	Own use	Capital	No		
				Revenue	Yes		
			Further supply of works contract service	Capital	Yes		
				Revenue	Yes		
		Further supply of other service (eg. renting)	Capital	No			
			Revenue	Yes			
		Plant & Machinery	Any Business use	Capital or Revenue	Yes		
2	Goods or Services	Immovable property	Own use	Capital	No		
				Revenue	Yes		
			Further supply of works contract service	Capital	No		
				Revenue	Yes		
				Plant & Machinery	Any Business use	Capital or Revenue	Yes

## 6. Year wise timelines for issuance of Notice and Order U/s 73/74

FY	Original/ Extended Due Date of GSTR 9	Section 73		Section 74		Section 74A (Uniform Time limit irrespective of Case) New Time Limit		
		Notice can be issued Maximum by (at least 3 Month before Order)	Order can be issued Maximum by (3 Years from due date of GSTR 9)	Notice can be issued Maximum by (at least 6 Months before Order)	Order can be issued Maximum by (5 Years from due date of GSTR 9)	Notice must be issued within 42 months from the due date of GSTR 9	Order within 12 Months from Issuance of Notice	Extended Order within 6 Months of Issuance of Order *
2018-19	31.12.2020	21.01.2024	30.04.2024	30.06.2025	31.12.2025			
2019-20	21.03.2021	31.05.2024	31.08.2024	30.09.2025	31.03.2026			
2020-21	28.02.2022	30.11.2024	28.02.2025	28.08.2026	28.02.2027			
2021-22	31.12.2022	30.09.2025	31.12.2025	30.06.2027	31.12.2027			
2022-23	31.12.2023	30.09.2026	31.12.2026	30.06.2028	31.12.2028			
2023-24	31.12.2024	30.09.2027	31.12.2027	30.06.2029	31.12.2029			
2024-25	31.12.2025	30.09.2028	31.12.2028			30.06.2029	30.06.2030	30.12.2030
2025-26	31.12.2026	30.09.2029	31.12.2029			30.06.2030	30.06.2031	30.12.2031
2026-27	31.12.2027	30.09.2030	31.12.2030			30.06.2031	30.06.2032	30.12.2032

\* Where the proper officer is not able to issue the order within 12 months, the Commissioner, or an officer authorized by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of Central Tax, may, having regard to the reasons for the delay in issuance of the order under sub-section (6) of Section 74A, to be recorded in writing, before the expiry of 12 months, extend the said period further by a maximum of 6 months.

- ✓ In case tax has been collected but not paid, no time limit u/s 76.
- ✓ In case erroneous refund, date of 3/5 years from date of refund order
- ✓ When any notice or order stayed by court or tribunal, then such period should be excluded.

## ✓ A synopsis of the quantum of penalty prescribed U/s 73/74

Sr No	Particulars	Penalty U/s 73	Penalty U/s 74
1	Tax and interest paid before service of Notice	0%	15% of Tax
2	Tax and interest paid within 30 days of issue of notice	0%	15% of Tax
3	Tax and interest paid within 30 days of communication of order.	10% of tax or ₹ 10000 whichever is higher	50% of Tax
4	Tax and interest paid after 30 days of communication of order.	10% of tax or ₹ 10000 whichever is higher	100% of Tax

7. E - Invoice**E - Invoice must be reported within 30 days**

Annual Turnover (AATO)	E-Invoice Issuance Requirement	E-Invoice Reporting Time Limit	
Above ₹. 100 Crores	Mandatory	Must be reported within 30 Days	Effective from 01 <sup>st</sup> November 2023
Above ₹. 10 Crores	Mandatory	<b>Must be Reported within 30 Days</b>	<b>Effective from 01<sup>st</sup> April 2025</b>
Above ₹.5 Crores, Up to ₹. 10 Crores	Mandatory	No time limit for reporting	NA
Above ₹. 5 Crores	Mandatory	No time limit for reporting	NA

**8. Applicability of GST rate on restaurant service w.e.f 1.4.2025**

Category of Restaurant Service Provider	Rate of GST w.e.f 1.4.2025
Standalone Restaurant service provide	<b>No change</b> , 5% GST on outward supply and No ITC
Hotel based Restaurant service provider where actual value of accommodation supply in the preceding year <b>for any unit of accommodation exceeds ₹ 7,500</b>	<b>No change</b> , 18% GST on outward supply with ITC
Hotel based Restaurant service provider where actual value of accommodation supply in the preceding year <b>does not exceed ₹ 7,500 and opt-in declaration is not submitted</b>	<b>No change</b> , 5% GST on outward supply and No ITC
Hotel based Restaurant service provider where actual value of accommodation supply in the preceding year <b>does not exceed ₹ 7,500 and opt-in declaration is submitted</b>	<b>18% GST on outward supply with ITC</b>

**9. Implementation of mandatory of HSN codes in GSTR - 1 & GSTR 1A**

- ✓ After successful implementation of Phase-1 & Phase-II now Phase-III regarding Table 12 of GSTR-1 & 1A is being implemented, from return period February 2025. In this phase manual entry of HSN has been replaced by choosing correct HSN from given Drop down. Also, Table-12 has been bifurcated into two tabs namely B2B and B2C, to report these supplies separately. Further, validation regarding values of the supplies and tax amounts involved in the same, have also been introduced for both the tabs of Table-12.

**HSN Code Reporting Requirements**

Aggregate Annual Turnover (AATO)	HSN Code Digits Required	Manual Entry Allowed	HSN Code Selection Method
Up to ₹5 crore	4 digits	No	Dropdown selection
Above ₹5 crore	6 digits	No	Dropdown selection
Import/Export of Goods	8 digits	No	Dropdown selection

Note: From May 2025 GSTR 1, Table 12 HSN reporting is split into B2B and B2C Supplies, No HSN required for B2C Supply.

### 10. Summary of Various MOV Forms

Form Type	Description of Form
GST- MOV 01	Statement of owner or person in charge of goods and conveyance
GST- MOV 02	Order for physical verification of goods and conveyance
GST- MOV 03	Order of extension of time limit beyond 3 working days
GST- MOV 04	Physical verification report
GST- MOV 05	Release Report
GST- MOV 06	Order for detention of goods
GST- MOV 07	Notice specifying the tax and penalty payable by owner of goods
GST- MOV 08	Bond for provisional release of goods and conveyance
GST- MOV 09	Order of demand of tax and penalty
GST- MOV 10	Notice for confiscation of goods and conveyance
GST- MOV 11	Order for confiscation of goods specifying Tax and Penalty payable.

### 11. Job Work under GST

Special Procedure	<p>A registered taxable person may send any inputs/capital goods to a job worker for job work and from there to another job worker without payment of tax but he must bring back</p> <ul style="list-style-type: none"> <li>- Inputs within 1 year of their bring sent out</li> <li>- Capital goods (other than moulds &amp; dies, jigs &amp; fixtures or tool) within 3 years of their bring sent out.</li> </ul> <p>He can supply such inputs/capital goods within time limit specified above directly from the place of job worker on payment of tax only if principle declare place of job worker as additional place of business. However if job worker is registered then no need to declare his place as additional place of business.</p>
Responsibility for payment of tax	Responsibility for payment of Tax w.r.t inputs/or Capital goods sell lie with the principle

<p>Demand supply by Principle to the job worker</p>	<p>For Inputs: If inputs sent to job worker after completion of process is not received back in 1 year from the date of being sent out</p> <p>For Capital Goods: Capital goods sent to a job worker if the said capital goods, after completion of job work are not received back in 3 years from the date of being sent back</p>
<p>Waste and scrape generated</p>	<p>Any waste and scrape generated during the job work may be supplied by the job worker directly from his place of business on payment of tax if such job worker is registered or by the principle if the job worker is not registered.</p>
<p>Frequency of filing of ITC - 04</p>	<p>Due date of filing of ITC 04 is 25<sup>th</sup> of the next month from end of specified period. W.e.f. 1.10.2021</p> <ul style="list-style-type: none"> <li>- If annual aggregate turnover up to 5 Cr - Yearly</li> <li>- If annual aggregate turnover more than 5 Cr - Half Yearly</li> </ul>

**E) LANDMARK JUDGEMENT ON GST****Case 1 : Movers International (P) Ltd. v. Union of India (High Court of Delhi) (15<sup>th</sup> September, 2025)****Facts of the Case:**

Assessee challenged order passed by the appellate authority, in which delay of 16 days in filling the appeal was not condoned by the appellate authority on the ground that there was no sufficient cause. The assessee submitted that it was awaiting the order on the rectification application, in a *bona fide* manner and hence, did not approach the appellate authority.

**Judgement:**

There was sufficient cause for 16 days delay in filling the appeal. Accordingly, the delay was condoned subject to cost to be paid to GST Department by assessee. Hence, the appeal was restored before the appellate authority for being heard on merits..

**Case 2 : MS RA& Co vs. Addl. CCT (21<sup>st</sup> July, 2025)****Facts of the Case:**

Revenue issued a single show cause notice and thereafter, passed a single assessment order for 6 financial years, i.e., 2017-18 to 2022-23. Assessee contended that the CGST Act, fixed limitation for issuance of notices and passing the assessment orders for each and every financial year under sections 73 and 74 of the Act, therefore, notice under the sections 73 and 74 was to be issued separately for each financial year. Revenue contended that in terms of section 73 and 74 of the Act, there was no prohibition or specific bar to issue a single show cause notice for more than one financial year, therefore, Revenue could issue a single show cause notice for more than one financial year.

**Judgement:**

Issuance of composite show cause notice covering multiple financial years and making composite demand for multiple financial years without separate adjudication per year, frustrated the limitation scheme and prevented assessee from giving year-specific rebuttals, which resulted in jurisdictional overreach, therefore, the proper officer acted without authority of law, rendering the order *void ab initio*.

**Case 3 : Mukesh Kumar Garg Vs. UOI & Ors. (9<sup>th</sup> May, 2025)****Facts of the Case:**

Assessee availed Input Tax Credit by creating fake firms without actual supply of goods or services. Investigation was conducted and demand order was passed after issuance of show cause notice. Assessee contended that he was not an authorized signatory of the main firm, which had availed ITC and the same was run by his son. Therefore, penalty which was imposed against him deserved to be quashed. Revenue contended that the question of

imposition of penalty was to be challenged by filing an appeal under section 107 of the CGST Act and could not be adjudicated through writ jurisdiction

**Judgment:**

When such transactions were to be investigated, a factual analysis was required to be undertaken which could not be done in writ jurisdiction, also the order was appealable under section 107 of the Act. Therefore, assessee was relegated to avail the alternative remedy of appeal available to him under the statute..

**Case 4 : Shalender Kumar v. Commr. of Delhi West CGST Commissionerate & Ors. (03<sup>rd</sup> April, 2025)**

**Facts of the Case:**

Adjudicating authority rejected refund claimed by assessee on the ground that the certain suppliers' licences, as mentioned in the show cause notice, were cancelled. The assessee filed an appeal against the said order and the appellate authority passed order in favour of the assessee by holding that the adjudicating authority erred in rejecting the assessee's refund claim as the authority denied rightful refund of the tax paid on export of goods to the assessee on the grounds, which were actually against the available statute and also contrary to the judgments of the Court and the Supreme Court. The assessee submitted that the Appellate Authority's order was not challenged or set aside by any forum and thus, it still stands. Further, no order was also passed in the Review and the opinion under section 54(11) of the Act, was invalid and the refund ought to be processed in accordance with the order passed by the appellate authority

**Judgment:**

The Department's opinion under section 54(11) of the Act could not be relied upon on a standalone basis. In the absence of an appeal or any other proceeding pending, challenging the order of the appellate authority, the opinion under section 54(11) cannot result in holding back the refund. The refund having been permitted by the appellate authority and no order in review having been passed, the department could not hold back the refund. Therefore, the refund in favour of the assessee was allowed in terms of the order passed by the appellate authority.

**Case 5 : Neelgiri Machinery v. Commr. of Delhi GST & Ors. (20 March, 2025)**

**Facts of the Case:**

Assessee challenged show cause notices and adjudication orders on the grounds that the same were never served upon it, as although the notices were uploaded on the portal, they were placed under the category of 'Additional Notices and Orders', rendering it not directly visible.

**Judgment:**

The assessee, in support of its case, placed on record the print out from the portal, which showed that the show cause notices were viewable only on additional notice and orders Tab. The intention was to ensure that the assessee was given an opportunity to file its reply and was heard on merits and that orders were not passed in default. Since there was no clarity on behalf of the Department, the demand orders were set aside. In response to show cause notices, the assessee would file its replies within stipulated time and the hearing notices would now not be merely uploaded on the portal but would also be e-mailed to the assessee.

**Case 6 : Alfa Tools (P) Ltd. v. UOI & Anr. (6 March, 2025)****Facts of the Case:**

Gujarat Industrial Development Corporation (GIDC) allocated an industrial plot to assessee on lease. After enjoying the possession of the said plot for several years, the assessee assigned its leasehold rights in the demised premises to a company for a certain consideration. The assessee was called upon to deposit GST on the consideration that was received from the assignee. The assessee contended that the transfer of leasehold rights does not fall within the scope of 'supply' with reference to section 7 of the CGST Act, as the same was concluded by High Court's decision the case of *Gujarat Chamber of Commerce and Industry*, which was clearly in its favour.

**Judgment:**

The assessee assigned its entire leasehold rights in the demised premises to a third party for valuable consideration. The issue was whether such transaction of assignment of leasehold rights of land would be subject to levy of GST or not. In view of High Court's decision in the case of *Gujarat Chamber of Commerce*, the Court categorically held that assignment by sale and transfer of leasehold rights of plot of land allotted by GIDC to lessee (assignor) in favour of third party (assignee) for a consideration shall be assignment/sale/transfer of benefits arising out of 'immovable property' by the assignor in favour of assignee who would become lessee of GIDC in place of original lessee (allottee). In such circumstances, provisions of section 7(1)(a) of the Act providing for scope of supply would not be applicable to such transaction of assignment and the same would not be subject to levy of GST as provided under section 9 of the Act. Therefore, the Show Cause Notice was quashed and set aside.

**Case 7 : Lord Vishnu Construction (P) Ltd. v. UOI (3 March, 2025)****Facts of the case:**

Assessee sought quashing of demand order and notice on the ground that it was not duly served with the notices/show-cause notice and remainders. Assessee contended that no notice was uploaded under the heading of notices and orders, leading to unawareness about the issuance of such notice and therefore, could not submit its response to the Adjudicating Authority thereby violating the principles of natural justice

**Judgement:**

The purpose behind service of notice is to make an assessee aware of the notice/summons/orders/decisions or any communication issued by the revenue. Since the notice/show-cause/reminders all were placed under the heading 'additional notices and orders' rather than under the heading 'notice and order' on the common portal, the order was set aside.

### **Case 8 : Bigleap Technologies and Solutions (P) Ltd. & Ors. v. State of Telangana & Ors. (28 February, 2025)**

#### **Facts of the Case:**

Assessee challenged legality, validity and propriety of show cause notices and final orders contending that in absence of any physical or digital signature on the show cause notices and orders, the same cannot sustain judicial scrutiny. The authorities admitted that the show cause notices and orders did not contain physical or digital signatures of the Proper Officer. However, absence of signature would not cause any dent to the said show cause notices or orders, if the scheme of CGST Act and CGST Rules are examined.

#### **Judgement:**

It is settled law that the order of any authority should contain signature of officer concerned who is passing the order. A notice or final order can become legal or bear authenticity on its forehead only when it is physically/digitally signed by the Proper Officer. Since prescribed Forms as per rule 142 need signature, such requirement must be held to be mandatory. In absence of signature, notice/order cannot be held to be a valid notice/order. Considering the scheme of the GST Act, Rules and Statutory Forms prescribed thereunder, the impugned show cause notices and the orders, which are not pregnant with the signature of the Proper Officer, cannot sustain judicial scrutiny. Therefore, the impugned notices and orders were set aside and liberty was reserved to the authorities to issue fresh show cause notices/orders in accordance with law.

### **Case 9 : Zhuzoor Infratech (P) Ltd. v. Addl. Commr. Grade 2 & Anr. (14 February, 2025)**

#### **Facts of the Case:**

Assessee received an order from a company for supply of certain goods. The assessee approached one of the manufacturers and placed the said order with specific direction that bill was to be issued in its favour but delivery of shipment was made at New Delhi party. The goods in question were accompanying with tax invoice, E-way bill and consignment note, however, during onward journey, the same were intercepted by the authority on the ground that in the E-way bill at the place of shipping address, the address of the assessee was mentioned, however, in the tax invoice shipping address of New Delhi party was mentioned. Thus, proceedings were initiated against the assessee and penalty order was passed. The assessee submitted that while generating the e-tax invoice, the contents of e-tax invoice was

automatically filled by the system created by the GST portal in the E-way bill. Further, merely on the ground of technical defect, the proceedings were initiated against it, which was not justified.

**Judgement:**

Once the auto-populated details were fetched by the system from e-tax invoice created by the GST portal in the E-way bill, no adverse inference could be drawn against the assessee. Further, if the place of shipment was wrongly filled up, then it was merely a technical error provided if no other defect was found in the e-tax invoice as well as E-way bill in respect of quality or quantity of the goods at the time of physical verification, therefore, no adverse view be drawn against the assessee. The E-way bill can be cancelled within its validity as provided under the Act. In the instant case, the E-way bill was not cancelled within its validity, no adverse view could be taken against the assessee that if the goods were not intercepted, transaction in question could have escape to assessment. Therefore, merely on technical ground that in the E-way bill accompanying with the goods in question, the place of shipment was wrongly mentioned, the seizure or levy of penalty could not be made.

**Case 10 : Cotton Corpn. of India v. Asstt. CST (Audit) (FAC) (5 February, 2025)**

**Facts of the Case:**

A show cause notice was issued to assessee under section 73(1), of the Act, calling upon the assessee to show cause as to why an assessment should not be carried out in relation to short-payment of tax, etc. The assessee challenged the same contending that section 73(2) stipulates that the notice under sub-section (1) which initiates the assessment proceedings, would have to be issued at least three months prior to the time-limit specified in sub-section (10) for issuance of the order. The assessee submitted that the show cause notice was issued beyond time and was *non est*. The revenue contended that the notice was issued within limitation, as a 'month' would mean 'a calendar month' and the last date of issuance of a notice would have 1-12-2024 or at the worst 30-11-2024. Further, the provisions of section 73(2) can at best be treated as a directory requirement and not a mandatory requirement whose violation would render the proceedings *non est*.

**Judgement:**

When a period, available for a certain action, is defined in terms of months, it would mean that the corresponding date of the corresponding month would be the cutoff date. In the instant case, the cutoff date for issuing an order was 28-2-2025. The three months period, which would elapse from the said date, would be 28-11-2024. Since the notice was issued on 30-11-2024, it would be beyond the time stipulated under section 73(2) of the CGST Act. The time period set out under section 73(2) of the Act, is mandatory and any violation of that time period cannot be condoned, and would render the show cause notice otiose. Therefore, the show cause notice was quashed.

“Change may not always bring growth, but there is no growth without change.”

— Roy T. Bennett

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