



coriolis corp
Pre-eminent biz solutions

Newsletter

Vol: 3 - Issue: 1 – April 2025

TABLE OF CONTENTS	PAGE NUMBER
FROM THE DESK OF THE DIRECTOR	2
NEWS:	2
Some merit in allegations that GST Officials coerce assesses to pay tax with threat of arrest; It's impermissible: Supreme Court	2
Kerala GST introduces video conferencing option for personal hearing	2
Lok Sabha passes Finance Bill 2025 with 35 amendments	2
LEGAL UPDATES:	3
Extension of the last date for filing AAR for FY 2023-24	3
No RoDTEP scheme support for exports by AAs holders, SEZs, EOUs, after 05-02-2025	3
CASE LAW	4
NIDB data can't be the basis for enhancement of value: CESTAT	4
Credit Notes not mandatory for claiming GST refund on cancelled contract: Karnataka HC	4
Refund of Service Tax paid by mistake cannot be denied on limitation ground: Karnataka HC	5
ITC not claimable on invoice issued after the expiry of the period of limitation	5
Kerala HC directed I T Department to keep recovery proceedings in abeyance till final disposal of appeal	6
HSS transactions are neither supplies of goods nor services. However, value of such HSS supplies must be included in the transaction value for computing GST on the overall works contract service (GST AAAR Gujarat)	6
Calcutta HC stays Customs SCN against Hinduja Global: Prima Facie finds no Jurisdiction without SEIS Scrip cancellation	7
GST demand quashed for non-speaking order ignoring reconciliation data	8
GSTAT non-Constitution: Calcutta HC stays GST demand recovery	8
KNOWLEDGE KATTA	8
Year-end GST related activities planning - FY 2024-25	8
STATUTORY COMPLIANCE CALENDAR – March 2025	12

From the Desk of the Director

As at present, all the business communications including communications from Tax Department have become digital. In the context of GST, the Department has been following the practice of uploading Show Cause Notices, Orders etc. on the GST Portal. Being so, the taxpayers are expected to visit the GST Portal frequently to check if any SCNs or Orders have been uploaded by the Tax Department. Frequent visit to the GST Portal is must for eliminating any possibility of tax officials initiating actions for not responding to SCNs, Orders etc. uploaded on the GST Portal.

The moot question for consideration is as to whether uploading SCNs or Orders on the GST Portal is the only method for serving SCNs, Orders etc. Recently, this question has been answered by the Hon'ble Madras High Court in *Mr. Sahulhameed vs The Commercial Tax Officer*, while disposing a batch of 40 Writ Petitions. The common issue raised in all the Writ Petitions is with regard to compliance of Section 169 of the Tamil Nadu Goods and Services Tax Act 2017. It is the contentions of the learned counsels for the petitioners that the respondents in each of the cases had uploaded the notices/ orders in the web portal only and not by any other modes as prescribed under Section 169 of the Act.

Furthermore, we are delighted to announce that now we have our presence in USA at Dover Delaware, DE 19904.

As per the provisions of Section 169 of the TNGST Act, any decision, order, summons, notice or other communication under this Act or the rules made thereunder shall be served by any one of the following methods, namely:-

- (a) by giving or tendering it directly or by a messenger including a courier to the addressee; or
- (b) by registered post or speed post or courier with acknowledgement due; or
- (c) by sending a communication to his e-mail address provided at the time of registration or as amended from time to time; or
- (d) by making it available on the common portal; or,
- (e) by publication in a newspaper circulating in the locality in which the taxable person

carried on business; or

(f) if none of the modes aforesaid is practicable, by affixing it in some conspicuous place at his last known place of business or residence

The Hon'ble Court, having regard to legal position emerging from various case laws on the subject, has held that Section 169 mandates a notice in person or by registered post or to the registered e-mail ID, alternatively and on a failure or impracticability of adopting any of the aforesaid modes, then the State can, in addition, make a publication of such notices/ summons/ orders in the portal/ newspaper through the concerned officials.

The Court while allowing Writ Petitions has set aside the impugned assessment orders and remitting the same back to the respective respondents to comply with the directions as indicated..

No doubt the ruling is in favour of the taxpayers. However, it would be advisable to visit the GST Portal regularly for viewing SCNs, Orders etc. uploaded by the GST Department and comply with the SCNs / Orders within the specified time limit.

With Kind Regards,

Sunil Nair
Director

News

Some merit in allegations that GST Officials coerce assesses to pay tax with threat of arrest; It's impermissible: Supreme Court

The Supreme Court on Thursday (February 27) observed that there was some merit in the allegation that tax officials coerce assesses to pay the Goods and Services Tax with the threat of arrest. This observation was made by the Court on the basis of data. The Court said that if any person is feeling coerced to pay GST, they can approach the writ court for refund of the tax paid by them. (Source: Livelaw News Network – 17th Feb 2025)

Kerala GST introduces video conferencing option for personal hearing

Kerala State Goods and Services Tax (SGST) Department has introduced video conferencing for personal hearings in tax adjudication and appeals. This measure aims to enhance efficiency and convenience while ensuring adherence to natural justice principles.

Taxpayers or their representatives, facing tax charges or penalties, can present their cases virtually, reducing delays caused by adjournment requests. However, physical hearings will still be arranged if requested in writing or in cases where a virtual hearing is not feasible.

Adjudicating and appellate authorities must notify taxpayers in advance via email, phone, or SMS, providing meeting details. Taxpayers or their representatives need to confirm attendance and submit authorization documents.

The hearing will take place through secure applications agreed upon by both parties. Statements from the hearing will be documented and emailed to the taxpayer for review. Modifications can be made within three days, failing which the record will be considered final. Taxpayers can also submit additional documents via email before the hearing. Department officials may participate in the virtual sessions as needed. This initiative aims to streamline case disposal and enhance tax administration efficiency while maintaining procedural transparency.

(Source: Circular No. 07/2025-Kerala GST Dated: 14-03-2025)

Lok Sabha passes Finance Bill 2025 with 35 amendments

The Lok Sabha passed the Finance Bill 2025 on Tuesday, March 25, along with 35 government amendments, including one abolishing a six per cent digital tax on online advertisements. With the passage of the Finance Bill 2025, the Lok Sabha completed its part of the Budgetary approval process. The Upper House, Rajya Sabha, will now

consider the Bill. After the Rajya Sabha approves the Bill, the Budget process for 2025-26 will be complete.

The Union Budget 2025-26 envisages a total expenditure of ₹50.65 lakh crore, an increase of 7.4 per cent over FY25. The total capital expenditure proposed for the next fiscal year is ₹11.22 lakh crore, with an effective capital expenditure of ₹15.48 lakh crore. It proposes a gross tax revenue collection of ₹42.70 lakh crore and a gross borrowing of ₹14.01 lakh crore.

(Source: Mint Dated 25th March 2025)

Legal Update

Extension of the last date for filing AAR for FY 2023-24.

The last date for filing Annual RoDTEP Return (ARR) is extended by three months (from 31.03.2025 to 30.06.2025) for RoDTEP availed for exports of FY 2023-24

(Source: Public Notice No.51/2024-25 Dated 19th March, 2025)

No RoDTEP scheme support for exports by AAs holders, SEZs, EOUs, after 05-02-2025

Government of India has extended the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for exports by Advance Authorizations (AAs) holders, Special Economic Zones (SEZs), and Export-Oriented Units (EOUs) until February 5, 2025.

From 06.02.2025 onwards, exports from these categories will no longer be eligible for RoDTEP support. The support under the RoDTEP Scheme for other categories (DTA) shall continue as per Notification No. 32/2024-25

(Source: Notification No: 66/2024-25-DGFT | Dated: 20th March, 2025)

Case Law

NIDB data can't be the basis for enhancement of value: CESTAT

The Delhi Bench of Customs, Excise and Service Tax Appellate Tribunal (CESTAT) has held that National Import Database (NIDB) cannot be the basis for enhancement of value.

In this case, the department contended that the proper officer/assessing officer had arrived at the conclusion for enhancement of value after a thorough verification. The appellant voluntarily paid the differential amount of duty after the said enhancement of value. The said act of the appellant amounts to confirmation of appellant's acceptance of the said re-assessment/enhancement.

The Tribunal held that no verification/examination/testing of goods has been done by the proper officer to incur the reasonable doubt about accuracy of the transaction value/the value declared by the appellant in the impugned Bill of Entry. Apparently and admittedly no enquiry as is required under Rule 12 of Valuation Rules has been conducted by the department prior rejecting the said value. Nor any exercise was undertaken as is required under Section 4 of Section 17 of the Customs Act. It is only the NIDB data which was relied upon by the department to reject the value declared in Bills of Entry and to re-assess the value of the goods at a higher price.

The tribunal while allowing the appeal held that confirmation of differential duty is, therefore, held violative of Section 17(4) of Customs Act and of Rule 12 of Customs Valuation Rules and hence is liable to be set aside.

[Source: M/s Seafox Impex Versus The Commissioner of Customs (Appeals)]

Credit Notes not mandatory for claiming GST refund on cancelled contract: Karnataka HC

Karnataka High Court, in Joint Commissioner of Commercial Taxes (Appeals-1) v. NAM Estates Private Limited, upheld the right of a purchaser to claim a GST refund for an advance payment made under a contract that was later cancelled.

In this case, an advance payment of Rs. 14,08,79,262/- was made by NAM ESTATES PRIVATE LIMITED against a bank guarantee provided by the supplier. Upon receipt of this payment, M/s Mavin Switch Gears and Control Private Limited issued a tax invoice on 01-08-2017, including GST of Rs. 2,53,58,268/- and declared this transaction in their GSTR-1 and GSTR-3B returns.

However, the supplier failed to deliver the goods and services, leading to the cancellation of the contract in March 2021. Consequently, the advance payment was recovered by encashing the bank guarantee. The Respondent, M/S NAM ESTATES PRIVATE LIMITED filed a refund application in FORM RFD-01 on 05-07-2021, seeking refund of the GST amount paid, to the tune of Rs.2,53,58,268/-. However, refund claim was rejected on the ground that refund eligibility under section 54 of the CGST/SGST Act, 2017 was not established based on the taxpayer's submissions.

An appeal filed by the respondent was rejected by the Appellate Authority. The Appellate authority highlighted that the supplier, who was the tax-payer, was obligated to issue credit notes for the cancelled contract and declare these in their tax return, adjusting the tax liability accordingly. It was concluded by the Appellate Authority that the taxpayer could not seek a refund of SGST & CGST as the tax paid on the advance was the supplier's responsibility.

The Respondent submitted that revenue could not have declined the refund on the ground that Credit Note was not issued by the other party to the contract (the vendor), upon whom essentially the duty to pay tax rested inasmuch as the question of issuing such a note would not arise since goods were never delivered and that there was a gross breach of contract because of which it was rescinded and the price paid in advance was

retrieved by encashing the bank guarantee. The Court ruled that the appeal being devoid of merits is liable to be rejected and accordingly it is. The appellant shall refund or cause to be refunded the GST amount to the Respondent-Assessee within a period of eight weeks, failing which they run the risk of contempt proceedings and further they are liable to pay the interest at the statutory admissible rate, which may be recovered on such payment, from the erring officials.

[Source: Joint Commissioner of Commercial Taxes (Appeals-1) Vs Nam Estates Private Limited (Karnataka High Court)]

Refund of Service Tax paid by mistake cannot be denied on limitation ground: Karnataka HC

In this case, the Assessee had obtained service tax registration and was paying service tax periodically. The assessee had filed returns for the half yearly period from April to September, 2016, October 2016 to March 2017 and for the quarterly period from April to June, 2017.

Subsequently, assessee learnt that there is no liability to pay service tax on export of services, in terms of Chapter-V of Finance Act, 1994. Being so, the assessee filed a refund claim before the Assistant Commissioner of Central Excise, Bengaluru for refund of service tax amounting to Rs.27,70,791/- paid though there was no liability to pay tax on export of services.

The Assistant Commissioner allowed refund of Rs.11,90,271/- and refund to the extent of Rs.15,80,520/-, was rejected as it was beyond the period of limitation of one year.

The Assessee approached the High Court as both the Commissioner (Appeals) as well as CESTAT confirmed the Order passed the Assistant Commissioner.

The Court noted that it is not in dispute that assessee had paid service tax on an erroneous assumption that it was liable to pay the taxes. Further, the Court has observed that in view of the admitted fact that the services rendered by the assessee satisfy all conditions of Rule 6A of the Service Tax Rules, 1994 and the services provided by

it are export of services, it is entitled for refund of the tax. In view of authority in the case of Shiv Shanker Dal Mills, the refund cannot be denied on the ground of limitation.

The Court ruled that the questions of law are answered in favour of the assessee and the appeal deserves to be allowed.

{Source: Bellatrix Consultancy Services Vs Commissioner of Central Tax (Karnataka High Court)}

ITC not claimable on invoice issued after the expiry of the period of limitation

In the case before GST AAR (AP), the applicant, for the purpose of storing the raw material as well as finished goods, entered into lease agreements with M/s. Usha Tubes and Pipes Pvt. Ltd (UTPL), Visakhapatnam for leasing of godowns situated at UTPL Campus.

The lessor UTPL, for the months from April 2018 to March 2019, issued a single tax invoice bearing No. UTPL0919117KVC dated 01.04.2020 mentioning in the description as Rental charges for the months from April 2018 to March 2019 by showing rent month-wise for 12 months. The invoice mentioned CGST as 26,64,090/- and SGST of Rs. 26,64,090/- on total taxable value of Rs. 2,96,01,000.

The applicant has approached this authority seeking a ruling whether the invoice dated 01.04.2020 is eligible for input tax credit if claimed before filing GST return for September 2021 or Annual return for 20-21 in terms of Sec 16(4).

The AAR Andhra Pradesh, held as under:

Question: Whether the tax invoice dated 01.04.2020 issued by the supplier of service for the rental service supplied for the period 01.04.2018 to 31.03.2019 is hit by the limitation for claiming ITC under Section 16(4) of the CGST/SGST Act, 2017.

Answer: The invoice referred pertains to the services rendered in the financial year 2018-2019 and hence it is 'hit by the limitation for claiming ITC' under Section 16(4).

Question: If the applicant avails ITC on such invoice after 01.04.2020 and before filing GST return for September 2021/Annual Return for 2020-2021, whether it amounts to violation of condition stipulated under sub-section (4).

Answer: Affirmative.

In favour of : Revenue

[Source: Vishnu Chemicals Limited (GST AAR Andhra Pradesh)]

Kerala HC directed IT Department to keep recovery proceedings in abeyance till final disposal of appeal.

Kerala High Court in Muthoot Health Care Private Limited has held that recovery proceedings in the matter of applicability of TDS u/s. 192 in case of consultant doctors being employees of hospital is to be kept in abeyance pending final disposal of appeal.

The petitioner is a private limited company having a multi-specialty hospital at Kozhancherry. For A.Y. 2017-2018, 2018-2019 and 2019-2020, ITO took a view that consultant doctors are employees of the hospital/company and TDS has to be deducted u/s. 192. Challenging the assessment orders, the petitioner has preferred appeals u/s. 250 of the Act.

It is submitted that though the appeals were heard pursuant to series of notices, orders are not passed. In the meantime, the 1st respondent has issued order demanding the amounts. Thus, petitioner has filed the present writ petition.

The Court has held that the petitioner was heard pursuant to series of notice, it is only just and proper to keep in abeyance the recovery proceedings pending till final disposal of appeals.

[Source: Muthoot Health Care Private Limited Vs ITO (TDS) (Kerala High Court)]

HSS transactions are neither supplies of goods nor services. However, value of such HSS supplies must be included in the transaction value for computing

GST on the overall works contract service (GST AAAR Gujarat)

In this case, the appellant sought Advance Ruling on the following questions, viz:

1. Whether the transaction of sale of goods by Tecnimont Pvt. Ltd. (TCMPL) to Indian Oil Corporation Ltd. (IOCL) on High Seas Sale basis in terms of Contract No. 44AC9100-EPCC-1 would be covered under Entry No. 8(b) of Schedule III of the CGST Act and shall be excluded from the value of work contract service for charging GST?
2. Whether the transaction of sale of goods on high seas sale basis by the Applicant to IOCL in terms of Contract No. 44AC9100-EPCC-1 would be treated as works contract and whether Applicant is liable to charge GST on the goods sold on high seas sale basis to IOCL? If yes, what will be the applicable rate of tax on such goods supplied?

The following are the observations of the GST AAR.

- The agreement between Tecnimont and IOCL is an indivisible turnkey contract, as such, making the bifurcation of goods and services legally untenable under the GST framework.

- Although post-contract discussions attempted to separate these components for tax benefits under MOOWR, this does not alter the contract's inherent nature as a composite supply.

- HSS transactions are recognized by Entry No. 8(b) of Schedule III as neither supply of goods nor services, and hence, exempt from GST. However, imported goods supplied on HSS basis, as part of the entire EPC works contract, must be included in the valuation of the works contract service under section 15 of the CGST Act. This follows the precedent set by the High Court, indicating even free supplies could form part of transaction value when evaluating services.

GST AAR ruled that -

- The turnkey EPC contract inherently constituted a works contract service, being indivisible into separate supplies of goods and services.

- The supply under the works contract, complete with goods and services for the project, should be evaluated as a supply of service, leading to liability under GST.

Aggrieved, the appellant has preferred an appeal before GST AAAR, raising the contentions that

- the impugned ruling in so far as it holds the value of HSS supply to form part of transaction value u/s 15 for computing the value of Works Contract Service (WCS) for charging GST, is erroneous

- contract no. 44AC9100-EPCC-1 evidences supply of imported materials from rest of the EPC contract & hence is divisible in nature;

- supply of imported goods under HSS is not a part of works contract service

- that such sale is a distinct element in the contract & is separately identifiable from the rest of the EPC work;

- that they would like to rely on the case of BSNL wherein it was held that whether a contract would represent two separate transaction and separate rights arising out of the contract depends entirely on the intention of the parties; that the contract cannot be treated as an indivisible contract since imported supply is a distinct supply

Consequent to personal hearing, the GAAR recorded the following findings.

- the appellant ignores the fact that it is a lumpsum turnkey EPC contract.

- divide a turnkey EPC contract into two parts, is legally not tenable;

- that post the contract, IOCL and the applicant had a rethink & carved out the foreign supply of goods [HSS] from the turnkey EPC contract, primarily to avail the benefit of Manufacture and other Operations in Warehouse Regulation, 2019 [MOOWR] and EPCG by fictionally dividing an otherwise single turnkey contract into [a] supply of goods and [b] supply of services;

- in terms of Schedule III, read with section 7(2) of the CGST Act, 2017, supply on High Sea Sale basis, is treated as neither a supply of goods nor a supply of services and hence the question of levy of GST on such supply does not arise;

- The EPC contract, encompasses both the supply of goods and services. The applicant, in terms of the contract, is liable to

provide the goods [supplied on HSS basis] and hence the submission that this value is not to be included in the transaction value in respect of works contract service is legally not tenable more so since the applicant is contractually bound/liable to supply both the goods and the services. Therefore, in terms of section 15, the value of such imported goods would form a part of the transaction value for payment of GST;

- issue of whether free supply would form a part of transaction value, is no longer res Integra having been decided by the Hon'ble Chhattisgarh High Court in the case of M/s. Shree Jeet Transport' wherein though the recipient of the supply was legally bound via the agreement to provide for free diesel, yet the Hon'ble High Court, held that the free supply of diesel would form part of the transaction value, for the purpose of GST.

- the argument that it is a divisible contract entailing [a] supply of imported goods and [b] supply of services is not borne out from the reading of the contract and the relevant documents thereof. that the imported goods supplied on HSS basis are subject to tax as intra state supply.

In view of the foregoing, GST AAAR has rejected the appeal filed by appellant M/s. Tecnimont Private Limited against the Advance Ruling No. GUJ/GAAR/R/2024/02 dated 5.1.2024, passed by the Gujarat Authority for Advance Ruling.

[Source: M/s. Tecnimont Private Limited GST AAAR (Gujarat)]

Calcutta HC stays Customs SCN against Hinduja Global: Prima Facie finds no Jurisdiction without SEIS Scrip cancellation

Duty Exemption/Remission Authorisations. The Calcutta High Court has admitted a writ petition against a show cause notice under section 28AAA of the Customs Act, 1962, issued by the Customs authority and granted stay.

The Court was of the view that Customs authority do not have the jurisdiction to question the validity of Service Exports from India Scheme (SEIS) scrips, especially, in case where the proper officers under the Foreign Trade (Development and

Regulation) Act, 1992, have not disputed the same.

The petitioner/assessee has challenged a show-cause notice issued by the Principal Commissioner of Customs (Port) being the respondent in the application as it is devoid of jurisdiction inasmuch as SEIS scrips issued to the petitioner have not yet been cancelled by the issuing authority, viz., Cochin EPZ and DGFT, Mumbai.

As a prima facie case has been made out by the petitioner on the issue that SEIS Scrips issued by the issuing authority is still valid, the customs authorities have no jurisdiction to issue the show-cause notice and as such the Court orders for an interim stay of the show-cause notice till the disposal of the writ petition.

[Source: Hinduja Global Solutions Limited & Anr. Vs. Union of India & Ors. (Calcutta HC)]

GST demand quashed for non-speaking order ignoring reconciliation data

The Madras High Court has ruled in favour of the petitioner, setting aside a GST demand order issued by the State Tax Officer.

In this case, the allegation was that there was a mis-match between the petitioner's GSTR-2A and GSTR-3B returns for the tax period April 2019 to March 2020. The petitioner had sent reply to the SCN, annexing a detailed reconciliation report. However, petitioner's explanation was not considered and the respondent had confirmed the demand with interest at 18%

The petitioner had challenged the demand, arguing that it was issued without considering their response and supporting reconciliation report. Further, the petitioner questioned the order on the ground that detailed reply with reconciliation has been rejected with one line "taxpayer's reply was not accepted. Hence the above proposal is confirmed"

The Court observed that the reason for not accepting the explanation has not been spelt in the order. As such, the order is non-speaking order. Such an order cannot be

sustained.

[Source: R A Metal Finishers Private Limited Vs State Tax Officer (Madras High Court)]

GSTAT non-Constitution: Calcutta HC stays GST demand recovery

The Calcutta High Court has granted interim relief, staying the enforcement of a tax demand issued by the Appellate Authority. The petitioner challenged the order dated October 24, 2024, arguing that tax recovery should be halted until the GST Appellate Tribunal (GSTAT) becomes operational.

[Source: Balaram Halder Vs State of West Bengal & Ors. (Calcutta High Court)]

Knowledge Katta

Year-end GST related activities planning - FY 2024-25

As we approach to the end of FY 2024-25, we need to check certain GST related activities which would ensure smooth transition to FY 2025-26. This would also ensure that the Annual Returns in Form GSTR-9 / 9C which are to be filed by 31st December, 2025, reflect true and correct information to be disclosed in the Returns. The following is gist of few key activities which are crucial for maintaining smooth and lawful functioning of the business.

Reconciliation of Inward Supplies:

Inward supplies would include purchases of goods and services or both, expenses invoices and purchases which are subject to RCM etc.

- Reconciliation of GSTR-2B vis-à-vis inward supplies declared in GSTR-3B.

- Closing balance of ITC as per books of accounts Vs closing balance as per GST portal.

- Reconciliation of E- Credit Ledger with books of accounts for FY 2024-25

- Follow up with suppliers for the invoices yet to be received.

- Follow up with suppliers for the outward supplies which are not yet populated in GSTR-2B.

- Review the outstanding statement of suppliers to check the status of any payment which was pending beyond 180 days from the date of issuance of supplier's invoice. ITC availed against those invoices whose payment are not released within 180 days needs to be reversed along with interest @ 18%. (ITC can be re-availed after making payment).

- Identify inward supplies which are ineligible for ITC and reverse the same with interest at 18%. (However, if the said ITC has not been utilised, no interest & penalty is leviable).

- Cross verify the amount of GST TDS/TCS credit with books / E-Cash ledger.

- Yearly calculation of reversal of ITC as per Rule 42. In case of any reversal of common Input Tax Credit on account of exempted supplies as per Rule 42, after having undertaken monthly reversal, the annual calculation is required to be done and any excess reversal or short reversal should be duly accounted for in GST returns for March 2025. In case of delay in reporting of additional reversal, if any, Interest would apply from 1st April 2024 onward for common ITC reversals to be done in F.Y. 2024-25

- Filing of GSTR 3B for inward supplier to avoid ITC reversal under rule 37A (Rule 37A of GST provides that the GST-registered buyers of goods and services must reverse Input Tax Credit claimed before when their corresponding supplier fails to deposit such taxes in their GSTR-3B within a defined time. The said amount of input tax credit shall be reversed by the said registered person, while furnishing a return in FORM GSTR 3B on or before the 30th November following the end of financial year. However, ITC of the same can be re-claimed once the corresponding tax is paid by supplier.

Reconciliation of Outward Supplies:

- Reconciliations of outward supplies as reported in GSTR 1 Vs GSTR 3B vs Books of accounts.

- Reconciliation of Sales Register Vs Online Invoices Vs E-way Bills.

- Reconciliation of the amount of taxes paid GSTR 3B as well as declared in GSTR 1 during the FY 2024-25 with books of accounts. In case, there is any shortfall, the

same should be paid / deposited.

- Check correctness of GST paid on advances received during FY 2024-25 against the supply of services made or agreed to be made and adjustments thereof, if any.

- Identify mistakes or omissions made in GSTR-1 or GSTR 3B returns (like uploading wrong GSTIN, submitting B2C invoices instead of B2B invoices, omitted invoices, etc.) and amend / rectify the same in return for the month of March 2025.

- Review the correct HSN/ SAC code and GST rate has been opted.

Reverse Charge mechanism (RCM):

- Review the transactions covered under RCM (like import of Services, sitting fees paid to directors, GTA, security services, rent a cab, advocate fees, etc.) from registered suppliers as well as unregistered suppliers and check discharge of tax liability under RCM.

- Check issue of self-invoice in respect of supplies received from unregistered persons.

Declarations to be taken from Goods Transport Agency (GTA) for opting to pay GST under Forward Charge:

- For the FY 2025-26, declarations filed by the Goods Transport Agency (GTA) for opting to pay GST under Forward Charge should be obtained and kept in record to justify the reason for non-payment of GST under RCM.

GST Refund:

- Ensure that application for GST Refund is made well within time.

- Check the status of processing of refund claim and check if GST Refund has been credited to bank account in accordance with GST Refund procedure.

Material sent for Job work:

- Check whether the material sent for job work has been returned within the prescribed time limit (i.e. for Inputs – 1 year and for Capital goods – 3 years).

Goods sent on Approval Basis:

- Check whether the goods sent on approval basis has been either returned within 6 months or sold on issuance of tax invoice or not.

Reset Invoice Number Series:

- As per the GST advisory released in 2019, with the start of the new financial year, GST taxpayers should start a new invoice series, unique for the financial year. Similar provision is there in Rule 49 of the CGST Rules 2017, in respect of the issue of Bill of Supply by registered taxpayers availing Composition Scheme or supplying exempted goods or services or both. If the provisions of Rule 46 or Rule 49 are not adhered to, apart from being a compliance issue, taxpayers may face problems while generating E-Way Bill on the E-way bill system or furnishing their Form GSTR 1 or applying for a refund, etc.

Opt-in or out of GST Schemes:

- QRMP Scheme under GST
- Composition Scheme under GST

LUT – Exports / Supply to SEZ:

- The validity of an LUT is generally of a financial year i.e. the LUT filed during FY 2024-25 is valid only till 31st March, 2025. Accordingly, a fresh LUT is need to be furnished by 31ST March,2025 or before supply for Exports / SEZ.

Export of Goods / Services with payment of Tax and inward remittance thereof:

The exporter has two options –

1. Pay IGST on exports and then claim refund of the same once Export is executed. Or
2. Export of Goods / services, under LUT (Without payment of tax), here refund of ITC involved in the goods / services can be claimed.

However, as per the amended provision, in case refund for export is claimed and export proceeds (both for goods / services) is not received as per time limit under Foreign

Exchange Management Act (FEMA) regulation (within 9 months from the date of issue of invoice for export) –

- The person shall deposit the amount so refunded, to the extent of non – realization of sale proceeds, along with applicable interest within 30 days of expiry of the said period of FEMA. and

- Where the sale proceeds are realized by the applicant, in full or part, after the amount of refund has been recovered from him under sub-rule (1) and the applicant produces evidence about such realization within a period of three months from the date of realization of sale proceeds, the amount so recovered shall be refunded by the proper officer, to the applicant to the extent of realization of sale proceed.

So, need to check for the exports executed in F Y 2023-24 or initial period of 2024-25, for which time limit of FEMA is expired. In such case, if refund was received but the export proceed are not received, then deposit the refund to the extent of unrealized export proceed, to avoid additional interest burden.

Physical Stock Checking:

- There should be no difference in physical stock and stock as per the books of accounts.
- Look into ITC reversals with respect to goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples.

ISD registration:

- Taxpayers having multi -State GST registration will have to get themselves registered as Input Service Distributor (ISD) for distributing common ITC credit among its branches located in different States.
- For implementing the new ISD mechanism, the assesses will have to wait for the mechanism to be prescribed for such payment and distribution.

E-invoice Registration:

- For all those taxpayers whose Aggregate PAN based Turnover exceeds Rs 5 Crores during FY 2023-24 for the first time from the introduction of GST has to generate and

issue E-invoice from 01st April 2024.

- Those who are covered as described above are required to take E-invoice registration on Invoice Registration portal (<https://einvoice1.gst.gov.in/Home/Login>) and start generating E-invoice.

E-invoice status validation for all suppliers:

In case supplier is required to issue E-invoice, but does not do so, it will result in claim of ITC on the basis of invalid documents and reversal of ITC shall be demanded by the Department from the recipient of Goods / Services.

Therefore, A taxpayer (recipient) shall ensure the applicability of E-invoicing to its vendors. Taxpayer shall follow the below steps:

- a. Step 1: Visit the e-invoice portal.
- b. Step 2: Go to the search tab and select "e-invoice status of taxpayer".
- c. Step 3: Enter the GSTIN of supplier and the captcha code. Click Go.

This status is based on the turnover reported by a GSTIN in its GSTR-3B. However, it should be noted that the enablement status on the e-invoice portal doesn't mean e-invoicing is applicable to a particular taxpayer. If a particular category of the taxpayer is exempt from e-invoicing, then the e-invoicing enablement status can be ignored.

SEZ Endorsement for supply made without GST copies:

- As per the amendment In IGST Act 2017, supply of Goods / Service made to the SEZ units / developers will be considered as Zero-rated supply (No GST), only if, same are received for the authorized operation of unit. Thus, to ensure that Goods / Service are used for authorized operation, it is important to take the endorsement by The Commissioner / Appropriate authority from SEZ unit / developers.

1% Cash payment conditions validation:

As per the Rule 86B of CGST-2017, taxable persons can use electronic credit ledger for making payment of Outward Tax liability up

to 99% of the outward tax and 1% is compulsorily to be paid from Cash ledger. However, this provision shall not be applicable in case where -

a. Value of Domestic Supply (excluding Exempt Supply) for a GSTN is below Rs. 50 Lakh, for current Month.

b. If the specified persons as mentioned in rule have paid more than 1 lakh as Income Tax under Income Tax Act, 1961.

c. If the registered person has received a refund of amount greater than Rs.1 lakh in the preceding financial year on account of export under LUT or due to inverted tax structure.

d. If the registered person has discharged his output tax liability by electronic cash ledger for an amount in excess of 1% cumulatively up to the said month in the current financial year.

e. If the registered person is Government Dept, PSU, Local authority, Statutory Authority.

Way Forward:

- Critically looking into above listed year end GST related activities is of paramount Importance for navigating the year-end process smoothly. With careful planning and compliance, businesses can look forward to a successful and financially sound new fiscal year.

- Further, it is essential to stay updated with regulatory changes and seek professional advice when needed to ensure seamless compliance with GST laws.

Statutory Compliance Calendar - April 2025			
Indirect Tax Laws and SEZ, EOU, STP, Non-STP, SHTP Units etc			
Legislation	Cut Off Date	Frequency	Particulars (Returns / Form)
GST	11	Monthly	Outward Supply Return in Form GSTR- 1
GST	20	Monthly	Summary Return in Form GSTR-3B
GST	10	Monthly	Statement of TCS in Form GSTR-8
SEZ	10	Monthly	Service Export Reporting Form (SERF)
SEZ	15	Monthly	Monthly Performance Report (MPR)
SEZ	Within 30 days from the last date of the export invoice	Monthly	SOFTEX
SEZ	10th of Every Month	Monthly	BLUT Reconciliation and Bond register submission(physical copy)
SEZ	Within 30 days from the end of half year	Half Yearly	Half yearly Performance Report (HPR)
SEZ	Within 30 days from the end of Quarter	Quarterly	Quarterly Performance Report (QPR)
SEZ	10	Monthly	DTA Service Procurement Form (DSPF)
STPI	10	Monthly	Service Export Reporting Form (SERF)
STPI	10	Monthly	Monthly Performance Report (MPR)
STPI	Within 30 days from the last date of the export invoice	Monthly	SOFTEX
Non-STP	10	Monthly	Service Export Reporting Form (SERF)
Non-STP	10	Monthly	Monthly Performance Report (MPR)
Non-STP	Within 30 days from the last date of the export invoice	Monthly	SOFTEX
Customs	10	Monthly	Form A
Customs	10	Quarterly	Quarterly Return
Customs	10	Six Monthly	Six Monthly Return
Notes:			
Refund of ITC - Application in FORM GST-RFD-01 to be filed within 2 years from the date of Export			
Reply to the notice issued by the Department - Reply to be filed within the time period as specified in the notice			

Disclaimer:

For Private Circulation Only.

The contents of this newsletter are meant for updating our clients on legal developments and enhancing their knowledge on important issues relating indirect taxation including GST, Customs, SEZ, NON STPI Units, matters administered by DGFT, Customs SVB etc.

The contents of this newsletter should not be considered as our opinion on the subject. Should you need our opinion on any of the matters covered in this newsletter, we would be happy to provide our opinion on receipt of your reference.