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Newsletter

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From the Desk of the Director

Dear All,

The GST ecosystem in India continues to evolve — recent changes by GSTN and the Government are sharpening compliance norms while also offering reliefs to taxpayers. As we move into December, it's important for businesses to stay alert, adapt quickly, and ensure compliance.

📌 November 2025 – Key GST Updates

Mandatory Bank Account Update under Rule 10A — In an advisory issued on 20 November 2025, GSTN clarified that registered taxpayers (except certain exempt categories) must furnish valid bank-account details on the GST portal. Non-compliance may lead to suspension of GST registration.

Time-Bar on Pending Returns (3-Year Rule Enforced) — Effective November 2025 tax period, GSTN will bar filing of any returns (monthly, quarterly, annual) that are overdue by three or more years from the original due date. Business / tax-paying entities must check their return history and complete outstanding filings before they become non-fileable.

Simplified GST Registration Scheme Introduced — From 1 November 2025, a new scheme under Rule 14A allows small/low-risk taxpayers (with output tax liability below a prescribed threshold) to avail speedy registration. Applicants who opt in and comply with Aadhaar authentication may obtain registration electronically within three working days.

We remain committed to keeping you informed with timely, accurate and actionable updates. As always, feel free to reach out if you need assistance navigating these changes or aligning them with your business operations.

Warm regards,
The Director

Sunil Nair
Director

News

GST Simplified Registration Scheme

From 1 November 2025, the Government has introduced a Simplified GST Registration Scheme under GST 2.0, offering automatic registration approval within three working days through a data-driven system. The scheme is meant for low-risk applicants and small businesses with a self-assessed monthly GST liability of up to ₹2.5 lakh, covering nearly 96% of new registrants. Aadhaar authentication is mandatory to use this fast-track route. The scheme is voluntary, with an option to withdraw using Form GST REG-32/33 if liability increases. These provisions are enabled through Rule 9A and Rule 14A, notified under Notification No. 18/2025–Central Tax.

Source: Business Standard (12 Oct 2025), Notification No. 18/2025–Central Tax (effective 1 Nov 2025)

Mandatory Bank Account Update in GST (Rule 10A)

The GSTN has issued an advisory on 20 November 2025 enforcing Rule 10A of the CGST Rules, requiring all registered taxpayers except those under TCS, TDS or suo motu registrations to update their bank account details on the GST portal. The details must be furnished within 30 days of GST registration or before filing the first GSTR-1/IFF, whichever is earlier, through a non-core amendment. Failure to update may result in suspension of registration via Form REG-31, though the suspension will be automatically revoked if the bank details are added within 30 days of the notice. Continued non-compliance beyond this period may lead to cancellation of registration. This rule aims to improve verification, prevent fake registrations, enable correct refund processing, and avoid disruption in filing GSTR-1 or IFF.

(Source: <https://www.gstindiaonline.com>)

Pending GST Returns Older Than 3 Years Barred

From the November 2025 tax period onwards, GST returns that have remained unfiled for more than three years will become time-barred and can no longer be filed on the GST portal. This restriction applies to all major return types monthly, quarterly, and annual whose due dates are at least three years old. Taxpayers with such pending historical returns have been strongly advised to complete filing immediately to avoid permanently losing the option to submit them. This step is aimed at clearing long-pending backlogs and improving overall GST compliance.

Source: The Times of India (Nov 2025)

Legal Update

RBI Extends Export Proceeds Timeline under FEMA

The Reserve Bank of India, through the Foreign Exchange Management (Export of Goods and Services) Second Amendment Regulations, 2025, has extended key timelines to ease compliance for exporters. The period for realization and repatriation of export proceeds has been increased from the earlier limit of **nine months to fifteen months** from the date of export. Similarly, the permissible time for shipment of goods against advance payments has been significantly enhanced from **one year to three years**. These relaxations are aimed at supporting exporters with additional flexibility and reducing pressure in meeting FEMA timelines. The amendments take effect immediately from the date of publication in the Official Gazette.

[Source: RBI Gazette Notification – FEMA 23(R) Second Amendment Regulations, 13 Nov 2025.]

Maharashtra GCC Policy 2025

The Maharashtra Government has launched the Maharashtra Global Capability Centre (GCC) Policy 2025 to establish the state as a premier destination for multinational GCCs. The policy, valid until FY 2029–30, targets

the creation of 400 new GCCs and nearly 4 lakh high-skilled jobs. It offers a wide range of fiscal incentives such as capital subsidies, rental assistance, payroll subsidies, interest subsidies, and power tariff benefits to encourage investment. Alongside this, the policy provides non-fiscal support including single-window clearances, self-certification for compliance, 24/7 operational flexibility, and priority allotment of land in designated IT and GCC parks. The initiative also promotes the expansion of GCCs in Tier-2 and Tier-3 cities like Nashik, Nagpur, and Chhatrapati Sambhajnagar. Overall, the policy aims to attract large-scale foreign investment, strengthen innovation, and further enhance Maharashtra's position as a global capability hub.

[Source: Maharashtra Global Capability Centre (GCC) Policy 2025– Government of Maharashtra]

New labour codes implemented across the country effective 21 November 2025

The Government of India has officially implemented all four new Labour Codes– Code on Wages, Industrial Relations Code, Social Security Code, and the Occupational Safety, Health and Working Conditions Code effective 21 November 2025. These Codes replace 29 older labour laws and aim to modernize India's labour framework through simplification, universal social security, and improved worker protection. With the new regime, appointment letters will become mandatory for all categories of workers, wages must be paid on time, and social security coverage will expand to include gig, platform, and fixed-term workers. Women are now permitted to work night shifts with adequate safety measures, and minimum working condition standards apply across sectors. Employers will benefit from reduced compliance through single registration, single licence, and single return systems. The implementation marks a significant step toward a transparent, equitable, and future-ready labour ecosystem across the country.

(Source: Implementation of Labour Codes – Ministry of Labour & Employment)

IEC Registration Process Overhauled as DGFT Issues New Guidelines

DGFT has issued Public Notice No. 32/2025-26 on 20 November 2025 announcing an update to the IEC (Importer Exporter Code) application process. The procedure under Para 2.08 of the Handbook of Procedures has been revised, and a **new ANF-2A form** has been introduced. This new form now includes all the details that were earlier taken through ANF-1A. As seen in the notification, the updated ANF-2A requires applicants to provide additional information such as PAN-linked bank accounts, branch/factory locations, nature of export/import activities, and specific declarations. The purpose of this revision is to simplify the IEC process by combining all required details into one comprehensive form and improving verification. These changes take effect immediately from the date of the notification.

(Source: DGFT Public Notice No. 32/2025-26 dated 20 November 2025 Handbook of Procedures Amendment)

MCA Plans Audit Exemption for Companies with Turnover up to ₹1 Cr

The Ministry of Corporate Affairs (MCA) is considering a major compliance relaxation by exempting companies with an annual turnover of up to ₹1 crore from mandatory statutory audit. According to information shared with ETCFO, the exemption is likely to be introduced through an amendment to Section 139 of the Companies Act during the upcoming Winter Session of Parliament. If approved, this would mark the first turnover-based audit exemption under Indian company law. Currently, all companies regardless of size or revenue must appoint an auditor and undergo an annual statutory audit. The proposed change aims to ease compliance burdens on micro and small companies and streamline regulatory processes.

[Source: ETCFO exclusive report (anonymous MCA officials)]

Case Law

GST Refund Allowed: SC Confirms KC Overseas Provided Export of Services

The Supreme Court dismissed the Special Leave Petitions filed by the Union of India against the Bombay High Court's decision granting GST refund to KC Overseas Education Pvt Ltd. The High Court had held that the company was providing services to foreign universities, and since the consideration was received in foreign currency, the activity qualified as export of services. The Supreme Court found no reason to interfere, especially in light of its earlier rulings in Vodafone India Ltd. (2025) and Blackberry India Pvt Ltd. (2024), which had taken a similar view on export-of-service classifications. Consequently, the Court upheld KC Overseas' eligibility to claim GST refunds, subject to the condition that payment is received in convertible foreign exchange.

[Source: The Union of India & Ors vs. KC Overseas Education Pvt Ltd (Supreme Court of India)]

Wooden Craft Wins Relief as HC Orders Reassessment After Hearing: Delhi High Court

The Delhi High Court set aside an assessment order issued against Wooden Craft for a GST demand of ₹72,99,391 for FY 2019-20 and remanded the matter for fresh consideration. The petitioner argued that the Show Cause Notice (SCN) and subsequent reminders were placed only under the "Additional Notices" tab on the GST portal, and therefore were never actually received, resulting in no opportunity to file a reply or attend a personal hearing. The Court rejected the contention regarding the portal tab structure, noting that after the GST portal update of 16 January 2024, SCNs appearing under the "Additional Notices" section are validly served. However, since no reply had been filed and no personal hearing was granted, the Court held that principles of natural justice required the matter to be remanded. The assessment order was therefore set aside, subject to the petitioner paying costs of ₹20,000. The petitioner has

been allowed time until 15 December 2025 to file a detailed reply to the SCN, after which the Adjudicating Authority must issue a fresh hearing notice and pass a new order. The Court left open the issue of the validity of the challenged GST notifications, pending decisions before the Supreme Court and the Delhi High Court in related matters.

[Source: *Source: Wooden Craft vs. Commissioner of Delhi Goods and Service Tax & Ors (Delhi High Court)*]

DTA-to-SEZ Supplies Treated as Exports, No Export Duty: Supreme Court

The Supreme Court dismissed the civil appeals filed by the Union of India challenging multiple High Court judgments that had held that no export duty can be levied on supplies made from Domestic Tariff Area (DTA) to Special Economic Zone (SEZ) units. The Court examined Section 12 of the Customs Act, 1962 along with key definitions and provisions of the SEZ Act, 2005, including Sections 2(i), 2(m), 2(za), and 51. It agreed with the consistent view taken by the High Courts of Gujarat, Andhra Pradesh, Karnataka, Madras, and Bombay, holding that supplies from DTA to SEZ units are treated as “exports” under the SEZ Act and therefore cannot attract export duty. In conclusion, the Supreme Court upheld the earlier rulings and dismissed all civil appeals filed by the Union of India.

[Source: *Union of India through Secretary and Others vs. M/s. Adani Power Ltd. (Supreme Court of India)*]

Pre-Consultation Not Mandatory Under Amended Rule 142(1A): Delhi HC

The Delhi High Court dismissed the writ petition filed by M/s Swarn Cosmetics challenging the GST Show Cause Notice dated 21.11.2024 and the consequential order dated 23.02.2025 for FY 2020–21. The petitioner argued that the SCN and order were not duly signed, that a pre-consultation notice under Rule 142(1A) was not issued, and that the validity of Section 16(2)(c) of the CGST Act was already under challenge in

a pending batch of cases. The Court held that digital signatures affixed through the GST portal constitute valid authentication, and the presence of the officer’s name and designation ensures legitimacy. It further clarified that after the amendment, issuance of a pre-consultation notice is discretionary and not mandatory. Since the constitutional challenge to Section 16(2)(c) is pending in Bharti Telemedia Ltd., the Court directed the petitioner to avail the statutory appellate remedy under Section 107 of the CGST Act. The Court also permitted that if the appeal is filed by 30 November 2025, it shall not be treated as time-barred.

[Source: *M/s Swarn Cosmetics (India) vs. Union of India and Ors. (Delhi High Court)*]

Punjab & Haryana HC Grants Bail in ₹48.92 Crore ITC Fraud Case

The Punjab & Haryana High Court granted regular bail to Dipanshu Anand, who had been arrested on 03.07.2025 for alleged fraudulent avilment of Input Tax Credit amounting to ₹48.92 crore through bogus invoices, resulting in an estimated tax evasion of ₹7.46 crore under Section 132(1)(c) of the CGST Act. Earlier bail applications had been rejected by the lower courts. The High Court observed that the offences are compoundable under Section 138 of the CGST Act and carry a minimum imprisonment of six months and a maximum of five years. Emphasising that bail is the rule and refusal an exception—even in economic offences—the Court noted that the petitioner had voluntarily deposited ₹2.48 crore towards the alleged liability and that the actual quantum of wrongful ITC was yet to be determined through adjudication. Since the evidence in the case is largely documentary or electronic and there was no risk of tampering, influencing witnesses, or absconding, the Court found it appropriate to grant bail.

[Source: *Dipanshu Anand vs. Principal Commissioner, Central GST, Ludhiana & Another (Punjab & Haryana High Court)*]

GST Registration Cancellation Matter Sent Back for Compliance Review

The Gujarat High Court considered a petition filed by Vasantbhai Narayandas Panchal challenging the cancellation of his GST registration for non-filing of returns for six consecutive months. Although the petitioner had deposited ₹10,20,987 along with interest and late fees and expressed readiness to clear any remaining dues, his appeal was dismissed due to delay. The Court noted that the petitioner had filed GSTR-3B up to June 2023 and GSTR-1 for September 2023, declaring a liability of ₹14,63,427. After adjusting available ITC of ₹7,15,718, his net tax liability was ₹7,47,709, against which he had already deposited ₹10,11,081 an amount verified by the authorities. Recognizing that the substantial liability had been discharged, the Court directed the authorities to allow uploading of GSTR-3B for September 2023, adjust the deposited amount towards tax, interest, and late fees, and submit a compliance report. The matter has been posted for further hearing on 03.10.2025.

[Source: *Vasantbhai Narayandas Panchal vs. State of Gujarat & Ors (Gujarat & Ahmedabad High Court, 2025)*]

GST Registration to Be Restored Upon Tax Deposit, Says MP High Court

The Madhya Pradesh High Court directed revival of the GST registration of M/s Darshan Housing and Finance, which had been cancelled for non-filing of returns for six months. The petitioner explained that delays occurred during the COVID-19 period, which was covered under the Supreme Court's extension of limitation. There was no allegation of fraud or misrepresentation, and the petitioner had already deposited substantial tax amounts, including ₹25.33 lakh frozen in the bank account, against an admitted liability of ₹41.20 lakh. The Court observed that authorities acted mechanically and held that registration can be revived once the admitted tax is paid. It directed the petitioner to deposit the entire tax within one month using frozen funds if necessary after which registration must be restored. Penalty and interest may be paid in

12 instalments, and pending returns must be filed thereafter. Failure to comply will allow recovery as per law.

[Source: *M/s Darshan Housing and Finance vs. CBIC & Others (MP High Court)*]

ITC Blocking Cannot Convert to Negative Entry: Orissa HC

The Orissa High Court held that inserting a "negative balance" in the electronic credit ledger while invoking Rule 86A is impermissible. M/s Atulya Minerals argued that the department blocked its electronic credit ledger and also inserted a negative entry to appropriate future ITC. Relying on the Telangana High Court's ruling in *Laxmi Fine Chem*, the Court reiterated that Rule 86A allows only temporary blocking of available credit for up to one year, not creating negative entries. The revenue admitted that investigation was ongoing but could not justify negative blocking. The Court clarified that Rule 86A is only a security mechanism; if recovery is needed, proceedings must be initiated under Sections 73/74 of the CGST Act. The ledger restriction will automatically expire after one year if not lifted earlier.

[Source: *M/s. Atulya Minerals Jurudi, Keonjhar vs. Commissioner of State Tax (Orissa High Court)*]

GST Limitation Under Section 54 Not Applicable to Unauthorised Tax

The Andhra Pradesh High Court held that the limitation period under Section 54 of the CGST Act does not apply when tax is collected without authority of law. NSPIRA Management Services, which ran hostels for students, paid GST on renting residential dwellings, though such renting is exempt under Notification 12/2017. Its refund claims for the period July 2017 to June 2022 were rejected as time-barred. The Court ruled that GST collected on exempt residential rent violates Article 265 of the Constitution, as amounts collected without authority are not "tax" and therefore cannot be subjected to the two-year limitation. Relying on *Comso Energy* and *Louis Dreyfus*, the Court set aside the deficiency memos and

directed authorities to process refunds on merits within four weeks.

[Source: *NSPIRA Management Services Pvt Ltd vs. Assistant/Deputy Commissioner of Central Tax (AP High Court)*]

Knowledge Katta

GSTR-9 ITC Reversal & Reclaim

Reporting Input Tax Credit (ITC) in GSTR-9 requires careful classification because ITC may be claimed, reversed, or reclaimed across different financial years. For ITC pertaining to the **current financial year**, the original claim must be disclosed in Table 6B, temporary reversals in Table 7 (including Rule 37 and Rule 37A reversals), and any reclaim of such temporarily reversed credit is reported in Table 6H. When ITC relating to a **preceding financial year** is first claimed or reclaimed during the current year, it should be reported in Table 6A1 or Table 6H depending on whether the reclaim relates to Rule 37/37A or other reasons.

For ITC of the **current year that is claimed for the first time in the next financial year**, the reporting is shifted to Table 13 and Table 8C. However, an important exception applies: any reclaim of ITC under Rule 37 or Rule 37A made in the next year must **not be reported anywhere in the current year's GSTR-9**, not even in Table 8C, while other types of reclaims may appear only in Table 13. These rules reflect the principle that GSTR-9 captures the annual ITC position without permitting duplication or mismatch across years.

Rule 37 deals with ITC reversal where the recipient has not paid consideration to the supplier within 180 days, whereas Rule 37A relates to reversal due to non-payment of tax by the supplier. Proper classification and placement of each type of ITC movement in GSTR-9 is essential to avoid mismatch with GSTR-2B/3B, prevent system-generated discrepancies, and reduce the chance of scrutiny or notices.

What Should Be Reported in Table 8C of GSTR-9 (FY 2024-25)

Table 8C of GSTR-9 is meant to capture only

that Input Tax Credit (ITC) of FY 2024-25 which is availed in the next financial year, i.e., between April 2025 and October 2025, and only to the extent that such ITC has been reflected and claimed through GSTR-3B in that period. When taxpayers follow Circular 170/02/2022 the most common approach Table 8C should include ITC relating to FY 2024-25 that appears in GSTR-2B during April–October 2025 and is availed, reversed, or reclaimed in the same period. ITC that had already appeared in GSTR-2B during April 2024–March 2025 must not be reported in Table 8C even if reclaimed later; such credit belongs in Table 13. For taxpayers not following Circular 170, Table 8C additionally includes FY 2024-25 credits that were not availed or were reversed during FY 2024-25 and later directly availed in April–October 2025. In rare cases where the Invoice Management System (IMS) is used, Table 8C must include FY 2024-25 invoices marked “pending” till March 2025 and later accepted/availed in April–October 2025, along with any FY 2024-25 ITC that appears in GSTR-2B for the same period. Proper classification is essential because Table 8C drives automated reconciliations and any misreporting may trigger scrutiny or notices.

Table 8C of GSTR-9 is specifically meant to capture Input Tax Credit (ITC) pertaining to FY 2024–25 that is availed in the subsequent financial year, i.e., from April 2025 to October 2025. This table reflects only those invoices of FY 2024–25 which appear in the GSTR-2B of this period and are claimed for the first time in the corresponding GSTR-3B returns. ITC that has already appeared in the GSTR-2B of April 2024 to March 2025 must not be reported in Table 8C, even if it is reclaimed later in FY 2025–26; such credits are to be reported in Table 13 instead. Similarly, reclaims under Rule 37 or Rule 37A made in the next financial year are not to be reported anywhere in the current year's GSTR-9. Because Table 8C forms the basis for annual ITC reconciliation, correct reporting is critical to avoid mismatches, scrutiny, and automated departmental notices.

Statutory Compliance Calendar - December 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
GST	13th of Next Month	Monthly	Monthly Return to be filed by Input Service Distributors in Form GSTR-6
GSTR 9	31	Annual Return	GSTR-9 is the annual return filed by regular GST taxpayers for a financial year.
GSTR 9C	31	Reconciliation Statement	GSTR-9C is a reconciliation statement filed by taxpayers whose turnover exceeds ₹5 crore.
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	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
Notes:			
Refund of ITC - Application in FORM GST-RFD-01 to be filed within 2 years from the date of Export			

Reply to the notices issued by the Department - Reply to be filed within the time period as specified in the notice

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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.

