

**SUPPLEMENTARY FOR DECEMBER 2025
TERM OF EXAMINATION**

PAPER - 19

INDIRECT TAX LAWS AND PRACTICE

SYLLABUS 2022

STATUTORY UPDATES

FOR

DECEMBER 2025 EXAMINATION

(Amendments incorporated from 1st December 2024 to 31st May 2025)



**SUPPLEMENTARY_PAPER 19_FOR DEC 2025
TERM OF EXAMINATION_SYLLABUS 2022**

SECTION- A

GOODS AND SERVICES TAX (GST) ACT & RULES



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Scope of Supply

1. **Circular No. 243/37/2024-GST dated 31st December 2024, relating to the GST treatment of vouchers, including their distribution, breakage, and service components.**

References have been received from the trade and industry as well as the field formations seeking clarity on various issues with respect to vouchers such as whether transactions in voucher are a supply of goods and/or services, whether GST is leviable on trading of vouchers by distributor/sub-distributor and whether unredeemed vouchers (breakage) are taxable. It has been represented that the field formations are taking different views on these issues leading to ambiguity and litigations.

Accordingly, in view of the difficulties being faced by the trade and industry and to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), hereby clarifies the issues, as below.

Here is a **comprehensive numerical example** covering **all four issues** clarified under **Circular No. 243/37/2024-GST dated 31st December 2024:**

✓ **ISSUE 1: Is voucher supply of goods or services?**

□ **Scenario 1:**

Voucher is a RBI-regulated Prepaid Instrument (PPI)

- **M/s X Pay Solutions Pvt. Ltd.** issues digital gift cards (vouchers) recognized as PPIs under RBI Master Directions.
- Each gift card has stored value of **₹1,000**, purchased by customers to be redeemed at listed merchants.
- The card is used purely as a payment instrument and carries an obligation to be accepted for listed goods/services.

□ **GST Treatment:**

- As per Circular Para 3.4 → **PPIs recognized by RBI** qualify as “**money**” under Section 2(75).
- “Money” is excluded from definitions of **goods/services** under Sections 2(52)/2(102).
- **Trading in such vouchers = not a supply** → **No GST** on voucher itself.

□ **Scenario 2:**

Voucher not covered by RBI (non-PPI)

- M/s Deal Mart issues **own printed discount vouchers** worth ₹2,000, redeemable only at its stores.
- The voucher has no RBI recognition; it just assures the bearer can claim specific goods listed.

□ **GST Treatment:**

- As per Para 3.5 → It is an “**actionable claim**” (not “specified” as per Sec 2(102A)).
- As per **Schedule III Entry 6**, actionable claims (other than lottery, betting, gambling) = **neither supply of goods nor services.**



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- **Trading in such vouchers = No GST.**
- However, supply of underlying goods and/or services, for which vouchers are used as consideration or part consideration, may be taxable under GST.

Therefore, it is clarified that irrespective of whether voucher is covered as a pre-paid instrument recognized by RBI or not, the voucher is just an instrument which creates an obligation on the supplier to accept it as consideration or part consideration and the transactions in voucher themselves cannot be considered either as a supply of goods or as a supply of services.

✓ISSUE 2: Distribution of vouchers – P2P vs Commission

□ Model A:

Principal-to-Principal (P2P)

- **M/s Galaxy Distributors** purchases 10,000 prepaid gift cards (₹500 each) from **M/s Voucher King Pvt. Ltd.** at ₹475 each.
- Sells them to corporates at ₹490 each.

Particular	Value (₹)
Cost Price per voucher	₹475
Selling Price per voucher	₹490
Trading Margin per voucher	₹15
Total Vouchers	10,000
Total Trading Margin	₹1,50,000

□ GST Treatment:

- Distributor owns the vouchers and sells them independently.
- As per Para 4.2.1 → **No GST on voucher trading**, since the voucher is not a supply.

□ Model B:

Commission-based Distribution

- **M/s Digi Agent Services** promotes vouchers of **M/s Shop On Pvt. Ltd.**
- Earns ₹10 per voucher as **commission** for marketing 5,000 vouchers.

Particular	Value (₹)
Commission per voucher	₹10
Total vouchers promoted	5,000
Total Commission	₹50,000
GST @ 18%	₹9,000

□ GST Treatment:

- As per Para 4.3 → Commission agents are providing **service** to the voucher issuer.
- ✓GST payable on ₹50,000 at applicable rate (₹9,000).



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✓ISSUE 3: Additional Services – Branding, Marketing, Tech

□ Scenario:

- M/s Alpha Promo Pvt. Ltd. provides marketing & tech support to M/s Gift Hub Pvt. Ltd. (voucher issuer)
- Receives ₹2,00,000 as monthly affiliate charge.

□ GST Treatment:

- As per Para 5.1 → GST is payable on ₹2,00,000 as it is supply of marketing & tech services.
- GST @18% = ₹36,000

✓ISSUE 4: Unredeemed Vouchers (Breakage)

□ Scenario:

- M/s Reward Wallet Pvt. Ltd. sells 20,000 vouchers @ ₹1,000 each = ₹2,00,00,000
- 16,000 vouchers redeemed, but 4,000 unredeemed till expiry
- Breakage income = ₹40,00,000

□ GST Treatment:

- As per Para 6.2–6.3:
 - Breakage is NOT consideration (as no supply occurs)
 - No agreement to forgo services for consideration
- ✓No GST on ₹40,00,000 breakage income

✓Summary Table:

Issue No.	Scenario	GST Applicable?	Remarks
1	Voucher is PPI (RBI recognized)	✗No	Falls under “money”
1	Voucher is not PPI but used to claim goods	✗No	Considered actionable claim
2	Distributor sells on own account (P2P)	✗No	Not a supply
2	Distributor earns commission	✓Yes	GST on commission
3	Marketing/branding support to issuer	✓Yes	GST @ applicable rate
4	Unredeemed vouchers (breakage)	✗No	Not consideration for any supply



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2. Circular No. 244/01/2025-GST dated 28th January 2025:

Here is a professional and simple numerical example illustrating the clarifications from Circular No. 244/01/2025-GST dated 28th January 2025, which deals with GST treatment on:

- Co-insurance premium apportionment by lead insurer to co-insurers
- Ceding/reinsurance commission adjustments by insurer to reinsurer

✓ISSUE 1:

Co-Insurance – Premium Apportioned by Lead Insurer to Co-Insurers

□ *Example:*

- **Policy Premium Paid by Customer (Insured):** ₹1,00,00,000
- **Lead Insurer:** M/s Secure Life Ltd.
- **Co-Insurers:** M/s Shield Insure Ltd. and M/s Bharat Cover Ltd.
- **Share of Risk:**
 - Secure Life: 50%
 - Shield Insure: 30%
 - Bharat Cover: 20%
- **GST on Premium:**
 - **Lead Insurer collects full premium (₹1 Cr) and pays GST (18%)**
→ GST Paid = ₹18,00,000
 - Co-insurers are reimbursed their share:
 - Shield Insure: ₹30,00,000
 - Bharat Cover: ₹20,00,000
- **Before Circular:**
 - Field formations treated premium shared with co-insurer as a **supply of service** → demanded GST again from lead/co-insurers

✓As per Circular Para 2(a):

- From **01.11.2024**, this **apportionment is covered under Schedule III** (neither supply of goods nor services)
- GST payable **only once by lead insurer** on the **full ₹1 Cr**, subject to condition that full tax is paid by lead
- **No GST** on amounts paid to co-insurers (₹50L)

✓ISSUE 2:

Reinsurance – Commission Deducted by Insurer

□ *Example:*

- **Insurer:** M/s Secure Life Ltd.
- **Reinsurer:** M/s Global Re Ltd.
- **Reinsurance Premium (Gross):** ₹20,00,000
- **Ceding Commission Retained by Secure Life:** 15% = ₹3,00,000
- **Net Amount paid to Reinsurer:** ₹17,00,000



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GST on Reinsurance Premium:

- Gross Premium = ₹20,00,000
- GST @18% = ₹3,60,000
- Paid by Reinsurer on full ₹20,00,000 including ceding commission

Earlier Doubt:

- Whether insurer (Secure Life) has to pay GST on ₹3L commission retained?

✓ **As per Circular Para 2(b):**

- From **01.11.2024**, where GST is paid by reinsurer on gross premium, ceding commission is **not treated as taxable supply** by insurer
- No separate GST required on ₹3,00,000 commission

ISSUE 3:

Regularization for Past Period (01.07.2017 – 31.10.2024)

Circular Para 4 Clarifies:

- These transactions (co-insurance apportionment and reinsurance commission deductions) are now **regularized** for the period **01.07.2017 to 31.10.2024**
- ✓ No recovery, refund, or further action will be required **“as is where is” basis**

✓ **Summary Table:**

Scenario	Party	Transaction	GST Treatment
Co-Insurance	Lead & Co-Insurers	Premium apportionment	✓ Only Lead pays GST on full amount; No GST on share transferred to co-insurers
Reinsurance	Insurer & Reinsurer	Ceding Commission	✓ Reinsurer pays GST on gross premium; No GST on ceding commission retained
Past Transactions	All Insurers	01.07.2017 to 31.10.2024	✓ Regularized “as is where is”; No further demand or refund

3. Pre-packaged and labelled [Notification No. 01/2025- Central Tax (Rate) New Delhi, dated 16th January 2025 (w.e.f. 16th January 2025)]:

The expression ‘pre-packaged and labelled’ means all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are ‘pre-packed’ as defined in clause (l) of section 2 of the Legal Metrology Act, 2009 (1 of 2010) where, the package in which the commodity is pre-packed or a label securely affixed thereto is required to bear the declarations under the provisions of the Legal Metrology Act, 2009 (1 of 2010) and the rules made thereunder.”.



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Meaning in Simple Words:

A product is treated as “pre-packaged and labelled”, and thus liable to GST, if:

- It is sold in packaged form to the end consumer
- The weight or volume is 25 kg/litre or less
- It has declarations like:
 - MRP
 - Net quantity
 - Name of manufacturer/packer
 - Customer care details, etc.

Example: GST Applicable on Pre-packaged Goods

M/s Akash Agro Foods sells rice in sealed plastic bags, each weighing 10 kg, to retail customers.

Particulars	Details
Product	Rice
Packing size	10 kg
Label on pack	Yes (MRP, net weight, brand, etc.)
Buyer	General retail buyer
GST Rate	5% (as per relevant rate notification)

Is it ‘pre-packaged and labelled’? → ✓ Yes

GST applicable? → ✓ Yes (5%)

Tax Calculation:

• Selling Price per Bag = ₹500 (exclusive of tax)

• GST @ 5% = ₹25

Total Invoice Value = ₹525 per bag (MRP – inclusive of tax)



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Reverse Charge Mechanism (RCM)

1. Notification No. 07/2025- Central Tax (Rate) New Delhi, the 16th of January 2025:

S. No.	Description of supply of service	Supplier of service	Recipient of service	Person liable to pay GST
4	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person “ other than a body corporate ” shall be inserted w.e.f. 16 th January 2025.	Any body corporate or partnership firm located in the taxable territory.	Recipient.
5AB	Supplies of renting of any immovable property other than residential dwelling	Any un-registered person	any registered person “other than a person who has opted to pay tax under composition levy” shall be inserted w.e.f. 16 th January 2025. For period 10.10.2024 to 15.01.2025 , RCM regularized on ‘as is where is’ basis.	Recipient.

Example 1: Entry S. No. 4 – Sponsorship Services (RCM)

Sponsor (Supplier): Mr. Rajeev (Individual, Proprietor, Unregistered)

Recipient: M/s Zenith Innovations Pvt. Ltd. (Private Ltd. Company registered under GST in Delhi)

Nature of Service: Sponsorship of corporate sports event

Date of Agreement: 20th January 2025

Sponsorship Amount: ₹5,00,000

Applicable GST Rate: 18%

Tax Analysis: Since the supplier is not a body corporate, and recipient is a body corporate, GST will be payable **under Reverse Charge by the recipient** as per amended Entry No. 4.

Computation:

Particulars	Amount (₹)
Sponsorship fees (payable to Mr. Rajeev)	₹5,00,000
GST @ 18% (to be paid by recipient under RCM)	₹90,000
Total Cost to recipient	₹5,90,000



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Example 2: Entry S. No. 5AB – Renting of Immovable Property (RCM)

Relevant Entry (w.e.f. 16th Jan 2025): Services of renting of immovable property (other than residential dwelling) by an unregistered person to a registered person (not under composition) – tax to be paid by recipient under RCM.

Scenario:

- **Landlord (Supplier):** Mr. Ramchandran (Unregistered Individual)
- **Tenant (Recipient):** M/s Axis Solutions (Registered under GST in Tamil Nadu; Not under composition scheme)
- **Property Type:** Commercial Office Premises
- **Monthly Rent:** ₹1,20,000
- **Lease Start Date:** 1st February 2025
- **GST Rate:** 18%

Tax Analysis: Since the supplier is unregistered, and the recipient is registered and not under composition, the recipient is liable to pay GST under RCM on the commercial rent from 1st Feb 2025.

Computation for February 2025:

Particulars	Amount (₹)
Rent (Payable to landlord)	₹1,20,000
GST @ 18% (RCM by recipient)	₹21,600
Total Cost to tenant	₹1,41,600



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Exemptions under the GST

1. Circular No. 245/02/2025-GST dated 28th January 2025

Here is a comprehensive set of numerical examples covering each point from Circular No. 245/02/2025-GST dated 28th January 2025, issued on the basis of the 55th GST Council recommendations.

✓ *Issue 1: GST on Penal Charges by Regulated Entities (REs)*

□ **Example:**

- Loan from NBFC: ₹10,00,000
- EMI due on 5th Jan 2025; paid on 15th Jan 2025
- Penal charge levied (not penal interest): ₹500

□ **Clarification:**

As per RBI instructions (effective 01.01.2024), this ₹500 is **not** for “tolerating an act” but is a **disciplinary charge** → not consideration for supply

✓ **GST Not Applicable** on ₹500 penal charge.

✓ *Issue 2: GST Exemption to Payment Aggregators for Transactions ≤ ₹2,000.*

Whether GST exemption under Sl. No. 34 of notification No. 12/2017-CTR dated 28.06.2017 is available to payment aggregators in relation to settlement of an amount, up to two thousand rupees in a single transaction, transacted through credit card, debit card, charge card or other payment card services?

□ **Example:**

- Customer makes payment of ₹1,950 via credit card on Flipkart.
- Flipkart uses PA: M/s Pay Connect Aggregators Ltd.
- Payment is settled by PA to merchant (not Payment Gateway).

□ **Clarification:**

Since:

- Amount ≤ ₹2,000
- Payment settled by PA (not just routed)
- PA is RBI regulated → qualifies as “acquiring bank”

✓ **GST Exempt under Sl. No. 34 of Notification 12/2017-CTR.**

The exemption under Sl. No. 34 of notification No. 12/2017-CT(Rate) dated 28.06.2017 is available to acquiring banks. For the purpose of the said exemption entry, the term ‘acquiring bank’ has been explained as under:

“Acquiring bank” means any banking company, financial institution including non-banking financial company or any other person, who makes the payment to any person who accepts such card.



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Further, the RBI's Guidelines dated 17.03.2020 clearly distinguish between Payment Aggregators and Payment Gateways (PGs), keeping in view their role vis-à-vis handling funds. PAs are defined as entities who receive payments from customers, pool and transfer them on to the merchants within a specified time period. On the other hand, PGs are defined as entities that provide technology infrastructure to route and facilitate processing of an online payment transaction without any involvement in handling of funds.

Thus, as recommended by the 55th GST Council, it is hereby clarified that GST exemption under Sl. No. 34 of notification No. 12/2017-CTR dated 28.06.2017 is available to RBI regulated Payment Aggregators (PAs) in relation to settlement of an amount, up to two thousand rupees in a single transaction, transacted through credit card, debit card, charge card or other payment card services, as PAs fall within the definition of 'acquiring bank' given in the Explanation to the said exemption entry. It is also clarified that this exemption is limited to payment settlement function only, which involves handling of money, and does not cover Payment Gateway (PG) services.

Example: On **5th July 2025**, Ms. Ananya Sharma (customer) buys grocery worth **₹1,850** from **M/s Little Mart** through its website. Payment is made via **debit card**.

Two service providers are involved:

1. **Payment Gateway (PG)** – provides backend technology
2. **Payment Aggregator (PA)** – handles actual fund movement through **escrow account**

Parties Involved:

- **Customer:** Ms. Ananya Sharma (a retail buyer)
- **Merchant:** M/s Little Mart (an online grocery seller)
- **Payment Gateway (PG):** M/s Tech Route Digital Pvt. Ltd. (provides secure technology for routing card payment data – does *not* handle money)
- **Payment Aggregator (PA):** M/s Quick Pay Solutions Pvt. Ltd. (RBI-authorized PA – handles money flow and maintains **escrow account**)
- **Escrow Account:** Bank account opened by PA under RBI norms for pooling and settling merchant payments

Clear Mapping of Each Supply:

Supply Description	Supplier	Recipient	Consideration (₹)	GST Status
Grocery Supply	M/s Little Mart	Ms. Ananya Sharma	1,850	Taxable
Backend Tech Support (routing card info)	M/s Tech Route (PG)	M/s Little Mart (Merchant)	30 (say)	Taxable (18%)
Payment Settlement via Escrow (card-based ≤ ₹2,000)	M/s Quick Pay (PA)	M/s Little Mart (Merchant)	50	Exempt



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✓ **Issue 3: R&D Services by Government Entities against Government Grants**

□ **Example:**

- M/s National Bio Research Institute receives ₹2,50,00,000 grant from DRDO (Defence Research and Development Organisation) on 1st Jan 2022 for AI-based defence systems.
- This is for R&D only, and no commercial contract exists.

□ **Clarification:**

- From 10.10.2024: exempted via Notification No. 08/2024-CT(Rate)
- For period **01.07.2017 to 09.10.2024**, GST regularized

✓ **No tax recovery or refund claim permitted – status accepted ‘as is where is’.**

There were certain interpretational issues with respect to the taxability, or otherwise, of supply of research and development services by Government Entities against grants received from the Government Entities like DRDO, CSIR, SERB etc. These issues now stand resolved, for the period starting from 10.10.2024, with the issuance of notification No. 08/2024-CT(Rate) dated 08.10.2024 which specifically exempted research and development services provided by Government Entities or research associations, universities, colleges or other institutions, notified under clauses (ii) or (iii) of sub-section (1) of section 35 of the Income Tax Act, 1961, against consideration in the form of grants.

✓ **Issue 4: Skilling Services by NSDC-Approved Training Partners**

□ **Example:**

- M/s Learn4Jobs is a NSDC-approved partner.
- Provided skill training from 12-Oct-2024 to 10-Jan-2025.
- Charged ₹10,00,000 (no GST collected based on earlier exemption understanding).

□ **Clarification:**

- Exemption reinstated w.e.f. 16.01.2025
- For **10.10.2024 to 15.01.2025**, GST regularized

✓ **No GST to be recovered for this period.**

Thus, as recommended by the GST Council, the payment of GST on services provided by Training Partners approved by the National Skill Development Corporation, which were exempt prior to 10.10.2024, is regularized for the period 10.10.2024 to 15.01.2025, on ‘as is where is’ basis.

✓ **Issue 5: Facility Management to MCD Headquarters**

Applicability of GST on facility management services provided to Municipal Corporation of Delhi (MCD) Headquarters.

□ **Example:**

- M/s Urban Care Pvt Ltd provides:
 - Housekeeping: ₹2,00,000



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- Gardening: ₹1,00,000
- Civil maintenance: ₹1,50,000

□ **Clarification:**

- These services are for **MCD's office upkeep**, not for functions under Article 243W (like sanitation or street lighting)

✓ **GST @18% applicable.** No exemption under Sr. No. 3A of Notification 12/2017.

✓ **Issue 6: Whether Delhi Development Authority (DDA) is a local authority as per section 2(69) of the CGST Act, 2017?**

DDA is Not a Local Authority:

□ **Example:**

- DDA charges ₹50,000 to a builder for land-use conversion.
- Builder is a registered business entity.

□ **Clarification:**

- DDA is **not a local authority** under Section 2(69)
- Hence, RCM provisions (like for services by local authorities) **do not apply**

✓ **DDA to charge GST under forward charge**, not recipient under RCM.

✓ **Issue 7: RCM on Renting Commercial Property by Unregistered Person to Composition Dealer**

Regularizing payment of GST on Reverse Charge (RCM) basis on renting of commercial property by unregistered person to a registered person for taxpayers registered under composition levy.

□ **Example:**

- Mr. Ravi (unregistered landlord) rents shop to M/s Tulsi Traders (composition dealer)
- Monthly rent: ₹20,000 (Oct 2024 to Jan 2025)

□ **Clarification:**

- RCM on such rent began from **10.10.2024**
- Composition dealers now **excluded** via Notification 07/2025 w.e.f. **16.01.2025**
- For period **10.10.2024 to 15.01.2025**, RCM **regularized on 'as is where is' basis**

✓ **No recovery of GST from composition dealer** for this intervening period.

55th GST Council in its meeting held on 21.12.2024 recommended that taxpayers registered under composition levy may be excluded from the entry at Sr. No. 5AB of the notification No. 13/2017-CT(Rate) dated 28.06.2017. The same has been notified vide notification No. 07/2025- CT(Rate) dated 16.01.2025.

✓ **Issue 8: Incidental Services by Electricity Boards (e.g., meter rent, testing, connection charges)**

□ **Example:**

- M/s State Power Ltd. charges:
 - Meter testing: ₹150



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- Duplicate bill issue: ₹50

Period: 01-Dec-2024 to 31-Dec-2024

□ **Clarification:**

- From **10.10.2024**, these are exempted under Sr. No. 25A
- Amendment aligned on **16.01.2025**
- **Period 10.10.2024 to 15.01.2025 → regularized**

✓ **No GST to be demanded** for that period

In its 55th meeting, the GST Council recommended that the entry at Sr. No. 25 and 25A may be aligned and the same has been brought into effect vide notification No. 6/2025-CTR dated 16.01.2025. Accordingly, these incidental or ancillary services to the supply of **transmission or distribution** of electricity supplied by **transmission or distribution utilities** are now covered under the said exemption entry. Further, it was also recommended that the intervening period i.e., 10.10.2024 (effective date of entry at Sr. No. 25A in notification No. 12/2017-CTR dated 28.06.2017) up to 15.01.2025 (till the date of amending notification No. 06/2025 CTR dated 16.01.2025) may be regularised on 'as is where is' basis.

Note: vide notification No. 06/2025 CTR dated 16.01.2025 Entry No. 25 and 25A, the word transmission and distribution replaced as **transmission or distribution**.

✓ **Issue 9: Services by Goethe Institutes/Max Mueller Bhawan**

Goethe Institute/Max Mueller Bhawan have six institutes across India which provide linguistic and cultural training to young Indians preparing for their stay in Germany. They are registered under GST at Delhi, Mumbai, Chennai, Bengaluru, Kolkata, and Pune.

Prior to 1st April, 2023, the Institutes did not collect GST from their students nor did they pay GST to Government as they were under the bona-fide belief that their activities are exempt from GST.

55th GST Council has recommended to regularize the payment of GST on services provided by Goethe Institutes/Max Mueller Bhawans for the period from 01.07.2017 to 31.03.2023 on 'as is where is' basis.

□ **Example:**

- Student paid ₹45,000 for German A2 course at Goethe Delhi in Dec 2021
- GST not collected or paid

□ **Clarification:**

- For period **01.07.2017 to 31.03.2023**, such **linguistic/cultural training**
- Not previously exempted, but provided in bona-fide belief

✓ **GST for this period regularized** – no recovery or penalty



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✓Summary Table

Issu	Description	GST Impact
1	Penal Charges by Banks (post 01.01.2024)	✗No GST
2	₹≤2,000 card transactions via RBI PA	✗Exempt
3	R&D by Govt. Entities (grants)	✓Exempt w.e.f. 10.10.2024, earlier regularized
4	NSDC training (10.10.24–15.01.25)	✓Regularized
5	Facility services to MCD HQ	✓GST applicable
6	DDA not a Local Authority	✓Forward Charge GST
7	Rent by URP to Composition Dealer	✓RCM regularized
8	Meter/Duplicate bill by Power Co.	✓Exempt w.e.f. 10.10.24, past period regularized
9	Goethe Institute Training	✓GST from 2017–2023 regularized

2. Circular No. 247/04/2025-GST dated 14th February 2025:

Here is a professional set of numerical examples illustrating all points from Circular No. 247/04/2025-GST dated 14th February 2025, issued pursuant to the 55th GST Council Meeting held on 21st December 2024:

1. GST Rate and Classification for Pepper (*Genus Piper*)

Example A – Sale by a Trader (Not Agriculturist):

- Product: **Black Pepper**
- Quantity: 100 kg
- Sale Price: ₹500/kg
- Buyer: FMCG wholesaler
- HSN: **0904**
- GST Rate: **5%** (as per S. No. 38, Schedule I)

□ Tax Calculation:

- Value = ₹500 × 100 = ₹50,000
- GST @ 5% = ₹2,500
- Invoice Value = ₹52,500

Example B – Sale by an Agriculturist (Unregistered):

- Product: **Dried White Pepper**
- Quantity: 80 kg
- Sale Price: ₹400/kg
- Supplied directly by an **agriculturist**



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Tax Treatment:

- Exempt under **Section 23(1)(b)**
- ✓No GST, No Registration required

2. GST on Raisins Supplied by Agriculturists

Example:

- Product: **Green Raisins**
- Quantity: 200 kg
- Sale Price: ₹150/kg
- Seller: **Registered Agriculturist? ✗**(No registration)
- Buyer: Kirana Wholesaler

Tax Treatment:

- ✓No GST applicable under **Section 23(1)**
- **Exempt supply**

However, if sold by **registered trader**, it attracts **5% GST** (HS Code: 0806)

3. GST Rate on Ready-to-Eat Popcorn

Example A – Salted & Spiced Popcorn (Unpackaged):

- Quantity: 50 kg
- Rate: ₹100/kg
- Sold loose in theatre
- HSN: **2106 90 99**
- GST Rate: **5%**

Tax:

- Value = ₹5,000
- GST = ₹250
- Total = ₹5,250

Example B – Salted Popcorn (Packaged & Labeled):

- Quantity: 1,000 pouches @ ₹20 each
- Total = ₹20,000
- HSN: 2106 90 99
- GST Rate = **12%**

Tax = ₹2,400



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- Invoice = ₹22,400

Example C – Caramel Popcorn (Sugar-coated):

- Quantity: 500 pouches @ ₹25 each
- HSN: **1704 90 90**
- Rate = 18%

□ **Value = ₹12,500**

- GST @ 18% = ₹2,250
- **Total = ₹14,750**

□ Transactions before **14.02.2025** stand **regularized**, no differential tax recovery.

□ **4. GST on Fly Ash-Based AAC Blocks**

Example A – AAC Blocks with ≥ 50% Fly Ash:

- Product: Fly ash-based AAC block
- Quantity: 10,000 blocks
- Rate: ₹40/block
- HSN: **6815**
- GST Rate: **12%**

□ **Tax:**

- Value = ₹4,00,000
- GST @ 12% = ₹48,000
- Invoice = ₹4,48,000

Example B – Other Cement Articles (HSN 6810):

- Product: Precast slabs
- Value: ₹3,00,000
- HSN: **6810**
- GST Rate: **18%**

□ GST = ₹54,000

- Invoice = ₹3,54,000

□ **5. Compensation Cess on Utility Vehicles (Effective from 26.07.2023)**

Compensation cess will be applied to all motor vehicles known as utility vehicles by whatever name called, with engine capacity exceeding 1500cc, length exceeding 4000mm and ground clearance of 170mm and above. Further, a new explanation was added that ground clearance means ground clearance in unladen condition. Notification No, 03/2023-Compensation Cess (Rate) dated 26-07-2023 will apply on or after 26-07-2023.



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Example – SUV Meeting All 3 Criteria:

- Engine: 2000cc
- Length: 4300 mm
- Ground Clearance: 190 mm
- Ex-factory Price: ₹15,00,000
- GST Rate = 28%
- Compensation Cess = **22%**
- Effective from: **26th July 2023**

Tax:

- GST = ₹4,20,000
- Cess = ₹3,30,000
- Total = ₹22,50,000

Note: Prior to 26.07.2023, if any one condition (like ground clearance) was missing, cess was not leviable.

Conclusion Chart Summary (for Display or Print):

Product	HSN Code	GST Rate	Exemption
Black/White/Green Pepper	0904	5%	If sold by agriculturist
Raisins by Agriculturist	0806	Nil	Exempt
Popcorn (loose, salted)	2106 90 99	5%	No exemption
Popcorn (packaged, labeled)	2106 90 99	12%	No exemption
Popcorn (caramel/sugar-coated)	1704 90 90	18%	No exemption
AAC Blocks (≥50% fly ash)	6815	12%	No exemption
Cement articles (other)	6810	18%	No exemption
Utility Vehicles (SUVs – all 3 met)	NA	28% + 22% Cess	No exemption

3. New Entry No. 36B, w.e.f. 16-01-2025 “**Services of insurance provided by the Motor Vehicle Accident Fund**, constituted under section 164B of the Motor Vehicles Act, 1988, **against contributions made by insurers out of the premiums collected for third party insurance of motor vehicles shall be exempt from GST.**”

Here is a **simple and professional numerical example** with explanation for **Notification No. 06/2025–Central Tax (Rate)** dated **16th January 2025**, regarding **GST exemption on insurance services provided by the Motor Vehicle Accident Fund under Section 164B of the Motor Vehicles Act, 1988.**

All motor vehicle insurance companies must collect third-party insurance premiums.

A portion of that premium is contributed to the Motor Vehicle Accident Fund (MVAf).



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The MVAF uses that money to provide compensation to victims of motor vehicle accidents, especially in hit-and-run or uninsured cases.

The insurance services provided by the Fund to accident victims are now exempt from GST, as per this notification.

Example: M/s Safe Drive Insurance Ltd. sells third-party insurance policies for cars.

Particulars	Amount (₹)
Premium charged to policyholder (basic)	₹4,000
Add: GST @ 18% on insurance premium	₹720
Total premium collected from policyholder	₹4,720
Contribution to MVAF (out of basic premium)	₹100 (from ₹4,000)

✓ M/s Safe Drive Insurance contributes ₹100 to the Motor Vehicle Accident Fund.

□ GST Treatment:

GST @18% is applicable **only** on the premium charged to policyholder (₹4,000).

But the ₹100 contribution (from the ₹4,000) made to the MVAF:

Is not a supply

Is exempt from GST under Notification 06/2025

□ Accounting Treatment (GST Liability):

Component	GST Implication
₹4,000 (Premium to insurer)	✓ GST @18% = ₹720
₹100 (to MVAF)	✗ Exempt under Not if. 06/2025
Total GST Liability	₹720 only

✓ Summary Outcome:

Customer pays: ₹4,720 (₹4,000 + ₹720 GST)

Insurer pays GST: only on ₹4,000 premium

Contribution of ₹100 to MVAF is GST-exempt

MVAF provides insurance services to accident victims → No GST on such services

4. "Insurer" means:

in paragraph 2 of the said notification (i.e. Notification No. 12/2017- Central Tax (Rate) New Delhi, the 28th June, 2017),- after item (zj), the following item shall be inserted (w.e.f. 16th January 2025), namely:

- "(zja) "insurer" has the same meaning as assigned to it in sub-section (9) of section 2 of the Insurance Act, 1938 (4 of 1938)." [vide **Notification No. 06/2025–Central Tax (Rate) dated 16th January 2025]**

Section 2(9) of insurance Act, 1938 "insurer" means—

(a) an Indian Insurance Company, or

(b) a statutory body established by an Act of Parliament to carry on insurance business, or



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(c) an insurance co-operative society, or

(d) a foreign company engaged in re-insurance business through a branch established in India.

Explanation. — For the purposes of this sub-clause, the expression “foreign company” shall mean a company or body established or incorporated under a law of any country outside India and includes Lloyd’s established under the Lloyd’s Act, 1871 (United Kingdom) or any of its Members;]

5. The National Skill Development Corporation (NSDC):

W.e.f. 10-10-2024, Notification No. 08/2024 dated 08-10-2024 the following shall be substituted, namely:-

Any services provided by –

(a) the National Skill Development Corporation set up by the Government of India;

(b) the National Council for Vocational Education and Training;

(c) an Awarding Body recognized by the National Council for Vocational Education and Training;

(d) an Assessment Agency recognized by the National Council for Vocational Education and Training;

(e) a Training Body accredited with an Awarding Body that is recognized by the National Council for Vocational Education and Training,

(f) the following item shall be inserted w.e.f. 16th January 2025, namely :- “(f) a training partner approved by the National Skill Development Corporation,” [vide **Notification No. 06/2025–Central Tax (Rate)** dated **16th January 2025**]

in relation to-

(i) the National Skill Development Programme or any other scheme implemented by the National Skill Development Corporation; or

(ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or

(iii) any National Skill Qualification Framework aligned qualification or skill in respect of which the National Council for Vocational Education and Training has approved a qualification package are exempt under GST.



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Place of Supply

1. Circular No. 242/36/2024-GST dated 31st December 2024, which clarifies the place of supply rules and invoice requirements for online services supplied to unregistered recipients under Section 12(2)(b) of the IGST Act, 2017 and Rule 46(f) of the CGST Rules, 2017.

References have been received from field formations regarding non-compliance of provisions of mandatory recording of correct place of supply on the invoices by the suppliers in respect of online services provided by them, either themselves or through electronic commerce operators, to unregistered recipients due to wrong interpretation of provisions of section 12(2)(b) of Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as “IGST Act”) read with rule 46 of Central Goods and Services Rules, 2017 (hereinafter referred to as “CGST Rules”). It has also been mentioned that though in such cases of taxable online supplies of services to unregistered recipients, registered suppliers are required to mention State name of the recipient on the invoice, **irrespective of the value of such supply**, and declare place of supply of such services as the State of the recipient as per the provisions of clause (i) of section 12(2)(b) of IGST Act but many suppliers are not recording the State name of the unregistered recipient on the invoice and are declaring place of supply of such services as the location of the supplier as per clause (ii) of section 12(2)(b) of IGST Act. This is resulting in wrong declaration of place of supply, resulting in flow of revenue in respect of the said supply to the wrong State. Request has been made to clarify the issue so as to ensure correct declaration of place of supply by the suppliers of such services to unregistered recipients.

Here is a **detailed numerical example** covering all key points from **Circular**

✓ **Example Scenario:**

Supplier:

- **M/s Media Net Digital Services Pvt. Ltd.** (Registered in **Maharashtra**)
- Provides **online subscription-based OTT services** (e.g., monthly entertainment content) via its **own digital platform**

Recipient:

- **Ms. Priya Sharma**, an **unregistered individual** located in **Karnataka**

Service Supplied:

Particulars	Details
Type of service	OTT subscription
Service period	1st Jan to 31st Jan 2025
Invoice issued on	1st Jan 2025
Service value (inclusive)	₹500
GST Rate	18% (IGST applicable for interstate supply)



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- Two Scenarios: Correct vs Incorrect Invoice Treatment*

Case 1: Incorrect Treatment (Before Clarification)

Particular	Value
Supplier State	Maharashtra
Recipient State	Not recorded
Place of Supply (wrongly declared)	Maharashtra (location of supplier)
GST Charged	CGST ₹38 + SGST ₹38
Error	Revenue wrongly flows to Maharashtra , instead of recipient state Karnataka

Case 2: Correct Treatment (Post Circular 242/36/2024)

Particular	Value
Supplier State	Maharashtra
Recipient State	Karnataka (recorded on invoice)
Place of Supply (as per Sec 12(2)(b)(i))	Karnataka (location of recipient)
GST Charged	IGST ₹90 (₹500 × 18%)
Correct Compliance	Revenue goes to Karnataka , as intended

- Application of Provisions from the Circular:*

✓ **Section 12(2)(b)(i) of IGST Act:**

Place of supply to **unregistered person** is the **location of recipient**, if **address is on record**

- Once supplier captures **state of recipient** on invoice, it is **deemed to be address on record**.

✓ **Rule 46(f) of CGST Rules – Proviso:**

In cases of:

- Online money gaming
- OIDAR services
- Online services through own or third-party digital platforms

- Supplier **must:**

1. Mention **State of recipient** (even if value < ₹50,000)
2. Declare **correct place of supply** accordingly

- Other Examples Covered Under Circular:*

Online Service Type	Recipient State	Mandatory POS = Recipient State?	Invoice must contain State?
Online gaming (not money gaming)	Telangana	✓ Yes	✓ Yes
Digital newspaper subscription	Gujarat	✓ Yes	✓ Yes
Cloud storage sold via own platform	West Bengal	✓ Yes	✓ Yes
Music streaming via third-party platform	Tamil Nadu	✓ Yes	✓ Yes



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Additional Compliance:

Penalty for Non-compliance:

If supplier fails to:

- Mention **State of recipient** on invoice, or
- Charges **CGST/SGST instead of IGST**

Liable for **penalty under Section 122(3)(e)** of CGST Act, 2017 (i.e. Penalty may extend to ₹25,000 as per CGST Act)

✓**Summary Table:**

Description	Outcome
Online service to unregistered person	POS = State of recipient
Recipient's State recorded on invoice?	Yes – IGST applicable
IGST Revenue flows to	Correct State (Recipient's)
ITC of IGST claimable by supplier?	Yes, if used for business
Failure to comply with Rule 46(f)?	Penalty under Section 122(3)(e)



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Input Tax Credit (ITC)

1. **Circular No. 240/34/2024-GST dated 31st December 2024**, which clarifies **ITC treatment for Electronic Commerce Operators (ECOs)** for services notified under **Section 9(5)** of CGST Act:

Reference is invited to Circular No. 167/23/2021 – GST dated 17.12.2021 which clarified that electronic commerce operators (hereinafter referred to as “ECOs”) required to pay tax under section 9(5) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”) are not required to reverse input tax credit (ITC) in respect of supply of restaurant services through their platform (notified services under section 9(5)). In this regard, representations have been received seeking clarification regarding requirement of reversal of ITC, if any, in respect of supply of services, other than restaurant services, under section 9(5) of CGST Act.

Here is a **simple and professional example** that covers **all key points** of Circular.

□ **Scenario:**

Let us consider **M/s Quick Connect Services Pvt. Ltd.**, an **Electronic Commerce Operator (ECO)** that facilitates the supply of the following services through its platform:

1. **Passenger Transport Service** (notified under Section 9(5))
2. **Platform Services** – i.e., charging **commission from vendors** for listing and using the platform (own supply)

□ **Monthly Transactions for January 2025:**

Description	Amount (₹)	GST Rate	GST Amount (₹)
1. Supply of passenger transport services (through drivers) – Tax to be paid by ECO under Sec 9(5)	₹5,00,000	5%	₹25,000
2. Platform commission income earned from vendors (own supply)	₹2,00,000	18%	₹36,000

□ **ITC Availed:**

Nature of Input Service	ITC Availed (₹)
Software Subscription	₹10,000
Marketing Expenses	₹5,000
Server Hosting Charges	₹8,000
Office Rent	₹18,000
Total ITC Availed	₹41,000



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Clarifications Applied from Circular No. 240/34/2024-GST dated 31st December 2024

□ **Point 1:**

ECO is liable to pay GST on services under Section 9(5) (e.g. passenger transport) as if ECO is the supplier.

- GST of ₹25,000 on transport service must be paid in **cash only**.
- **No ITC reversal** required for inputs/services used **for this activity**.
- **ITC cannot be used** to pay this tax.

□ **Point 2:**

ECO also provides **platform services** (own services), for which it **can avail and use ITC**.

- GST of ₹36,000 collected on own services.
- ECO can use **available ITC of ₹41,000** to pay this ₹36,000.
- **No proportionate reversal** required under **Section 17(1) or 17(2)** for common inputs/services.

Summary of GST Payable & ITC Usage

Description	Tax Payable (₹)	Mode of Payment	ITC Available (₹)	ITC Used (₹)	Cash Payment (₹)
Sec 9(5) Supply (Passenger Transport)	₹25,000	Cash only	✗ Not allowed	₹0	₹25,000
Own Supply (Platform Fee)	₹36,000	Can use ITC	₹41,000	₹36,000	₹0

✓ **Final ITC Balance After Utilization:**

- **Total ITC available** = ₹41,000
- **Used for own service** = ₹36,000
- **Remaining ITC** = ₹5,000 (can be used for next period's platform service tax)

□ **Key Takeaways from Circular No. 240/34/2024:**

1. **No ITC reversal** required for services notified under **Sec 9(5)** even if common inputs are used.
2. **Entire tax under Sec 9(5)** must be paid via **cash** – **ITC can't be used**.
3. **ITC on common inputs/services** (like rent, hosting, etc.) can be fully used **for own outward supplies**.
4. Applies uniformly to **all Sec 9(5) notified services** like:
 - a. Passenger transport
 - b. Accommodation services
 - c. Housekeeping services
 - d. Restaurant services



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2. Circular No. 241/35/2024-GST dated 31st December 2024, covering all clarifications on input tax credit (ITC) in cases of EX-Works (EXW) contracts in line with Section 16(2)(b) of the CGST Act, 2017:

Reference has been received from automobile sector seeking clarification on availability of input tax credit (hereinafter referred to as “ITC”) as per clause (b) of subsection (2) of section 16 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”) in respect of goods which have been delivered by the supplier at his place of business under Ex-Works Contract.

Here is a **simple and professional example** that covers **all key points** of Circular

✓ **Case Background:**

- **Dealer:** M/s Speed Motors Pvt. Ltd. (Registered Dealer in Gujarat)
- **OEM Supplier:** M/s Auto Makers Ltd. (Original Equipment Manufacturer in Maharashtra)
- **Type of Contract:** EX-Works (EXW) contract
- **Date of Invoice:** 12th January 2025
- **Handing over of goods to transporter:** 12th January 2025
- **Physical receipt of vehicle at dealer’s showroom:** 17th January 2025
- **Total Invoice Value:** ₹10,00,000 + 28% GST = ₹12,80,000
- **Transport & Insurance:** Arranged by OEM on behalf of dealer

□ **Transaction Flow under EXW Contract:**

Step	Description
1	Invoice issued on 12-Jan-2025 for 1 vehicle worth ₹10,00,000 + ₹2,80,000 GST
2	As per EXW, ownership of vehicle passes to dealer at factory gate itself
3	Vehicle handed over to transporter on 12-Jan-2025, as per dealer’s instruction
4	Dealer accounts for invoice on same day in books and reflects ITC in GSTR-3B
5	Vehicle physically received at Gujarat showroom on 17-Jan-2025

□ **Application of Clarifications (Clause-wise):**

□ **Clause (b) of Section 16(2):**

A registered person shall not be entitled to ITC unless **he has received the goods**.

□ **Explanation to Section 16(2)(b):**

Registered person is **deemed to have received the goods** where goods are delivered to any other person (e.g., transporter) **on the direction of such registered person**.

□ In this case:

- The transporter received the goods **on behalf of the dealer**



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- Ownership was transferred at the OEM's factory gate
- ITC shall be allowed on **12-Jan-2025** itself (even though vehicle arrived on 17-Jan)

✓ *Numerical Computation:*

Particulars	Amount (₹)
Value of Vehicle	₹10,00,000
CGST @ 14%	₹1,40,000
SGST @ 14%	₹1,40,000
Total GST Paid	₹2,80,000
ITC Availed by Dealer (as per Section 16(2)(b))	₹2,80,000 on 12-Jan-2025

Field Objection Previously Raised:

ITC allowed **only after** physical receipt at Gujarat showroom (i.e., 17-Jan-2025)

✓ *Clarification via Circular 241/35/2024 dated 31st December 2024:*

ITC is **deemed to be received** on 12-Jan-2025 when goods are handed over to transporter, **no need to wait** till 17-Jan

Additional Considerations from Para 3.6:

Condition	ITC Allowed?
Vehicle diverted for personal use (non-business)?	✗ No ITC (as per Sec 16(1))
Vehicle destroyed/stolen/lost before or after physical receipt?	✗ No ITC (as per Sec 17(5)(h))
Vehicle used in business after delivery?	✓ ITC allowed

Summary:

✓ **M/s Speed Motors Pvt. Ltd.** can validly claim ITC of ₹2,80,000 on **12-Jan-2025**, even though vehicle physically arrived on 17-Jan, because:

- It was an **EXW contract**
- Goods were handed to transporter **on behalf of dealer**
- Invoice and ownership both transferred on 12-Jan
- The **“deemed receipt” condition** of Section 16(2)(b) Explanation is satisfied.

3. Rule 39 - Procedure for distribution of input tax credit by Input Service Distributor (vide Notification No. 12/2024 CT dt. 10-7-2024, w.e.f. the date yet to be notified):

Now notified w.e.f. 1-4-2025 vide NOTIFICATION No. 09/2025–Central Tax, dated 11th February 2025.



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4. Specified premises in case of Hotel Accommodation Services:

Here is a **practical and simple explanation with a numerical example** based on **Notification No. 05/2025–Central Tax (Rate)** dated **16th January 2025**, effective from **1st April 2025**, related to **hotel accommodation services**.

□ *Key Change Introduced by Notification No. 05/2025*

This notification **amends the definition of “specified premises”** under **Explanation clause (xxxvi)** of Notification No. 11/2017-Central Tax (Rate).

“Specified premises” has the same meaning as assigned to it in clause (xxxvi) of paragraph 4 of notification number 11/2017-Central Tax (Rate) dated 28.06.2017.” [w.e.f. 1-4-2025 vide Notification No. 08/2025-Central Tax (Rate) New Delhi, the 16th of January 2025].

Practical Example for Notification No. 08/2025-Central Tax (Rate) New Delhi, the 16th of January 2025: Hotel Sunrise is a registered GST entity. During the F.Y. 2024–25, none of its rooms exceeded ₹7,500 per day. Therefore:

- Until 31 March 2025:
 - Hotel Sunrise is not considered “specified premises.”

However, beginning 1 April 2025:

- If even a single room is priced at ₹7,600 on any date in F.Y. 2024–25, then—as per calibrated definition in clause (xxxvi)—the entire hotel qualifies as a specified premises from that date forward.

□ *In Simple Words – What Changed?*

The concept of “**specified premises**” is **crucial for determining the GST rate** on hotel accommodation.

□ **Old Rule (before 1-April-2025):** *GST rate on hotel accommodation was linked to value charged and room rent slab (e.g., 12% or 18%).*

□ **New Rule (from 1-April-2025):** *“Specified premises” means one of the following:*

“(xxxvi) “Specified premises”, for a financial year, means,

-

(a) a premises from where the supplier has provided in the preceding financial year, ‘hotel accommodation’ service having the value of supply of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent; or

Ex: If any room in the hotel was **charged more than or equal to ₹7,500 per day** in the **preceding financial year** (FY 2024–25), then the entire hotel becomes “**specified premises**” in FY 2025–26.



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(b) a premises for which a registered person supplying ‘hotel accommodation’ service has filed a declaration, on or after the 1st of January and not later than 31st of March of the preceding financial year, declaring the said premises to be a specified premises; or

Ex: Hotel owner may **voluntarily declare** his premises as “specified” by filing a declaration **between 1st Jan and 31st Mar** of the **preceding FY** (i.e., for FY 2025–26, declaration can be filed between 01-01-2025 and 31-03-2025).

(c) a premises for which a person applying for registration has filed a declaration, within fifteen days of obtaining acknowledgement for the registration application, declaring the said premises to be a specified premises;”;

Ex: New hotel owners applying for registration can declare the premises as “specified” **within 15 days** from receiving GST registration acknowledgment.

Here’s a detailed numerical example covering all provisions under Notification No. 05/2025–Central Tax (Rate) dated 16th January 2025, effective from 1st April 2025, addressing GST on hotel accommodation & related restaurant services:

□ **Background: Notification Highlights**

1. Definition of “specified premises”:

A hotel is a specified premise if any room has a value $> = ₹7,500$ per day in the previous financial year (FY 2024–25).

2. Opt in for non-specified hotels:

- Existing hotels (with all rooms $< ₹7,500/\text{day}$): may opt for 18% GST with ITC by submitting Annexure VII between 1–31 March 2025.
- New hotels: file Annexure VIII or IX within 15 days of GST registration acknowledgment.

3. GST Treatment (from 1 April 2025):

- Specified premises (auto or option): 18% with ITC on restaurant services within.
- Non-specified: 5% GST without ITC.

✓ **Example Cases**

□ **Hotel A – Above threshold, no opt-in needed**

- FY 2024–25 records:
 - Room 101: ₹8,000/night (highest rate) → specified premises (automatically).
- April 2025 – Billing:
 - Room stay: ₹8,000 + 18% = ₹9,440
 - In-house dining: ₹2,000 → 18% = ₹360



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- Hotel can claim ITC on input costs (e.g. food purchasing, linen) due to ITC eligibility.

□ Hotel B – Below threshold, opts in for better treatment

- FY 2024–25 rooms: all $\leq ₹7,000$ → non-specified
- Opt-in step:
 - Between 1–31 March 2025, files Annexure VII to opt for specified status.
- April 2025 – Billing:
 - Room: $₹7,000 + 18\% = ₹8,260$
 - Dining: $₹1,500 + 18\% = ₹270$
 - ITC available on inputs.

□ Hotel C – Below threshold, does not opt in

- FY 2024–25 rooms: $\leq ₹6,500$
- No opt-in filed
- April 2025 – Billing:
 - Room: $₹6,500 + 12\% = ₹7,280$
 - Dining: $₹1,200 + 5\% = ₹1,260$
 - No ITC claimable for restaurant services; restricted credit on inputs.

□ Summary Table

Hotel	Room Rate	Specified Premise?	Opt-In Filed?	GST on Dining	ITC Available?
A	₹8,000	✓Yes (auto)	—	18%	✓Yes
B	₹7,000	✗No	✓Yes	18%	✓Yes
C	₹6,500	✗No	✗No	5%	✗No

□ Steps & Forms

1. Check FY 2024–25 room rates:
 - If any $\geq ₹7,500/\text{day}$, auto-specified.
2. Else, decide to opt-in using:
 - Annexure VII (existing hotel) by 31 March.
 - Annexure VIII/IX (new hotel) within 15 days post-registration.



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3. After April 1, 2025, apply GST:
 - 18% with ITC (specified)
 - 5% without ITC (non-specified)
4. Maintain records of opt-in and rates for audit & compliance.

□ Key Takeaways

- One high-value booking (>₹7,500) triggers specified status for the entire hotel.
- Opt-in is time-bound and strategic (FT of ITC).
- Ensures consistent GST treatment on dining components in hotel bills.
- Helps optimize tax outflow using ITC benefit where needed.

5. Declared Tariff – Omitted:

In paragraph 2 of the said notification (i.e. Notification No. 12/2017- Central Tax (Rate) New Delhi, the 28th June, 2017),- item (w) shall be omitted **with effect from the 1st day of April, 2025 vide Notification No. 06/2025–Central Tax (Rate) dated 16th January 2025;**

(w) “declared tariff” includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air-conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit;



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Registration under GST

1. Insertion of second Proviso in Sub-rule (4A), vide NT No. 12/2024 CT Dt. 10-7-2024:

In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), with effect from a date to be notified, (**now notified vide NOTIFICATION No. 09/2025–Central Tax, dt. 11th February 2025 w.e.f. 11th February 2025**) in rule 8, in sub-rule (4A), after the first proviso, the following proviso shall be inserted, vide Notification No. 12/2024 – Central Tax Dated 10th July, 2024, namely: -

“Provided further that every application made under sub-rule (4) by a person, other than a person notified under sub-section (6D) of section 25, who has not opted for authentication of Aadhaar number, shall be followed by taking photograph of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified under sub-section (6C) of section 25 where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in FORM GST REG-01 at one of the Facilitation Centers notified by the Commissioner for the purpose of this sub-rule and the application shall be deemed to be complete only after successful verification as laid down under this proviso”.

3. Rule 19 Amendment of registration (vide Notification No. 07/2025 – Central Tax dated 23rd January 2025:

In the said rules, with effect from a date to be notified, in rule 19, in sub-rule (1), after the words, letters and figures “FORM GST REG-10”, the words, letters and figures “**or in the intimation furnished by the composition taxpayer in FORM GST CMP-02**” shall be inserted.



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Tax Invoice; Credit and Debit Notes

Time limit for issuance of self-invoice notified to be 30 days from date of receipt of supply – Insertion of Rule 47A (w.e.f. 1-11-2024):

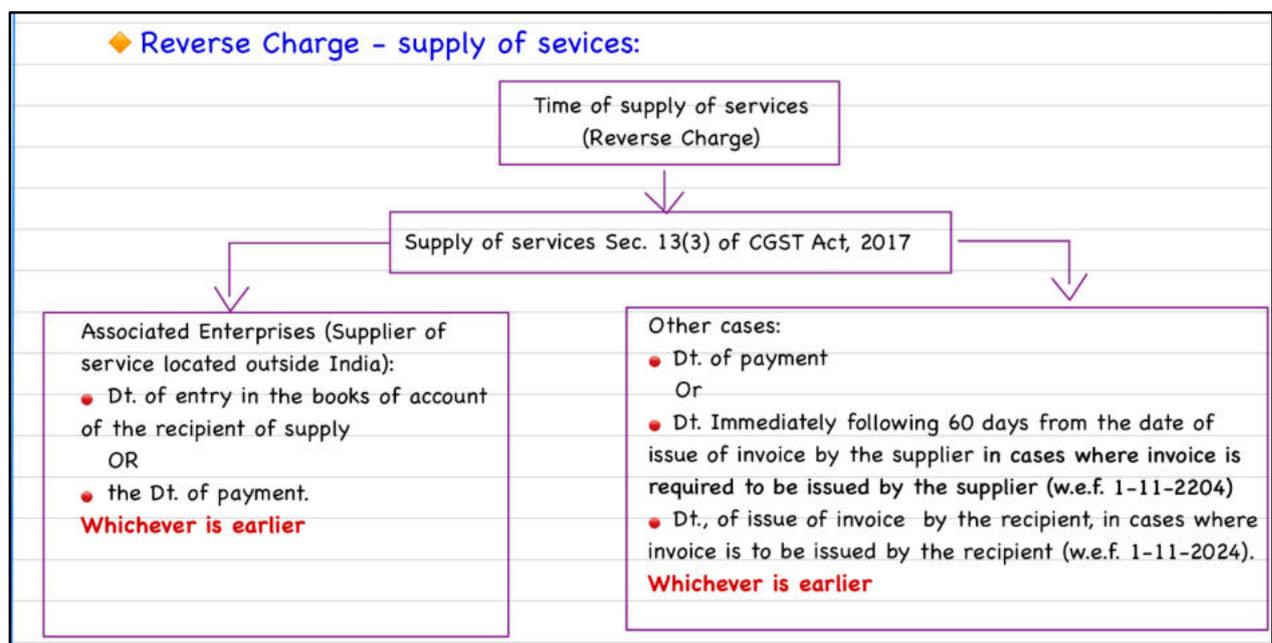
Notwithstanding anything contained in rule 47, where an invoice referred to in rule 46 is required to be issued under clause (f) of sub-section (3) of section 31 by a registered person, who is liable to pay tax under sub-section (3) or sub-section (4) of section 9, he shall issue the said invoice within a period of thirty days from the date of receipt of the said supply of goods or services, or both, as the case may be.”.

Also, there cannot be any consolidation of invoices from multiple suppliers. For each relevant supply, a separate self-invoice is to be issued.

Time of supply: In respect of GST payable under Reverse Charge Mechanism (RCM), separate time of supply (ToS) was introduced for supplies received from Registered and Un-registered suppliers through Finance Act (no. 2) of 2024.

For supplies received from unregistered suppliers, the time of supply was prescribed to be earlier of:

- The date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or
- the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient.





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Returns under the GST

1. Circular No. 246/03/2025-GST dated 30th January 2025:

Here is a comprehensive set of numerical examples based on Circular No. 246/03/2025-GST dated 30th January 2025, which clarifies the applicability of late fee for delay in filing GSTR-9C:

✓BACKGROUND:

- **GSTR-9** = Annual Return (mandatory for all regular taxpayers above ₹2 crore turnover)
- **GSTR-9C** = Reconciliation Statement (mandatory only if turnover exceeds ₹5 crore)

From 01.08.2021 onwards, sub-rule (3) of rule 80 of CGST Rules provides that taxpayer with aggregate turnover during a financial year exceeding five crore rupees, shall furnish a self-certified reconciliation statement as specified under section 44 of the CGST Act in FORM GSTR-9C along with the annual return in FORM GSTR-9 on or before the thirty-first day of December following the end of such financial year.

✓EXAMPLE 1: Late Filing of Only GSTR-9 (No GSTR-9C Required)

□ Case:

- **FY:** 2022–23
- **Aggregate Turnover:** ₹4.90 crore
- **Due Date for GSTR-9:** 31st December 2023
- **Actual Filing Date:** 15th January 2024
- **GSTR-9C Not Applicable** (turnover < ₹5 crore)

□ Late Fee Calculation:

- Delay = 15 days
- **Late Fee under Section 47(2)** = ₹100 per day (₹50 CGST + ₹50 SGST)
- Max Late Fee = ₹10,000 (₹5,000 CGST + ₹5,000 SGST)

□ Payable Late Fee = ₹100 × 15 = ₹1,500 (₹750 CGST + ₹750 SGST)

✓Only GSTR-9 delay = late fee applicable

✓EXAMPLE 2: GSTR-9 Filed, GSTR-9C Filed Later (Turnover > ₹5 Cr)

□ Case:

- **FY:** 2022–23
- **Aggregate Turnover:** ₹8 crore
- **Due Date:** 31st December 2023
- **GSTR-9 Filed on:** 31st December 2023 (on time)
- **GSTR-9C Filed on:** 15th March 2025



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Late Fee Applicability:

- **Section 44** says: GSTR-9 and GSTR-9C must be furnished together
- So, **Annual Return is incomplete** till 15th March 2025
- **Delay Period = 439 days**

(From 31-Dec-2023 to 15-Mar-2025)

- **Late Fee capped at ₹10,000** (₹5,000 CGST + ₹5,000 SGST)

However, as per Notification 08/2025-CT dated 23.01.2025:

- If GSTR-9C for **FY up to 2022–23** is filed **on or before 31-Mar-2025**,

then **only late fee up to date of GSTR-9 filing is applicable.**

In this case, **GSTR-9 filed on time**, so:

✓ **No additional late fee for GSTR-9C**

✓ **No refund for any late fee already paid** either

vide notification No. 08/2025-Central Tax dated 23.01.2025, the late fee in respect of delayed filing of complete annual return (i.e. GSTR-9 & 9C) for any financial year upto FY 2022-23 has been waived, which is in excess of the late fee payable under sub-section (2) of section 47 of CGST Act upto the date of furnishing of return in FORM GSTR-9 for the said financial year, if the reconciliation statement in FORM GSTR9C is furnished on or before 31st March 2025.

Accordingly, in cases where reconciliation statement in FORM GSTR-9C was required to be furnished along with the return in FORM GSTR-9, but was not furnished so for any financial years upto FY 2022-23, and has been furnished subsequently on or before 31st March, 2025, then no additional late fee shall be payable for delayed furnishing of FORM GSTR-9C which is in excess of the late fee payable under section 47 upto the date of furnishing FORM GSTR-9 for the said financial year.

Further, no refund shall be admissible in respect of any amount of late fee already paid in respect of delayed furnishing of FORM GSTR-9C for the said financial years.

✓ **EXAMPLE 3: GSTR-9 Filed Late, GSTR-9C Filed Even Later**

Case:

- **FY:** 2021–22
- **Aggregate Turnover:** ₹7 crore
- **GSTR-9 Filed:** 15th February 2023
- **GSTR-9C Filed:** 25th March 2025
- **Due Date:** 31st December 2022

Delay:

- GSTR-9 filed after **46 days delay**



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→ Late fee = ₹100 × 46 = ₹4,600 (₹2,300 CGST + ₹2,300 SGST)

- GSTR-9C filed after ~448 days delay

□ **Clarification per Circular:**

- Entire annual return = GSTR-9 + GSTR-9C
- But since **GSTR-9C filed before 31-Mar-2025,**

late fee **limited to delay in GSTR-9 filing only**

✓ **Total Late Fee Payable = ₹4,600**

✓ **No extra fee for delay in GSTR-9C**

✓ **EXAMPLE 4: GSTR-9 Filed On Time, GSTR-9C Filed After 31-Mar-2025**

□ **Case:**

- **FY: 2022–23**
- **Aggregate Turnover: ₹6.5 crore**
- **GSTR-9 Filed: 30-Dec-2023**
- **GSTR-9C Filed: 5th April 2025 (after waiver deadline)**

□ **Late Fee Impact:**

- Waiver under Notification 08/2025 applies **only if GSTR-9C is filed by 31-Mar-2025**
- Delay = 461 days (calculated for the period from the due date of furnishing of annual return under section 44 of the CGST Act till the date of furnishing of complete annual return i.e. GSTR-9 & 9C)

□ Late Fee = ₹100 × 461 = ₹46,100

But capped at ₹10,000

✓ **Late Fee Payable = ₹10,000**

(₹5,000 CGST + ₹5,000 SGST)

✓ **Summary Table**

Case	Turnover	GSTR-9 Filing	GSTR-9C Filing	Late Fee Payable
1	₹4.9 Cr	15-Jan-2024	Not Applicable	₹1,500
2	₹8 Cr	31-Dec-2023	15-Mar-2025	₹0 (<i>waived</i>)
3	₹7 Cr	15-Feb-2024	25-Mar-2025	₹4,600
4	₹6.5 Cr	30-Dec-2023	5-Apr-2025	₹10,000

2. In the said rules, with effect from date to be notified, in FORM GSTR-3B, - (a) For Table 6.1, the following Table shall be substituted; (vide NOTIFICATION No. 12/2024 – Central Tax New Delhi, the 10th July, 2024).



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Now, notified w.e.f. 11th February, 2025 vide NOTIFICATION No. 09/2025–Central Tax New Delhi, the 11th February, 2025.

32. In the said rules, with effect from date to be notified, in FORM GSTR-3B, -

(a) For Table 6.1, the following Table shall be substituted;

Description	Tax payable	Adjustment of negative liability of previous tax period	Net Tax Payable (2-3)	Tax paid through ITC				Tax paid in cash	Interest paid in cash	Late fee paid in cash
				Integrated tax	Central tax	State/UT tax	Cesses			
1	2	3	4	5	6	7	8	9	10	11
(A) Other than (i) reverse charge and (ii) supplies made u/s 9(5)										
Integrated tax	<Auto>	<Auto>	<Auto>							
Central tax	<Auto>	<Auto>	<Auto>							
State/ UT tax	<Auto>	<Auto>	<Auto>							
Cess	<Auto>	<Auto>	<Auto>							
(B) Reverse charge and supplies made u/s 9(5)										
Integrated tax	<Auto>	<Auto>	<Auto>							
Central tax	<Auto>	<Auto>	<Auto>							
State/UT tax	<Auto>	<Auto>	<Auto>							
Cess	<Auto>	<Auto>	<Auto>							

(b) Table 6.2 shall be omitted.

3. with effect from date to be notified, in Form GSTR-7, for table 3, the following Table shall be substituted, (vide NOTIFICATION No. 12/2024 – Central Tax New Delhi, the 10th July, 2024). Now, notified w.e.f. 11th February, 2025 vide NOTIFICATION No. 09/2025–Central Tax New Delhi, the 1st day of April, 2025.

37. In the said rules, with effect from a date to be notified, in Form GSTR-7,-

(i) for Table 3, the following Table shall be substituted, namely;-

GSTIN of deductee	Invoice/ document details			Amount paid to deductee liable for TDS	Amount of tax deducted at source		
	No.	Date	Value		Integrated tax	Central tax	State/UT tax
1	2	3	4	5	6	7	8



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(ii) for Table 4, the following Table shall be substituted, namely;-

Original details						Revised details							
Month	GSTIN of deductee	Invoice/ document details			Amount paid to deductee liable	GSTIN of deductee	Invoice/ document details			Amount paid to deductee liable	Amount of tax deducted at source		
		No.	Date	Value			No.	Date	Value		Integrated tax	Central tax	State / UT tax

					for TDS					for TDS			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

(iii) in Instructions, – (a) for instruction at serial number 2, the following instruction shall be substituted, namely:-
—2. Table 3 to capture invoice/ document wise details of tax deducted.; (b) after instruction at serial number 4, the following instruction shall be inserted, namely:- 5. The amount liable for TDS in column 5 of Table 3 and column 6 and column 11 of Table 4, shall be the amount excluding the Central tax, State tax/ Union territory tax, Integrated tax and cess, indicated in the invoice.

Due date of filing Form GSTR-7 specified in rule 66 [Rule 66(1) amended]:

Amendment of section 39(3), w.e.f. 1-11-2024, F.A. 2024 dated 16-8-2024:

- In section 39 of the Central Goods and Services Tax Act, for sub-section (3), the following sub-section shall be substituted, namely: —

“Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:

Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month.”.

Return Form	Particulars	Frequency	Due date
GSTR-7	Return for authorities deducting tax at source (Section 39(3) of the CGST Act, 2017)	Monthly	w.e.f. 1-11-2024, on or before the 10th of the month succeeding the calendar month in which the tax is deducted. (Notification No. 20/2024 CT dt. 8-11-2024)

4. with effect from date to be notified, in Form GSTR-8, the following Table shall be substituted, (vide NOTIFICATION No. 12/2024 – Central Tax New Delhi, the 10th July, 2024). Now, notified w.e.f. 11th February, 2025 vide NOTIFICATION No. 09/2025–Central Tax New Delhi, the 1st day of April, 2025.



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38. In the said rules, in FORM GSTR-8, –

(i) under the heading Instructions, in paragraph 7, for the letters, words and figures “GSTR-1”, the letters, words and figures “(GSTR-1 or GSTR-1A)” shall be substituted;

(ii) in **FORM GSTR-8**, with effect from a date to be notified, –

(a) for serial number 3, the following shall be substituted, namely:-

“3. Details of supplies made through e-commerce operator

(Amount in Rs. for all Tables)

GSTIN of the supplier	Details of supplies made which attract TCS			Amount of tax collected at source			Place of Supply (POS)
	Gross value of supplies made	Value of supplies returned	Net amount liable for TCS	Integrated Tax	Central Tax	State /UT Tax	
1	2	3	4	5	6	7	8
3A. Supplies made to registered persons							
3B. Supplies made to unregistered persons							

(b) for serial number 4, the following shall be substituted, namely:-

Amendments to details of supplies in respect of any earlier statement

Original details			Revised details						
Month	GSTIN of supplier	GSTIN of supplier	Details of supplies made which attract TCS			Amount of tax collected at source			Place of Supply (POS)
			Gross value of supplies made	Value of supply returned	Net amount liable for TCS	Integrated Tax	Central Tax	State/UT Tax	
1	2	3	4	5	6	7	8	9	10
4A. Supplies made to registered persons									
4B. Supplies made to unregistered persons									



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E-way Bill

- 1. Information to be furnished prior to commencement of movement of goods and generation of e-way bill (Notification No. 12/2024 C.T. dated 10-7-2024):**
with effect from a date to be notified, (Now notified w.e.f. 11-2-2025 vide NOTIFICATION No. 09/2025–Central Tax, dated 11th February 2025) in rule 138, in sub-rule (3), after the third proviso, the following proviso shall be inserted, namely:- —
Provided also that an unregistered person required to generate e-way bill in FORM GST EWB-01 in terms of the fourth proviso to sub-rule (1) of Rule 138 (i.e. where handicraft goods are transported from one State or UT to another State or UT by a person who has been exempt from the requirement of obtaining registration under clause (i) or (ii) of section 24, the e-way bill shall be generated by the said person irrespective of the value of the consignment) or an unregistered person opting to generate e-way bill in Form GST EWB-01, on the common portal, shall submit the details electronically on the common portal in FORM GST ENR- 03 either directly or through a Facilitation Centre notified by the Commissioner and, upon validation of the details so furnished, a unique enrollment number shall be generated and communicated to the said person.
- 2. with effect from a date to be notified, after the FORM GST ENR-02, the following Form shall be inserted, namely: - —FORM GST ENR-03 [See rule 138(3)] Application for Enrollment [only for un-registered persons] Now notified vide NOTIFICATION No. 09/2025–Central Tax New Delhi, the 11th February, 2025. W.e.f 11th day of February, 2025.**



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Demand and Adjudication

1. Circular No. 239/33/2024-GST dated 4th December 2024:

Here is a **simple and professional example** that covers **all key points** of **Circular No. 239/33/2024-GST dated 4th December 2024**, which clarifies the adjudication of SCNs issued by DGGI officers under 74A (from F.Y. 2024-25) or Sections 73 and 74 of the CGST Act, 2017:

Practical Example – SCN Adjudication by Officer with All India Jurisdiction

Background:

- **Date of SCN issued by DGGI:** 10th December 2024
- **Nature of Allegation:** Fraudulent avilment of ITC using fake invoices (Section 74)
- **Number of Noticees:** 3
- **Same or Different PANs:** Different PANs
- **Same Issue:** Yes – fake ITC availed without receipt of goods
- **Jurisdiction:** Multiple States/Commissionerates involved
- **Adjudication Required:** As per amended Circular and Notification 27/2024-Central Tax

Case Details:

Noticee Name	PAN	State	Jurisdiction Commissionerate	Tax Demand (₹)
M/s Shine Traders	AAAAA1111A	Maharashtra	Mumbai East	₹1,80,00,000
M/s Star Distributors	BBBBB2222B	Gujarat	Ahmedabad North	₹90,00,000
M/s Crystal Pvt Ltd	CCCCC3333C	Rajasthan	Jaipur	₹1,50,00,000

Step-by-Step Application of Circular No. 239/33/2024 dated 4th December 2024:

Point 1: Common Issue + Multiple PANs + Different Commissionerate's

- Covered under Para 7.1 of the circular.
- DGGI has issued one SCN to three entities for same issue (fraudulent ITC).
- Principal places of business fall under **different Commissionerate's**.

Point 2: Who has the highest tax demand?

- **M/s Shine Traders – ₹1.80 Cr → falls under Mumbai East Commissionerate**



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✓ **Point 3: Allocation of Adjudication**

- As per amended **Table V of Notification No. 02/2017**, updated via **Notification No. 27/2024-Central Tax**, cases involving Mumbai East jurisdiction will be adjudicated by:

Additional/Joint Commissioner, Mumbai South Commissionerate (All India Jurisdiction)

✓ **Point 4: Irrespective of Amount**

- Circular clarifies **no monetary threshold** is applicable – All India jurisdiction applies even if amounts vary.

✓ **Point 5: New SCN on Same Issue in Future**

Suppose later, on **1st March 2025**, DGGI issues a fresh SCN on same issue to:

- M/s Alpha Steels (New PAN, based in Bengaluru South)
- Tax Demand = ₹2.10 Cr

→ As per **Para 7.1.1**, since there is only one noticee in the later SCN:

- SCN will be adjudicated by the **jurisdictional officer of Bengaluru South Commissionerate**.

✓ **Point 6: Old SCNs before 01.12.2024 but No Order Passed**

If original SCN was issued on **25th September 2024** (before 01.12.2024) and no order was passed till 30th November 2024:

- Para 7.3** of the circular allows issue of **corrigendum**
- SCN to be made answerable to **Additional Commissioner, Mumbai South**, based on highest demand criteria.

Final Summary:

SCN Category	Adjudicating Authority
One SCN to multiple PANs (same issue)	Addl./Joint Commissioner (Mumbai South Commissionerate)
Later SCN to one PAN (same issue)	Jurisdictional Addl./Joint Commissioner
SCN before 01.12.2024, no order passed	Corrigendum to assign to Mumbai South Adjudicating Officer



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2. Circular No. 248/05/2025-GST dated 27th March 2025:

Representations have been received from trade and industry highlighting certain issues being faced in availing the benefit provided under section 128A of the CGST Act, 2017 such as eligibility of cases for benefit under section 128A, where payment has been made through GSTR-3B instead of DRC-03 and treatment of withdrawal of appeals filed by the taxpayer against consolidated adjudication order covering periods beyond the one specified under section 128A of the CGST Act, 2017 for the purpose of availing the said benefit.

Below is a **professional set of numerical examples** covering all key clarifications issued under **Circular No. 248/05/2025-GST dated 27th March 2025**, related to **Section 128A** and **Rule 164** of the CGST Act and Rules. These examples align with the clarifications made regarding **tax paid via GSTR-3B, DRC-03, and withdrawal of appeals** in cases where the adjudication order covers periods both *within* and *outside* the eligible period (FY 2017–18 to FY 2019–20).

Issue 1: GSTR-3B Payments Prior to 1st November 2024

Example 1A: Eligible GSTR-3B Tax Payment Before 01.11.2024

M/s A-One Enterprises received a notice under Section 73 for FY 2018–19 (period eligible under Section 128A) for short-paid tax of ₹5,00,000.

- They paid the tax via **GSTR-3B** in **May 2023**, before any demand notice was issued.
- No penalty or interest was paid.
- Section 128A came into force on **1st November 2024**.

Clarification per Circular:

Since tax was **voluntarily paid via GSTR-3B before 01.11.2024**, and it pertained to the same demand, **benefit of Section 128A** can be availed.

No need to re-pay through DRC-03

Interest & penalty are waived

Subject to verification by proper officer

Example 1B: GSTR-3B Payment Made After 01.11.2024

M/s ABC Traders received a Section 73 notice for FY 2019–20 in **January 2024**.

They paid the tax of ₹7,00,000 via **GSTR-3B in November 2024** (after 01.11.2024).

Clarification:

Not eligible under 128A unless payment is done **via DRC-03 or prescribed modes under Rule 164(2) on or after 01.11.2024**.

They must **re-pay via DRC-03** for waiver of interest & penalty:

File application Form GST SPL-01 – against notice: The application in FORM GST SPL-01, shall be filed within a period of three months from the date notified under section 128A (1), i.e., within three months from 31.03.2025.



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□ *Issue 2: Partial Period Covered under Section 128A*

✓ *Example 2A: Consolidated Order for FY 2019–20 and FY 2020–21*

M/s Sunrise Equipment's received a single adjudication order dated **15th May 2023** covering:

- FY 2019–20: Tax demand ₹6,00,000 (eligible under 128A)
- FY 2020–21: Tax demand ₹4,00,000 (not eligible)

An appeal was filed before the Appellate Authority for the entire period.

□ **What can be done now?**

1. Pay ₹6,00,000 (FY 2019–20) through DRC-03 or mode specified under Rule 164.
2. File application **Form SPL-02** (if order issued).
3. Submit a declaration to Appellate Authority stating they are availing **128A** for FY 2019–20 and wish to pursue appeal **only for FY 2020–21**.

Note: The application in FORM GST SPL-01 or FORM GST SPL-02, as the case may be, shall be filed within a period of three months from the date notified under section 128A (1), i.e., within three months from 31.03.2025. However, as per the first proviso to sub-section (1) of Section 128A, where a notice has been issued under section 74, and the Appellate Authority or Appellate Tribunal or a court directs the proper officer to redetermine the tax as if the demand notice is issued under section 73, in accordance with the provisions of section 75(2), then same is covered under clause (b) of sub-section (1). Therefore, as mentioned in proviso to sub-rule (6) of Rule 164, in such cases, an application in FORM GST SPL-02, can be filed within six months from the date of communication of order of the proper officer redetermining the amount of tax to be paid under section 73.

✓ Appellate Authority will consider **partial withdrawal** for eligible period only.

✓ *Example 2B: Appeal Filed, Intends to Avail 128A*

M/s Vision Tech filed appeal before Tribunal against consolidated order:

- FY 2018–19: ₹3,00,000 (eligible)
- FY 2021–22: ₹9,00,000 (not eligible)

Steps:

1. Pay ₹3,00,000 via “payment towards demand” facility in case of demand orders (i.e. by crediting the amount in the electronic liability register against debit entry created by the said order) and through Form GST DRC-03 in case of notices. However, if payment has already been done through Form GST DRC-03 for any demand order then the taxpayer needs to link the said Form GST DRC 03 with such demand order through Form GST DRC-03A, which is now available on the common portal. DRC-03 followed by DRC-03A.
2. File application Form GST **SPL-02**



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3. Notify Tribunal regarding withdrawal of appeal **only for FY 2018–19**

✓Tribunal may pass separate order for FY 2021–22 as it deems fit.

✓Waiver of interest and penalty **granted only for FY 2018–19**

□ **Summary Table for Quick Reference**

Scenario	Tax Paid	Period	Mode of Payment	Eligibility under Sec 128A	Action Required
Before 01.11.2024	₹5,00,000	FY 2018–19	GSTR-3B	✓Eligible	Subject to PO verification
After 01.11.2024	₹7,00,000	FY 2019–20	GSTR-3B	✗Not eligible	Re-pay via DRC-03
Consolidated Order	₹6L (2019–20), ₹4L (2020–21)	Mixed	DRC-03 for eligible year	✓Partial benefit	File SPL-02 + Inform Authority
Appeal Filed	₹3L (2018–19), ₹9L (2021–22)	Mixed	DRC-03	✓Partial benefit	Withdraw FY 2018–19 only

Clarification issued vide point 6 of the Table at para 4 of circular No. 238/32/2024-GST dated 15th October 2024 is accordingly withdrawn:

To avail amnesty scheme, one needs to pay full tax for the portion 'allowable under 128A' and for the portion 'not allowable under 128A' is withdrawn, as per amendment in Rule 164(4) **to be notified** vide **Notification No. 11/2025 – Central Tax** dated 27th March 2025.