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Grievance Redressal Mechanism for processing of application for GST registration.

The CBIC, via Instruction No. 04/2025-GST, dated, 2<sup>nd</sup> May 2025, has established a grievance redressal mechanism for GST registration applications under Central Jurisdiction. Applicants facing issues such as improper queries or rejections can email their grievances (with ARN, jurisdiction details, and a brief description) to a designated email ID publicized by the Principal Chief Commissioner/Chief Commissioner of CGST Zones. Grievances related to State Jurisdiction will be forwarded to the respective authority with a copy to the GST Council Secretariat. Commissioners are responsible for timely resolution, advising applicants when queries are valid, and submitting monthly grievance reports to DGGST for review by the Board.

Source- Notification

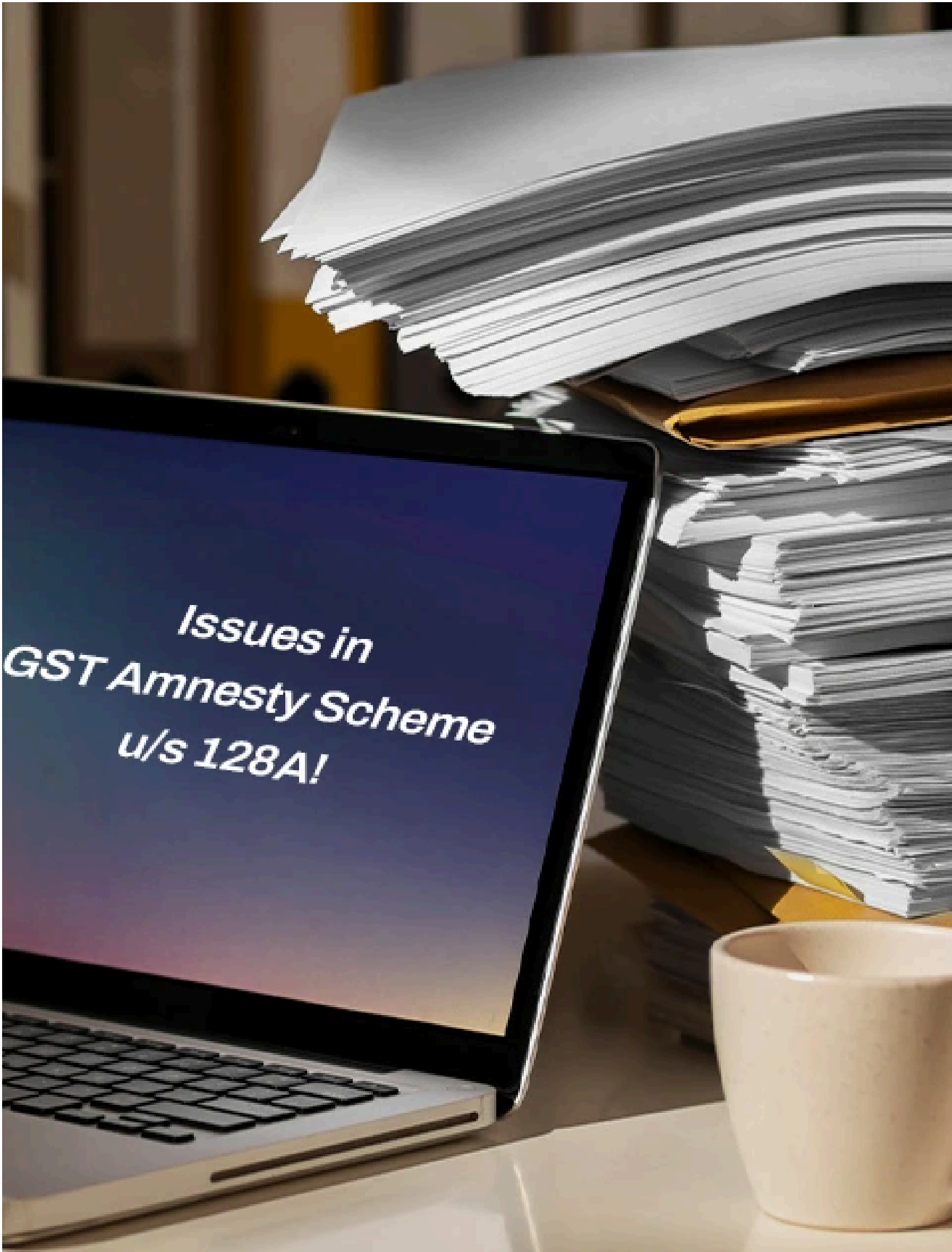


Timely production of records/information for audit

The CBIC, via **Instruction No. 05/2025-GST, dated, 2<sup>nd</sup> May 2025**, has directed all field officers to ensure timely and complete production of records/information to the Comptroller and Auditor General (C&AG) audit teams, following concerns raised in Audit Report 7 of 2024. Citing Article 149 of the Constitution, the instruction emphasizes that GST field formations must fully cooperate by furnishing all available or maintainable records. Officers are also advised to request the necessary documents from taxpayers when such records lie with them and to follow up promptly to avoid delays. This directive aims to ensure smooth and transparent C&AG audit proceedings.

Source - Notification





**Reporting of HSN codes in Table 12 and list of documents in table 13 of GSTR-1/1A**

As per GSTIN Notification, from the May 2025 return period onward, Phase 3 of the HSN code reporting mandate under Notification No. 78/2020 – Central Tax comes into effect, making it compulsory for taxpayers to report minimum 4 or 6 digits of HSN codes in Table 12 of GSTR-1/1A, based on their Aggregate Annual Turnover (AATO) in the preceding financial year. Additionally, Table 13 of GSTR-1/1A, which captures the list of documents issued (like invoices, credit/debit notes), is now also mandatory to fill. These changes are part of the phased implementation by GSTN to standardize and improve data quality in GST returns.

**Source- Circular**

**Invoice-wise Reporting Functionality in Form GSTR-7 on portal-reg.**

As per GSTIN advisory, pursuant to Notification No. 09/2025 – Central Tax dated 11.02.2025, Form GSTR-7 has been amended to enable invoice-wise reporting for the return period starting April 2025 onwards. While the legal requirement is effective from 01.04.2025, the technical deployment of this functionality on the GST portal is currently under development and testing. The enhanced feature will be made live shortly, and taxpayers will be informed once it is available for use on the portal.

**Source- News**



**Updates in Refund Filing Process for various refund categories-Reg.**

The GSTN advisory, has revised the refund filing process for three categories—(a) Export of Services with payment of tax, (b) Supplies to SEZ with payment of tax, and (c) Refund by Supplier of Deemed Exports—by eliminating the requirement to select a specific tax period. Refunds under these categories will now follow an invoice-based filing system, where taxpayers upload eligible invoices under respective statements (Statement 2, 4, and 5B). Once submitted, invoices will be locked from further amendments unless the application is withdrawn, or a deficiency memo is issued. Taxpayers must ensure all due returns (GSTR-1, 3B, etc.) are filed prior to applying for refunds.

**Source- News & Updates**

**Updates in Refund Filing Process for Recipients of Deemed Export**

The GSTN advisory, has updated the refund process for the category "Refund by Recipient of Deemed Export", removing the requirement to file applications in chronological tax period order—taxpayers no longer need to select "From" and "To" periods. Refund filing is now invoice-based, with key enhancements made to the "Amount Eligible for Refund" table, which auto-populates values like ECL balance, net ITC from uploaded invoices (Statement 5B), and eligible refund amounts. The revised structure also allows maximum refund claim optimization by comparing total ITC claimed across IGST, CGST, SGST, and the available ECL balances. Taxpayers must





ensure all returns are filed before applying and may raise grievances on the GST portal if needed.

**Source- News & Updates**

**Advisory on Appeal withdrawal with respect to Waiver scheme**

As per GSTN's advisory on the Amnesty Scheme under Section 128A requires taxpayers to upload a screenshot of the appeal case folder showing the status as 'Appeal withdrawn' to qualify. The advisory clarifies that whether the withdrawal application (APL 01W) is filed before the final acknowledgment (APL 02) by the Appellate Authority or after, the taxpayer becomes eligible once the appeal status changes from 'Appeal submitted' to 'Appeal withdrawn.' This satisfies the scheme's condition that no appeal against the demand order remains pending, thereby allowing taxpayers to avail the waiver.

**Source- News & Updates**

**Advisory on reporting values in Table 3.2 of GSTR-3B.**

GSTN had planned to make auto-populated values in Table 3.2 of Form GSTR-3B non-editable from April 2025 returns (filed in May 2025). However, after receiving taxpayer feedback and grievances, this change has been deferred. Table 3.2 will remain editable for now, allowing taxpayers to amend auto-filled entries and file accurate returns. GSTN will notify taxpayers when the non-editable feature is implemented.

**Source- News & Updates**



### SC: Allowing use of Electronic Credit Ledger for payment of pre-deposit.

In the case of **Union of India vs Yasho Industries Ltd [SPECIAL LEAVE PETITION (CIVIL) Diary No(s). 17547/2025, dated, 19<sup>th</sup> May 2025]**, the **Hon'ble Supreme Court** upheld the Gujarat High Court's decision in R/SCA No. 10504/2023, which held that utilizing the **Electronic Credit Ledger (ECL)** for making pre-deposits under Section 107(6) of the GST Act constitutes "sufficient compliance." The Supreme Court found no grounds to interfere with the High Court's impugned order, noting that previous SLPs entertained by the Court were filed by assesseees, not the Department. This decision is crucial, particularly in light of the deletion of Rule 96(10) of the CGST Rules in 2024, further solidifying the taxpayer's ability to use their accumulated input tax credit for appellate pre-deposits.

#### Source- Rulings

### SC: Dismisses Revenue's SLP against HC verdict that quashed 'negative blocking' under Rule 86A

In the case of Commissioner of Central Tax and GST Delhi North Ors vs Raghav Agarwal [SPECIAL LEAVE PETITION (CIVIL) Diary No(s). 21913/2025, dated 9<sup>th</sup> May 2025], the Hon'ble Supreme Court dismissed the Revenue's Special Leave Petition challenging the Delhi High Court's judgment that blocking Input Tax Credit (ITC) in Electronic Credit Ledgers (ECrL) in excess of available credit is unsustainable. The High Court had interpreted Rule 86A to mean that "amount equivalent to such credit" refers only to currently available input tax credit, not past utilized or refunded credit. While dismissing the SLP, the Supreme Court explicitly kept other remedies for recovery open for the Revenue. This ruling reinforces the Delhi High Court's view that the power under Rule 86A is a drastic one with serious consequences for assesseees, affirming that utilization of validly accrued credit is a vested right and that the Commissioner's power to restrict access to this valuable resource is limited to defined circumstances.

#### Source- Rulings

### SC: Affirming prospective Rule 89(4) applicability, remands matter to HC for determining Circular legality

In the case of **Union of India vs. M/s Tata Steel Limited [CIVIL APPEAL NO(S). 6987-7000 OF 2025, dated 19<sup>th</sup> May 2025]**, the **Hon'ble Supreme Court** remanded the matter back to the Jharkhand High Court. While the apex court refused to interfere with the High Court's finding that the amendment to Rule 89(4) of the CGST Rules, 2017, concerning the computation of unutilized Input Tax Credit (ITC) refund for zero-rated supplies, operates prospectively, it directed the High Court to specifically reconsider the **legality of Circular No. 125/44/2019-GST dated November 18, 2019**. The assessee had specifically challenged **Para 47** of this Circular, which mandates taking the lower of the tax invoice and shipping bill values for export refund claims.

Source- Rulings



### HC: Restriction imposed under Rule 36(4) not unconstitutional, allows legitimate/eligible ITC: Dismisses L&T's writ

In the case of **L&T Geostructure LLP vs Union of India an Ors [W.P.Nos.5978 and 5983 of 2020, dated 9<sup>th</sup> May 2025]**, the **Hon'ble Madras High Court** dismissed challenges to the constitutional validity of Rule 36(4) of the CGST Rules, 2017. The rule, which progressively restricted Input Tax Credit (ITC) claims when supplier invoice details were not uploaded (eventually to 'Nil'), was deemed a reasonable and temporary measure to regulate ITC availment until mandatory supplier compliance under Section 37(1) could be fully enforced through the evolving IT system (GSTR-2A). The Court found no violation of Article 14 of the Constitution, emphasizing the rule's objective to allow legitimate ITC and prevent revenue leakage, a prevalent issue in the erstwhile VAT regime. The judgment highlighted that the restrictions were phased out as technology improved, enabling auto-populated ITC based on supplier returns, thereby supporting the rule's incorporation as a necessary step during GST implementation and rejecting arguments for unfettered credit.

Source- Rulings

### HC: Construction services supplied in lieu of TDR prior to issuance of completion-certificate taxable

In the case of **Shashi Ranjan Constructions Pvt. Ltd. vs Union of India & Ors. [Civil Writ Jurisdiction Case No.6700 of 2024, dated 5<sup>th</sup> May 2025]**, the **Hon'ble Patna High Court** upheld GST liability on construction services received against Transfer of Development Rights (TDR) under a Joint Development Agreement (JDA) prior to issuance of a completion certificate. Citing Notification No. 11/2017-Central Tax (Rate), it held that GST applies unless the entire consideration is received post-completion or first occupancy. Rejecting the builder's reliance on Notification No. 4/2019, the Court clarified that the tax was rightly levied under SAC 9954 (construction services), not SAC 9972 (TDR), and that such services were taxable from the inception of GST. It affirmed liability under reverse charge mechanism (RCM) and dismissed challenges to Notifications 9/2023 and 56/2023, calling them irrelevant as the assessment was within time.

**Source- Rulings**

### HC: Upholds Sec. 122 adjudication powers, rejects 'Criminal Court' trial plea.

In the case of **Patanjali Ayurved Ltd vs Union of India [WRIT-TAX NO. 1603 OF 2024, dated 29<sup>th</sup> May 2025]**, the **Hon'ble Allahabad High Court** upheld the adjudicatory powers under Section 122 of the CGST Act, dismissing **Patanjali Ayurved's plea** that penalty proceedings should be tried only by criminal courts. The Court clarified that Section 122 deals with administrative penalties imposed by a proper officer, while Sections 132 to 138 pertain to criminal prosecution, to be handled by criminal courts. It ruled that conclusion of proceedings under Section 74 does not nullify separate penalty proceedings under Section 122. Calling the petitioner's arguments "innovative but fallacious," the Court emphasized that accepting such reasoning would defeat the CGST Act's purpose. Accordingly, it allowed the GST Department to proceed with the penalty proceedings under Section 122 based on the issued show cause notice.

**Source- Rulings**



### HC: Explains framework for 6%/ 9% interest on refund delayed for deficiency-memo non-issuance.

In the case of **G S Industries vs Commissioner of Central Tax and GST Delhi West [W.P.(C) 7485/2024 & CM APPL. 31186/2024, dated 20<sup>th</sup> May 2025]**, the Hon'ble Delhi High Court clarified the calculation of interest on delayed GST refunds, holding that the "Petitioner cannot be denied the benefit of interest for delay caused due to the deficiency memo not having been issued within the stipulated period." The Court directed the Revenue to pay interest at 6% p.a. from the initial refund application until the second, excluding the 74 days taken by the assessee to respond to a deficiency memo, and 9% p.a. thereafter, less any interest already paid. The decision, which referenced Sections 54 and 56 read with Rule 90 and the precedent in *Bansal International*, systematically outlined the interest computation methodology, noting the Revenue's failure to issue the deficiency memorandum within the prescribed 15-day timeframe.

**Source- Rulings**

### HC: Considering error in filing GSTR-3B, allows rectification on par with GSTR-1

In the case of **Om Traders vs UOI & ors [Civil Writ Jurisdiction Case No.16509 of 2024, dated 13<sup>th</sup> May 2025]**, the Hon'ble Patna High Court allowed manual rectification of GSTR-3B to align with GSTR-1, after being convinced of a genuine error in GSTR-3B that led to a demand order. The Court criticized the GST authorities' rejection of the assessee's earlier rectification request and dismissed their advice to pay tax and later claim a refund, stating it lacked statutory backing. The Court directed authorities to carry out rectification within one month and address any related grievances within two months, noting no demonstrated loss to the State exchequer from the correction.

**Source- Rulings**



### Anti-Dumping Duty on imports of "Titanium Dioxide" originating in or exported from China PR.

The **CBIC, via Circular No. 16/2025-Customs dated 11th May 2025**, has clarified the implementation process for Anti-Dumping Duty (ADD) on imports of "Titanium Dioxide" from China PR, as notified in Notification No. 12/2025-Customs (ADD) dated 10.05.2025. The ADD applies only to imports meant for non-excluded end uses, while imports for food, pharma, skincare, textile, fibre, or nano/ultrafine uses are exempt. To operationalize this exemption, a facility has been introduced in the Bill of Entry (BE) for importers to electronically declare intended use in exempted sectors. Importers must also undertake to pay ADD with interest if the goods are diverted to non-exempt sectors. Customs officers are to be sensitized about this, and DG (Systems) will issue further advisory for system changes.

**Source- Customs**

### Prohibition on import or transit of all goods originating in or exported from.

The **CBIC, via Instruction No. 07/2025-Customs dated 3rd May 2025**, has directed Customs formations to enforce a complete prohibition on the import or transit of all goods originating in or exported from Pakistan, as per Para 2.20A newly inserted in the Foreign Trade Policy (FTP) 2023 through DGFT Notification No. 06/2025-26 dated 02.05.2025. This ban applies to all goods, regardless of their import status (freely importable or otherwise) and is enforced in the interest of national security and public policy. Any exception to this prohibition requires prior approval from the Government of India. Customs officers are to be duly sensitized, and any implementation difficulties should be reported to the Board.

**Source- Customs**

### Port restriction on import of certain goods from Bangladesh to India

The CBIC, via **Instruction No. 11/2025-Customs** dated 17th May 2025, has informed Customs officials about the **port restrictions imposed on specific imports from Bangladesh**, as per DGFT Notification No. 07/2025-26. A new Para 19 has been inserted under the **General Notes of ITC (HS), 2022**, restricting import of several goods including **Ready Made Garments, carbonated drinks, processed foods, cotton waste, plastic/PVC goods, and wooden furniture** from Bangladesh. These imports are now only permitted through Nhava Sheva and Kolkata seaports and are prohibited through certain land ports and border points in northeastern states and parts of West Bengal. However, **imports of fish, LPG, edible oil, and crushed stone** are exempt, as are **Bangladesh's exports to Nepal/Bhutan** transiting through India. Customs officers are directed to ensure strict compliance and implementation.

**Source- Customs**



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