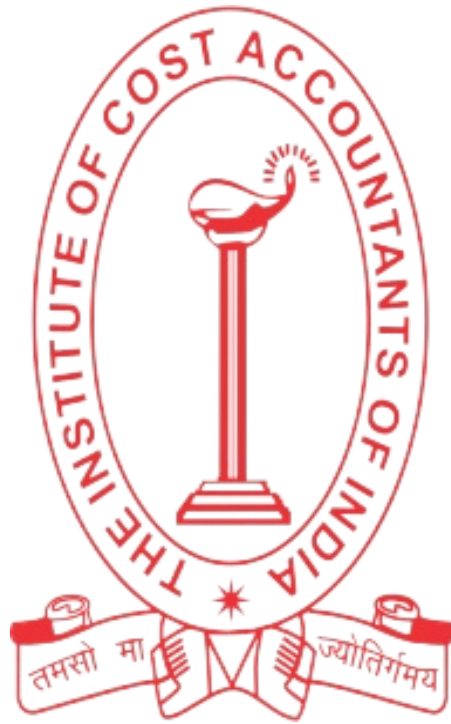




**SUPPLEMENTARY FOR JUNE 2026
TERM OF EXAMINATION**

PAPER - 19

**INDIRECT TAX LAWS AND PRACTICE
SYLLABUS 2022**



**SUPPLEMENTARY_PAPER 19_FOR JUNE 2026
TERM OF EXAMINATION_SYLLABUS 2022**

Indirect Tax Laws and Practice

STATUTORY UPDATES
FOR
JUNE 2026 EXAMINATION

(Amendments incorporated from 1st June 2025 to 30th November 2025)



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

SECTION- A

GOODS AND SERVICES TAX (GST) ACT & RULES



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Scope of Supply

1. Local Authority section 2(69) amended as per Finance Act, 2025 w.e.f. 1-10-2025:

(69) "local authority" means-

(a) a "Panchayat" as defined in clause (d) of article 243 of the Constitution;

(b) a "Municipality" as defined in clause (e) of article 243P of the Constitution;

(c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal [fund Inserted w.e.f. 01.10.2025] or local fund;

[Explanation (Inserted w.e.f. 01.10.2025).— For the purposes of this sub-clause —

(a) “local fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;

(b) “municipal fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;]

2. In Schedule – III of the CGST Act, 2017

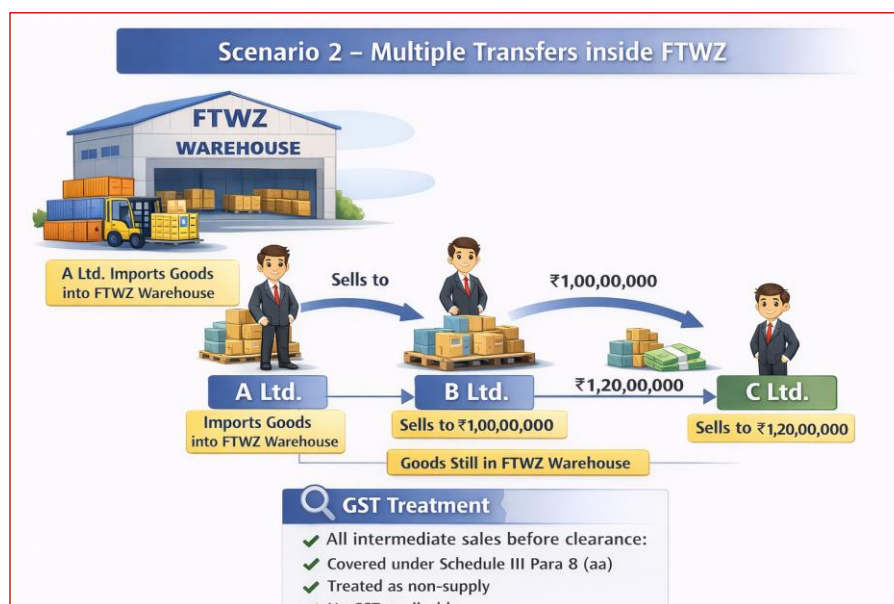
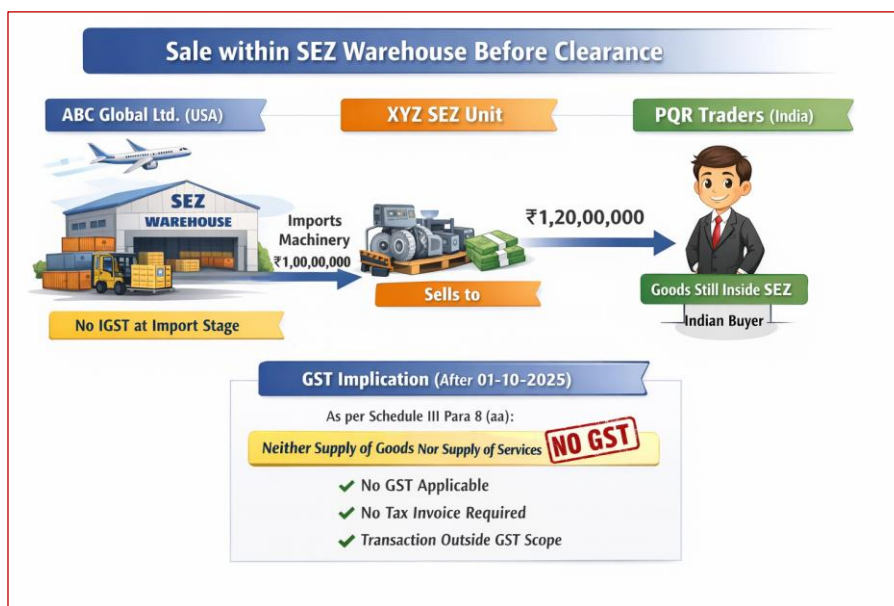
In paragraph 8, after clause (a) following clause (aa) shall be inserted w.r.e.f. 1-7-2017

8. (a) Supply of warehoused goods to any person before clearance for home consumption;

[(aa) Supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area; **Inserted (w.e.f. 01.10.2025) by the Finance (No. 7) Act, 2025.**]

(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.]

SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022



Explanation 2.- For the purposes of [clause (a) (Inserted w.e.f. 01.10.2025 by the Finance (No. 7) Act, 2025 w.r.e.f. 1-7-2027) of] paragraph 8, the expression "warehoused goods" shall have the same meaning as assigned to it in the Customs Act, 1962 (50 of 1962).]

[Explanation 3. (Inserted w.e.f. 01.10.2025 by the Finance (No. 7) Act, 2025 w.r.e.f. 1-7-2027)]—For the purposes of clause (aa) of paragraph 8, the expressions “Special Economic Zone”, “Free Trade Warehousing Zone” and “Domestic Tariff Area” shall have the same meanings respectively as assigned to them in section 2 of the Special Economic Zones Act, 2005.

No refund of tax collected (w.e.f. 01-10-2025 by the Finance Act, 2025):

No refund shall be made of all such taxes which have been collected, but which would not have been so collected.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Exemptions under the GST

Sl. No.	Exempted services Notification No. 12/2017-Central Tax (Rate), dated 28-06-2017)
36C	Notification No. 16/2025 Central Tax (Rate) dated 17th September 2025, w.e.f. 22-09-2025: Services of life insurance business provided by an insurer to the insured, where the insured is not a group. “(zfb) For the purposes of entries at serial numbers 36C and 36D in the table above, ‘group’ means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes: - Employer–employee groups, where an employer–employee relationship exists between the master/group policyholder and the members of the group in accordance with the applicable laws; - Non employer–employee groups, where a clearly evident relationship exists between the master/group policyholder and the members of the group, for services/ activities other than insurance”. Explanation: For the removal of doubts, it is hereby clarified that: - This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual. - For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.
36D	Notification No. 16/2025 Central Tax (Rate) dated 17th September 2025, w.e.f. 22-09-2025: Services of health insurance business provided by an insurer to the insured, where the insured is not a group. “(zfb) For the purposes of entries at serial numbers 36C and 36D in the table above, ‘group’ means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes: - Employer– employee groups, where an employer–employee relationship exists between the master/group policyholder and the members of the group in accordance with the applicable laws; - Non employer– employee groups, where a clearly evident relationship exists between the master/group policyholder and the members of the group, for services/ activities other than insurance.”; Explanation: For the removal of doubts, it is hereby clarified that: - This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual. - For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance. Note: “(zga) ‘health insurance business’ means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient, travel cover and personal accident cover;”.
36E	Notification No. 16/2025 Central Tax (Rate) dated 17th September 2025, w.e.f. 22-09-2025: Reinsurance of the insurance services specified in serial numbers 36C or 36D.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Time of Supply

1. Section 12(4) of CGST Act, 2017 has been omitted w.e.f. 01-10-2025 by the Finance Act, 2025:

Omitted (w.e.f. 01.10.2025) "In case of supply of vouchers by a supplier, the time of supply shall be- (a) the date of issue of voucher, if the supply is identifiable at that point; or (b) the date of redemption of voucher, in all other cases the Finance (No. 7 of 2025) Act, 2025.

Implication of the amendment:

- Vouchers now fall under **general time of supply provisions** (Sec 12(2) / 13(2)).
- Likely taxable based on:
 - Date of invoice or last date to issue invoice whichever is earlier in case of supply of goods
 - Date of invoice or Date of payment, whichever earlier in case of supply of service.

Example 1:

Reliable Industries, a readymade garment manufacturer, issued the voucher on 10-01-2026 to their prospective customer for enabling them to buy readymade garments manufactured by them from their shop. Customer purchased readymade garments on 20th Feb 2026. Invoice issued after redemption of voucher on 20th Feb 2026. Goods dispatched on 1-3-2026.

Find the time of supply of goods?

Solution:

Time of supply of goods = 20th Feb 2026

Note: time of supply will be date of invoice or last date to issue invoice Whichever is earlier (as per section 12(2) of CGST Act, 2017). Since section 12(4) has been omitted w.e.f. 1-10-2025.

Example 2:

Time of Supply of Voucher (Supply of Services)

After omission of Section 13(4) of the CGST Act, 2017 (w.e.f. 01-10-2025)

After omission, vouchers are governed by general time of supply provisions under Section 13(2) (for services).

Time of supply = Earlier of:

- (a) Date of issue of invoice (if issued within prescribed time), or
- (b) Date of receipt of payment

Case Study – Spa Service Voucher (Post-Omission Scenario)

Facts

- ABC Wellness Pvt. Ltd. issues a generic spa voucher on 10th October 2025.
- Voucher Value: ₹5,000
- Voucher valid for any spa service.
- Customer pays ₹5,000 on 10th October 2025.
- Customer redeems voucher on 20th December 2025.
- Invoice for service is issued on 20th December 2025.
- GST rate: 18%



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Legal Analysis (After Omission of Section 13(4))

Since Section 13(4) is omitted:

We apply Section 13(2).

Step 1: Determine whether voucher sale amounts to receipt of payment

On 10th October 2025:

- ABC Wellness receives ₹5,000.
- It represents consideration for future supply of service.

Hence, it qualifies as receipt of payment.

Time of Supply Under Section 13(2):

Time of supply = Earlier of:

- Date of invoice → 20th December 2025
- Date of receipt of payment → 10th October 2025

Time of Supply = 10th October 2025

GST becomes payable in October 2025, even though service is provided in December.

Tax Calculation

Voucher value = ₹5,000

GST @ 18% = ₹900

ABC Wellness must:

- Declare supply in October 2025
- Pay ₹900 GST in October GSTR-3B (due date 20th November 2025)

Important Observation (Change from Earlier Law)

Particulars	Before 01-10-2025	After 01-10-2025
Generic voucher	GST at redemption	GST at receipt of payment
Specific service voucher	GST at issue	GST at receipt of payment (same practical effect)



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

VALUE OF SUPPLY

1. **W.E.F. 22-9-2025 (NOTIFICATION NO. 13/2025-Central Tax DT. 17-9-2025):**

As per Rule 31A(2) of CGST Rules, 2017, the value of lottery shall be deemed to be 100/140 (instated of 100/128) of the value of ticket or of the price as notified in the Official Gazette by the Organised State, whichever is higher.

Rule 31A. Value of supply in case of lottery, betting, gambling, and horse racing

Supply	Value
W.E.F. 22-9-2025 (NOTIFICATION NO. 13/2025-Central Tax DT. 17-9-2025) Supply of lottery run by State Govt. (OR) Supply of lottery authorised by State Govt.	Higher of the two amounts to be deemed as value: 100/140 of the face value of ticket OR 100/140 of the price as notified in the official Gazette by the organising State.
Supply of actionable claim in the form of chance to win in betting, gambling or horse racing in a race club	100% of the face value of the bet or the amount paid into totalisator

2. **Clarification on various doubts related to treatment of secondary or post-sale discounts under GST (vide CBIC Circular 251/08/2025-GST dated 12th September, 2025):**

Issue	clarification
1. Whether the full input tax credit is available to the recipient of supply when the recipients make discounted payments to the supplier of goods on account of financial/ commercial credit notes issued by the said supplier?	1. Section 16 (1) of the CGST Act, 2017 provides that every registered person shall be entitled to take credit of input tax charged on any supply of goods or services or both, which are used or intended to be used in the course or furtherance of his business. 2. It has been clarified vide circular No. 92/11/2019-GST dated 7th March 2019 that the supplier of goods can issue financial/ commercial credit notes and in such cases, he will not be eligible to reduce his original tax liability. As the transaction value is not allowed to be reduced on account of issuance of financial/ commercial credit note, accordingly the tax charged from the recipient would also not get reduced. 3. Thus, it is clarified that the recipient will not be required to reverse the Input Tax Credit attributed to the discount provided on the basis of financial/ commercial Credit notes issued by the



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Issue	clarification
	supplier, as there is no reduction in the original transaction value of the supply and accordingly the corresponding tax liability would also not get reduced.
2. Whether a post-sale discount offered by a manufacturer to its dealer/ distributor, would be treated as a consideration paid by the manufacturer for the dealer's supply of the same goods to the end customer as a monetary value of the inducement to supply of goods manufactured by him to the end customer?	1. Section 2 (31) of the CGST Act, 2017 defines consideration as to include the monetary value of any act for the inducement of the supply of goods or services, whether by the recipient or by any other person. 2. In cases where there is no agreement between the manufacturer and the end customer, there are two independent sale transactions, one from the manufacturer to the dealer and the other from the dealer to the end customer. The essence of the matter is that in a contract of sale, the sale is completed on the transfer of title to the goods to the buyer. Once this happens, the buyer becomes the owner of the goods, and the seller has no vestige of the title or claims therein. The dealer takes ownership of the goods purchased from the manufacturer and subsequently sells them to the end customer and transaction between the manufacturers to dealer operates on a principal-to-principal basis. These discounts are simply given for competitive pricing to push sales and merely reduce the sale price of the goods and are not linked to any independent activity rendered to the manufacturer. Therefore, it is clarified that such a discount cannot be included in consideration as the monetary value of the inducement of further supply of these goods. 3. However, in cases where the manufacturer has some agreement with an end customer to supply goods at a discounted price, the manufacturer may issue commercial or financial credit notes to the dealer, enabling such dealer to provide the goods at the agreed discounted rate to the end consumer. Therefore, it is clarified that such a post-sale discount, given by the manufacturer to the dealer for supplying goods to the end customer at a discounted rate, should be included in the overall consideration as it is an inducement towards the supply of goods by the dealer to the end customer.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Issue	clarification
3. Whether a post-sale discount extended by the manufacturer to the dealer can be treated as a consideration in lieu of the activities performed to promote the sale of the goods?	1. The matter has been examined. When dealers receive such post-sale discounts, they may engage in promotional activities to boost sales. However, these activities ultimately enhance the sale of goods that the dealers themselves own, thereby increasing their own revenue. In this context, the discount merely reduces the sale price of the goods and is not linked to any independent service rendered to the manufacturer. Therefore, it is clarified that post-sale discounts offered by manufacturers to dealers in such cases shall not be treated as consideration for a separate transaction of supply of services. 2. However, GST would be leviable in cases where a dealer undertakes specific sales promotional activities, such as advertising campaigns, co-branding, customization services, special sales drives, exhibition arrangements, or customer support services, etc., only when such services are explicitly stated in the agreement with a clearly defined consideration payable for such a supply. In such cases, the dealer provides a distinct service to the supplier, and accordingly, GST would be chargeable.

3. **Circular No. 212/6/2024-GST dated 26 June 2024 (This Circular w.e.f. 1-10-2025, Omitted), Vide CBIC Circular 253/10/2025 GST dated 1-10-2025:**

Mechanism for providing evidence of compliance with section 15(3)(b)(ii) of the CGST Act for excluding post- sale discounts from the taxable value:

Clarification verifying the reversal of Input Tax Credit (ITC) by recipients when discounts are offered by suppliers through credit notes after the supply has been effected.

Currently, there is no facility on the common portal to verify whether the ITC attributable to the discount has been reversed by the recipient.

In view of the above, till the time a functionality/ facility is made available on the common portal to enable the suppliers as well as the tax officers to verify whether the input tax credit attributable to such discounts offered through tax credit notes has been reversed by the recipient or not, the supplier may procure a certificate from the recipient of supply, issued by the Chartered Accountant (CA) or the Cost Accountant (CMA), [containing a Unique Document Identification Number (UDIN)] certifying that the recipient has made the required proportionate reversal of input tax credit at his end in respect of such credit note issued by the supplier.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

In cases, where the amount of tax (CGST+SGST+IGST and including compensation cess, if any) involved in the discount given by the supplier to a recipient through tax credit notes in a Financial Year is not exceeding ₹5,00,000 (rupees five lakhs only), then instead of CA/CMA certificate, the said supplier may procure an undertaking/ certificate from the said recipient that the said input tax credit attributable to such discount has been reversed by him.

CA/CMA Certificate must include details of credit notes, relevant invoice numbers, amount of ITC reversal, and the relevant document through which the ITC reversal has been made.

Such certificates or undertakings are considered suitable and admissible evidence for the purpose of section 15(3)(b)(ii) of the CGST Act.

Suppliers should produce these certificates/undertakings during proceedings such as scrutiny, audit, investigations, etc.

Even for past periods, these certificates can be produced as evidence of ITC reversal.

Example: Mechanism for Post-Sale Discounts and ITC Reversal Compliance Scenario:

1. Supplier: XYZ Pvt. Ltd. issues tax credit notes for post-sale discounts to its recipient, ABC Pvt. Ltd.
2. Discount Details: A discount of ₹60,00,000 (tax amount of ₹9,15,254 included) is given via credit notes in FY 2024-25.

Mechanism for Compliance

1. ITC Reversal Verification:
 - (i) Since the recipient (ABC Pvt. Ltd.) must reverse the proportionate ITC related to the discount, the supplier (XYZ Pvt. Ltd.) needs evidence of this reversal.
2. Compliance Evidence Based on Amount:
3. If the amount of tax (CGST+SGST+IGST and including compensation cess, if any) involved in the Discount $\leq$ ₹5,00,000:
 - (i) The supplier may procure an undertaking or certificate directly from the recipient.
4. If the amount of tax (CGST+SGST+IGST and including compensation cess, if any) involved in the Discount $>$ ₹5,00,000:
 - (i) A certificate issued by a CA/CMA with a UDIN is required, confirming ITC reversal.
 - (ii) The certificate must include credit note details, invoice numbers, and reversal records.

Outcome

5. XYZ Pvt. Ltd. obtains a CA or CMA certificate certifying that ABC Pvt. Ltd. has reversed the proportionate ITC of ₹9,15,254 in compliance with Section 15(3)(b)(ii) of the CGST Act.
6. Relevance in Proceedings:
 - (i) The certificate serves as valid evidence during scrutiny, audits, or investigations.
7. Applicability to Past Periods:
 - (i) Certificates for earlier financial years can also be used to demonstrate compliance.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Withdrawal of circular No. 212/6/2024-GST dated 26th June, 2024 (vide CBIC Circular 253/10/2025
GST dated 1-10-2025:

Particulars	Circular 212/6/2024	Circular 253/10/2025
Status	Applicable earlier	Withdrawn
CA/CMA certificate	Mandatory	Not required
Evidence mechanism	Prescribed in detail	Removed
Compliance burden	High	Reduced
Current legal requirement	✗ Not applicable	✓ Applicable



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Input Tax Credit (ITC)

1. Input Service Distributor Section 2(61):

As per the Finance Act, 2025, w.e.f. w.e.f. 01.04.2025 section 2(61) definition of Input Service Distributor amended:

“Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9 [of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017, Inserted w.e.f. 01.04.2025], for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20;]

2. w.e.f. 1-4-2025 vide Notification No. No. 13/2025–Central Tax dated 17-09-2025

In the said rules, with effect from the 1st day of April, 2025, in rule 39, in sub-rule (1A), after the words and figures "of section 9", following shall be inserted, namely: –"of the Central Goods and Services Tax Act, 2017 or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Service Tax Act, 2017 (13 of 2025)".

Input Service Distributor:

Rule 39(1A) For the distribution of credit in respect of input services, attributable to one or more distinct persons, subject to levy of tax under sub-section (3) or (4) of section 9 (w.e.f. 1-4-2025 following shall be inserted, namely "**of the Central Goods and Services Tax Act, 2017 or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Service Tax Act, 2017 (13 of 2025)**", a registered person, having the same PAN and State code as an Input Service Distributor, may issue an invoice or, as the case may be, a credit or debit note as per the provisions of sub-rule(1A) of rule 54 to transfer the credit of such common input services to the Input Service Distributor, and such credit shall be distributed by the said Input Service Distributor in the manner as provided in sub-rule (1);

1 What exactly has changed (in one line)?

Earlier, **Rule 39(1A)** covered **RCM under section 9(3)/(4) of CGST Act only.**

Now, w.e.f. 1-4-2025, it also covers RCM under section 5(3)/(4) of IGST Act.

👉 **Meaning: RCM IGST credits on common input services can also be routed through ISD.**

2 Simple Background of the Example

- **ABC Ltd** has:
 - Head Office (HO) – **Maharashtra** (ISD registered)
 - Branch-1 – **Karnataka**
 - Branch-2 – **Tamil Nadu**
- All registrations are under **same PAN**
- HO receives **common input services** liable to **RCM under IGST Act**



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

3 Transaction Details (Numerical)

Input Service under RCM (IGST)

- Legal consultancy from **foreign advocate**
- **Section 5(3) of IGST Act (RCM)**
- Invoice value: **₹1,00,000**
- IGST @18%: **₹18,000**

HO pays IGST under RCM and avails ITC.

4 Attribution of Service (Usage Basis)

Location	Usage
Karnataka Branch	60%
Tamil Nadu Branch	40%

5 Step-wise Flow under Amended Rule 39(1A)

Step 1: HO pays tax under RCM

- IGST paid: **₹18,000**
- ITC available at HO

Step 2: HO transfers credit to ISD

- HO issues **invoice under Rule 54(1A)** to ISD
- Credit transferred: **₹18,000 (IGST)**

Step 3: ISD distributes ITC (Rule 39(1))

Distribution:

- Karnataka Branch:
 $₹18,000 \times 60\% = \text{₹10,800 (IGST)}$
- Tamil Nadu Branch:
 $₹18,000 \times 40\% = \text{₹7,200 (IGST)}$

6 Final Outcome (Very Important)

Branch	ITC received	Nature
Karnataka	₹10,800	IGST
Tamil Nadu	₹7,200	IGST

- ✓ Credit legally distributed
- ✓ Covers **RCM under IGST Act** (newly inserted)
- ✓ Fully compliant w.e.f. **1-4-2025**

7 Why this amendment is important (Exam Point)

- Earlier ambiguity for **import of services / cross-border RCM**
- Now **ISD mechanism** explicitly allowed for **IGST RCM**
- Ensures **seamless ITC distribution of common RCM services**



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

One-line Exam Conclusion

W.e.f. 1-4-2025, ITC of common input services liable to RCM under section 9(3)/(4) of CGST Act or section 5(3)/(4) of IGST Act can be transferred to ISD and distributed as per Rule 39(1).

3. **Vide Notification No. 15/2025-Cenrtal Tax (Rate), dated 17th September 2025 (Effective mainly from 22-09-2025, unless stated otherwise.)**

This notification is very long and technical, so let us simplify it in a practical, exam- and practice-friendly way, focusing on what actually changes, new rates, and easy numerical examples.

What this notification does

-  It amends GST rate Notification 11/2017-CT (Rate)
-  Mainly increases GST rate to 9% (CGST) for many services
-  Introduces / modifies lower rate options (2.5%) with ITC restriction
-  Clarifies transport, job work, courier, beauty services, etc.

Transport Services – Key Changes (Very Important)

(A) Rail Transport (Container – Private operators)

Service: Transport of goods in containers by rail (not Indian Railways)

Option	CGST Rate	ITC
Lower rate	2.5%	 No ITC
Normal rate	9%	 ITC allowed

Example

Freight charged = ₹10,000

- At 2.5% → CGST = ₹250 (no ITC allowed)
- At 9% → CGST = ₹900 (ITC allowed)

(B) Multimodal Transport (Big change)

Illustration: 'A' engages 'B' (multimodal transporter) for transport of goods from New Delhi to Gaya for Rs 1200 and charges CGST 2.5% and SGST 2.5%, wherein 'B' uses more than one mode of transport for the movement of goods. 'B', for supplying the said service hires a GTA i.e., 'C' for Rs 600 who charges central tax at 9%. 'B' also hires 'D', a Container Transport Operator for Rs 400 who charges central tax at 2.5%, for supplying their services. 'B' shall be entitled to take input tax credit on the above-mentioned input services of transportation of goods as under:

- i. Only to the extent of Rs. 15 (2.5% of Rs. 600) and not Rs. 54 for the input service of GTA;
- ii. To the extent of Rs. 10 (2.5% of Rs. 400) for the input service of container transport operator.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Case 1: No air transport involved:

Statement showing net GST liability of Mr. B

Particulars	CGST ₹	SGST ₹	Remarks
Output Tax	30	30	1200 x 2.5% = ₹30
Less: Input Tax Credit GTA services	(15)	(15)	₹600 x 9% = ₹54 ITC allowed only ₹15 (2.5% of 600) Balance ₹39 blocked
Less: Input Tax Credit Container transport operator	(10)	(10)	2.5% of Rs. 400 = ₹10
Net GST payable through e-cash ledger	5	5	

Case 2: Air transport involved

- Rate = 9% CGST
- Normal ITC allowed

2 Renting of Goods Carriage (Fuel Included)

Option	CGST Rate	ITC
Lower rate	2.5%	✗ Restricted ITC
Normal rate	9%	✓ ITC

Example

Truck rent = ₹50,000

- At 2.5% → CGST = ₹1,250
- At 9% → CGST = ₹4,500

3 Courier, Postal & Delivery Services (Now Uniform)

Service	CGST Rate
Postal services	9%
Courier services	9%
Local delivery services	9%
E-commerce delivery	9%

Example

Courier charges = ₹2,000

→ CGST = ₹180

4 Job Work Services – Major Restructuring

(A) Diamonds

- CGST = 0.75%

Example:



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Job work charges = ₹1,00,000

→ CGST = ₹750

(B) Food, textiles, leather, printing, handicrafts, umbrella, etc.

- CGST = 2.5%

Example:

Textile job work = ₹40,000

→ CGST = ₹1,000

(C) Alcoholic liquor job work

- CGST = 9%

(D) Other job work (general)

- CGST = 9%

(E) Tailoring services

- CGST = 2.5%

Example:

Tailoring charges = ₹2,000

→ CGST = ₹50

5 Beauty & Physical Well-being Services

Service	CGST Rate	ITC
Beauty / wellness	2.5%	✗ No ITC
Other similar services	9%	✓

Example

Salon bill = ₹3,000

→ CGST = ₹75 (if ITC not taken)

6 Professional & Business Services

- Certain concessional entries removed
- Remaining services taxed at 9% CGST

7 Sports Events – Clarification

- Recognised sporting events get special treatment
- Certain higher rates not applicable to recognised events

8 Key Definitions Added / Clarified

(A) Goods Transport Agency (GTA)

✗ Does NOT include:

- E-commerce operators providing delivery
- E-commerce platforms facilitating delivery



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

(B) Multimodal Transporter

A person who:

- Uses more than one mode (road/rail/air/sea)
- Acts as principal
- Takes responsibility for entire transport

Hotel / Registration Explanation (from 01-04-2025)

- “Premises” = location where hotel services are supplied
- “Applying for registration” includes:
 - Applying for amendment
 - Declaring additional place of business

One-Line Summary (For Exams & Practice)

- ✓ Many services shifted to 9% CGST
- ✓ 2.5% CGST option allowed with ITC restrictions
- ✓ Transport & job work rules clarified with numerical illustrations
- ✓ Courier & delivery services now uniformly taxed

4. Section 17(5)(d) of CGST Act, 2017, goods or services or both received by a taxable person for construction of an immovable property (other than **plant and machinery** – substituted for “plant or machinery” by Finance Act, 2025 w.r.e.f 1-7-2017) on his own account including when such goods or services or both are used in the course or furtherance of business;

Explanation 1: Renumbered (w.e.f. 01.10.2025): **Construction** [applicable to clause (c) and (d) of Section 17(5) of the CGST Act, 2017]:

The expression “construction” includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalization, to the said immovable property.

Explanation 2: Inserted (w.e.f. 01.10.2025) – For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to “plant or machinery” shall be construed and shall always be deemed to have been construed as a reference to “plant and machinery.”

Practical Example – ITC Blocked under Section 17(5)(d) of the CGST Act, 2017

(Construction of Immovable Property on Own Account)

Background of Provision

Section 17(5)(d) blocks input tax credit (ITC) in respect of:

Goods or services or both received by a taxable person for construction of an immovable property (other than plant and machinery) on his own account, including when used in the course or furtherance of business.

- ◆ Explanation 1 (renumbered w.e.f. 01.10.2025)



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

“Construction” includes reconstruction, renovation, additions, alterations or repairs — to the extent of capitalization.

- ◆ Explanation 2 (inserted w.e.f. 01.10.2025)

“Plant or machinery” shall be read as “plant and machinery”, overriding contrary judgments.

 *Practical Case Study – Construction of Office Building*

 *Facts*

XYZ Pvt. Ltd., a GST-registered consultancy firm, constructs its own corporate office building.

During FY 2026–27, it incurs the following expenses:

Particulars	Amount (₹)	GST @18% (₹)	Capitalised?
Cement & steel	50,00,000	9,00,000	Yes
Architect services	10,00,000	1,80,000	Yes
Interior works	15,00,000	2,70,000	Yes
Repair of existing office floor (capitalised)	5,00,000	90,000	Yes

Total GST paid = ₹14,40,000

The building is used for business purposes (taxable consultancy services).

 *Legal Analysis*

Step 1: Is it construction of immovable property?

Yes.

Office building = immovable property.

Explanation 1 clarifies:

- Renovation, repairs, additions → included
- But only to the extent of capitalization

All above expenses are capitalised.

Step 2: Is it on own account?

Yes.

XYZ constructs building for its own use, not for sale.

Step 3: Does exception apply?

ITC is allowed only for plant and machinery.

Here, it is a building, not plant and machinery.

 *Conclusion*

 ITC of ₹14,40,000 is blocked under Section 17(5)(d).

Even though:

- Used for business
- Taxable output services supplied
- ITC cannot be claimed.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Variation – Capitalised vs Revenue Repairs

Suppose repair of ₹5,00,000 was charged to P&L (not capitalised).

In that case:

- It would not fall under “construction” (since Explanation limits to extent of capitalization).
- ITC of ₹90,000 on repair may be allowed.

Variation – Plant and Machinery Example

Assume XYZ installs:

Particulars	Amount	GST
Heavy generator fixed to earth	₹20,00,000	₹3,60,000

Generator qualifies as plant and machinery.

Post Finance Act, 2025:

- Wording clarified as “plant and machinery”
- ITC is allowed.

 ₹3,60,000 ITC admissible.

Classroom Summary Table

Item	ITC Eligibility
Building construction	 Not allowed
Capitalised renovation	 Not allowed
Revenue repairs	 Allowed
Plant and machinery	 Allowed

Exam-Oriented Twist Question

If XYZ later sells the building:

- ITC still not available.
- But GST may apply depending on schedule & nature of supply.

The amendment legislatively nullifies the interpretational benefit derived from:

 **Safari Retreats Pvt. Ltd. case**

by inserting a deeming fiction and overriding judicial precedents.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Registration under GST

1. w.e.f. 01-11-2025, vide Notification No. 18/2025 Central Tax dated 31st October 2025, In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), after rule 9, the following rule shall be inserted, namely:—

“9A. Grant of registration electronically.—

Notwithstanding anything contained in rule 9, any person who has applied for registration under rule 8, rule 12, or rule 17 shall, upon identification on the common portal based on data analysis and risk parameters, be granted registration electronically by the common portal within three working days from the date of submission of the application.”

Example: Grant of Registration under Rule 9A (w.e.f. 01-11-2025)

Background

- Notification: No. 18/2025–Central Tax dated 31-10-2025
- Effective date: 1 November 2025
- New rule inserted: Rule 9A – Grant of registration electronically

Scenario

Mr. Arun, a sole proprietor, starts a trading business in electronic goods.

- He applies for GST registration under Rule 8
- Date of application: 3 November 2025
- Application is filed correctly on the GST common portal with all required details

What Happens on the Portal?

1. The GST common portal conducts data analysis and risk assessment based on:
 - a. PAN details
 - b. Aadhaar authentication
 - c. Business address
 - d. Past compliance history (if any)
2. Mr. Arun is identified as a low-risk applicant.

Outcome under Rule 9A

- No physical verification or officer intervention is required
- The GST registration is granted automatically
- Time limit:
 - Within three working days from 3 November 2025
 - Registration is granted by 6 November 2025

✦ Registration Certificate is generated electronically and made available on the portal.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Contrast Example (Why Rule 9A Matters)

Ms. Riya, applying on the same date, has:

- Mismatch in address details, or
- Aadhaar authentication failure

➡ Her application may be flagged as higher risk, and Rule 9 (manual verification) procedures may apply instead.

Key Takeaway 📌

From 1 November 2025, eligible and low-risk GST registration applicants can receive automatic registration within three working days, making the process faster, paperless, and officer-free.

2. **w.e.f. 01-11-2025, vide Notification No. 18/2025 Central Tax dated 31st October 2025, In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to. as *the said rules*), after rule 14, the following rule shall be inserted, namely:—**

“14A. Option for taxpayers having monthly output tax liability below threshold limit.—

1. Any person who has made an application for registration under rule 8 and who determines that his total output tax liability on the supply of goods or services or both made to registered persons, on account of central tax, State tax or Union territory tax, integrated tax and compensation cess, does not exceed **₹2,50,000 per month**, shall have an option to obtain registration electronically in accordance with the provisions of this rule.
2. Any person, other than a person notified under sub-section (6D) of section 25 of the Act, who has not opted for authentication of Aadhaar number shall not be eligible for grant of registration under this rule.
3. Notwithstanding anything contained in rule 11, a person registered under this rule in a State or Union territory shall not be eligible to obtain another registration in the same State or Union territory under this rule against the same Permanent Account Number.
4. Upon successful authentication of Aadhaar number, the applicant referred to in sub-rule (1) shall be granted registration electronically by the common portal within **three working days** from the date of submission of the application.
5. A registered person intending to withdraw from the option availed under sub-rule (1) shall file an application in **FORM GST REG-32**, duly signed or verified through electronic verification code, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner:
Provided that such application shall not be allowed unless the registered person has furnished—
 - a. (a) returns for a minimum period of **three months**, where the application is filed before 1st April, 2026;
 - b. (b) returns for a minimum of **one tax period**, where the application is filed on or after 1st April, 2026; and
 - c. (c) all returns due from the effective date of registration till the date of application for withdrawal.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

- Provided further that** the registered person shall be allowed to file such application only where no proceedings under section 29 have been initiated against him.
6. Where there is any change in the particulars furnished in **FORM GST REG-01** by a person granted registration under this rule, such particulars shall be amended under rule 19 before filing the application for withdrawal under sub-rule (5).
 7. Based on data analysis and risk parameters on the common portal, the provisions of sub-rule (4A) of rule 8 relating to Aadhaar authentication or biometric-based Aadhaar authentication, taking photograph of the applicant, and verification of original documents uploaded with the registration application shall, so far as may be, apply to the application for withdrawal filed under sub-rule (5).
 8. The provisions of sub-rules (5) and (6) of rule 8 relating to issuance of acknowledgment shall, *mutatis mutandis*, apply to the application filed under sub-rule (5).
 9. The application filed for withdrawal under sub-rule (5) shall be verified in accordance with the provisions of rule 9.
 10. Upon such verification, the proper officer shall issue—
 - an order in **FORM GST REG-33** allowing the withdrawal from the option availed under sub-rule (1), or
 - an order of rejection in **FORM GST REG-05**,within the period specified under rule 9, as applicable, and such order shall be made available to the registered person on the common portal.
 11. A registered person who has received an order allowing withdrawal under sub-rule (10) shall be permitted to furnish details of output tax liability on supplies made to registered persons exceeding the limit specified in sub-rule (1), from the **first day of the succeeding month** in which such order is issued.
 12. A registered person to whom an order under sub-rule (10) has been issued shall not amend the details furnished in respect of output tax liability so as to exceed the limit specified in sub-rule (1) for the period prior to the first day of the succeeding month in which such order is issued.
 13. Where proceedings for cancellation of registration are initiated by the proper officer after the filing of the withdrawal application and such proceedings are pending, the withdrawal application filed under sub-rule (5) shall be rejected, and the provisions relating to deemed approval under sub-rule (5) of rule 9 shall not apply in such cases.”



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Rule 14A – Numerical Examples for All Key Points

(Applicable w.e.f. 01-11-2025)

1 Eligibility based on monthly output tax liability (₹2,50,000 limit)

Example 1: Eligible taxpayer

Mr. A supplies goods to registered persons only.

Tax type	Monthly liability (₹)
CGST	60,000
SGST	60,000
IGST	90,000
Compensation cess	20,000
Total output tax	2,30,000

✓ Since ₹2,30,000 ≤ ₹2,50,000, Mr. A can opt for registration under Rule 14A.

Example 2: Not eligible

Ms. B has the following monthly output tax:

Tax type	Amount (₹)
CGST	70,000
SGST	70,000
IGST	1,20,000
Total	2,60,000

✗ Since ₹2,60,000 > ₹2,50,000, Rule 14A cannot be used.

2 Aadhaar authentication mandatory

Example

Mr. C

- Monthly output tax: ₹1,80,000
- Aadhaar authentication: Not opted

✗ Even though tax liability is within limit, registration under Rule 14A will be denied.

Mr. D

- Same tax liability: ₹1,80,000
- Aadhaar authentication: Completed

✓ Eligible for Rule 14A.

3 No multiple registrations on same PAN in same State

Example

XYZ Traders (PAN: ABCDE1234F)



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- Already registered under Rule 14A in Maharashtra
- ✗ Cannot take another Rule 14A registration in Maharashtra using the same PAN.
- ✓ Can take registration in another State (e.g., Gujarat), if otherwise eligible.

4 Time limit for grant of registration (3 working days)

Example

- Application filed: 5 November 2025 (Wednesday)
- Aadhaar authentication completed: Same day
- 👉 Registration must be granted by 8 November 2025 (Saturday)

(excluding holidays, if any)

- ✓ Fully automated — no officer approval needed.

5 Withdrawal from option – minimum return filing

(a) Withdrawal

before 01-04-2026

Mr. E

- Registration date: 15 Nov 2025
- Wants to withdraw: 20 Feb 2026

Minimum returns required:

- ✦ 3 months → Nov, Dec, Jan returns

If filed ✓ → withdrawal application allowed

If not filed ✗ → application blocked

(b) Withdrawal

on or after 01-04-2026

Ms. F

- Wants to withdraw on: 10 April 2026
- ✦ Minimum return required: 1 tax period only

6 All returns must be filed till withdrawal date

Example

Mr. G

- Registered from: 1 Nov 2025
- Filed returns till: Jan 2026
- Pending: Feb 2026 return
- ✗ Withdrawal application cannot be filed until Feb return is filed.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

No cancellation proceedings under section 29

Example

Ms. H

- Filed withdrawal application on 15 March 2026
- Department initiated cancellation proceedings on 10 March 2026
- ✗ Withdrawal application not allowed.

Change in REG-01 details before withdrawal

Example

Mr. J

- Business address changed in Feb 2026
- Not amended in REG-01
- ✗ Withdrawal application will be rejected.
- ✓ First amend details under Rule 19, then apply.

Risk-based Aadhaar / biometric verification for withdrawal

Example

Mr. K

- Large fluctuations in tax liability
- Portal flags high risk
- 👉 He may be required to:
- Biometric Aadhaar authentication
- Photograph
- Physical document verification

Acknowledgment & verification process

Example

- Withdrawal application filed: 5 May 2026
- Acknowledgment issued under Rule 8
- Verification under Rule 9

🕒 Officer must act within Rule 9 timelines

Order allowing or rejecting withdrawal

Example

- Application verified successfully
- 👉 Order issued in FORM GST REG-33

OR

- Discrepancy found



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

👉 Order issued in FORM GST REG-05

1 2 *Effect of withdrawal – exceeding ₹2.5 lakh allowed only prospectively*

Example

- Withdrawal order issued: 18 June 2026
- ✦ Mr. L can exceed ₹2.5 lakh only from 1 July 2026

1 3 *No retrospective amendment beyond limit*

Example

- Withdrawal order issued: 18 June 2026
- Mr. L tries to revise May 2026 return showing ₹3 lakh output tax
- ✗ Not permitted

✓ Limit applies till 30 June 2026

1 4 *Cancellation proceedings after withdrawal application*

Example

- Withdrawal application filed: 1 Aug 2026
- Cancellation proceedings initiated: 10 Aug 2026
- Proceedings pending
- ✗ Withdrawal application shall be rejected
- ✗ Deemed approval not applicable

One-page takeaway 📄

Rule 14A provides a fast-track, low-risk registration option for taxpayers with monthly output tax liability up to ₹2.5 lakh, but with strict numerical limits, Aadhaar authentication, return-filing discipline, and prospective withdrawal only.

3. **Instruction No. 03/2025-GST, dated 17th April 2025, with the key issues highlighted so it's easy to understand, remember, and apply in practice.**

GST Registration – Simplified Instructions (Key Highlights)

Why this instruction was issued

- Many genuine applicants were facing delays or rejections
- Officers were asking for extra or unnecessary documents
- Need to stop fake firms *without harassing genuine businesses*
- 👉 Balance fraud control + ease of registration

👉 *Key Issues Identified by the Board*

1. Unnecessary documents being asked



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

2. Presumptive queries (assumptions without evidence)
3. Different practices by different officers
4. Delays in approval
5. Harassment of genuine applicants

1 Documents for Principal Place of Business (MOST IMPORTANT)

✓ Owned premises

- Upload any ONE of:
 - Property tax receipt
 - Municipal Khata
 - Electricity bill
 - Water bill (or similar legal document)

✗ Officer cannot ask for more documents

✗ Officer cannot ask for physical originals

✓ Rented / Leased premises

Required:

- Rent/Lease agreement PLUS
- Any ONE ownership proof of landlord (property tax / electricity bill, etc.)

✗ Officer cannot ask for:

- Landlord's PAN
- Aadhaar
- Photograph of landlord or premises

✓ If rent agreement is NOT registered

- Rent agreement
- One ownership document
- Identity proof of landlord (only in this case)

✓ If electricity/water bill is in tenant's name

- Bill + rent agreement is sufficient
- ✗ No landlord documents required

✓ Premises owned by spouse / relative

- Consent letter on plain paper
- Identity proof of owner
- Any ONE ownership document

✓ Shared premises

- Same rules as rented premises



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- Consent letter acceptable if no rent agreement

✓ *No rent agreement at all*

- Affidavit (on stamp paper, notarised)
- Utility bill in applicant's name

✓ *SEZ units*

- Government-issued SEZ approval documents required

2 *Constitution of Business – What is Allowed*

✓ *Partnership Firm*

- Only Partnership Deed required

✗ *Cannot ask for:*

- MSME certificate
- Udyam registration
- Trade license
- Shop & establishment certificate

✓ *Society / Trust / Club / Govt Dept*

- Registration certificate or proof of constitution

3 *What Officers MUST NOT Ask (Very Important)*

✗ *Residential address not matching business city*

✗ *“HSN is banned in this State”*

✗ *“Business cannot be done from this place”*

✗ *Presumptive / assumption-based queries*

👉 *Only document-based queries allowed*

4 *Time Limits for Approval*

Normal (Not risky)

- Approval within 7 working days

Risky / Aadhaar not authenticated

- Approval within 30 days
- Physical verification required

5 *Physical Verification – Rules*

- Must be done only when justified
- Report in FORM GST REG-30
- Upload:
 - GPS-enabled photos



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- Clear report on existence of business
- Must be completed 5 days before 30-day deadline

6 *When Can REG-03 (Query) Be Issued?*

Only if:

- Document is missing / unreadable
- Address mismatch
- Address is incomplete
- PAN-linked GSTIN is cancelled/suspended

✗ No REG-03 for minor or irrelevant issues

7 *Reply & Decision Timeline*

Step	Time limit
Applicant reply (REG-04)	7 working days
Approval after reply	7 working days
Rejection (REG-05)	7 working days

✗ No deemed approval due to officer delay

8 *Strong Instructions to Senior Officers*

- Monitor registration delays
- Take strict action against erring officers
- Ensure adequate staff
- Issue local trade notices if needed

🧠 *One-Page Summary (For Exams / Practice)*

- ✓ Only listed documents can be asked
- ✓ One document is enough for address proof
- ✓ No presumptive queries allowed
- ✓ Clear time limits for approval
- ✓ Physical verification only when necessary
- ✓ Officers violating rules will face action



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Tax Invoice; Credit and Debit Notes

1. Section 34. Credit and debit notes.-

- (1) Where one or more tax invoices have been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year containing such particulars as may be [prescribed](#).
- (2) Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than the thirtieth day of November following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:
[Substituted (w.e.f. 01.10.2025) by the Finance (No. 7) Act, 2025, Provided that no reduction in output tax liability of the supplier shall be permitted, if the—
 - (i) input tax credit as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or
 - (ii) incidence of tax on such supply has been passed on to any other person, in other cases.]
- (3) Where one or more tax invoices have been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient one or more debit notes for supplies made in a financial year containing such particulars as may be [prescribed](#).
- (4) Any registered person who issues a debit note in relation to a supply of goods or services or both shall declare the details of such debit note in the return for the month during which such debit note has been issued and the tax liability shall be adjusted in such manner as may be prescribed.

Explanation.-For the purposes of this Act, the expression "debit note" shall include a supplementary invoice.

 *Practical Simplified Example – Section 34 (Credit Note)*

Highlighting Substitution w.e.f. 01-10-2025

 *Case Study – Excess Tax Charged & Credit Note Issued*

 *Facts*

- ABC Traders (Registered Supplier) sells goods to XYZ Pvt. Ltd. (Registered Buyer)
- Invoice issued on: 10 July 2025
- Taxable value: ₹1,00,000
- GST @18%: ₹18,000



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- Total Invoice Value: ₹1,18,000

In September 2025, goods worth ₹20,000 are found defective and returned.

ABC issues a Credit Note on 15 September 2025:

- Taxable value reduced: ₹20,000
- GST reduced: ₹3,600

Position BEFORE 01-10-2025

As per Section 34(2) (earlier provision):

- ABC could reduce output tax liability by ₹3,600
- Provided credit note declared:
 - In return of September 2025
 - Not later than 30th November following FY or date of annual return (whichever earlier)

No specific statutory condition linking it to reversal of ITC by recipient.

Position AFTER SUBSTITUTION w.e.f. 01-10-2025

- New Proviso inserted:

Reduction in output tax liability NOT permitted if:

1. Recipient (registered person) has not reversed ITC attributable to credit note; OR
2. Tax incidence has been passed on to any other person (in other cases).

Practical Impact of Amendment

Scenario A – Recipient Reverses ITC

XYZ Pvt. Ltd.:

- Originally availed ITC of ₹18,000
- On receiving credit note, reverses ITC of ₹3,600

- ✓ ABC can reduce output tax liability by ₹3,600.

Scenario B – Recipient Does NOT Reverse ITC

XYZ Pvt. Ltd.:

- Continues to retain full ITC of ₹18,000
- Does not reverse ₹3,600

- ✗ ABC cannot reduce output tax liability.

Even though credit note issued, supplier must still pay full ₹18,000 GST.

Simplified Comparison Table

Particulars	Before 01-10-2025	After 01-10-2025
Credit note issued	Output tax reduced	Conditional reduction
ITC reversal by recipient required?	Not expressly	Mandatory
If ITC not reversed	No explicit bar	Reduction not allowed



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Example – Unregistered Customer

If goods supplied to an unregistered customer:

Supplier must ensure:

- Tax burden has not been passed on (principle of unjust enrichment).

Otherwise:

 Output tax reduction not permitted.

Key Takeaway for Exams

After 01-10-2025:

Credit note benefit is conditional upon ITC reversal (if recipient registered).

This amendment strengthens revenue protection and prevents dual benefit.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Returns under the GST

1. Seeks to exempt taxpayer with annual turnover less than Rs 2 Crore from filing annual return (vide NOTIFICATION No.15/2025–Central Tax Dated 17th day of September 2025):

In exercise of the powers conferred by the first proviso to sub-section (1) of section 44 of the Central Goods and Services Tax Act, 2017, the Commissioner, on the recommendations of the GST Council, hereby exempts registered persons having an aggregate turnover of up to ₹2 crore in any financial year from filing the annual return for the financial year 2024–25 and onwards.

Examples:

ABC Traders, a registered GST dealer, has an aggregate turnover of ₹1.75 crore during the financial year 2024–25.

☝ Since the turnover does not exceed ₹2 crore, ABC Traders is not required to file the annual return (GSTR-9) for FY 2024–25.

XYZ Enterprises, having a turnover of ₹2.50 crore in FY 2024–25,

☝ must file the annual return, as the exemption is available only up to ₹2 crore.

2. **Section 38. Communication of details of inward supplies and input tax credit.***

- (1) The details of outward supplies furnished by the registered persons under sub-section (1) of [section 37](#) and of such other supplies as may be prescribed, and a **statement – [substituted for an auto-generated statement by the Finance Act, 2025, w.e.f. 1-10-2025]** containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.
- (2) The statement - **[substituted for an auto-generated statement by the Finance Act, 2025, w.e.f. 1-10-2025]** referred in sub-section (1) shall consist of—
 - (a) details of inward supplies in respect of which credit of input tax may be available to the recipient; **[“and” omitted w.e.f. 1-10-2025]**
 - (b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, **[including - Inserted (w.e.f. 01.10.2025)]**, on account of the details of the said supplies being furnished under sub-section (1) of [section 37](#),—
 - (i) by any registered person within such period of taking registration as may be prescribed; or
 - (ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or
 - (iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

- (iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or
 - (v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of [section 49](#) subject to such conditions and restrictions as may be prescribed; or
 - (vi) by such other class of persons as may be prescribed.]
- [(c) such other details as may be prescribed - Inserted (w.e.f. 01.10.2025).]

3. **Furnishing of returns Section 39 amended:**

Section 39(1) of the CGST Act, 2017 Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, **[within such time, and subject to such conditions and restrictions - Substituted (w.e.f. 01.10.2025) by the Finance (No. 7) Act, 2025 for “and within such time”]**, as may be prescribed:

Provided that the Government may, on the recommendations of the Council, notify certain class of registered persons who shall furnish a return for every quarter or part thereof, subject to such conditions and restrictions as may be specified therein.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Accounts and Records

1. Timely production of records/information for audit (vide Instruction No. 05/2025-GST, dated 02nd May 2025):

What is this instruction about?

👉 It tells GST officers to promptly provide records and information to the CAG (Comptroller & Auditor General of India) during audits.

Why was this instruction issued?

- The CAG Audit Report (No. 7 of 2024) pointed out that:
 - GST field officers were not giving records, or
 - Giving incomplete information to audit teams
- This problem was repeatedly raised in meetings with the Ministry

👉 Hence, CBIC issued this instruction to fix delays and non-cooperation

Legal authority behind this instruction

Article 149 of the Constitution

- Gives CAG full authority to audit:
 - Government accounts
 - GST departments
 - PSUs and government-controlled bodies

👉 Officers are legally bound to cooperate

What exactly are officers required to do?

1 Provide records quickly

- Any record:
 - Available with the department, or
 - Required to be maintained by officers

must be given without delay to CAG audit teams



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

2 *Sensitize officers under their control*

- Senior officers must:
 - Train and instruct staff
 - Ensure no delay or partial submission

3 *If documents are with the taxpayer*

If CAG asks for:

- Invoices
- Contracts
- Books of accounts
- Returns or reconciliations

and these are not with the department, then:

✓ Jurisdictional officer must:

- Write to the taxpayer
- Ask for documents urgently
- Follow up if needed

Practical Examples

Example 1: Department records

CAG asks for:

- GST audit report of XYZ Ltd
- SCN issued during FY 2022–23

✓ Officer must:

- Share the complete file promptly

✗ Cannot say “file is pending” or “officer is on leave”

Example 2: Records with taxpayer

CAG wants:

- Purchase invoices of ABC Traders for FY 2021–22



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

✓ Officer should:

- Send letter/email to ABC Traders
- Ask for documents immediately
- Follow up until received

Example 3: Partial submission (Not allowed)

✗ Giving only:

- Some invoices
- Incomplete data
- Summary instead of records

✓ Must give full and correct records

What officers should NOT do

✗ Ignore audit requests

✗ Delay submission

✗ Give partial information

✗ Shift responsibility without follow-up

Key Takeaways (Very Easy)

✓ CAG has constitutional authority

✓ GST officers must fully cooperate

✓ Records must be provided quickly and completely

✓ Officers must collect data from taxpayers if needed

✓ Non-compliance is a serious audit issue

One-line summary

“If CAG asks for GST records, give them fast, complete, and without excuses.”



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Refund under GST

1. Amendments in provisions relating to grant of provisional refund [Rule 91]

w.e.f. 01-10-2025, Vide Notification No. 13/2025-Central Tax dated 17-09-2025:

In the said rules, with effect from the 1st day of October, 2025, in rule 91, for sub-rule (2), the following sub-rule shall be substituted, namely: —

"(2). The proper officer, on the basis of identification and evaluation of risk by the system, shall make an order in FORM GST RFD-04, within a period not exceeding seven days from the date of the acknowledgement under sub-rule (1) or sub-rule (2) of rule 90:

Provided that the proper officer, for reasons to be recorded in writing, may not grant refund on provisional basis and proceed with the order under rule 92:

Provided further that the order issued in FORM GST RFD-04 shall not be required to be revalidated by the proper officer."

Old provision: Rule 91(2) provides that the proper officer, after scrutiny of the claim and the evidence submitted in support thereof and on being prima facie satisfied that the amount claimed as refund is due to the applicant in accordance with the provisions of section 54(6), shall make an order in prescribed form, sanctioning the amount of refund due to the said applicant on a provisional basis within a period not exceeding 7 days from the date of the acknowledgement.

With effect from 01.02.2019, a proviso is inserted in this sub-rule that the order issued under this sub-rule shall not be required to be revalidated by the proper officer.

Numerical example:

✦ Facts Common to Both Cases

- Registered person: **XYZ Exports Pvt Ltd**
- Nature of refund: **Zero-rated supply (export with payment of tax)**
- Tax period: **August 2025**
- Refund application filed in **FORM GST RFD-01**
- Date of acknowledgement (RFD-02): **05-09-2025**
- Total refund claimed: **₹10,00,000**
- Eligible provisional refund rate (section 54(6)): **90%**

♦ Case 1: Numerical Illustration under Old Rule 91(2)

(Position before 01-10-2025)

Step 1: Scrutiny by Proper Officer

- Proper officer manually scrutinises:
 - Export invoices
 - Shipping bills
 - LUT



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- Officer is **prima facie satisfied** that refund is due.

Step 2: Calculation of Provisional Refund

- Refund claimed: ₹10,00,000
- Provisional refund @ 90%:
 $₹10,00,000 \times 90\% = ₹9,00,000$

Step 3: Order Issued

- FORM GST RFD-04 issued on or before **12-09-2025** (within 7 days)
- Provisional refund sanctioned: **₹9,00,000**
- Balance **₹1,00,000** processed later under Rule 92

✓ Key Feature Highlighted

- Grant depends on **officer's prima facie satisfaction**
- No concept of **system-based risk evaluation**

◆ Case 2: Numerical Illustration under New Rule 91(2)

(Applicable w.e.f. 01-10-2025)

Step 1: System-based Risk Evaluation

- Refund application is **auto-analysed by GST system**
- Risk parameters checked:
 - Past refund history
 - Filing compliance
 - Invoice matching
- System categorises applicant as **“Low Risk”**

Step 2: Provisional Refund Order

- Proper officer relies on **system risk output**
- FORM GST RFD-04 issued within **7 days from 05-09-2025**
- Provisional refund sanctioned:
 $₹10,00,000 \times 90\% = ₹9,00,000$

✓ Outcome (Low-risk case)

- Provisional refund of **₹9,00,000** granted
- No manual scrutiny required
- No revalidation of RFD-04 needed

◆ Alternative Numerical Outcome under New Rule (High-Risk Case)

Suppose system flags “High Risk”

- Officer records reasons in writing
- Provisional refund **not granted**
- Officer proceeds directly under **Rule 92**



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Numerical Impact

- Provisional refund: ₹0
- Entire refund of ₹10,00,000 examined in detail
- Final sanction only after full verification

🔑 Numerical Comparison in One Line

- Under the **old rule**, ₹9,00,000 was granted based on **manual prima facie satisfaction**.
- Under the **new rule**, ₹9,00,000 is granted **only if system risk permits**, otherwise ₹0 provisional refund.

🎯 Exam-oriented Takeaway

W.e.f. 01-10-2025, provisional refund is no longer automatic; it is conditional upon system-based risk evaluation, even though the quantum (90%) and time limit (7 days) remain unchanged.

2. Provisional sanction of refund claims on the basis of identification and evaluation of risk by the system (vide Instruction No. 06/2025-GST, dated 03rd October 2025):

What is this instruction about?

👉 It introduces system-based, risk-based provisional refund of GST refunds.

- ✓ 90% of the refund amount can be given quickly (provisionally)
- ✓ Based on risk score generated by GST system, not officer discretion
- ✓ Applicable mainly to:
 - Zero-rated supplies (exports, SEZ supplies)
 - Inverted Duty Structure (IDS) refunds (as an interim measure)

Why was this instruction issued?

- To speed up refunds
- To reduce officer-level delays
- To trust compliant taxpayers
- To use system-generated risk assessment

Key Legal Changes Behind This Instruction

1 Amendment to Rule 91(2)

- Allows 90% provisional refund based on system risk evaluation
- Officer can deny provisional refund only with written reasons

2 Notification 14/2025

- Certain high-risk categories are not eligible for provisional refund

Who is eligible for provisional refund?

✓ Eligible

- Low-risk refund applications (as per GST system)



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- Refunds filed:
 - On account of exports / SEZ
 - IDS refunds (temporarily allowed)

✗ *Not eligible*

- Taxpayers notified under section 54(6)
- Where:
 - Prosecution is pending
 - Earlier refund issue is under appeal
 - SCN issued and matter not final
 - Refund is likely to be withheld or adjusted

Step-by-Step: How refund will be processed

Step 1: Filing of refund application

- Application filed in RFD-01

Step 2: Acknowledgement stage

- Officer issues:
 - RFD-02 (complete application), or
 - RFD-03 (deficiency memo)
- Timelines must be strictly followed

Step 3: Risk-based decision

● *Case 1: Low-risk application*

- ✓ System marks refund as low-risk
- ✓ Officer sanctions 90% refund provisionally
- ✓ No detailed scrutiny required

Example

Exporter A regularly exports goods, files returns correctly, no past disputes.

System flags refund as low-risk.

👉 ₹90 lakh refunded immediately out of ₹1 crore claim.

● *Case 2: Not low-risk*

✗ System does not classify as low-risk

- ✓ Officer does full scrutiny
- ✓ No provisional refund

Example

Exporter B had earlier fake ITC issue.

System flags refund as risky.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

👉 Officer examines invoices, shipping bills before refund.

Step 4: Officer overrides provisional refund (exceptional cases)

Officer may deny provisional refund:

- Only case-by-case
- Written reasons mandatory
- Cannot deny on presumptions or routine scrutiny

Example

Exporter C is low-risk but refund overlaps with earlier disputed claim pending in appeal.

👉 Officer records reasons and proceeds with detailed examination.

Important safeguards

◆ *No adjustment or withholding allowed*

- Once provisional refund is granted:
 - Cannot adjust against future dues
 - Cannot withhold under section 54(10)/(11)

👉 If adjustment likely → final refund should be issued instead

◆ *Excess provisional refund?*

If later found that:

- Provisional refund > eligible refund

👉 Officer will:

- Issue SCN in RFD-08
- Recover excess under:
 - Section 73 / 74 / 74A

Example

₹90 lakh provisionally refunded

Final eligible refund = ₹80 lakh

👉 SCN for recovery of ₹10 lakh

Inverted Duty Structure (IDS) – Special relief

Normal law:

- Provisional refund not allowed for IDS

Interim relief (from 01.10.2025):

✓ 90% provisional refund allowed

✓ Same process as exports

Example

Manufacturer with higher GST on inputs than outputs claims IDS refund of ₹50 lakh.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

System marks low-risk.

👉 ₹45 lakh refunded provisionally.

Effective date

📅 Applicable for refund applications filed on or after 01.10.2025

Monitoring & responsibility

- Commissioners must:
 - Monitor implementation
 - Ensure trade facilitation
 - Prevent misuse or unnecessary denial

Key Takeaways (Quick Revision)

✓ 90% provisional refund = default for low-risk cases

✓ Risk assessment done by system, not officer

✓ Officer can deny provisional refund only with written reasons

✓ Applies to:

- Exports / SEZ
- IDS (interim relief)

✓ Excess refund → recover through SCN

One-line summary

“If the system says you are low-risk, 90% of your GST refund should come fast.”

3. Notification No, 14/2025 Central Tax dated 17th day of September 2025:

w.e.f. 1st day of October, 2025, The following category of registered persons who shall not be allowed refund on provisional basis under the said Act, namely:–

- (a) Any person, who has not undergone Aadhaar authentication under rule 10B of the Central Goods and Services Tax Rules, 2017;
- (b) Any person, who is engaged in the supply of the goods bearing description specified in column (3), falling under Chapter or heading or sub-heading or tariff item specified in column (2), of the Table below

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
1	0802 80	Areca nuts
2	2106 90 20	Pan masala
3	24	Tobacco and manufactured tobacco substitutes
4	3301	Essential oils



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Dispute Resolution Mechanism under GST

1. Circular No. 249/06/2025-GST, dated 9th June 2025

CBIC clarifies that **Document Identification Number (DIN)** is **not required** on communications issued via the **GST Common Portal** which already have a **Reference Number (RFN)**.

Such RFNs are **auto-generated, verifiable**, and serve the purpose of **tracking authenticity**, similar to DIN.

Background on DIN vs RFN

Feature	DIN	RFN
Introduced via	Circular 122/41/2019-GST	Auto-system from GST portal
Applicable for	Manual or emailed communications	Auto-generated portal documents
Verifiable at	Not available publicly	https://services.gst.gov.in/services/verifyRfn
Mandatory?	Yes, for manual/documents outside portal	No DIN required if RFN is present

Example 1: Show Cause Notice via GST Portal

- **Taxpayer:** M/s Green Grow Agro Pvt. Ltd.
- **Date of Issue:** 10th June 2025
- **Type of Document:** SCN under Section 73 for FY 2018–19
- **Mode of Issue:** GST Portal (auto-generated)
- **RFN:** ZD1006250123456
- **DIN:** Not quoted

As per Circular 249/06/2025:

- Since **RFN is present**, no DIN is required.

SCN is valid & verifiable

→ The taxpayer can validate RFN at [GST RFN Verifier](#)

Example 2: Adjudication Order via GST Portal

- **Taxpayer:** M/s Super Fab Textiles
- **Date of Issue:** 15th June 2025
- **Document Type:** Order under Section 73(9)
- **GST Demand:** ₹4,50,000
- **Issued by:** GST Portal
- **RFN:** ZO1506250078943
- **DIN:** Not mentioned

Conclusion:

- **No DIN required**, as RFN serves the purpose.
- Taxpayer should retain RFN for audit/tracking.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

✓ Order is legally valid

◆ *Example 3: Notice via Email from Proper Officer*

- **Taxpayer:** M/s Hexa Tech Tools
- **Date:** 12th June 2025
- **Communication:** Reminder for DRC-03 payment
- **Channel:** Officer's official email
- **DIN:** CBIC-GST-2025-005687
- **RFN:** ✗ Not applicable

✦ **Conclusion:**

- Since this is **manual/email** communication, DIN is **mandatory**

✓ DIN present → Document is valid

◆ *Example 4: Summons Physically Delivered*

- **Taxpayer:** M/s Modern Tiles Ltd.
- **Date:** 18th June 2025
- **Document:** Summons under Section 70
- **Mode:** Delivered by Inspector (hard copy)
- **DIN:** CBIC-GST-2025-008111
- **RFN:** ✗ Not applicable

✦ **Conclusion:**

- **DIN is mandatory for such offline/manual notices**

✓ DIN is quoted → Valid

📄 **Summary Table**

Scenario	Channel	DIN Required?	RFN Present?	Valid?
SCN issued via GST portal	Portal	✗ Not needed	✓ Yes	✓ Valid
Order via GST portal	Portal	✗ Not needed	✓ Yes	✓ Valid
Email communication	Email/Manual	✓ Yes	✗ No	✓ Valid if DIN is quoted
Physical Summons	Manual delivery	✓ Yes	✗ No	✓ Valid if DIN is quoted

Key Takeaways from Circular 249/06/2025-GST

1. If RFN is available on a GST portal document, DIN is not needed.
2. Taxpayers can verify RFN at <https://services.gst.gov.in/services/verifyRfn>
3. DIN is compulsory for email/manual communications.
4. Avoid duplication: RFN and DIN should not both be present on the same communication.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

2. Communication to taxpayers through eOffice - requirement of Document Identification Number (DIN) (vide CBIC Circular No. 252/09/2025 -GST dated 23rd September 2025):

What is this Circular about? (In one line)

👉 It clarifies when a GST communication needs a Document Identification Number (DIN) and when it does not, especially for communications sent through CBIC's eOffice system.

First, understand the basics

◆ What is DIN?

- DIN (Document Identification Number) is a unique number generated for official GST communications.
- It helps taxpayers:
 - Verify that a notice/email/letter is genuine
 - Avoid fake or unauthorized communications

Earlier instructions said:

- Every communication from GST officers must have a DIN.

What was already clarified earlier?

1 GST Portal communications (RFN-based)

- If a notice or order is sent through the GST common portal
- And it has a Reference Number (RFN)

✅ Then DIN is NOT required

✅ RFN itself is treated as valid proof

(This was clarified in Circular dated 09 June 2025)

What problem arose with eOffice communications?

- CBIC officers also send letters/notices through eOffice
- These documents:
 - Automatically get an "Issue Number"
 - But earlier, no public verification system existed

! Because taxpayers could not verify the Issue Number:

- Officers were still required to generate and quote DIN

What has changed now?

◆ New online verification utility launched

A new website is now available:

👉 verifydocument.cbic.gov.in

Using this website, taxpayers can:

- Enter the Issue Number
- Verify whether the document is genuine



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

The system shows:

- File number
- Date of issue
- Type of document (notice, letter, etc.)
- Issuing office
- Recipient details (masked for privacy)

What is the main clarification in this Circular?

★ *Key Decision (Very Important)*

✦ For communications sent using the “public option” in CBIC’s eOffice system:

- The eOffice Issue Number itself will be treated as DIN
- Separate DIN is NOT required

👉 This avoids having:

- Two unique numbers (Issue No. + DIN) on the same document

When is DIN still mandatory?

DIN must still be quoted when:

- ✗ The communication is not sent via eOffice public option, OR
- ✗ The communication does not have a verifiable RFN from GST portal

👉 In such cases, DIN from DIN utility is compulsory

Responsibilities of GST Officers

- Officers must:
 - Correctly fill in metadata (recipient name, address, email, document type, etc.)
 - Ensure accuracy before approval

This ensures:

- Proper verification
- Transparency
- No misuse

What circulars are modified?

To this extent, the following earlier circulars are partially modified:

- Circular No. 122/41/2019-GST
- Circular No. 128/47/2019-GST
- Circular No. 249/06/2025-GST

Simple Example to Understand

Example 1: eOffice communication

- You receive a notice via email
- It says: “Issued through CBIC eOffice”



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

- It has an Issue Number
- You verify it on verifydocument.cbic.gov.in

✓ This notice is valid

✗ No separate DIN needed

Example 2: GST Portal notice

- You receive a notice on GST portal
- It has RFN

✓ Valid communication

✗ DIN not required

Example 3: Manual email / letter

- You receive an email or letter
- No RFN
- Not sent via eOffice public option

✗ Invalid unless it has DIN

Final takeaway (in very simple words)

If a GST communication can be verified online (either through GST portal RFN or eOffice Issue Number), then DIN is not required. Otherwise, DIN is compulsory.

3. Assigning proper officer under section 74A, section 75(2) and section 122 of the Central Goods and Services Tax Act, 2017 and the rules made thereunder— (vide CBIC Circular No. 254/11/2025-GST dated 27th October 2025):

It has been observed that **proper officers have not been assigned** for the implementation of the following provisions of the Central Goods and Services Tax Act, 2017 and the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the *CGST Rules*), namely:—

- (a) Section 74A of the CGST Act, which applies to the determination of tax not paid or short paid, tax erroneously refunded, or input tax credit wrongly availed or utilised, for any reason, for the **financial year 2024–25 onwards**;
- (b) Section 75(2) of the CGST Act, which provides that where any Appellate Authority, Appellate Tribunal, or Court holds that a notice issued under section 74(1) is not sustainable on the ground that allegations of fraud, wilful misstatement, or suppression of facts to evade tax have not been established, the proper officer shall determine the tax payable by treating such notice as having been issued under section 73(1) of the CGST Act;
- (c) Section 122 of the CGST Act, 2017, which prescribes penalties for certain specified offences; and
- (d) Rule 142(1A) of the CGST Rules, 2017, which provides for the issuance of a communication in **FORM GST DRC-01A** prior to the issuance of any show cause notice under section 73, section 74, or section 74A of the CGST Act, 2017.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

It means that **earlier, the GST law did not clearly specify which GST officer** (Superintendent, Assistant Commissioner, Joint Commissioner, etc.) was **authorized to act** under certain important sections and rules.

Because of this gap, **confusion could arise** about who should issue notices, pass orders, or levy penalties.

Earlier, the GST law had **important provisions**, but it was **not clearly defined which GST officer** should use those provisions. This caused confusion in issuing notices, passing orders, and imposing penalties. The paragraph identifies these gaps so that proper officers can now be officially assigned.

In exercise of the powers conferred under clause (91) of section 2 of the Central Goods and Services Tax Act, 2017, read with section 20 of the Integrated Goods and Services Tax Act, and subject to sub-sections (1) and (2) of section 5 of the CGST Act, the Board hereby designates the officers specified in Column (2) of Table-I below as the **proper officers** for the purposes of the provisions of the CGST Act or the CGST Rules mentioned against them in Column (3) of the said Table.

Table-I

Sl. No.	Designation of Officer	Functions under CGST Act / Rules
1	(a) Additional or Joint Commissioner of Central Tax	(i) Sub-sections (1), (2), (3), (6), (7), (8), (9) and (10) of section 74A of the CGST Act
		(ii) Section 122 of the CGST Act
		(iii) Rule 142(1A) of the CGST Rules, 2017
	(b) Deputy or Assistant Commissioner of Central Tax	As assigned under the above provisions
	(c) Superintendent of Central Tax	As assigned under the above provisions

Therefore, in pursuance of clause (91) of section 2 of the CGST Act read with section 20 of the IGST Act and subject to sub-sections (1) and (2) of section 5 of the CGST Act, the Board hereby assigns the officers mentioned in column (2) of the Table-II below, the functions as the proper officers in relation to issuance of show cause notices and passing orders under

Table-II

Monetary limits for issuance of show cause notices and passing of orders under section 74A of the CGST Act

Sl. No.	Officer of Central Tax	Monetary limit for Central Tax (including cess)	Monetary limit for Integrated Tax (including cess)	Monetary limit for combined Central Tax & Integrated Tax (including cess)
1	Superintendent of Central Tax	Up to ₹10 lakh	Up to ₹20 lakh	Up to ₹20 lakh
2	Deputy or Assistant Commissioner of Central Tax	More than ₹10 lakh and up to ₹1 crore	More than ₹20 lakh and up to ₹2 crore	More than ₹20 lakh and up to ₹2 crore
3	Additional or Joint Commissioner of Central Tax	Above ₹1 crore (no upper limit)	Above ₹2 crore (no upper limit)	Above ₹2 crore (no upper limit)



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

The proper officer may serve a statement under sub-sections (3) and (4) of section 73 or section 74 or section 74A of the CGST Act, 2017 containing details of tax not paid or short paid for a subsequent period after the show cause notice has been issued under sub-section (1) of section 73 or section 74 or section 74A of the CGST Act, 2017 of the said section. In such cases it is clarified that:

- a) The proper officer shall be determined based on the highest amount of tax specified in the show cause notice and statement across all tax periods.
- b) Where the notice under sub-section (1) of section 73 or section 74 or section 74A of the CGST Act, 2017 has been issued by a proper officer within his monetary limit but the amount of tax demanded in the subsequent statement goes beyond his monetary limits and which pertains to monetary limit corresponding to the competency of a higher-ranked officer as per the prescribed monetary limits, the proper officer for issuing the statement shall also be decided on the basis of the prescribed monetary limits in Table-II above. The proper officer who has issued the earlier show cause notice and statement (if any issued), shall issue a corrigendum and make the earlier show cause notice and statement (if any issued) answerable to the proper officer competent to adjudicate the statement with the higher amount of tax demanded.
- c) In case there is no change in the monetary limit when the statement is issued, the statement shall be issued by the same proper officer who has issued the show cause notice in sub-section (1) of section 73 or section 74 or section 74A of CGST Act, and he shall make the statement answerable to the same adjudication authority mentioned in the show cause notice issued earlier.
- d) The proper officer shall be determined based solely on the amount of tax demanded, excluding penalties from the calculations.
- e) For notices issued by officers of Audit Commissionerate of Central Tax, the proper officer of the jurisdictional Central Tax Commissionerate of the noticee shall make the statement to be issued under sub-sections (3) and (4) of section 73 or section 74 or section 74A of the CGST Act answerable to the adjudicating authority mentioned in the earlier show cause notice issued under sub-section (1) of section 73 or section 74 or section 74A of the CGST Act, 2017.

Example 1:

- **Initial SCN (FY 2024-25)**
 - Tax demanded: **₹18 lakh (CGST + IGST combined)**
 - Issued by: **Superintendent** (within ₹20 lakh limit)
- **Subsequent statement (next quarter)**
 - Additional tax: **₹75 lakh**

Decision

- Highest tax involved = **₹75 lakh**
- Applicable officer = **Deputy / Assistant Commissioner** (₹20 lakh to ₹2 crore)



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

👉 Final adjudication will be done by Deputy/Assistant Commissioner, not Superintendent.

(b) Tax in statement exceeds original officer's limit → shift to higher officer

Example 2:

- Initial SCN issued by Superintendent
 - Tax demand: ₹9 lakh
- Subsequent statement issued later
 - Additional tax found: ₹1.20 crore

What happens?

- Superintendent's limit: Up to ₹20 lakh
- New demand exceeds limit → Additional / Joint Commissioner required

Action required

- Superintendent must:
 - Issue a **corrigendum**
 - Transfer the **earlier SCN + statement**
 - Make them **answerable to Additional/Joint Commissioner**

👉 Same case, but higher authority now adjudicates

(c) No change in monetary limit → same officer continues

Example 3:

- Initial SCN
 - Tax demand: ₹12 lakh
 - Issued by: **Deputy Commissioner**
- Subsequent statement
 - Additional tax: ₹8 lakh
- Total highest tax involved: ₹12 lakh

Result

- Monetary limit still falls under **Deputy Commissioner**
- **Same officer** issues the statement
- **Same adjudicating authority** continues

👉 No transfer, no corrigendum needed

(d) Officer decided based on tax only, penalties ignored

Example 5:

- Tax demanded: ₹18 lakh
- Penalty proposed: ₹36 lakh

Decision

- Only **₹18 lakh tax** is considered



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- Penalty amount is **ignored for deciding officer**
- Proper officer = **Superintendent** (up to ₹20 lakh)

👉 Even if penalty is huge, **rank depends only on tax amount**

(e) SCN issued by Audit Commissionerate

Example

- **Audit Commissionerate issues SCN**
 - Tax demand: **₹55 lakh**
- Later, **additional tax** is found
 - Statement to be issued under section 74A(3)

Who issues the statement?

- **Jurisdictional Central Tax Commissionerate** (not Audit)

Important point

- Statement must be:
 - Made **answerable to the same adjudicating authority**
 - Mentioned in the **original SCN**

👉 Audit identifies → Jurisdictional officer processes adjudication

Quick Summary Table

Situation	Key Rule
Higher tax found later	Officer decided on highest amount
Statement crosses officer's limit	Case shifts to higher-ranked officer
Tax within same limit	Same officer continues
Penalty involved	Ignored for officer selection
Audit SCN cases	Jurisdictional officer issues statement

Section 75(2) of CGST Act provides that where any Appellate Authority or Appellate Tribunal or Court concludes that the notice issued under section 74(1) of CGST Act, is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the proper officer shall determine the tax payable by such person, deeming as if the notice were issued under section 73(1) of CGST Act. It is clarified that the proper officer for this purpose shall be the same officer who is the adjudicating authority for such show cause notice in respect of which the Appellate Authority or Appellate Tribunal or Court has concluded that the notice issued under section 74(1) of CGST Act is not sustainable

Practical Example – Section 75(2) of CGST Act

Step 1: Original Show Cause Notice under Section 74(1)

- Taxpayer: ABC Traders



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- Period: FY 2022–23
- Allegation by Department:
 - Suppression of turnover with intent to evade tax
- SCN issued under: Section 74(1) (fraud case)
- Tax demanded: ₹80 lakh
- Penalty proposed: 100% of tax (₹80 lakh)
- Adjudicating authority: Joint Commissioner of Central Tax

Step 2: Adjudication & Appeal

- Joint Commissioner confirms demand.
- ABC Traders files an appeal before the Appellate Authority.

Step 3: Appellate Authority's Finding

The Appellate Authority concludes that:

- There is short payment of tax, but
- Fraud / willful misstatement / suppression is NOT proved

Therefore:

- Section 74 is not applicable
- Case should have been issued under Section 73 (non-fraud)

Step 4: Application of Section 75(2)

As per section 75(2):

- The original SCN issued under section 74(1) is deemed to be an SCN under section 73(1).
- The proper officer must re-determine the tax payable accordingly.

Step 5: Who will re-determine the tax?

- Same Joint Commissioner who:
 - Was the original adjudicating authority
 - Issued the order under section 74



No change of officer

Step 6: Consequences after applying Section 73

Particulars	Under Section 74	After applying Section 75(2)
Nature of case	Fraud	Non-fraud
Tax payable	₹80 lakh	₹80 lakh
Penalty	100% (₹80 lakh)	Nil or reduced
Interest	Applicable	Applicable
Adjudicating officer	Joint Commissioner	Same Joint Commissioner

Final Outcome

- ABC Traders pays:
 - Tax: ₹80 lakh



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

- Interest as applicable
- No fraud penalty
- Case treated as if originally issued under section 73

Key Takeaways (Exam / Practice Ready)

1. Section 75(2) applies only when fraud is not proved
2. SCN under section 74 converts to section 73
3. Same adjudicating officer continues
4. Penalties under section 74 do not survive
5. Only tax + interest remain payable

Further, in pursuance of clause (91) of section 2 of the CGST Act read with section 20 of the IGST Act and subject to sub-sections (1) and (2) of section 5 of CGST Act, 2017, the Board hereby assigns the officers mentioned in Column (2) of the Table-III below, the functions as the proper officers in relation to issue of show cause notices and passing orders under section 122 of the CGST Act and section 20 of the IGST Act (read with section 122 of the CGST Act), up to the monetary limits as mentioned in columns (3), (4) and (5) respectively of the Table below:-

Table –III

Monetary limit for issuance of show cause notices and passing of orders under section 122 of CGST Act

Monetary Limits for Issuance of Show Cause Notices and Passing of Orders

(Penalty-only cases under Section 122 of the CGST Act)

Sl. No.	Officer of Central Tax	Monetary limit of penalty relating to Central Tax	Monetary limit of penalty relating to Integrated Tax	Monetary limit of combined penalty relating to Central Tax and Integrated Tax
1	Superintendent of Central Tax	Up to ₹10 lakh	Up to ₹20 lakh	Up to ₹20 lakh
2	Deputy or Assistant Commissioner of Central Tax	More than ₹10 lakh and up to ₹1 crore	More than ₹20 lakh and up to ₹2 crore	More than ₹20 lakh and up to ₹2 crore
3	Additional or Joint Commissioner of Central Tax	Above ₹1 crore (no upper limit)	Above ₹2 crore (no upper limit)	Above ₹2 crore (no upper limit)

3. Inserted w.e.f. 01.10.2025 “unique identification marking”

As per the Finance Act, 2025, Section 2(116A) Inserted w.e.f. 01.10.2025 “unique identification marking” means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable;



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Appeals under GST

1. Illustrating the implications and procedures clarified in **CBIC Circular No. 250/07/2025-GST** dated **24th June 2025**, related to **Review, Revision, and Appeal of Orders** passed by **Common Adjudicating Authorities (CAAs)** for DGGI-issued Show Cause Notices (SCNs):

✓ **Numerical Example Based on Circular No. 250/07/2025-GST**

📄 **Subject:** Review, Revision, and Appeals for Orders passed by Common Adjudicating Authorities (CAAs)

📄 **Example Scenario:** *M/s Bright Light Industries*

◆ **Background:**

- **Show Cause Notice (SCN)** issued by: **DGGI, Chennai Zonal Unit**
- **Adjudicating Authority (CAA):** **Joint Commissioner, Chennai North Commissionerate** (as designated via Notification No. 02/2017, Table III)
- **Order-in-Original (OIO)** passed by CAA: Dated 12th June 2025
- **Tax Demand Confirmed:** ₹25,00,000 under Section 74 for FY 2019–20
- **Penalty & Interest:** ₹10,00,000
- **Total Liability:** ₹35,00,000

◆ **A. Appeal Filed by Taxpayer under Section 107**

- **Taxpayer Action:** M/s Bright Light Industries is aggrieved by the OIO.
- **Appellate Authority:** Appeal must be filed before the **Commissioner (Appeals), Chennai North**, because:
 - The **Joint Commissioner (CAA)** is posted in **Chennai North Commissionerate**
 - Hence, **territorial jurisdiction is with Chennai North**

✦ **As per Circular Para 4(c):** Appeal lies with the **Commissioner (Appeals)** of the jurisdiction where the CAA is posted, not where DGGI issued SCN.

✓ **Taxpayer files appeal on 10th July 2025 before Commissioner (Appeals), Chennai North.**

◆ **B. Departmental Review under Section 107(2)**

- **Reviewing Authority:** **Principal Commissioner of Central Tax, Chennai North**
- The CAA (Joint Commissioner) is posted under this Commissioner.

✦ **As per Para 4(a) of the circular:**

- The **Principal Commissioner, Chennai North**, may review the OIO to decide whether to file an appeal.
- He may seek inputs/comments from **DGGI Chennai Zonal Unit** under Para 4(e).

◆ **C. Departmental Revision under Section 108**

- **Revisional Authority:** Same as above: **Principal Commissioner, Chennai North**



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- He is empowered under Notification No. 05/2020 to **revise orders passed by Joint Commissioner** posted under him.

✓ Example:

- If it is found that the CAA ignored a major point, the **Commissioner may revise** the order within prescribed timelines.

◆ D. Department Representation

- During the taxpayer's appeal hearing, the **department must be represented**.
- **Commissioner, Chennai North** will appoint a **Superintendent** or **Assistant Commissioner** to defend the OIO.

✦ **As per Para 4(d):** The Commissioner may designate any subordinate officer to represent the department before Commissioner (Appeals).

END Summary Table:

Step	Authority Involved	Designated Role	Based on Posting of CAA
Appeal filed by taxpayer	Commissioner (Appeals) Chennai North	Appellate Authority	✓ Yes
Department Review	Principal Commissioner, Chennai North	Reviewing Authority	✓ Yes
Revision (if applicable)	Principal Commissioner, Chennai North	Revisional Authority	✓ Yes
Department representation in appeal	Superintendent (appointed by Principal Commissioner)	Department Representative	✓ Yes

✓ Final Takeaway:

Even though SCNs are issued by **DGGI**, the **adjudication, appeal, review, and revision** flow based on the **jurisdiction of the Commissionerate where the CAA is posted**, not where the DGGI unit is located.

2. Rule 110 w.e.f. 22-09-2025, vide Notification No, 13/2025 Central Tax dated 17-09-2025:

In the said rules, in rule 110 , —

(a) in sub-rule (1), -

(i) after the words "electronically and provisional acknowledgement", the words, letters and figures "in Part A of FORM GST APL-02A" shall be inserted;

(ii) the proviso shall be omitted;

(b) in sub-rule (2), the proviso shall be omitted;

(c) in sub-rule (4), for the words, letters and figures "in FORM GST APL-02", wherever they occur, the words, letters and figures " in Part B of FORM GST APL-02A" shall be substituted.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Below is the re-drafted “Step-by-Step Approach to Rule 110 – Appeal to the Appellate Tribunal”, with the latest amendments (w.e.f. 22-09-2025):

Step-by-Step Approach

Rule 110: Appeal to the Appellate Tribunal

(w.e.f. 10-07-2024 – Notification No. 12/2024-CT and further amended w.e.f. 22-09-2025 vide Notification No. 13/2025-CT dated 17-09-2025)

1 Filing of Appeal (Section 112(1))

- Appeals to the Appellate Tribunal shall be **filed electronically** in **FORM GST APL-05**, along with relevant documents.
- On electronic filing, a **provisional acknowledgement** is generated in **Part A of FORM GST APL-02A** (newly specified w.e.f. 22-09-2025).
- The appeal process is now **entirely system-driven**, as:
 - The proviso allowing flexibility in sub-rule (1) has been **omitted**.
 - The proviso in sub-rule (2) has also been **omitted**.

➔ **Practical implication:** The appeal enters the system only through **Part A of FORM GST APL-02A**.

2 Manual Filing (Position After Amendment)

- Earlier, manual filing of appeals was permitted if approved by the Registrar through a general or special order.
- **Post amendment**, Rule 110 no longer contains any proviso permitting manual filing.
- Any manual filing, if at all allowed, must flow from **separate administrative instructions**, not Rule 110 itself.

3 Memorandum of Cross-Objections (Section 112(5))

- Memorandum of cross-objections shall be **filed electronically** in **FORM GST APL-06**.
- The procedural discipline under Rule 110 now mirrors that of appeals, with electronic filing as the norm.

4 Signing Requirements (Rule 26)

- Appeals in **FORM GST APL-05** and cross-objections in **FORM GST APL-06** must be duly authenticated as follows:
 - **Digital Signature Certificate (DSC)** – mandatory for companies and LLPs.
 - **Electronic Verification Code (EVC)** – permitted for individuals and proprietorships.
- If an appeal or cross-objection is submitted **without a valid DSC or EVC**, it shall be treated as **incomplete** and shall **not be processed further** until rectified.

5 Acknowledgement and Date of Filing

- Where the order appealed against is **already uploaded on the portal**:



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- After verification and removal of defects, the **final acknowledgement** is issued in **Part B of FORM GST APL-02A** (*earlier FORM GST APL-02*).
- The **date of provisional acknowledgement** in **Part A** of **FORM GST APL-02A** shall be treated as the **date of filing of appeal**.
- Where the order appealed against is **not uploaded**:
 - A **self-certified copy** of the order must be submitted or uploaded **within 7 days**.
 - If submitted beyond 7 days, the **date of submission of such copy** shall be treated as the date of filing.

6 Completion of Appeal Filing (Rule 110(4))

- An appeal is treated as **finally filed only** when **Part B of FORM GST APL-02A** is issued.
- This substitution replaces all earlier references to **FORM GST APL-02** with **Part B of FORM GST APL-02A**.
- Thus, the appeal filing process is now **two-stage**:
 - **Part A** – provisional acknowledgement
 - **Part B** – final acknowledgement and completion

7 Fee Structure for Appeals

- Appeal fee payable:
 - **₹1,000 for every ₹1 lakh** of disputed tax or ITC.
- Subject to:
 - **Minimum fee:** ₹5,000
 - **Maximum fee:** ₹25,000
- **Flat fee of ₹5,000** applies where the appeal involves **no tax, interest, fine, or penalty**.

8 No Fee for Rectification Applications

- **No fee is payable** for applications filed for **rectification of errors** under section 112(10).

9 Legal Completion of Filing

- Appeals are considered **officially filed** only upon:
 - Issuance of **final acknowledgement** in **Part B of FORM GST APL-02A**.
- Mere generation of provisional acknowledgement in Part A does **not** complete filing.

One-Line Professional Summary

Post 22-09-2025, Rule 110 establishes a strictly electronic, two-stage appellate filing system through FORM GST APL-02A (Part A and Part B), eliminates proviso-based flexibility, and links legal filing completion to issuance of the final acknowledgement in Part B.

Examples for Rule 110: Appeal to the Appellate Tribunal

(All dates considered *after 22-09-2025*)

- ◆ **Example 1: Filing an Appeal Electronically (Post-Amendment)**



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Scenario

ABC Pvt. Ltd. disagrees with a GST demand order of ₹35,00,000 dated 25-09-2025 and decides to appeal to the Appellate Tribunal.

Steps Taken by ABC Pvt. Ltd.

1. On 30-09-2025, ABC files **FORM GST APL-05 electronically** on the GST portal.
2. The appeal is **digitally signed using the company's DSC**, as per Rule 26.
3. **Provisional acknowledgement is issued in Part A of FORM GST APL-02A on 30-09-2025.**
4. Since the order appealed against is already uploaded on the portal, no additional documents are required.
5. After verification, **final acknowledgement is issued in Part B of FORM GST APL-02A on 03-10-2025**, completing the filing.
6. **Fee paid: ₹25,000 (maximum cap).**

◆ *Example 2: Manual Filing – Position After 22-09-2025*

Scenario

DEF Ltd. faces technical difficulties while attempting to file an appeal against a GST demand order of ₹8,00,000 dated 26-09-2025.

Legal Position (Post-Amendment)

- W.e.f. 22-09-2025, provisos to Rule 110(1) and 110(2) are **omitted**.
- Rule 110 **does not permit manual filing**.
- Therefore, DEF Ltd. **must file the appeal electronically only**.

➡ **Conclusion:** Manual filing example is **not applicable post-22-09-2025** except under separate administrative instructions (if any).

◆ *Example 3: Filing a Memorandum of Cross-Objections*

Scenario

XYZ Ltd. receives a departmental appeal filed on 01-10-2025 and decides to file cross-objections.

Steps Taken by XYZ Ltd.

1. On 08-10-2025, XYZ files **FORM GST APL-06 electronically**.
2. The form is **signed using DSC**.
3. **Provisional acknowledgement** is generated immediately.
4. After verification, **final acknowledgement** is issued on 10-10-2025.
5. **Fee paid: ₹5,000 (minimum fee, as no tax demand is involved).**

◆ *Example 4: Self-Certified Copy Submitted Within 7 Days*

Scenario

PQR Traders files an appeal involving ₹12,00,000 against an order dated 24-09-2025, which is **not uploaded on the GST portal**.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Steps Taken by PQR Traders

1. On **01-10-2025**, PQR files **FORM GST APL-05 electronically**, authenticated using **EVC**.
2. **Provisional acknowledgement (Part A of FORM GST APL-02A)** is issued on **01-10-2025**.
3. PQR submits the **self-certified copy on 06-10-2025** (within 7 days).
4. **Final acknowledgement (Part B of FORM GST APL-02A)** is issued on **07-10-2025**.
5. **Date of filing of appeal: 01-10-2025**.
6. **Fee paid: ₹12,000**.

◆ *Example 5: Delayed Submission of Self-Certified Copy*

Scenario

MNO Pvt. Ltd. files an appeal involving **₹5,00,000** against an order dated **23-09-2025**, not uploaded on the portal.

Steps Taken by MNO Pvt. Ltd.

1. Appeal filed electronically on **01-10-2025** using **DSC**.
2. **Provisional acknowledgement (Part A of FORM GST APL-02A)** issued on **01-10-2025**.
3. Self-certified copy submitted on **12-10-2025** (after 7 days).
4. **Final acknowledgement (Part B of FORM GST APL-02A)** issued on **13-10-2025**.
5. **Date of filing of appeal: 12-10-2025**.
6. **Fee paid: ₹5,000** (minimum fee).

◆ *Example 6: Appeal Involving No Tax Dispute*

Scenario

GHI Enterprises contests a **late fee of ₹1,500** imposed vide order dated **27-09-2025**.

Steps Taken by GHI Enterprises

1. On **04-10-2025**, GHI files **FORM GST APL-05 electronically** using **EVC**.
2. **Provisional acknowledgement (Part A of FORM GST APL-02A)** issued immediately.
3. **Final acknowledgement (Part B of FORM GST APL-02A)** issued on **06-10-2025**.
4. **Flat fee paid: ₹5,000** (no tax involved).

◆ *Example 7: Rectification Application (Post-22-09-2025)*

Scenario

DEF Enterprises identifies a clerical error in an Appellate Tribunal order dated **29-09-2025**.

Steps Taken by DEF Enterprises

1. On **05-10-2025**, DEF files a **rectification application under section 112(10)** electronically.
2. Application is **signed using DSC**.
3. **No fee is payable**.
4. Tribunal rectifies the error and issues a corrected order.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

3. Rule 110A w.e.f. 22-09-2025, vide Notification No, 13/2025 Central Tax dated 17-09-2025:

In the said rules, after rule 110, the following rule shall be inserted, namely: — "110A.

Procedure for the Appeals to be heard by a single Member Bench. -

- (1) The President or the Vice-President if so authorised by the President in respect of any State Bench, may either on his own motion or an application filed by the parties to the appeal, scrutinise the appeal and transfer such appeal to any single Member Bench within the respective State if the appeal does not involve a question of law.
- (2) In case the single Member Bench, while hearing the appeal allotted under sub-rule (1), comes to a conclusion that the appeal may involve a question of law, such Bench shall for reasons to be recorded in writing send back the appeal to the President or the Vice-President, as the case may be, for reconsideration.
- (3) During the scrutiny of appeal under sub-rule (1) or reconsideration of appeal under sub-rule (2), the fact as to whether in respect of the same taxable person within a State, the same issue for the same or a different tax period has already been heard or decided by a Bench comprising of a Technical Member and a Judicial Member, shall be taken into consideration and where such a matter exists, the appeal shall be heard by a Bench comprising of a Technical Member and a Judicial Member.
- (4) For the purpose of reckoning the amount of fifty lakh rupees under sub-section (8) of section 109, the cumulative tax or input tax credit involved, or the amount of fine, fee or penalty, shall be determined with reference to all issues and all tax periods covered in the order appealed against."

Illustration 1

Rule 110A(1) – Appeal transferred to Single Member Bench (No question of law)

Facts:

- Date of Order-in-Original: **05-10-2025**
- Date of filing appeal before GST Appellate Tribunal: **25-10-2025**
- Nature of dispute: **Clerical mismatch of ITC between GSTR-3B and GSTR-2B**
- Tax period involved: **July 2024 to September 2024**
- ITC disputed: **₹18,75,000**
- Interest: **Nil**
- Penalty: **Nil**

Application of Rule 110A:

- Appeal filed **after 22-09-2025**
- Issue is **purely factual**, involving reconciliation
- No interpretation of GST law required

Result:

- President scrutinises appeal under **Rule 110A(1)**
- Appeal transferred to **Single Member Bench**
- Appeal heard and disposed by **one Member**



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Illustration 2

Rule 110A(2) – Matter sent back due to involvement of question of law

Facts:

- Date of Order-in-Original: **08-10-2025**
- Date of appeal filing: **28-10-2025**
- Issue raised: **Wrong rate applied on composite vs mixed supply**
- Tax demanded: **₹26,40,000**
- Interest demanded: **₹3,30,000**
- Penalty imposed: **₹2,64,000**

Initial Action:

- Appeal allotted to **Single Member Bench** assuming factual dispute

During hearing:

- Bench finds dispute involves **interpretation of Section 8 of CGST Act**
- Determination of **nature of supply = question of law**

Result (Rule 110A(2)):

- Single Member Bench records reasons in writing
- Appeal sent back to **President/Vice-President**
- Re-assigned to **Bench of Judicial Member + Technical Member**

Illustration 3

Rule 110A(3) – Same issue already decided earlier for same taxable person

Facts:

- Taxable person: XYZ Enterprises (Karnataka)
- Earlier appeal for FY 2023-24 decided on: **12-08-2025**
- Issue earlier decided: **ITC eligibility on motor vehicles**
- Bench composition earlier: **Judicial + Technical Member**

Present Appeal:

- Order-in-Original date: **15-10-2025**
- Appeal filed on: **30-10-2025**
- Tax period involved: **April 2024 to June 2024**
- ITC disputed: **₹21,90,000**
- Same issue, same taxable person, same State

Result (Rule 110A(3)):

- Despite appeal being filed after 22-09-2025
- Since **same issue already heard by Two-Member Bench**,
- Appeal **must be heard only by Judicial + Technical Member Bench**



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

Illustration 4

Facts (All dates after 22-09-2025):

- Order-in-Original date: **18-10-2025**
- Appeal filed on: **05-11-2025**
- Order covers **multiple tax periods & issues**

Tax Period	Tax Demand (₹)	Penalty (₹)	Cumulative Total (₹)
Apr–Jun 2024	21,80,000	2,18,000	
Jul–Sep 2024	18,60,000	1,86,000	
Oct–Dec 2024	7,40,000	74,000	
Total	47,80,000	4,78,000	52,58,000

Step 3: Determine “amount involved” under Section 109(8)

Since the **order involves both tax and penalty**, the **total amount involved** is:

= ₹52,58,000

✗ Threshold Breached

- ₹52,58,000 exceeds ₹50 lakh
- Hence, **Single Member Bench is NOT permissible**

✓ Correct Legal Conclusion

→ **Rule 110A(4) applied correctly**

→ Cumulative amount **exceeds ₹50 lakh**

→ Appeal **must be heard by a Bench comprising of:**

- **One Judicial Member**, and
- **One Technical Member**

◆ Key Professional Takeaway (Exam + Practice)

- ₹50 lakh test is **NOT tax-only**
- **Penalty / fine / fee cannot be ignored** if part of the same order
- **Aggregation across periods + issues is mandatory**
- Even **₹1 excess disqualifies** Single Member Bench

Important Note: Consider the total of tax plus penalty (and interest/fine/fee, if any) to determine the ₹50 lakh threshold limit.

4. Rule 111: Application to the Appellate Tribunal by the Department:

[Applicable w.e.f. 22 September 2025 | Notification No. 13/2025–Central Tax dated 17-09-2025]

In the said rules, in rule 111, —

(a) in sub-rule (1), -

(i) after the words "provisional acknowledgement", the words, letters and figures "in Part A of FORM GST APL-02A" shall be inserted;



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

(ii) the proviso shall be omitted;

(b) in sub-rule (2), the proviso shall be omitted;

(c) in sub-rule (4), -

(i) for the words, letters and figures “in FORM GST APL-02”, wherever they occur, the words, figures and letters “in Part B of FORM GST APL-02A” shall be substituted;

(ii) in the second proviso, for the words “self-certified copy” the words “self-attested copy” shall be substituted

w.e.f. 22 September 2025 | Notification No. 13/2025–Central Tax dated 17-09-2025, the procedure as per amended Rule 111 is as follows:

1. Filing of Applications

- Applications by the Department to the Appellate Tribunal under section 112(3) shall be filed electronically in FORM GST APL-07, along with relevant documents.
- Provisional acknowledgement in *Part A of FORM GST APL-02A* shall be issued immediately upon electronic filing of the application.
- The proviso permitting conditional or alternative filing stands omitted.

Accordingly, the filing procedure is now uniform and electronic, without proviso-based exceptions. It means manual filing of Form GST APL-07 has been omitted.

2. Filing of Memorandum of Cross-Objections

- Memorandums of cross-objections under section 112(5) shall be filed electronically in FORM GST APL-06.
 - The proviso to sub-rule (2) stands omitted. It means manual filing of Form GST APL-06 has been omitted.
- As a result, no conditional relaxation or exception survives for filing cross-objections.

3. Signing Requirements

- Applications (FORM GST APL-07) and memorandums of cross-objections (FORM GST APL-06) shall be signed in accordance with Rule 26 of the CGST Rules, namely:

- Digital Signature Certificate (DSC): Mandatory for companies and LLPs
- Electronic Verification Code (EVC): Permitted where applicable

(This requirement remains unchanged by Notification No. 13/2025.)

4. Acknowledgement and Filing Date

(a) Where the order appealed against is uploaded on the GST portal

- After scrutiny and rectification of defects, a final acknowledgement in *Part B of FORM GST APL-02A* shall be issued.
- The date of provisional acknowledgement in Part A of FORM GST APL-02A shall be treated as the date of filing of the application.

(b) Where the order appealed against is not uploaded on the GST portal

- The Department shall submit or upload a self-attested copy of the order within 7 days of filing FORM GST APL-07.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- If the self-attested copy is submitted within 7 days, the date of provisional acknowledgement shall be the date of filing.
- If the self-attested copy is submitted after 7 days, the date of submission of such copy shall be treated as the date of filing of the application.

(Note: The term “self-certified copy” is no longer valid and stands replaced by “self-attested copy”.)

5. Explanation

Explanation 1

An application by the Department shall be considered as officially filed only after issuance of the final acknowledgement in *Part B of FORM GST APL-02A*.

Explanation 2

For the purposes of Rules 110 and 111, the term “Registrar” includes:

- Registrar
- Joint Registrar
- Deputy Registrar
- Assistant Registrar
- Any officer appointed by the Government for these purposes

Summary of Changes Effective from 22-09-2025

- Introduction of FORM GST APL-02A with a two-stage acknowledgement system
- Replacement of FORM GST APL-02 with Part B of FORM GST APL-02A
- Mandatory reference to Part A for provisional acknowledgement
- Omission of provisos in sub-rules (1) and (2)
- Replacement of self-certified copy with self-attested copy
- Greater procedural certainty and standardisation for departmental appeals

Examples, strictly aligned with Rule 111 as amended w.e.f. 22-09-2025 (Notification No. 13/2025–Central Tax dated 17-09-2025).

Example 1: Filing an Application Electronically by GST Department

(Post-amendment scenario)

Scenario

The GST Department disagrees with an appellate authority’s order passed in favour of XYZ Pvt. Ltd., involving a GST demand of ₹25,00,000, and decides to file an application before the Appellate Tribunal under section 112(3).

Steps taken by the GST Department

1. On 01 October 2025, the authorised officer of the GST Department logs into the GST portal and files FORM GST APL-07 electronically, attaching the appellate authority’s order and supporting documents.
2. The application is digitally signed using the DSC of the authorised officer, in accordance with Rule 26.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

3. Provisional acknowledgement in *Part A of FORM GST APL-02A* is issued immediately on 01 October 2025.
4. Since the appellate authority's order is already uploaded on the GST portal, no separate submission of the order is required.
5. After verification and removal of defects, final acknowledgement in *Part B of FORM GST APL-02A* is issued on 03 October 2025, confirming that the application is officially filed.
6. Date of filing of application: 01 October 2025 (date of provisional acknowledgement in Part A of FORM GST APL-02A).
7. Fee paid: Nil (no fee is payable for departmental applications).

Example 2: Delayed Submission of Self-Attested Copy

(Order not uploaded on portal – post-amendment)

Scenario

The GST Department files an application involving a disputed amount of ₹10,00,000, pursuant to directions of the Revisionary Authority.

The appellate order is not uploaded on the GST portal, and the Department delays submission of the order copy beyond 7 days.

Steps taken by the GST Department

1. On 05 November 2025, the authorised officer files FORM GST APL-07 electronically on the GST portal.
2. Provisional acknowledgement in *Part A of FORM GST APL-02A* is issued immediately on 05 November 2025.
3. As the order is not available on the portal, the Department is required to submit a self-attested copy of the appellate order within 7 days (i.e., by 12 November 2025).
4. The Department submits the self-attested copy on 15 November 2025, which is beyond the 7-day period.
5. After scrutiny of documents, final acknowledgement in *Part B of FORM GST APL-02A* is issued on 18 November 2025.
6. Date of filing of application: 15 November 2025 (date of submission of self-attested copy, since submission was delayed).

Key Compliance Points Highlighted by These Examples

- Provisional acknowledgement is now always issued in Part A of FORM GST APL-02A.
- Final acknowledgement is issued only in Part B of FORM GST APL-02A.
- FORM GST APL-02 is no longer applicable.
- The terminology “self-certified copy” is replaced by “self-attested copy”.
- Delay beyond 7 days in submitting the order shifts the date of filing to the actual submission date.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

5. Rule 113 Order of Appellate Authority or Appellate Tribunal:

Rule 113(1) The Appellate Authority shall, along with its order under sub-section (11) of section 107, issue a summary of the order in FORM GST APL-04 clearly indicating the final amount of demand confirmed.

Rule 113(2) The Appellate Tribunal shall, along with its order under sub-section (1) of section 113, issue, or cause to be issued, a summary of the order in FORM GST APL-04A clearly indicating the final amount of demand confirmed by the Appellate Tribunal (Substituted vide Notification No. 13/2025 Central Tax Dated 17-09-2025 w.e.f. 22-09-2025)

Prior to the substitution, sub-rule (2) of Rule 113 read as under:

“the jurisdictional officer shall issue a statement in FORM GST APL-04 clearly indicating the final amount of demand confirmed by the Appellate Tribunal”

Rule 113(2) – Comparison

Prior to substitution vs. After substitution

Particulars	Prior to substitution	After substitution (w.e.f. 22-09-2025)
Who issues the summary/statement	Jurisdictional Officer	Appellate Tribunal
Nature of document	Statement	Summary of the order
Relevant form	FORM GST APL-04	FORM GST APL-04A
Timing	Issued after the Appellate Tribunal's order	Issued along with the Appellate Tribunal's order
Statutory linkage	Not expressly linked to section 113	Expressly linked to section 113(1)
Responsibility shift	Post-order administrative action by field officer	Direct procedural responsibility of the Tribunal
Clarity & immediacy	Indirect and delayed	Direct, immediate, and authoritative

6. Mandatory pre-deposit for entertaining appeal

As per section 107(6) of the CGST Act, 2017 No appeal shall be filed under sub-section (1) of Section 107 i.e. Appeals to Appellate Authority ('AA'), unless the appellant has paid—

- in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and
- a sum equal to 10% of the remaining amount of tax in dispute arising from the said order, (w.e.f. 1-2-2019 subject to a maximum of ₹20 crore, (w.e.f. 1-11-2024 as per F.A. 2024) in relation to which the appeal has been filed.

[Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to **10%** of the said penalty has been paid by the appellant. **(Inserted w.e.f. 01.10.2025 by The Finance (No. 7) Act, 2025)]**

[Prior to 01-10-2025, a sum equal to 25% of the penalty]

7. As per section 112(8) of the CGST Act, 2017

No appeal shall be filed under sub-section (1) of Section 112 i.e. Appeals to Appellate Tribunal, unless the appellant has paid—



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026

TERM OF EXAMINATION_SYLLABUS 2022

- (a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and
- (b) a sum equal to 10% w.e.f. 1-11-2024 as per Finance Act, 2024 of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of section 107, arising from the said order, subject to a maximum of ₹20 crore (w.e.f. 1-11-2024 as per F.A. 2024) in relation to which the appeal has been filed.

Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to 10% of the said penalty, in addition to the amount payable under the proviso to sub-section (6) of section 107 has been paid by the appellant Inserted (w.e.f. 01.10.2025 by section 130 of the Finance (No. 7) Act, 2025).

8. **Penalty for failure to comply with track and trace mechanism.- section 122B, inserted (w.e.f. 01.10.2025) by the Finance (No. 7) Act, 2025:-**

Notwithstanding anything contained in this Act, where any person referred to in clause (b) of sub-section (1) of section 148A acts in contravention of the provisions of the said section, he shall, in addition to any penalty under Chapter XV or the provisions of this Chapter, be liable to pay a penalty equal to an amount of ₹1,00,000 or 10% of the tax payable on such goods, whichever is higher.

9. **Section 148A. Track and trace mechanism for certain goods.- Inserted (w.e.f. 01.10.2025) by the Finance (No. 7) Act, 2025:**

- (1) The Government may, on the recommendations of the Council, by notification, specify,—
 - (a) the goods;
 - (b) persons or class of persons who are in possession or deal with such goods, to which the provisions of this section shall apply.
- (2) The Government may, in respect of the goods referred to in clause (a) of sub-section (1),—
 - (a) provide a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons, as may be prescribed; and
 - (b) prescribe the unique identification marking for such goods, including the information to be recorded therein.
- (3) The persons referred to in sub-section (1), shall,—
 - (a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner;
 - (b) furnish such information and details within such time and maintain such records or documents, in such form and manner;
 - (c) furnish details of the machinery installed in the place of business of manufacture of such goods, including the identification, capacity, duration of operation and such other details or information, within such time and in such form and manner;
 - (d) pay such amount in relation to the system referred to in sub-section (2), as may be prescribed.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

Customs Act, 1962

1. Amendment to Section 18 – Provisional Assessment

◊ What Changed

Section 18 of the Customs Act was amended to:

- **Substitute the existing wording** so that the proper officer *may assess duty provisionally* (removal of indirect language to simplify text).
- **Insert a new sub-section (1B)** prescribing a **definite time-limit** for finalising provisional assessments —
⌚ *within 2 years from the date of provisional assessment;*
📌 *extendable by another 1 year by the Commissioner on sufficient cause.*
- **Insert sub-section (1C)** to specify **situations in which the time-limit is suspended**, e.g., when information is awaited from foreign authorities, appeals are pending, interim stays are in force, specific Board directions apply etc.

📅 Effective Date

- The changes to Section 18 came into force from **1 May 2025** (as per enactment timelines under the Finance Act).

🧠 Practical Objective

- This introduces **certainty and predictability** in provisional assessments, preventing indefinite pendency and enhancing trade facilitation.

2. Insertion of New Section 18A – Voluntary Revision of Entry Post-Clearance

◊ What Changed

A new **Section 18A** was inserted **after Section 18**, enabling **importers/exporters to voluntarily revise entries** (for instance, Bills of Entry or Shipping Bills) *after goods are cleared*:

- The provision allows for revision **within a prescribed time and subject to conditions** under regulations.
- Revised entries can be treated as:
 - **Self assessment** or
 - **Refund claims under Section 27**, depending on the circumstances and conditions.

🧠 Why It Matters

- It promotes **voluntary compliance** and reduces disputes by allowing bona-fide corrections post-clearance (e.g., classification, valuation, quantity errors).

3. Amendment to Section 27 – Refund Limitation Period

◊ What Changed

Section 27 (which governs refund claims) was amended to clarify the **limitation period** in cases where refunds arise due to:

- Revised entries under **new Section 18A**, or
- Amendments made under Section 149 (post-export adjustments).

👉 The time for claiming refunds in such cases is defined to be **one year from the date of payment of duty or interest**.



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

4. *Amendment to Section 28 – Relevant Date for Refund*

◊ *What Changed*

Section 28 (which defines the *relevant date* for refunds) was amended so that:

- In cases where duty is paid based on a **revised entry under Section 18A**, the *relevant date* for refund claim is the **date of payment of duty or interest**.

Most amendments (Section 18 time limits, Section 18A and associated changes) were **notified as part of the Finance Act, 2025**, and have been progressively operationalised starting **from 1 May 2025**, with regulations and procedures such as those under Section 18A taking effect by **1 November 2025**



SUPPLEMENTARY_PAPER 19_FOR JUNE 2026 TERM OF EXAMINATION_SYLLABUS 2022

FTP – 2023

1. RoDTEP's:

The RoDTEP Scheme benefit will be available for export of products manufactured from Advance Authorisation units, SEZs, and EOUs w.e.f. 1-6-2025 (vide Notification No. 11/2025-26 dated 26-05-2025)