

GCo Connect – December 2025

Gabhawalla & Co | Chartered Accountants



GSTR 9 / 9C

FY 2024-25

Due date: 31st Dec

⚠️ "The due date is closer than what it seems like"



90%

Greetings to all our readers!

The month of December marks a crucial period for taxpayers preparing to file their Annual Return in Form GSTR-9 and the Self-Certified Reconciliation Statement in Form GSTR-9C for previous financial year. Though the process of filing annual returns had streamlined in the past couple of years, the updated forms—released only in October 2025—introduce significant changes in the reporting of ITC claim during FY 2024-25 in Tables 6 and 8 of Form GSTR-9. Further, for FY 2024-25, several data points in Form GSTR-9 have now been made mandatory that were optional or not required in earlier years. These changes and their practical implications were discussed in detail during our [Insight Series webinar](#) held in November.

Taxpayers should be mindful that certain actions, in relation to FY 2024-25 can no longer be carried out in current GST returns:

- a. ITC: Fresh claims of ITC for FY 2024-25 are not allowed, except where credit was earlier reversed under Rule 37 or 37A
- b. Credit Notes: CNs linked to FY 2024-25 invoices cannot be issued now, as the window for such reduction in liability has closed as on 30th November 2025
- c. Amendments: Any amendments to FY 2024-25 invoices/ CNs/ DNs are also restricted and cannot be made through subsequent returns.

The monthly release of India's GST figures has also become a closely watched event, offering a vital snapshot of the nation's economic health. At first glance, the data for November 2025 suggests stability, with Net GST Revenue showing a marginal 1.3% year-over-year growth. Contrasting sharply with the monthly data are the much healthier year-to-date figures. For the entire fiscal year from April to November 2025, Total Gross GST Revenue has grown by a solid 8.9%, and Net GST Revenue has increased by 7.3% compared to the same period in 2024.

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GST Sector Spotlight | Insight Series

We've hosted seven insightful sessions as part of our latest video series, designed to break down the complexities of GST Law into practical, sector-specific guidance you can apply with ease in your business. The details of the said sessions are tabulated below for quick access:

Topic	Date	YouTube Link
Key Changes in Form GSTR 9 / 9C for FY 2024-25	07-Nov-2025	Click here
E-way bill in GST	26-Sept-2025	Click here
Media and Entertainment Sector	02-Sept-2025	Click here
Infrastructure, Construction and Engineering Sector	01-Aug-2025	Click here
Goods Transport Agencies in GST	27-June-2025	Click here
Issues in Hospitality Sector	30-May-2025	Click here
RCM in Real Estate Sector	25-Apr-2025	Click here

This newsletter is for general public information and knowledge sharing. In case any clarifications required, you may connect with us at:

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A. PORTAL UPDATES

- **Updating Bank Account details in GST Registration**

- As per Rule 10A, taxpayers are required to update their bank account details within 30 days of grant of registration or before filing details Form GSTR-1 or IFF, whichever is earlier.
- The GSTN portal has informed that the changes with respect to such Rule 10A will be implemented on the GST Portal soon. Therefore, the taxpayers who have not yet furnished the bank account details till date are advised to update the same at the earliest to avoid suspension of their GST Registration and disruption of business activities.

GST Portal advisory dated 20.11.2025

B. NOTIFICATIONS/ CIRCULARS ISSUED

- **CBIC's stand on issuance of consolidated SCN covering multiple years**

- The CBIC has issued a clarificatory letter on the legality of issuing consolidated or composite SCNs covering multiple financial years under sections 73 and 74 of the CGST Act, 2017, in light of several writ petitions challenging such “bunching” of years. The Board’s clear view is that composite SCNs for multiple years are legally permissible, provided all statutory conditions, including limitation, are met
- Legal Arguments towards validity:
 - a. The CBIC explains that sections 73(1), 73(3), 74(1) and 74(3) do not prescribe any restriction on the “period” for which a notice can be issued; the law uses expressions like “for any period” and “for such periods”, which allows a single SCN to cover more than one financial year, so long as each year independently satisfies the time limits in sections 73(10) and 74(10).
 - b. CBIC describes ‘consolidation’ as a procedural device that neither extends nor alters the limitation for any individual financial year; each year stands on its own footing for computing limitation, even if clubbed in a single notice or order.
 - c. The Board invokes section 160 of the CGST Act to state that even if consolidation of multiple years in a single SCN is alleged to be a procedural irregularity, such a notice or proceeding does not become void if it substantially conforms to the Act and is within limitation.
 - d. Once a notice has been acted upon by the taxpayer, it cannot later be challenged on purely technical objections about form, service or consolidation alone. Overall, the policy position affirms the validity of consolidated SCNs across years, with the caveat that statutory timelines and year-wise computations must still be respected.
- Why Necessary, in some cases?
 - a. The clarification notes that separate SCNs year-wise on identical facts serve no real purpose where the same investigation, documents and grounds apply across years, especially in cases of alleged fraudulent availment or utilisation of ITC.
 - b. Referring in particular to the Delhi High Court decision in *Ambika Traders v. Additional Commissioner, DGGSTI* [(2025) 33 Centax 189 (Del.)], the Board highlights judicial support that consolidated SCNs for multiple financial years are permissible and, in fraud cases, may in fact be necessary to demonstrate the full pattern of transactions spread across years.
 - c. At the same time, decisions like *Titan Company Ltd.* [Madras High Court - (2024) 15 Centax 118 (Mad.)] and *Tharayil Medicals* [Kerala High Court - (2025) 29 Centax 395 (Ker.)] are stated to be confined to their territorial jurisdiction and not binding pan-India, especially when other High Courts have upheld consolidated SCNs.

- Are taxpayers' rights impacted?

- a. The Board further clarifies that bunching of years in one SCN does not prejudice taxpayers in terms of limitation, year-wise tax break-up, or the ability to avail statutory benefits.
- b. Citing the Supreme Court's ruling in State of J&K v. Caltex (India) Ltd. (AIR 1966 SC 1350), it reiterates that composite proceedings can be split period-wise, so valid parts can be sustained and invalid parts struck down, including for purposes such as limitation or eligibility under the GST Amnesty Scheme in section 128A, and compounding of offences under section 138.
- c. The clarification expressly records that a taxpayer does not lose amnesty eligibility merely because an SCN combines eligible and ineligible years; the taxpayer can pay only for eligible years under Rule 164 and separately contest the rest.

F. No. CBIC-20010/67/2025 - GST dated 16.09.2025.

C. RECENT DECISION (JUDICIARY & ADVANCE RULINGS)

I. Classification and Taxability under GST

- The Gujarat AAR, in the case of **In Re: M/s RDB REALTY & INFRASTRUCTURE LIMITED (2025-VIL-167-AAR)**, provided crucial clarity on the tax treatment of business transfers. The applicant sought to transfer a specific construction site unit, including all its associated assets and liabilities, to another entity. The AAR ruled that such a transfer qualifies as a "transfer of a going concern." While noting that the concept of a "slump sale" is not defined within the GST framework, the authority confirmed that the transfer of an independent part of a business that remains operational qualifies for an exemption from GST.
- In another advance ruling, the fact of case was that the applicant leased out a building and also provided services such as power backup, HVAC, fire protection, and security. The West Bengal AAR in **In Re: M/s TATA REALTY AND INFRASTRUCTURE LIMITED (2025-VIL-188-AAR)** classified the leasing of a building along with various amenities as a 'mixed supply'. The AAR reasoned that these supplies were not naturally bundled and could be provided separately. Since they were not a composite supply (where one supply is principal), they constituted a mixed supply. The critical impact of this classification is that the entire bundle of services must be taxed at the highest rate applicable to any of the individual supplies.
- **In Re: M/s JBM Ecolife Mobility Surat Private Ltd (2025-VIL-180-AAR)**, the Gujarat AAR ruled that liquidated damages paid for a breach of contract are not subject to GST. The AAR clarified that such payments are compensatory in nature, designed as a "genuine pre-estimated loss and damage" to make good the loss suffered by the aggrieved party. They do not constitute consideration for "tolerating an act or situation" and therefore do not qualify as a taxable supply of service. This ruling aligns with the clarification provided in CBIC Circular No. 178/10/2022-GST.
- The West Bengal AAR, in **In Re: MS. SRIPSK DEVELOPERS LLP (2025-VIL-163-AAR)**, classified 'Service Apartments' as a construction service of commercial buildings, not residential ones. The ruling was based on two key factors:
 - a. The land use restrictions mandated that the property could only be used for commercial ventures.
 - b. The local municipal corporation, a "competent authority" under RERA, had sanctioned the project as a "Service Apartment Building."This municipal sanction was given more weightage than the project's registration with WBRERA as a "Residential Project," leading to its classification as commercial for GST purposes.

II. Input Tax Credit (ITC)

(a) Recipient's ITC related rights

- The Allahabad High Court in **M/s Singhal Iron Traders vs Additional Commissioner and Another (2025-VIL-1124-ALH)** held that ITC cannot be denied to a recipient if

the supplier's registration is cancelled *after* the transaction, as long as the supplier had filed returns and paid tax at the time of the supply.

- In **M/s BP Oil Mills Ltd vs Additional Commissioner Grade-2 (2025-VIL-1182-ALH)**, the Allahabad court ruled that proceedings against a recipient are invalid if the supplier's initially cancelled registration is later restored, and the recipient possesses proof of goods movement and payment through banking channels.
- The Kerala High Court in **M/s K.V. Joshy & C.K. Paul vs The Assistant Commissioner, Thrissur (2025-VIL-1211-KER)** established a crucial procedural mandate: authorities must first initiate proceedings against the defaulting supplier before seeking to recover ITC from the recipient dealer.

(b) GSTR 9 – Rectification Tool:

- The Calcutta High Court in the cases of in **Pioneer Co-operative Car Parking and Construction Society Limited vs State of West Bengal (2025-VIL-1223-CAL)** and **Laxmi Ghosh vs State of West Bengal (2025-VIL-1222-CAL)** clarified that ITC validly claimed in the GSTR-9 annual return must be considered by tax authorities, even if it was inadvertently missed in the monthly GSTR-3B returns. This effectively positions the annual return as a legitimate vehicle for rectification, preventing taxpayers from being penalized for genuine oversights.

(c) Other procedural aspects

- The Bombay High Court in **M/s Hindustan Steel vs Deputy Commissioner of State Tax, Goregaon East (2025-VIL-1101-BOM)** ruled that the power to block the ECL under Rule 86A can only be exercised in respect of the credit amount *available* in the ledger at the time the blocking order is issued.
- In **Eeya Metals and Alloys Pvt Ltd vs The Assistant Commissioner, ST (2025-VIL-1105-AP)**, the Andhra Pradesh High Court held that authorities must furnish the taxpayer with all material and evidence being used to deny ITC. Failure to do so is a clear violation of the principles of natural justice.
- The Karnataka High Court in **M/s Lenovo India Private Limited vs Commissioner of Central Tax (Appeals -I) (2025-VIL-1186-KAR)** confirmed that the mandatory 10% pre-deposit required for filing an appeal can be paid by debiting the Electronic Credit Ledger (ECL).

III. Refund claims

(a) Judicial Leniency

- In **Kuehne Plus Nagel Private Limited vs Union of India (2025-VIL-1203-GUJ)** and **Mavenir Systems Private Limited vs Union of India (2025-VIL-1206-KAR)**, the Gujarat and Karnataka High Courts, respectively, held that refund claims cannot be rejected solely for the non-submission of FIRC's or

eBRCs, especially when other evidence, such as a Chartered Accountant's certificate, proves the receipt of foreign remittance.

- The CESTAT Mumbai in **Thyssenkrupp India Private Limited vs Commissioner CGST, Navi Mumbai (2025-VIL-1932-CESTAT-MUM-ST)** ruled that mentioning a wrong purpose code in an FIRC is a rectifiable clerical error and not a valid ground for rejecting a refund claim for the export of services.

(b) Compensation Cess

- The Gujarat High Court in **Atul Limited vs Assistant Commissioner, CGST & C. Ex., Division III - Valsad (2025-VIL-1192-GUJ)** held that a taxpayer is entitled to a refund of unutilized input tax credit of GST Compensation Cess. The cess was paid on inputs like coal, which were used in the manufacturing of goods that were ultimately exported. This ruling provides major relief to exporters in sectors where Compensation Cess is levied on key inputs.

IV. SCNs and Adjudications

(a) Validity of SCNs and OIOs

- In **Prolay Dey Sarkar vs State of Assam (2025-VIL-1113-GAU)**, the Gauhati High Court reiterated the established principle that a summary of a show-cause notice in Form GST DRC-01 is not a valid substitute for a proper, detailed SCN as required under Section 73(1).
- The Chhattisgarh High Court in **Golden Cargo Movers vs State of Chhattisgarh (2025-VIL-1091-CHG)** held that a final order cannot confirm a demand that is higher than the amount specified in the SCN, as this is explicitly barred by Section 75(7) of the CGST Act.

(b) Principles of Natural Justice

- The mere uploading of a notice to the GST portal may not constitute proper service, especially when it is posted in an obscure tab like "View Additional Notices". If there is no response, authorities should explore other modes of service like registered post (**M/s Calyx Coronation vs The State Tax Officer, Alagapuram Assessment Circle, Salem (2025-VIL-1098-MAD)** & **Satyajit Ghosal vs State of West Bengal (2025-VIL-1139-CAL)**).
- In **M/s S.A.B. India Constructions Limited vs State of UP (2025-VIL-1102-ALH)**, the High Court held that fixing a personal hearing on the very same day as the deadline for filing a reply to a notice is an incurable procedural defect and a violation of natural justice.

(c) Insolvency Proceedings

- The Calcutta High Court in **M/s Rabirun Vinimay Pvt Ltd vs Union of India (2025-VIL-1178-CAL)** held that when a company is sold as a 'going concern' during a liquidation process under the Insolvency and Bankruptcy Code (IBC), all past dues, including tax liabilities, are extinguished for the new entity. Consequently, a show-cause notice issued to the new management for a period prior to the sale is not maintainable in law.

(d) Penalties

- The Karnataka High Court, in **M/s Metal N Strips vs Joint Commissioner of Commercial Tax (Appeals - 3), Bengaluru (2025-VIL-1150-KAR)**, established two crucial limitations on the power to impose penalties:
 - (a) Quantum of Penalty: A penalty confirmed in a final order cannot exceed the amount of tax specified in the original show-cause notice. This is explicitly mandated by Section 75(7) of the GST Act.
 - (b) Bar on Double Penalty: When a penalty is imposed under Section 74 (for fraud, willful misstatement, etc.), an additional penalty for the same act or omission cannot be levied under another provision, such as Section 122. Section 75(13) acts as a clear bar against such double penalization.
- The Tripura High Court in **M/s R.G. Group vs Union of India (2025-VIL-1149-TRI)** ruled that the collection of a penalty under Section 129 (detention, seizure, and release of goods) is invalid if the authorities fail to pass a final, reasoned order justifying the penalty. The court clarified that a payment made 'under protest' by the taxpayer to secure the release of goods does not absolve the authorities of their statutory duty to issue a final order

V. Pre-GST regime cases

(a) Extended period of limitation:

- The principle of 'revenue neutrality' in light of invocation of extended period was highlighted by the CESTAT Kolkata in **M/s Forum Projects Private Limited vs Commissioner of Service Tax Audit, Kolkata (2025-VIL-1781-CESTAT-KOL-ST)**. The Tribunal held that in an RCM scenario where the taxpayer would have been eligible to claim full CENVAT credit of the RCM tax paid on the very same day, the situation is revenue-neutral. In such cases of procedural lapse without any intent to evade tax, the extended period of limitation cannot be invoked to demand the tax.
- The CESTAT Ahmedabad in **Krishna Art Silk Cloth Pvt Limited vs Commissioner of Central Excise & Service Tax, Surat (2025-VIL-1981-CESTAT-AHM-CE)** held that the extended period of limitation and consequent penalties cannot be invoked against a taxpayer for availing credit from suppliers who were later found to be non-existent, without concrete evidence that the taxpayer was a party to the fraud. The burden of proof lies on the revenue to establish collusion or willful intent.

(b) Reverse Charge Mechanism

- The CESTAT Chennai, in **M/s Indian Overseas Bank vs Commissioner of GST and Central Excise, Chennai (2025-VIL-1847-CESTAT-CHE-ST)**, delivered a key ruling concerning Vostro transactions, where the bank utilized the services of SWIFT for reliably exchanging financial information. It found that in the chain of international remittances, Indian banks are not the recipients of services from foreign banks. Since there are no service provider-recipient relationship and no flow of consideration from the Indian bank to the foreign bank, the Indian bank is not liable to pay service tax under RCM on the foreign bank's charges. This principle was also affirmed in the case of **ICICI Bank Limited vs Commissioner of Service Tax - I, Mumbai (2025-VIL-1806-CESTAT-MUM-ST)**.
- In the case of **Mahatma Gandhi University of Medical Sciences and Technology vs Commissioner of Central Goods, Service Tax, Central Excise, Jaipur-I (2025-VIL-1860-CESTAT-DEL-ST)**, the CESTAT Delhi clarified a specific precondition for RCM liability under a legacy notification. The university, being a charitable trust, was not considered a 'body corporate' as defined under the Companies Act. As the relevant notification imposed RCM liability on legal and works contract services only when the recipient was a 'body corporate', the university was held not liable to pay service tax under RCM.

(c) Excise - Valuation/ Classification

- In a landmark judgment, the Supreme Court in **Lipi Boilers Ltd vs. The Commissioner of Central Excise, Aurangabad (2025-VIL-88-SC-CE)**, settled a long-standing dispute regarding the valuation of boilers cleared in a completely knocked down (CKD) condition. The Apex Court decisively ruled that the value of duty-paid bought-out items, which are delivered directly to a buyer's site and are not brought into the manufacturer's factory, cannot be included in the assessable value of the boiler. The judgment reinforces the core principle that exigibility is determined at the factory gate. The 'transaction value' for excise purposes relates to the goods as they are cleared from the factory, not the final contract price for the fully installed and commissioned product at the customer's location.
- The CESTAT Mumbai, in **M/s Piaggio Vehicles Pvt Ltd vs Commissioner of Central Excise, Pune-III (2025-VIL-1863-CESTAT-MUM-CE)**, clarified that where the ownership of goods passes to the buyer at the factory gate, any transit insurance charged separately is not includible in the assessable value, as it constitutes a post-removal expense.
- In **M/s Wipro Ltd vs Commissioner of GST & Central Excise (2025-VIL-1778-CESTAT-CHE-CE)**, the CESTAT held that laptops supplied in bulk to Electronic Corporation of Tamil Nadu Ltd. (ELCOT) for free distribution to students must be valued based on the transaction value under Section 4 of the Central Excise Act, not the Retail Sale Price (RSP) under Section 4A. The free distribution activity did not qualify the recipient as a "service industry" or "industrial consumer," which are specific exceptions that would otherwise require RSP-based valuation under the Standard of Weights and Measures Rules.

(d) Customs – Valuation/ Classification:

- The Chennai Bench of the CESTAT, in **M/s Xiaomi Technology India Pvt Ltd vs Principal Commissioner of Customs, Chennai (2025-VIL-1944-CESTAT-CHE-CU)**, addressed the includability of royalty and license fees in the value of imported goods. The Tribunal held that royalty and license fees paid by Xiaomi India to IPR holders like Qualcomm were includible in the assessable value of imported mobile phones. The decision was based on Rule 10(1)(c) of the Customs Valuation Rules, 2007. The core reasoning was that the payment of these fees was an essential pre-requisite for the import and subsequent sale of the mobile phones in India. Since the payments were directly related to the imported goods and were a condition of their sale, they form part of the transaction value for customs duty calculation.

(e) Miscellaneous

- A critical distinction was made by the CESTAT Hyderabad in **M/s NMDC Ltd vs Commissioner of Central Tax, Visakhapatnam - GST (2025-VIL-1754-CESTAT-HYD-ST)**. The Tribunal denied a service tax refund claim to NMDC, holding that despite being the owner of the exported iron ore, it was not the 'exporter'. The ruling clarified that for the purposes of the notification, the 'exporter' is the entity that files the shipping bills and realizes the export proceeds. In this case, the state trading enterprise, MMTC, performed these functions and was therefore considered the exporter, making NMDC ineligible for the refund.
- In **M/s Shalimar Corp Ltd vs Commissioner of Central Excise & CGST, Lucknow (2025-VIL-1766-CESTAT-ALH-ST)**, the CESTAT ruled that the Lucknow Development Authority (LDA) was not a 'Governmental Authority'. The reasoning was that the LDA was constituted as a 'Body Corporate', and the structure it had commissioned was for commercial use, failing the conditions for the exemption.

D. GST COMPLIANCE CHART FOR DECEMBER 2025

S N	Due Date	Form	Period	Periodicity	Special Remarks
1.	10.12.2025	GSTR - 7	Nov 2025	Monthly	To be filed by those who are required to deduct TDS under GST
2.	10.12.2025	GSTR - 8	Nov 2025	Monthly	To be filed by those who are required to collect TCS under GST
3.	11.12.2025	GSTR - 1	Nov 2025	Monthly	Taxpayers filing GSTR - 1 monthly
4.	13.12.2025	GSTR - 6	Nov 2025	Monthly	To be filed by an ISD
5.	13.12.2025	IFF	Nov 2025	Monthly	To be filed by those under QRMP Scheme (Optional)
6.	13.12.2025	GSTR - 5	Nov 2025	Monthly	To be filed by a non-resident foreign taxpayer registered in GST
7.	20.12.2025	GSTR - 3B	Nov 2025	Monthly	To be filed by Taxpayer filing monthly GSTR 3B
8.	20.12.2025	GSTR - 5A	Nov 2025	Monthly	To be filed by non-resident Online Information and Database Access or Retrieval (OIDAR) services provider
9.	25.12.2025	PMT - 06	Nov 2025	Monthly	Challan to be filed for payment by those under QRMP Scheme
10.	31.12.2025	GSTR 9	FY 2024-25	Annual	To be filed by Taxpayer having aggregate annual T/o > 2 crore
11.	31.12.2025	GSTR 9C	FY 2024-25	Annual	To be filed by Taxpayer having aggregate annual T/o > 5 crore