



Indirect Tax

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

As per **GSTN Advisory issued on 5th December 2025**, from November 2025 onwards, the values in Table 3.2 of GSTR-3B (inter-state supplies to unregistered persons, composition taxpayers, and UIN holders) will be auto-populated from GSTR-1, GSTR-1A, and IFF and made non-editable. If corrections are needed, taxpayers must amend through GSTR-1A for the same tax period, which will instantly update Table 3.2 before filing GSTR-3B. Amendments can also be reported in subsequent GSTR-1/IFF filings. To avoid errors, taxpayers should ensure accurate reporting in GSTR-1/GSTR-1A/IFF and review drafts before submission. GSTR-1A can be filed any time before filing GSTR-3B for corrections.

Source- Notification

Auto Suspension of GST Registration due to Non-Furnishing of Bank Account Details as per Rule 10A

The **GSTN on 5th December 2025** stated that taxpayers (except TCS, TDS, and suo-moto registrations) must provide bank account details within 30 days of registration or before filing GSTR-1/IFF, whichever is earlier as per Rule 10A. From Dec 2025, if details are not furnished, the system will automatically suspend the GST registration, viewable under Services > User Services > View Notices and Orders. Bank details can be added via non-core amendment under Registration > Amendment of Registration. Once updated, cancellation proceedings are auto dropped, or taxpayers can manually drop them using "Initiate Drop Proceedings." Exemptions apply to

OIDAR and NRTP, except OIDAR with an Indian representative, where bank details are mandatory.

Source- Notification



Consolidated FAQs on GSTR -9/9C for FY 2024-25.

The GSTN on 17th December 2025, has released a consolidated set of FAQs to assist taxpayers in filing Annual Return (GSTR-9) and Reconciliation Statement (GSTR-9C) for FY 2024-25. These FAQs combine earlier publications dated 16th Oct 2025 and 4th Dec 2025, providing clarity on common queries and compliance requirements. Taxpayers can access the consolidated FAQs directly through the GST portal for guidance on accurate filing.

Source- Notification

HC: Invoking extended limitation u/s 74 absent 'jurisdictional facts', sans allegation of fraud/suppression, illegal.Advisory & FAQ on Electronic Credit Reversal and Re-claimed Statement & RCM Liability/ITC Statement.

The GSTN on 29th December 2025, introduced two ledgers for accurate ITC reporting: Electronic Credit Reversal & Re-claimed Statement (tracks ITC reversed in Table 4(B)(2) and reclaimed in Table 4(D)(1)) and RCM Liability/ITC Statement (tracks RCM liability in Table 3.1(d) and ITC claimed in Table 4A(2)/(3)). Soon, taxpayers will not be able to file GSTR-3B if reclaimed ITC or RCM ITC exceeds available ledger balance plus current entries, and negative balances must be corrected by reversing excess ITC or paying additional RCM liability before filing. Both ledgers are accessible under Services > Ledger, and FAQs explain viewing statements, validation rules, and steps to resolve discrepancies.

Source- Notification



Notifications & Updates

GST Valuation Amendment for Tobacco and Pan Masala Products.

The CBIC has issued Notification No. 19/2025 – Central Tax on 31st December 2025, amending Notification No. 49/2023-Central Tax. Effective from 1st February 2026, the amendment adds a new clause specifying that the valuation of certain goods—Pan Masala (Chapter 2106), Unmanufactured Tobacco (2401), Cigars and Cigarettes (2402), Other Manufactured Tobacco (2403), and Tobacco/Nicotine-based inhalation products (2404)—will be based on their retail sale price (RSP) declared on the package. The notification defines RSP as the maximum price printed on the package, inclusive of all taxes and duties, and provides rules for cases where multiple or altered prices are declared. This change ensures uniform valuation for GST purposes on these specified goods.

Source- Notification

GST Rules Amended for Valuation Based on Retail Sale Price.

The CBIC via Notification No. 20/2025 – Central Tax, dated 31st December 2025, introduces the Central Goods and Services Tax (Fifth Amendment) Rules, 2025, effective from 1st February 2026. A new rule 31D is added to the CGST Rules, specifying that the value of supply for certain goods—Pan Masala (2106), Unmanufactured Tobacco (2401), Cigars and Cigarettes (2402), Other Manufactured Tobacco (2403), and Tobacco/Nicotine inhalation products (2404)—shall be based on the retail sale price (RSP) minus applicable tax. The tax amount will be calculated using the formula: Tax = (RSP × tax rate %) ÷ (100 + total tax rate).

The notification also clarifies the meaning of RSP and its treatment in cases of multiple or altered prices. Additionally, Rule 86B is amended to exempt registered persons (other than manufacturers) from restrictions under this rule for these goods, provided tax is paid on RSP basis.

Source- Notification

GST Rate Changes for Tobacco and Pan Masala Products.

The CBIC via Notification No. 19/2025 – Central Tax (Rate), dated 31st December 2025, has amended GST rate schedules effective 1st February 2026. Under this amendment, Biris (2403 19 21, 2403 19 29) are added to Schedule II at 9%, while Pan Masala (2106 90 20), Unmanufactured Tobacco (2401), Cigars and Cigarettes (2402), Other Manufactured Tobacco (2403 excluding Biris), and Tobacco/Nicotine inhalation products (2404) are included in Schedule III at 20%. Additionally, Schedule VII (14%) has been completely omitted. These changes aim to rationalize GST rates for tobacco-related products and pan masala, placing them under higher tax slabs to discourage consumption and ensure uniformity.

Source- Notification



Rulings

SC Clarifies: GST Exemption on Residential Rent Depends on End-Use, Not Tenant Type

In the case of **The State of Karnataka & Anr vs Taghar Vasudeva Ambrish & Anr. [CIVIL APPEAL NO. 7846 OF 2023, dated 4th December 2025]**, the Hon'ble Supreme Court upheld Karnataka High Court's ruling and dismissed Revenue's appeal, holding that renting of residential premises for use as a residence is exempt from GST under Entry 13 of Notification No. 9/2017-Integrated Tax (Rate), regardless of whether the tenant personally uses it. The Court clarified that the exemption is activity-specific, not person-specific, and applies if the property is residential in nature and ultimately used for residential accommodation. Rejecting Revenue's argument that the lessee must use the property as its own residence, SC applied purposive interpretation to avoid absurdity, noting that strict interpretation would defeat legislative intent and burden end-users like students and professionals. The case involved a landlord leasing a residential building to DTwelve Spaces Pvt. Ltd. (Stanza Living), which sub-leased rooms to students and professionals. SC concluded that the exemption remains valid even after the July 18, 2022, amendment, emphasizing dynamic statutory interpretation.

Source- Rulings

HC Rules: Order Cannot Exceed Notice Amount; Allows Fresh SCN for Excess Demand

In the case of **Ukas Goods Carrier vs Union Territory of JK & Ors. [WP (C) No. 1961/2021, dated 2nd December 2025]**, the Hon'ble Jammu & Kashmir High Court, set aside an order under Section 74(9) of the CGST Act for demanding an amount far exceeding the figure mentioned in the original show cause notice (SCN). The Court held that such an order violates Section 75(7) and principles of natural justice, which mandate that the final demand cannot exceed the amount specified in the SCN nor be based on new grounds. The Court granted liberty to the assessing authority to issue a fresh SCN for the excess amount, provided it is within the limitation period. While the assessee also argued that GTA services are taxable only under reverse charge, the Court chose not to relegate the petitioner to appellate remedy under Section 107 due to the glaring discrepancy (order confirmed ₹7.61 crore vs SCN of ₹4.59 crore). The matter was remanded for reconsideration and passing a fresh order.

HC Holds: Lack of Awareness of SCN Until Clients Received Notices Is Valid Ground for Delayed Appeal

In the case of **Ruby Bansal vs CGST Delhi East Commissioner & Anr. [W.P. (C) 18496/2025, dated 8th December 2025]** the Hon'ble Delhi High Court held that the assessee's lack of awareness of the SCN until clients received notices is a valid reason for delay in filing an appeal. The Court directed the Appellate Authority to hear the appeal against retrospective cancellation of GST registration on merits without rejecting it on limitation

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grounds. The assessee argued that retrospective cancellation without considering unintended consequences is untenable, relying on the Anil Soni case. The Court also noted that non-filing of returns due to the COVID-19 pandemic is a reasonable explanation. In conclusion, the Court ruled that the assessee deserves an opportunity to be heard on merits.

Source- Rulings

HC Dismisses Revenue's Review Plea; Upholds Mandatory 60-Day Refund Disbursal Timeline

In the case of **The Assistant Commissioner of West Bengal State Tax, Cooch Behar Charge & Ors. vs Suraj Mangar [CPAN 71 of 2024, dated 8th December 2025]**, the Hon'ble Calcutta High Court dismissed Revenue's review petition against its earlier ruling that the statutory 60-day timeline under Section 54(7) of the CGST Act for refund disbursal is mandatory, and non-compliance vitiates the adjudicating order rejecting the refund claim. The Court held that the previous judgment was passed after full consideration of facts and law, and review cannot be used to reopen arguments or introduce provisions not cited earlier. Rejecting Revenue's contention that breach of the timeline only attracts interest liability, the Court reiterated that failure to adhere to the 60-day limit invalidates the order. It also clarified that even interlocutory orders laying down a legal proposition have binding effect. Concluding that the case does not fall under Order XLVII Rule 1 CPC, the Court refused to entertain the review.

HC Criticizes Practice of Personal Hearing for Uploading Orders; Directs Service of Notices via Email/Mobile

In the case of **Jamil Trading Co vs Union of India & Ors. [W.P.(C) 10513/2025 & CM APPL. 43625/2025, dated 1st December 2025]**, the Hon'ble Delhi High Court set aside both the order-in-original and order-in-appeal, noting that the assessee was given insufficient opportunity for personal hearing. The Court criticized the practice of fixing hearings merely for uploading orders, calling it "inexplicable" and purposeless. It observed that the original order confirming a demand of ₹3.36 crore was passed within a week of issuing the SCN, and the appellate order was passed even before the scheduled hearing date. While condoning the delay, the Court directed that personal notices be served via e-mail and mobile, and the appeal be decided on merits in accordance with law.

Source- Rulings

HC Reads Down Section 16(2)(aa); Mandates Hearing Before ITC Denial for Supplier Default

In the case of **MCLEOD Russel India Limited vs Union of India [WP(C) NO.5725 OF 2022, dated 9th December 2025]**, the Hon'ble Gauhati High Court read down Section 16(2) (aa) of the CGST Act, which links a recipient's ITC eligibility to the supplier's compliance with GST return filing. The Court held that denying ITC to a bona fide purchaser solely due to supplier default imposes an onerous burden and defeats the purpose of

Rulings

the Act. It clarified that before denying ITC, authorities must give the recipient an opportunity to prove bona fides through tax invoices and supporting documents. The provision is read down only until CBIC introduces a practical solution, but the Court declined to declare it unconstitutional, noting its intent to curb fraudulent ITC claims and enhance compliance. The ruling balances preventing tax evasion with protecting genuine buyers from supplier lapses.

GSTAT: No retrospective interest levy u/r 133(3)(c); Upholds profiteering on Subway franchisee.

In the case of **DGAP vs Dange Enterprise [NAPA/16/PB/2025, dated 2nd December 2025]**, the Hon'ble GST Appellate Tribunal (GSTAT) Delhi, upheld profiteering of ₹4.5 lakh by a Subway franchisee during November 2017–June 2019 but refused to levy interest under Rule 133(3)(c) of the CGST Rules, holding that the provision is prospective and not retrospective. The Tribunal noted that the respondent admitted profiteering and the DGAP's second report confirmed the same figure, but the investigation period largely predates the amendment introducing interest liability via Notification No. 31/2019. Rejecting DGAP's argument that the rule is clarificatory and curative, GSTAT emphasized that the word "further" in the amendment signifies addition, not retroactivity. The respondent was directed to deposit the profiteered amount in the Consumer Welfare Fund of Centre and States equally.

Source- Rulings

AAR: Instant Premix Tea Sachets in Promo Packs Classified as Mixed Supply; Attract 5% GST

In the case of **Jivraj Tea International Pvt. Ltd. [GUJ/GAAR/R/2025/60, dated 4th December 2025]**, the Hon'ble Gujarat Authority for Advance Ruling (AAR) held that promotional packs containing sachets of instant premix tea along with other tea packs constitute a 'mixed supply' under GST and attract 5% tax. The AAR clarified that this supply does not qualify as a 'composite supply' because bundling premix tea with regular tea is not a natural combination, nor is premix tea ancillary to other tea. The ruling emphasized that the offer meets all conditions of mixed supply: (i) not naturally bundled, (ii) supplied together for a single price, (iii) premix tea can be sold separately, and (iv) the items are independent of each other. Therefore, the entire promotional pack is taxable at the highest rate applicable to any item in the bundle, which is 5%.

AAR: Aerated Drinks Served in Hotel Restaurants, With or Without Food, Taxable at 18% as Composite Supply

In the case of **Summit Hotels & Resorts Private Limited [WBAAR 10 of 2025-26, dated 10th December 2025]**, the Hon'ble West Bengal Authority for Advance Ruling (AAR) held that aerated beverages served in a hotel's restaurant, whether with or without food, constitute a composite supply with restaurant service as the principal supply. Accordingly, the entire supply attracts 18% GST under Serial No. 7(vi) of Notification No. 11/2017–Central Tax (Rate). The AAR clarified that as per Clause 6(b) of Schedule II

Rulings

and the definition of "restaurant services," any supply of food or drink (other than alcoholic liquor) for consumption within the restaurant premises qualifies as restaurant service. Since the beverages are prepared, served, and consumed within the restaurant using its facilities, they cannot be treated as separate supplies attracting 28% GST + cess.

Source- Rulings

HC Declares Composite SCN Illegal for Blurring Sec. 73/74 Distinction, Diluting Timelines, and Causing Prejudice.

In the case of **Pramur Homes and Shelters vs Union of India & Ors. [WP No. 33081 of 2025, dated 11th December 2025]**, the Hon'ble Karnataka High Court held that issuing a composite show cause notice (SCN) covering multiple financial years under Sections 73/74 of the CGST/KGST Act is illegal and without jurisdiction. The Court reasoned that such consolidation blurs the statutory distinction between Section 73 (non-fraud cases) and Section 74 (fraud cases), artificially extends limitation, and violates natural justice by depriving the assessee of year-wise defenses and reconciliations. It emphasized that GST's statutory scheme—from registration, returns, ITC timelines, and annual reconciliation to limitation—is intrinsically financial-year-specific. The Court also noted that quantification under Section 75(7) and the insertion of Section 74A reinforce this legislative intent. Consequently, the HC quashed all proceedings based on the composite SCN, rejecting Revenue's objection of prematurity, and affirming that courts can intervene when jurisdictional facts are absent.

Source- Rulings

AAR: Security and Scavenging Services to Govt Hospitals Classified as Pure Services; Exempt from GST

In the case of **Ex Servicemen Resettlement Society [WBAAR 22 of 2025-26, dated 10th December 2025]**, the Hon'ble West Bengal Authority for Advance Ruling (AAR) held that security and scavenging services provided to State Government hospitals qualify as "pure services" and are exempt from GST under Sr. No. 3 of Notification No. 12/2017—Central Tax (Rate). The AAR noted that the applicant supplies manpower-based services without any goods component, satisfying the "pure service" condition. It further observed that government hospitals are instrumentalities of the State and that these services relate to constitutionally entrusted functions under Articles 243G and 243W, such as public health and sanitation. Since all three conditions under the notification are met—pure service, provided to government, and related to constitutional functions—the services are exempt from GST.

Source- Rulings

HC: Non-filing of LUT/Bond prior to export is a curable lapse; Refund denial unjustified.

In the case of **Prime Perfumery Works vs Assistant Commissioner of Central Tax [WRIT PETITION NO. 11076 OF 2024 (T-RES), dated 2nd December 2025]**, the Hon'ble Karnataka High Court held that non-filing of LUT/Bond prior to export under Rule 96A of the CGST Rules is a curable

Rulings

lapse and not an incurable defect. The Court observed that the requirement is directory, not mandatory, as clarified in CBIC Circular dated 15th March 2018, which allows furnishing LUT/Bond on an ex post facto basis by condoning delay. Since the Revenue rejected refund solely on the ground of non-submission of LUT/Bond before export, the Court set aside the order and remanded the matter for fresh consideration, emphasizing that refund cannot be denied for such procedural lapse when subsequent compliance is permitted.

Source- Rulings

Customs

Collection of anti-dumping duty on imports of titanium dioxide originating in or exported from China PR.

The CBIC via Instruction No. 33/2025-Customs, dated 5th December 2025, directed immediate cessation of anti-dumping duty on Titanium Dioxide imported from China, following the Calcutta High Court judgment dated 22nd September 2025 in India Paint Association vs Union of India that annulled Notification No. 12/2025-Customs. All customs formations have been instructed to ensure uniform compliance with this order.

Source- Customs



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