



A.C. Bhuteria & Co.
Chartered Accountants

16, Strand Road, Diamond Heritage,
Room No. H-703,
Kolkata – 700001

Ph: 033-46002382/ 40032841

Email id: info@acbhuteria.com

GST Digest

- Recent case laws

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NEWS

FEED

➤ AMIT SHAH TO MEET STATES, MINISTRIES TO HOLD TALKS ON GST RATE OVERHAUL

Union Home Minister Amit Shah will lead talks with states and central ministries to build consensus on key changes to the Goods and Services Tax (GST) system, according to an Indian Express report. Shah has already discussed the issue with Finance Ministry teams last week. The aim is to resolve contentious issues and push the long-pending proposal to scrap the 12% GST slab, the report said, citing sources. The move could shift some goods to the 5% slab and others to the 18% slab. However, this change may cause an estimated annual revenue loss of ₹70,000–80,000 crore for the Centre and states combined, as per the report. "This won't be easy. No state will accept revenue losses without thorough discussions," a source was quoted as saying in the Indian Express report.

➤ USING UPI DATA, GOVT CRACKS DOWN ON UNREGISTERED TRADERS TO BOOST GST REVENUE

In a significant move to increase tax collections, the govt has begun using Unified Payments Interface (UPI) data to identify traders, especially those accepting payments via QR codes, who



have evaded goods and services tax (GST) registration. After analysing UPI transactions, the commercial taxes department recently issued notices to some 14,000 traders. Officials say these individuals have crossed the mandatory GST registration thresholds but failed to register. Under GST rules, traders selling goods with an annual turnover above Rs 40 lakh or offering services above Rs 20 lakh are required to register. Those with turnover below Rs 1.5 crore can opt for the composite scheme, paying 1% tax without availing input tax credit. Vipul Bansal, commissioner, commercial taxes, said the crackdown is not just about revenue but fairness. "While the drive would help us ramp up tax revenue, the main objective is to get those who evade taxes to pay up. They too should abide by the law. It is also fair to those who are already paying tax," Bansal said.

➤ **MAJOR GST OVERHAUL ON THE CARDS AS PMO GIVES IN-PRINCIPLE NOD; KEY CHANGES LIKELY IN SLABS, PROCEDURES**

India is set to witness the biggest revamp of the Goods and Services Tax (GST) since its rollout in 2017, with the Prime Minister's Office (PMO) giving an in-principle go-ahead for a wide-ranging restructuring of the tax framework, sources told The Economic Times. The proposed overhaul will likely be discussed in the upcoming GST Council meeting in August, once the monsoon session of Parliament concludes. The finance ministry has already begun reaching out to states to build political consensus on the move. Inter-ministerial consultations with key departments are also underway. Officials familiar with the discussions told ET that the revamp will focus on two main aspects: rationalising the GST rate slabs and simplifying compliance procedures. The goal is to provide relief to both consumers and businesses and make the tax regime more efficient.

➤ **GST PORTAL IS NOW ENABLED TO FILE APPEAL AGAINST WAIVER ORDER**

The GST Portal now allows taxpayers to file appeals online against waiver rejection orders (SPL-07) issued under the GST Amnesty Scheme.

➤ **ADVISORY ON REPORTING VALUES IN TABLE 3.2 OF GSTR-3B**

Kindly refer to the advisory on table 3.2 of GSTR-3B, issued on 11th April 2025, wherein it was informed that, from April 2025 tax period, inter-State supplies auto-populated in Table 3.2 of GSTR-3B on the GST portal would be made non-editable and GSTR-3B must be filed with system-generated values only. However, due to several representations received from taxpayers citing difficulties in filing GSTR-3B, the implementation of this functionality was deferred earlier and table 3.2 was made editable in the interest of taxpayer's convenience and smooth filing of GSTR-3B. It may be noted that the changes mentioned in para 1, making the auto populated liabilities in



table 3.2 non-editable shall be re-introduced on the GST portal from July 2025 tax period. In case any modification/amendment is required in auto-populated values of Table 3.2 of GSTR-3B, the same can be carried out by amending the corresponding values in respective tables of GSTR-1A or through Form GSTR-1/IFF filed for subsequent tax periods.

1. MADRAS HC : GST NOTICES MUST BE SERVED, NOT JUST UPLOADED, TO UPHOLD NATURAL JUSTICE

The show cause notice was issued on 25.05.2024, wherein it has been stated that the reply has to be filed within 30 days. However, the date of personal hearing was fixed as 26.06.2024. Normally, the personal hearing should be fixed only after the filing of reply and if it was fixed before the filing of reply, it will be only an empty formalities, by which, no useful purpose will be achieved. It is clear that the impugned order was passed in violation of principles of natural justice without providing any proper opportunity to the petitioner. In such view of the matter, this Court is inclined to set aside the impugned order dated 28.08.2024 passed by the respondent. Accordingly, this Court passes the following order: -The impugned order dated 28.08.2024 is set aside and the matter is remanded to the respondent for fresh consideration. The petitioner shall file their reply/objection along with the required documents, if any, within a period of 15 days from the date of receipt of copy of this order. On filing of such reply/objection by the petitioner, the respondent shall consider the same and issue a 14 days clear notice, by fixing the date of personal hearing, to the petitioner and thereafter, pass appropriate orders on merits and in accordance with law, after hearing the petitioner, as expeditiously as possible.

2. A GST ORDER IS INVALIDATED IF CROSS EXAMINATION WAS DENIED DUE TO PROCEDURAL DELAYS

**PAPER TRADE LINKS (Madhya Pradesh HC) ;
WRIT PETITION NO. 6061 OF 2023**

In view of the discussion and considering the seriousness of the allegations, as the Scrutiny Committee has already conducted an inquiry in relation to this matter, the only grievance of the appellant is that there has been noncompliance with the principles of natural justice, and the fact that the applications filed by him, were not decided upon, we direct that before the submission of any report by the Scrutiny Committee, his application for calling the witnesses for cross-examination must be disposed of, and appellant must be given a fair opportunity to cross-examine the witnesses, who have been examined before the Committee. We further direct the Scrutiny Committee to pass appropriate orders in accordance with the law thereafter. In case, the Scrutiny Committee has already taken a decision, the same being violative of the principles of natural justice, would stand vitiated." In view of the aforesaid, the impugned order is set aside. The matter is remanded back to the authority to proceed further at the stage of cross-examination. Accordingly, the Writ Petition is disposed of.

3. Pioneer Products (Madras HC) W.P. No. 20594 of 2025 (DOJ: 11/06/2025)

This Court is of the considered opinion that, when an ex parte order was passed, the respondent should have sent at least one reminder notice through RPAD or by way of any other mode as specified under Section 169 of the Act. So that, the petitioner can able to file his reply or participate in the proceedings. In the present case, no notice was served by the respondent through RPAD and all the notices were uploaded only in the e-portal. However, the petitioner have voluntarily come forward to deposit 25% of the disputed tax this Court is inclined to set aside the impugned order and the matter is remanded back to the respondent for fresh consideration.

4. Reliance Formulation Pvt. Ltd. (Gujarat HC) R/SCA No. 5453 Of 2025 (DOJ: 27/06/2025)

The Gujarat High Court has refused to quash an advisory issued by the Assistant Commissioner of State Tax regarding the payment of interest on delayed self-assessed tax under the GST Act. The bench of Justice has observed that the advisories are only intimation notices & do not constitute a recovery action, thereby not warranting judicial interference at this stage. The Court found that there was no violation of natural justice and no cause for interference at this stage, as the advisory had not led to any coercive action. The petition was accordingly dismissed, with the Court observing that the taxpayer would have full opportunity to respond when and if formal recovery proceedings are initiated following due procedure.

5. Tvl.R.R Fire Solutions (Madras HC) W.P. No. 21350 of 2025 (DOJ: 18/06/2025)

Assessment order dated 13.01.2025 makes it crystal clear that the petitioner had filed his reply in a detailed manner, containing more than 10 pages, however, the department had extracted only 15 lines from the said reply in the impugned order. The respondent was supposed to have duly considered the same and elaborately discuss with regard to the objections raised therein. Therefore, it is clear that the reply was not considered by the respondent in a proper manner & violates principles of natural justice. In such view of the matter, this Court is inclined to set aside the said impugned order dated 13.01.2025.