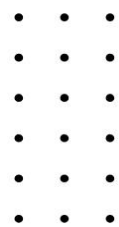


CA PRADEEP MODI

GST-DAILY UPDATE

Stay Update – Stay Focus



**NOVENBER
2025**

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GST-DAILY UPDATE

608-627 - A CONTINUED JOURNEY ...

[for the month of November 2025]

PRADEEP MODI

-FCA, LLB, DISA (ICAI), CA-IDT

Disclaimer

This Continued Journey of GST Daily 608-627 for the month of November 2025 (Volume-2) – GST Daily update is already circulated before in Social Media by CA. PRADEEP MODI. Pan India circulation via WhatsApp, Mail, etc. Suggestion, Opinion, Review, Criticism all are expected to grow in profession.

While review before publishing for the public Law, Rules, Circulars, Notification, PIB etc. kept in view but some editing mistake may be forgiven. Law relevant at the time of publishing is kept while others are deleted. This is not intended to be treated or used as legal advice or opinion

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Brief Profile of CA. Pradeep Modi

CA. Pradeep Modi is a practicing Chartered Accountant based in Kolkata, with over twenty-four years of professional experience. He is widely recognized for his contribution and expertise as a knowledgeable professional, advisor, trainer, speaker and consultant in the field of taxation and finance.

He has served the Lions Club of Calcutta Megacity in all key positions, including President, Secretary and Treasurer. He has also served as District Sports Chairperson in Lions District 322B2 and has been appointed as **GST Advisor** to the district.

With core expertise in commercial and indirect taxes, especially **Goods and Services Tax (GST)**, he has been advising entrepreneurs and corporates on compliance, consulting, structuring, litigation support and training. His focus on practical **GST solutions** has made him a sought-after resource person in professional forums.

His columns and articles have been published in reputed professional journals and platforms such as the EIRC Journal, Views Exchange Magazine, DTPA Annual Conference publications, VIP Study Circle Magazine, GST Review of Centax Publications, Online Tax Update portals, CA Club and the All India Federation of Tax Practitioners (AIFTP) - Annual Conference publications.

He also runs “GST Daily – Keep Yourself Updated on GST”, through which more than 625 brief updates have been shared across India via WhatsApp communities and Google group emails to help professionals and the business community stay current with GST developments. In addition, four e-books (soft copy) on GST have been made available for the benefit of interested readers.

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GST DAILY - 608

One e-way bill covering multiple invoices not indicative of tax evasion; detention set aside and release directed: HC

THE HON'BLE ALLAHABAD HIGH COURT IN THE CASE OF **Kent Cables Pvt. Ltd. V/s State of U.P.**, decided on 15-9-2025

Issue:-

✓ Is use of one e-way bill for multiple invoices a valid reason for detention?

The Hon'ble High Court Judgement:-

✓ Where petitioner transported goods with one e-way bill covering multiple invoices and all relevant documents were present with no allegation of e-way bill cancellation, use of single e-way bill for multiple invoices was a mere technical lapse, not indicating intent to evade tax, and detention order was quashed with directions to release deposit.

Section 129, read with section 68 & Rule 138, read with rule 138A of Central Goods and Services Tax, 2017

GST DAILY - 609

Demand order quashed as personal hearing fixed before reply date; fresh notice directed: HC

THE HON'BLE ALLAHABAD HIGH COURT IN THE CASE OF **R.P. Industries V/s State of U.P.**, decided on 29-8-2025

Issue:-

✓ What happens if a GST order is passed without giving the assessee a proper opportunity of hearing?

The Hon'ble High Court Judgement:-

✓ Where date of personal hearing was fixed prior to date of filing of reply to show cause notice, and impugned order was passed raising demand without providing any opportunity of hearing to assessee, same was to be set aside and assessing officer was to be directed to issue fresh notice.

Section 73 of Central Goods and Services Tax Act, 2017

GST DAILY - 610

E-way bill lapse due to vehicle breakdown duly explained; tax and penalty under section 129 unsustainable: HC

THE HON'BLE ALLAHABAD HIGH COURT IN THE CASE OF **C.J. Darcl Logistics Ltd.V/s State of U.P.**, decided on 4-9-2025

Issue:-

✓ Whether tax and penalty can be imposed when delay in transit due to truck breakdown is properly explained with evidence?

The Hon'ble High Court Judgement:-

✓ Where supporting evidence of truck break down was filed and reason for delay in transit was explained but without recording any cogent finding, same had been disbelieved, impugned order imposing tax and penalty could not be sustained.

Section 129 of Central Goods and Services Tax Act, 2017

GST DAILY - 611

Statutory interest on delayed refund payable from original application date; re-application held procedural: HC

THE HON'BLE BOMBAY HIGH COURT IN THE CASE OF **Altisource Business Solutions India Pvt. Ltd. V/s Union of India**, decided on 30-9-2025

Issue:-

✓ Whether interest is payable on delayed refund when the claim was initially rejected but later allowed on appeal?

The Hon'ble High Court Judgement:-

✓ Where exporter's refund claim was initially rejected but subsequently allowed on appeal, and refund was granted only after re-application without interest, statutory interest at 6 percent was payable for delay beyond 60 days from original application date, as re-application was only procedural and statute mandated interest for such delay even where rejection was set aside in appeal.

Section 56 read with Section 54 of Central Goods and Services Tax Act, 2017

GST DAILY - 612

Simplified GST Registration under Rule 14A of the CGST Rules: A Super Fast-Track Scheme for Small Taxpayers

By **PRADEEP MODI, CA, DISA(ICAI), CIDT (ICAI), LLB**

➤ Introduction

The introduction of Rule 14A in the Central Goods and Services Tax (CGST) Rules, effective from November 1, 2025, marks a significant enhancement in the GST registration framework. This rule has been designed to facilitate quicker registration for small taxpayers, ensuring a simplified process and greater transparency within the GST system.

➤ Objective of Rule 14A

Rule 14A aims to reduce compliance burdens for small businesses while enhancing the overall efficiency of the GST registration process.

The primary intent behind inserting Rule 14A into the GST Rules is to prevent fake GST registrations and control the misuse of Input Tax Credit (ITC). Over the years, numerous cases have surfaced where individuals or shell entities obtained GST registrations without conducting any genuine business. Their sole objective was to create bogus invoices and illegally pass on fraudulent ITC to other taxpayers.

➤ Eligibility and Application Process

Eligible businesses with a monthly GST output tax liability not exceeding ₹2.5 lakh can now opt for electronic registration via the GST portal and receive approval within three working days following successful Aadhaar authentication.

➤ Simple examples

Example 1 — Service provider (18% GST):

Rakesh invoices ₹12,00,000 in a typical month to registered clients. Approx GST on those B2B invoices = ₹2,16,000 (12,00,000 × 18%). Since ₹2.16 lakh ≤ ₹2.5 lakh, Rakesh can opt for Rule 14A.

Example 2—Trader with mixed buyers:

Ritesh sells ₹30 lakh/month total. To registered buyers he sells ₹14 lakh at 18% → GST ≈ ₹2.52 lakh. Since ₹2.52 lakh > ₹2.5 lakh, he should not opt for Rule 14A. (He can still apply for normal registration; Rule 14A is optional.)

Tip: The ₹2.5 lakh check is about GST amount, not turnover. If your items have different rates, total up the tax on your B2B invoices for a typical month.

To qualify under Rule 14A, applicants must meet specific criteria and complete Aadhaar authentication for the Primary Authorized Signatory and at least one Promoter or Partner. The application process requires businesses to select "Yes" for registration under Rule 14A in Form GST REG-01, and to submit relevant business and banking details.

➤ Step-by-step GST portal process for registration under Rule 14A

GST registration under Rule 14A can be completed on the GST portal by following these step-by-step instructions. This procedure ensures a simplified, quick process for eligible small taxpayers.

➤ Step-by-Step GST Portal Registration (Rule 14A)

1. Visit GST Portal

- Go to <https://www.gst.gov.in> and select "Services" > "Registration" > "New Registration".

2. Fill Part A of Form GST REG-01

- Enter basic details such as legal name, PAN, email, and mobile number.
- An OTP will be sent for mobile and email verification.

3. Choose Rule 14A Option

- In the registration application, choose "Yes" under "Option for registration under Rule 14A".

4. Aadhaar Authentication

- Aadhaar authentication is mandatory for both the Primary Authorized Signatory and at least one promoter/partner.
- Complete OTP-based Aadhaar verification.

5. Fill Business Details

- Submit detailed information about the business, including trade name, constitution, principal place of business, and additional places of business, if any.

6. Select the state and district appropriately. Bank Details & Documents

- Enter bank account details; upload bank statement or passbook, and upload documents required for address, identity, and business proof.

7. Declare Goods/Services

- Choose the top five goods/services supplied and add relevant HSN/SAC codes.

8. Verify and Submit

- Review all information, select the verification checkbox, and digitally sign the application using DSC/e-signature/EVC as applicable.
- Submit the application.

9. Application Reference Number (ARN)

- On successful submission, an ARN will be generated and sent by email and SMS.

10. Auto-approval Process

- If all details and Aadhaar authentication are verified, registration is granted electronically within three working days.
 - Track application status using the ARN on the GST portal.
- **Key Points**
- Only new registrations are eligible; this cannot be applied for amendments or multiple GSTINs under the same PAN in one state.
 - All returns and compliance requirements post-registration remain unchanged; misuse or errors may lead to cancellation or further departmental scrutiny.
 - Estimated monthly ITC to be passed on must be ≤ ₹2.5 lakh.

This process is designed to be fast, simple, and user-friendly, but ensure that eligibility and documentation are fully checked to avoid delays or rejections.

What supporting documents are uploaded during FORM GST REG-01 under Rule 14A

During FORM GST REG-01 registration under Rule 14A, several supporting documents need to be uploaded to the GST portal. The exact set can vary depending on the type of applicant (proprietor, partnership, company, etc.), but the key requirements are as follows:

Mandatory Documents for GST REG-01 (Rule 14A)

- **Photograph**
- Passport-sized photograph of the proprietor, partner(s), director(s), Karta, managing trustee, or authorized signatory, as applicable.
- **Proof of Constitution of Business**
- Partnership deed, certificate of incorporation (for companies), registration certificate for other entities (trust, society, LLP, etc.), as applicable.
- **Proof of Principal Place of Business**
- If owned: Latest property tax receipt, municipal khata copy, or electricity bill.
 - If rented/leased: Valid rent/lease agreement along with ownership proof of lessor (property tax, khata, or electricity bill).
 - If on consent/shared: Consent/NOC letter with ownership document of the consenter.
 - SEZ units require government-issued SEZ approval/certificate.
- **Bank Account Proof**
- First page of passbook, bank statement, or a cancelled cheque bearing account details and entity name.
- **Authorisation for Authorised Signatory**
- Letter of authorisation, board resolution, or equivalent resolution for appointing the authorised signatory.
- **Additional Notes**
- **Aadhaar Authentication** is mandatory (OTP-based) for the primary authorized signatory and at least one promoter/partner under Rule 14A.
 - Uploaded files should typically be in JPG or PDF format, with size not exceeding 100 KB–1 MB depending on document type.

These documents must be accurate, up-to-date, and must match details provided in the GST registration form to avoid processing delays or rejection.

- **Key Features of Rule 14A**

- Taxpayers whose anticipated monthly GST liability does not exceed ₹2.5 lakh (including CGST, SGST/UTGST, IGST, and Compensation Cess) can opt for this scheme.
- Aadhaar authentication is mandatory for the Primary Authorized Signatory and at least one promoter or partner.
- Registration is granted electronically within three working days from the application reference number (ARN) generation, subject to successful Aadhaar authentication.
- Applicants must select “Yes” under the option for Rule 14A while filling GST REG-01.
- A business cannot hold more than one registration under the same PAN in a particular State/UT using Rule 14A.
- Withdrawal requires fulfilment of several conditions, including filing all returns up to the date of withdrawal and no pending cancellation or amendment applications.

➤ Pros of Rule 14A

- Significantly reduces paperwork and verification delays, supporting ease of doing business.
- Registration processing time is brought down to three working days, which can benefit startups and MSMEs requiring quick market entry.
- Reduces compliance requirements, making the system more accessible for new or small businesses.
- The threshold helps target genuine small taxpayers for fast-track processing.

➤ Cons of Rule 14A

1. Restricts applicants to a single registration in a State/UT for the same PAN, limiting flexibility for structurally complex small businesses.
2. Mandatory Aadhaar verification could be a barrier for those facing challenges with Aadhaar.
3. If the monthly turnover exceeds ₹2.5 lakh at any time, the taxpayer may need to revisit their registration, creating uncertainty for rapidly growing small businesses.
4. Some professionals and businesses have identified structural flaws:
 - The eligibility is based on “anticipated” liability, which can lead to errors and subsequent compliance risk.
 - Withdrawal from the scheme is conditional and may be bureaucratically cumbersome.
5. Criticisms have emerged that “simplified” does not always mean simple for all businesses, and government scrutiny remains and can trigger verification or cancellation proceedings post-registration.

➤ Who Benefits Most

- Startups, MSMEs, and new entities with low turnover seeking quick registration without extensive documentation.
- Small service providers and traders with limited B2B transactions and output tax liability.

➤ Limitations and Compliance Requirements

Rule 14A applies only to new registrations, and existing GST Identification Numbers (GSTINs) cannot transition into this scheme. It focuses exclusively on taxable entities, excluding those dealing in exempt or nil-rated supplies. Standard compliance, including return filing and invoicing, remains obligatory.



GST DAILY - 613

Subsequent cancellation of supplier registration cannot justify ITC reversal or penalty where genuine purchase shown: HC

THE HON'BLE ALLAHABAD HIGH COURT IN THE CASE OF **Singhal Iron Traders V/s Additional Commissioner**, decided on 4-11-2025

Issue:-

✓ Whether ITC can be denied and penalty imposed when purchases were genuine and supplier's registration was cancelled only later?

The Hon'ble High Court Judgement:-

✓ Where petitioner, a registered trader in iron scrap, made purchases backed by e-way bills, banking channel payments, and supplier's GSTR-1 and GSTR-3B filings, subsequent cancellation of supplier's registration did not warrant ITC reversal or penalty since authorities failed to verify supplier's existence at transaction time and no fraud or transport irregularity was alleged, orders for reversal and penalty were unsustainable.

Section 74, read with section 16 of Central Goods and Services Tax Act, 2017

GST DAILY - 614

SCN emailed to non-authorized address on limitation date invalid; service beyond time barred by law: HC

THE HON'BLE BOMBAY HIGH COURT IN THE CASE OF **Octantis Services Pvt. Ltd. V/s Union of India**, decided on 7-10-2025

Issue:-

✓ Whether SCN is valid if issued to the old email after change of authorized email on the GST portal?

The Hon'ble High Court Judgement:-

✓ Where after change of authorized email on GST portal, all subsequent communications except SCN were sent to new email but SCN was served on old email on last date of limitation and reached authorized email only after deadline, such service was not valid and SCN for FY 2020-21 was considered time barred for want of proper and timely service.

Section 73, read with section 169, of Central Goods and Services Tax Act, 2017

GST DAILY - 615

Seizure of goods for expiry of E-way bill not justified if new E-way bill was generated before passing of order: HC

THE HON'BLE ALLAHABAD HIGH COURT IN THE CASE OF **Trimble Mobility Solutions India Pvt. Ltd. V/s State of U.P.**, decided on 7-10-2025

Issue:-

✓ Whether mere expiry of the E-way Bill due to vehicle breakdown, without intent to evade tax, justifies the imposition of penalty?

The Hon'ble High Court Judgement:-

✓ Where petitioner, a registered vehicle tracking service provider, was supplying goods under valid invoices and E-way Bills, but due to vehicle breakdown and subsequent transfer, E-way Bill expired before interception, and a fresh E-way Bill was generated before any order, mere expiry did not establish intent to evade tax, so penalty orders were liable to be quashed.

Section 129 read with Section 68 & Rule 138 read with Rule 138A of Central Goods and Services Tax, 2017

GST DAILY - 616

DRC-07 notice unsigned by proper officer invalid; statutory signature requirement mandatory: SC

THE HON'BLE SUPREME COURT OF INDIA IN THE CASE OF **Commissioner of Central Goods and Service Tax V/s Water Techengineers**, decided on 13-10-2025

Issue:-

✓ Whether DRC-07 notice without proper officer's digital signature is valid?

The Hon'ble Supreme Court Judgement:-

✓ Notice issued in SLP against order of High Court that as statutory requirement of proper officer's signature cannot be dispensed with; DRC-07 notice uploaded without digital signature of authority was to be set aside.

Section 74 read with Section 122 & Rule 142 of Central Goods and Services Tax, 2017

GST DAILY - 617

No proceedings under GST can be initiated if same subject matter is pending before CESTAT: HC

THE HON'BLE GUJARAT HIGH COURT IN THE CASE OF **Saint-Gobain India Pvt. Ltd. V/s Union of India**, decided on 21-8-2025

Issue:-

✓ Can subsequent proceedings under Section 74 be initiated when the matter is already adjudicated and pending before CESTAT?

The Hon'ble High Court Judgement:-

✓ Where petitioner faced multiple show cause notices and orders for alleged wrongful availment and carry forward of same CENVAT credit via TRAN-1, with said matter already adjudicated and pending before CESTAT, subsequent proceedings under Section 74 by a different authority regarding was not permissible.

Section 74 read with Section 140 of Central Goods and Services Tax Act, 2017

GST DAILY - 618

Summons by DGGI unenforceable after State tax probe initiated against suppliers: HC

THE HON'BLE HIMACHAL PRADESH HIGH COURT IN THE CASE OF **Prime Steel Industries Pvt. Ltd. V/s State of Himachal Pradesh**, decided on 23-9-2025

Issue:-

✓ Whether DGGI summons remain valid when the investigation has already been taken over by the State tax authorities against the suppliers?

The Hon'ble High Court Judgement:-

✓ Where investigation into alleged input tax credit claims for specific period was first initiated by State authorities, subsequent inter-department consensus transferred entire probe from DGGI to State with DGGI ceasing its involvement and forwarding records, summons issued by DGGI during this transition became redundant and unenforceable, thus necessitating their quashing.

Section 6 of Central Goods and Services Tax Act, 2017

GST DAILY - 619

Condonation of 288-day delayed GST appeal allowed due to hospitalization; appeal to be heard on merits: HC

THE HON'BLE MADRAS HIGH COURT IN THE CASE OF **T. Porkodi V/s Deputy Commissioner (CT)**, decided on 13-6-2025

Issue:-

✓ Can delayed in GST appeal be condoned when the taxpayer was hospitalized and unable to respond, allowing the appeal to be heard on merits?

The Hon'ble High Court Judgement:-

✓ Where petitioner failed to reply to SCN due to hospitalization and consultant's non-intimation, and assessment order was only uploaded on portal without personal hearing or physical service, subsequent appeal filed with 288-day delay for genuine reasons warranted condonation of delay subject to additional 5% deposit over statutory limit.

Section 107 of Central Goods and Services Tax Act, 2017

GST DAILY - 620

ITC of merged company transferable to another company despite different GSTINs and states: AAR

THE AUTHORITY FOR ADVANCE RULING UNDER GST, in the case of **Flytxt Mobile Solutions Pvt. Ltd.**, decided on 23-7-2025

The AUTHORITY FOR ADVANCE RULING UNDER GST Judgement:-

✓ On merger of one company with another, closing balance of CGST and IGST appearing in electronic credit ledger of transferee can be transferred to resulting company even if two GSTINs are not within same state.

Section 18 of Central Goods and Services Tax Act, 2017

GST DAILY - 621

GST registration cancelled due to accountant's error to be set aside; restoration allowed: HC

THE HON'BLE MADHYA PRADESH HIGH COURT IN THE CASE OF **Bhumia Construction Co. V/s State of Madhya Pradesh**, decided on 25-9-2025

Issue:-

✓ Can GST registration be restored when it was cancelled solely due to an accountant's mistake?

The Hon'ble High Court Judgement:-

✓ Where due to mistake on part of Chartered Accountant, assessee could not add bank account details over GST portal as required under rule 10A resulting into cancellation of GST registration, in view of fact that assessee wanted to go again into main stream of tax regime, it would be in interest of department/revenue also to take assessee into regular main stream as part of formal economy; order of cancellation of registration was to be set aside on payment of cost.

Section 29, read with section 30 & Rule 10A of Central Goods and Services Tax, 2017

GST DAILY - 622

GST order confirming higher liability than notice and including penalty without SCN quashed: HC

THE HON'BLE CHHATTISGARH HIGH COURT IN THE CASE OF **Golden Cargo Movers V/s State of Chhattisgarh**, decided on 15-10-2025

Issue:-

✓ Can a GST order imposing higher tax liability and penalty without issuing a proper SCN be quashed?

The Hon'ble High Court Judgement:-

✓ Where petitioner filed annual return declaring supplies as exempt but final demand exceeded amount proposed in show cause notice under section 73, statutory mandate was breached as order determined higher liability and included penalty not specified in notice, thus assessment and consequential attachments were quashed.

Section 73, read with section 75(7) of Central Goods and Services Tax Act, 2017

GST DAILY - 623

Matter remanded as no reply to SCN was filed as assessee was suffering from serious medical issues: HC

THE HON'BLE DELHI HIGH COURT IN THE CASE OF **Ruchika Industries V/s Union of India**, decided on 9-9-2025

Issue:-

✓ Can an SCN matter be remanded if the assessee failed to reply due to medical stress?

The Hon'ble High Court Judgement:-

✓ Where SCN was issued but due to stress related to medical issues, assessee could not avail of opportunity to file a reply to SCN, matter was to be remanded back to concerned Adjudicating Authority and assessee was to be granted time to file reply to SCN.

Section 73 of Central Goods and Services Tax Act, 2017

GST DAILY - 624

Section 130 action set aside as unaccounted goods must be assessed through sections 73 and 74: HC

THE HON'BLE ALLAHABAD HIGH COURT in the case of **State of U.P. V/s Additional Commissioner Grade-2**, decided on 10-11-2025

Issue:-

✓ Is confiscation under Section 130 valid when excess/unaccounted stock should instead be assessed under Sections 35(6), 73, or 74?

The Hon'ble High Court Judgement:-

✓ Where registered persons were found with excess or unaccounted stock during survey and departmental authorities initiated confiscation and penalty proceedings, since statute specifically provides for tax determination on unaccounted goods through sections 35(6), 73 and 74, recourse to confiscation under section 130 was inapplicable.

Section 130, read with sections 35, 73, 74 and 122, of Central Goods and Services Tax Act, 2017

GST DAILY - 625

Interest on delayed tax payment to be computed from GSTR-3B due dates to actual debit date; matter remanded: HC

THE HON'BLE MADRAS HIGH COURT IN THE CASE OF **A.S.R. Constructions V/s State Tax Officer**, decided on 28-10-2025

Issue:-

✓ What is the correct period for computing interest on delayed payment of outward tax disclosed in GSTR-9?

The Hon'ble High Court Judgement:-

✓ Where petitioner disputed interest levy for delay in payment of outward tax disclosed in GSTR-09, interest was to be computed from statutory due dates for GSTR-3B under section 39 up to actual debit date in electronic ledger when tax was paid, and only this period attracted interest.

GST DAILY - 626

Input Tax Credit allowed on insurance premium as policy covered stock and premises, not motor vehicle: HC

THE HON'BLE GUJARAT HIGH COURT IN THE CASE OF **Arraycom (India) Ltd. V/s State of Gujarat**, decided on 13-11-2025

Issue:-

✓ Whether ITC can be denied by wrongly treating insurance of stock, premises and equipment as motor vehicle insurance?

The Hon'ble High Court Judgement:-

✓ Where petitioner, engaged in manufacture of electronic materials, claimed ITC on insurance policies covering stock, premises and equipment and not vehicles, treating such insurance as motor vehicle insurance for purposes of blocking ITC was contrary to policy terms and untenable.

Section 17, read with Section 79 of Central Goods and Services Tax Act, 2017

GST DAILY - 627

Recovery of company GST dues from former director's personal account requires adjudication; attachment lifted: HC

THE HON'BLE MADRAS HIGH COURT IN THE CASE OF **Subir Ghosh V/s Deputy Commissioner (ST) (FAC)**, decided on 17-9-2025

Issue:-


✓ Can GST dues of a company be recovered by attaching a former director's personal bank account without first adjudicating the director's liability?

The Hon'ble High Court Judgement:-

✓ Where petitioner, a former director whose personal bank account was attached for recovery of company GST dues, recovery from director's personal assets required prior adjudication of director's liability, so bank attachment notice was to be treated as show cause notice, and attachment was to be lifted pending adjudication upon petitioner's representation.


Section 79 & Section 89 read with Rule 145 of Central Goods and Services Tax, 2017

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