

GST Amendments Uncovered

What's Changed & What Matters

Dec 2025

CA. Vaibhav Jain

B.Com (Hons), FCA, ACS, LLB, DISA (ICAI), MBF (ICAI), FAFD (ICAI), CCIDT (ICAI), CCCA (ICAI), ID (MCA-IICA), Registered Valuer (SFA) (IBBI)



fcavaibhavjain

Please feel free to reach out to me at

+91 97113 10004 | vaibhavjain@mehrangoelco.com | vaibhavjain@inmacs.com



56th GST Council Meeting: Key Highlights



The 56th meeting of the GST Council was held on **3rd September 2025** at Sushma Swaraj Bhavan, New Delhi under the chairpersonship of Union Finance & Corporate Affairs Minister Smt. **Nirmala Sitharaman**.

The Council made significant recommendations relating to **changes in GST tax rates, providing relief to individuals, common man, aspirational middle class and measures for facilitation of trade in GST**.



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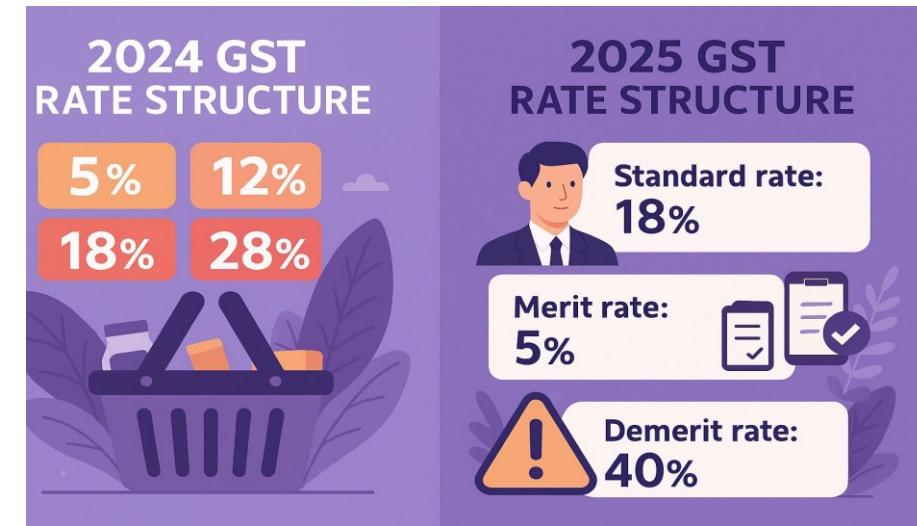
Why Next-Generation GST Reforms ?

The Next-Generation GST Reforms refer to a major **overhaul of India's Goods and Services Tax system**, aimed at making it **simpler, more transparent, and citizen-centric**. Announced by **Prime Minister Narendra Modi on 15th August 2025**, these reforms focus on :

- **Simplifying the GST Rate Structure:** Reducing the multi-tier system into three main rates:
- **Reducing Tax Burden on Citizens:** Lower GST rates on daily essentials, healthcare, education, agriculture, and certain services to make them more affordable.



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Why Next-Generation GST Reforms ?

- Correcting Inverted Duty Structures:**
Addressing anomalies in sectors like textiles, footwear, fertilizers, and packaging to ensure fair taxation.
- Encouraging Ease of Doing Business:**
Streamlining registration, returns, refunds, and dispute resolution through GSTAT and automated systems.
- Promoting Economic Growth:** Supporting farmers, MSMEs, and domestic production through rationalized rates and targeted exemptions.



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KEY HIGHLIGHTS OF GST 2.0

RATE RATIONALISATION



Moving towards a two-slab structure

EASE OF REGISTRATION



Addressing registration-related hurdles

INVERTED DUTY STRUCTURE FIX



Encouraging domestic manufacturing

RESOLUTION OF CLASSIFICATION DISPUTES



Ensuring predictability

Implementation Timeline

The GST 2.0 reforms, **effective from September 22, 2025**, bring substantial changes to the **tax rates on goods and services across India**.

Deferred for Sin Goods: Pan Masala, gutkha, cigarettes, chewing tobacco products like zarda, unmanufactured tobacco and bidi will continue at existing rates **until compensation cess obligations are discharged**.

The Finance Minister will decide the **transition date for these products**, giving businesses **time to adjust**.



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Major Rate Reductions for Common Man

- **Food Items:** UHT milk, chena/paneer, pizza bread, khakhra, chapathi, roti, paratha, and other Indian breads now GST-free (**Nil rate**).
- **Personal Care:** Talcum powder, face powder, hair oil, shampoo, dental floss, toothpaste, toothbrushes and toilet soaps reduced **from 18% to 5%**.
- **Education:** Erasers, pencil sharpeners, pencils, maps and educational notebooks now GST-free (**Nil rate**)



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Transportation Sector Reforms

■ Passenger Vehicles :

- GST on small petrol/LPG/CNG cars (**engine $\leq 1200\text{cc}$, length $\leq 4000\text{mm}$**) and small diesel cars (**engine $\leq 1500\text{cc}$, length $\leq 4000\text{mm}$**) reduced from **28%** to **18%**.

■ Commercial Vehicles :

- GST on goods transport vehicles, chassis, bodies, and parts reduced from **28% to 18%**.

■ Two-Wheelers :

- GST on motorcycles with engine capacity $\leq 350\text{cc}$ reduced to **18%**, while those $> 350\text{cc}$ increased to **40%**.

Two-Wheelers
(up to 350cc including
350cc)

28% to
18%



Small Cars

28% to
18%



Large Cars

flat
40%
with no cess



Auto Components

Reduced to
18%



However, larger and luxury vehicles will now **attract a higher GST rate of 40% (increased from 28%)**, including **motor cars exceeding the small vehicle criteria and motorcycles with engine capacity exceeding 350cc**.



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Food and Beverage Sector Changes

- Rate Reductions :** Numerous food items reduced **from 12% to 5%** including cheese, butter, dried fruits and nuts, pasta, fruit juices, and prepared foods.
- Complete Exemptions:** UHT milk, chena/paneer, pizza bread, khakhra, chapathi, roti, paratha, and other Indian breads **now GST-free (Nil rate)**
- Rate Increases:** Carbonated beverages, caffeinated drinks, and aerated waters with added sugar increased **from 28% to 40% GST.**

Condensed milk	12%	5%
Butter, ghee, oil	12%	5%
Cheese	12%	5%
Chena or paneer, pre-packaged and labelled	5%	Nil
Brazil nuts, dried, whether or not Shelled or Peeled	12%	5%
Dates (soft or hard), figs, pineapples, avocados, guavas, mangoes (other than mangoes sliced, dried) and mangosteens, dried	12%	5%



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Higher GST Rates from 28% to 40%

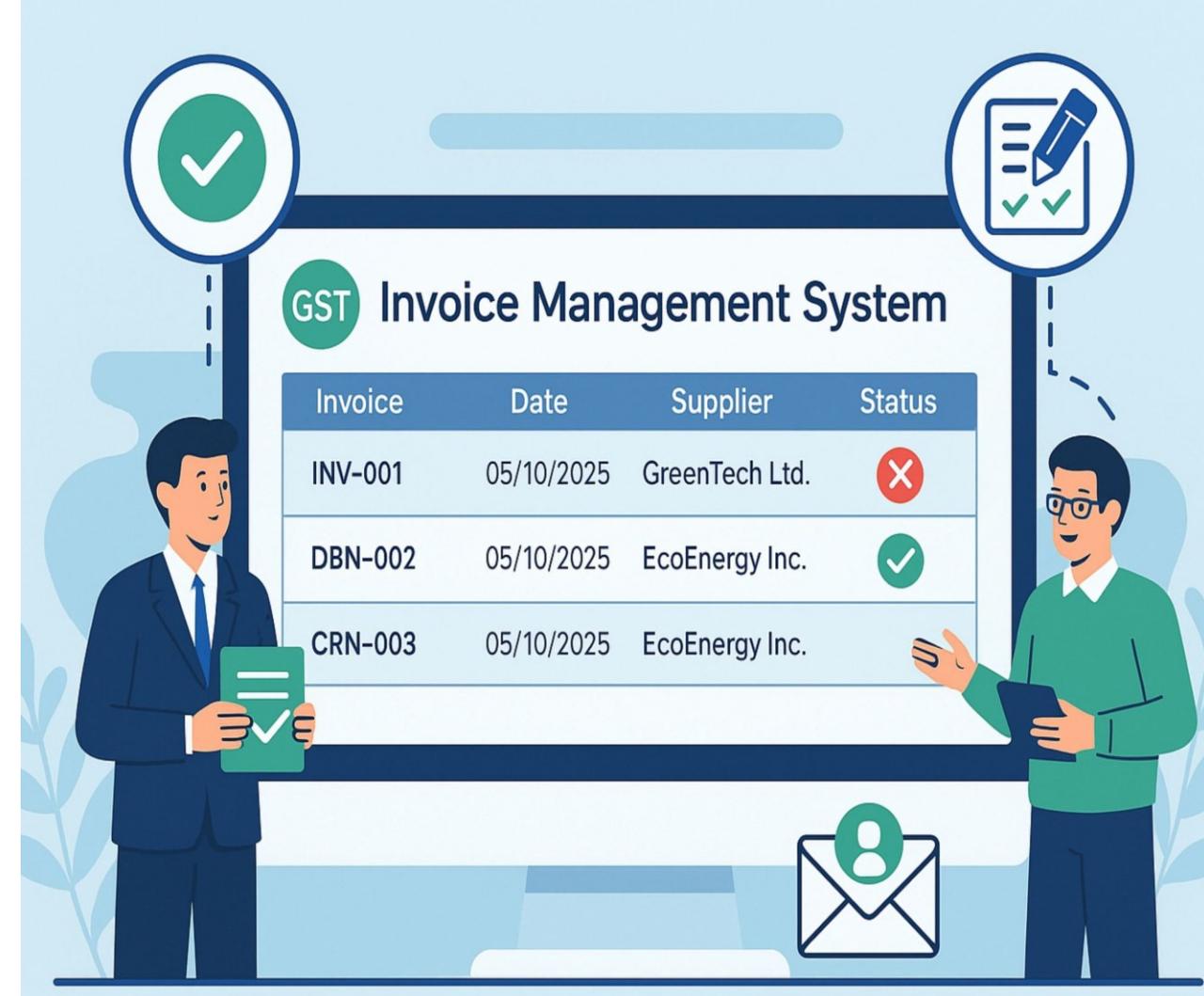
- **Tobacco Products** : Pan masala, cigarettes, gutkha, chewing tobacco products, unmanufactured tobacco, and products for inhalation without combustion.
- **Luxury Vehicles** : Larger motor cars, luxury vehicles, motorcycles >350cc, aircraft for personal use, and yachts.
- **Gaming & Entertainment** : Casinos, race clubs, betting, gambling, horse racing, lottery, and online money gaming.

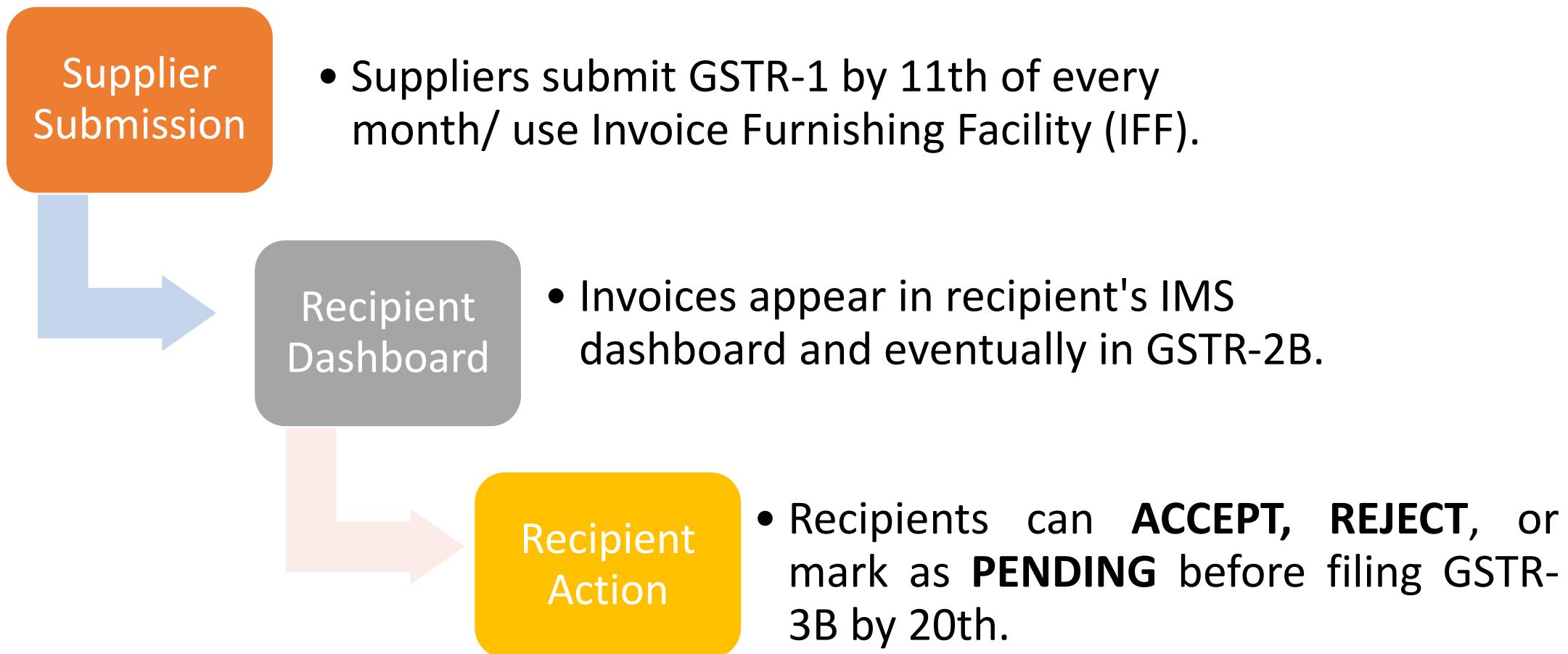
These increases are aimed at **discouraging consumption of harmful products and luxury items** while generating additional revenue.



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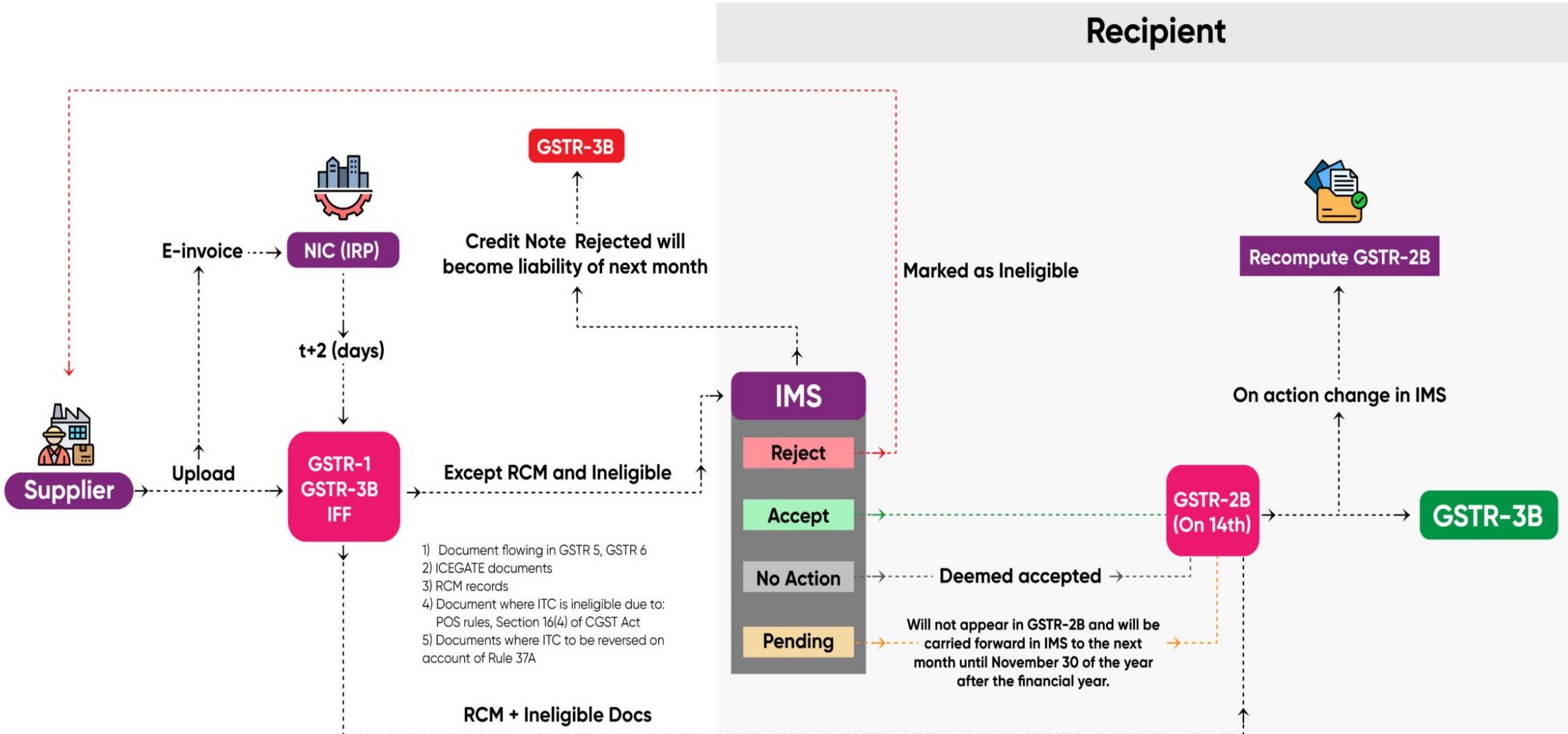
Invoice Management System (IMS)





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The Flow of Invoice with the Introduction of IMS



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- Connects suppliers and recipients through invoice documentation and dashboard interface

- Manage all supplier invoices and autogenerate GSTR-2B with minimal interventions.

- Suppliers can easily amend submitted invoices through GSTR-1A



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Credit note
Management

- If a **Credit Note is rejected**, the original invoice may need to be adjusted.

Data visibility
issues

- For quarterly filers, GSTR-2B is not generated for the **first two months of the quarter**, leading to uncertainty in ITC calculations and increased manual work.

Increased
Manpower

- Businesses need to dedicate staff to regularly check and resolve rejections and corrections, and follow up with other parties.



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Access Portal

Log in to GST portal, navigate to Services > Returns > Invoice Management System (IMS).

Review Inbound Supplies



View inward supplies classified as accepted, rejected, pending, or no-action-taken.

Take Action



Choose invoices to act on. Accept, reject, or keep pending individually or in bulk.

Download Records



Use Excel download option for offline invoice analysis.



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Invoice Management System (IMS) Dashboard

Skip to Main Content 0 A+ A-

UATPCO 32UATPY9011N1ZD 0

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Registration Ledgers Returns Payments User Services Refunds E-Invoice e-Way Bill System Track Application Status

Returns Dashboard View Filed Returns

Track Return Status Transition Forms

ITC Forms Annual Return

TDS and TCS credit received Tax liabilities and ITC comparison

Opt-in for Quarterly Return Rule-86B Compliance

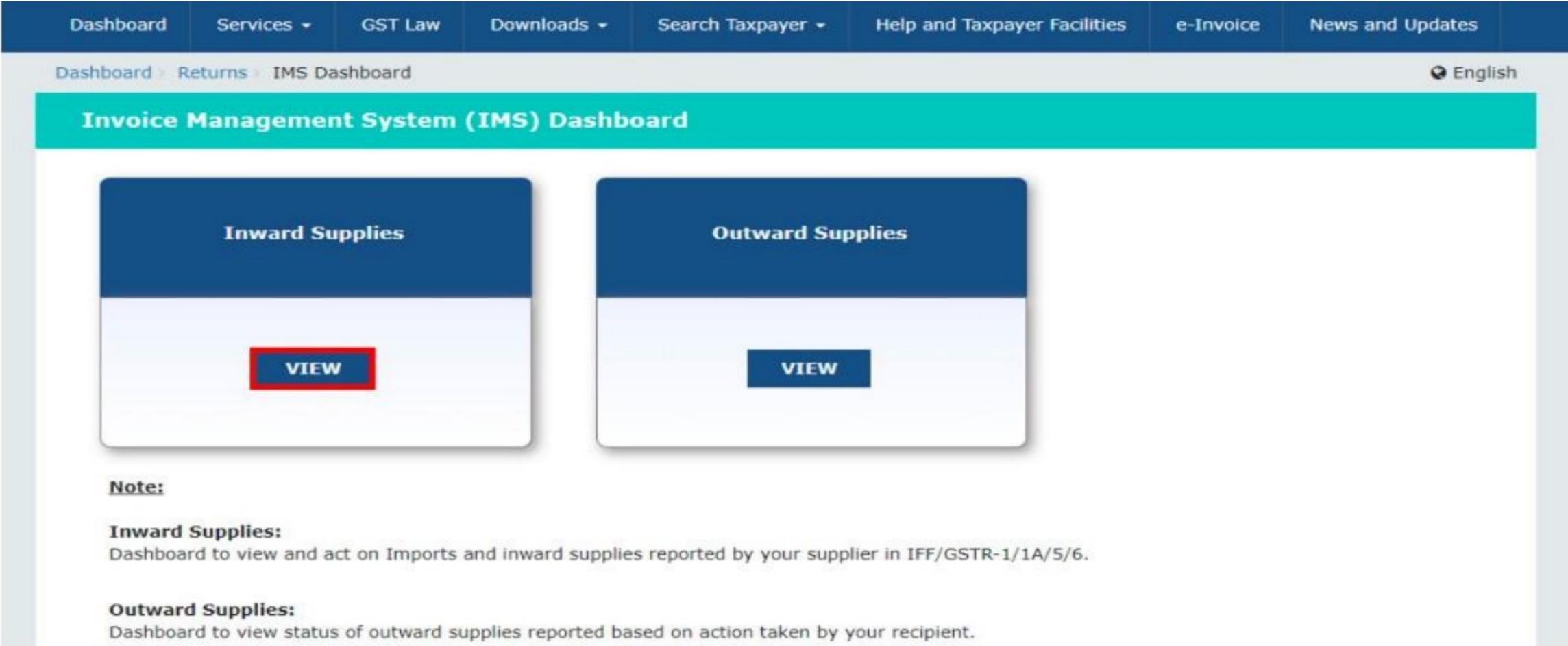
Return Compliance Application for increasing credit limit

Invoice Management System (IMS) Dashboard



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Access both dashboard (outward supplies) and recipient dashboard (inward supplies)



The screenshot shows the 'Invoice Management System (IMS) Dashboard'. At the top, there is a navigation bar with links: Dashboard, Services, GST Law, Downloads, Search Taxpayer, Help and Taxpayer Facilities, e-Invoice, and News and Updates. Below the navigation bar, the breadcrumb navigation shows: Dashboard > Returns > IMS Dashboard. On the right side of the header, there is a language selection option: English. The main content area is titled 'Invoice Management System (IMS) Dashboard'. It features two large, rounded rectangular tiles. The left tile is blue at the top and white at the bottom, with the text 'Inward Supplies' in white and a red 'VIEW' button in the center. The right tile is also blue at the top and white at the bottom, with the text 'Outward Supplies' in white and a blue 'VIEW' button in the center. Below these tiles, there is a section titled 'Note:' followed by two paragraphs: one about 'Inward Supplies' and one about 'Outward Supplies'.

Inward Supplies:
Dashboard to view and act on Imports and inward supplies reported by your supplier in IFF/GSTR-1/1A/5/6.

Outward Supplies:
Dashboard to view status of outward supplies reported based on action taken by your recipient.

Access both supplier dashboard (outward supplies) and recipient dashboard (inward supplies) by clicking on the 'View' button on the respective tiles



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View summary of invoices on the IMS Dashboard

Invoice Management System (IMS) Dashboard - Inward Supplies - Inward Supplies

GSTIN - 03AAACV6524H1ZK Legal Name - VENUS REMEDIES LIMITED Trade Name - VENUS REMEDIES LIMITED

All other ITC Inward Supplies from ISD Import of Goods

All other ITC - Total 334 Records

S.No.	Heading	Number of Records			
		No Action	Accepted	Rejected	Pending
I	B2B - Invoices	319	0	0	0
II	B2B - Invoices (Amendments)	0	0	0	0
III	B2B - Debit Notes	0	0	0	0
IV	B2B - Debit Notes (Amendments)	0	0	0	0
V	B2B - Credit Notes	15	0	0	0
VI	B2B - Credit Notes (Amendments)	0	0	0	0
VII	Eco [9(5)] Invoices	0	0	0	0
VIII	Eco [9(5)] Invoices (Amendments)	0	0	0	0

[BACK TO DASHBOARD](#) [DOWNLOAD IMS DETAILS \(EXCEL\)](#) [COMPUTE GSTR-2B \(OCT 2025\)](#)



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Take one of the actions as Accept, Reject and Pending

	S.No.	GSTIN of Supplier ▲	Trade/ Legal Name ▲	Invoice Number ▲	Invoice Type ▲	Accept	Reject	Pending	Status
<input type="checkbox"/>	1	04AABCT1516G1ZV	TARGUS TECHNOLOGIES PVT LTD.	1-041-26-17-0065	Regular	A	R	P	No Action
<input type="checkbox"/>	2	04AABCT1516G1ZV	TARGUS TECHNOLOGIES PVT LTD.	1-041-26-17-0068	Regular	A	R	P	No Action
<input type="checkbox"/>	3	03AAJCS1236Q1Z4	SWAMI AUTO CARE PVT. LTD	1481042501486	Regular	A	R	P	No Action
<input type="checkbox"/>	4	03AAJCS1236Q1Z4	SWAMI AUTO CARE PVT. LTD	1481042501605	Regular	A	R	P	No Action
<input type="checkbox"/>	5	03AAJCS1236Q1Z4	SWAMI AUTO CARE PVT. LTD	1481162500451	Regular	A	R	P	No Action
<input type="checkbox"/>	6	03ACWFS6414L1ZL	SOHI HP GAS SERVICE	1896	Regular	A	R	P	No Action
<input type="checkbox"/>	7	04AGEPM9800G1ZL	SANMAR ENTERPRISES	19652	Regular	A	R	P	No Action
<input type="checkbox"/>	8	03AIEPS9822J1ZZ	IDEA CATALYSTS INC	20251160	Regular	A	R	P	No Action
<input type="checkbox"/>	9	03AIEPS9822J1ZZ	IDEA CATALYSTS INC	20251211	Regular	A	R	P	No Action
<input type="checkbox"/>	10	03AIEPS9822J1ZZ	IDEA CATALYSTS INC	20251240	Regular	A	R	P	No Action



IMS Action Categories



No Action Taken

Invoices with no recipient action, treated as deemed accepted for GSTR-2B.



Accepted

Accepted records included in GSTR-2B generation.



Rejected

Not considered for GSTR-2B generation.



Pending

Not included in current GSTR-2B, carried forward for future action.



Generate GSTR-2B/ Re-compute GSTR-2B

Dashboard Services - GST Law Downloads - Search Taxpayer - Help and Taxpayer Facilities e-Invoice News and Updates

Dashboard Returns IMS Dashboard Inward Supplies English

Invoice Management System (IMS) Dashboard - Inward Supplies

GSTIN - 32UATPY9011N1ZD Legal Name - UATPCO Trade Name - GSTN

All other ITC Inward Supplies from ISD Import of Goods

All other ITC - Total 111 Records

S.No.	Heading	Number of Records			
		No Action	Accepted	Rejected	Pending
I	B2B - Invoices	2	5	5	4
II	B2B - Invoices (Amendments)	1	0	3	7
III	B2B - Debit Notes	4	8	4	0
IV	B2B - Debit Notes (Amendments)	6	0	4	1
V	B2B - Credit Notes	4	0	16	0
VI	B2B - Credit Notes (Amendments)	1	4	4	0
VII	Eco.[9(5)] Invoices	4	4	4	4
VIII	Eco.[9(5)] Invoices (Amendments)	2	3	3	4

[BACK TO DASHBOARD](#) [DOWNLOAD IMS DETAILS \(EXCEL\)](#) [COMPUTE GSTR-2B \(DEC 2023\)](#)



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File GSTR-3B

- After all the necessary actions on the IMS, **GSTR-2B** will have the details flowing into it based on those **IMS actions**.
- Accepted invoices/debit notes **will fall under the 'ITC Available'** section of GSTR- 2B.
- Details from here will **flow in the respective sections of Table 4** of the GSTR-3B.
- Review the same, **edit for any discrepancies** you may find and then **proceed to file GSTR-3B**.



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- As per **Rule 14A of CGST Rules, 2017**, a

Simplified GST Registration Scheme

has been introduced from **01-November-2025**.

- To reduce the **compliance burden** and enhance the **ease of doing business** for **small taxpayers**.

Automated GST Registration Approval in 3 Days for Low-Risk Applicants



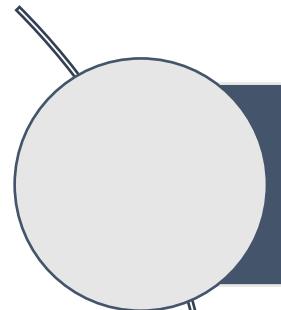
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Eligibility

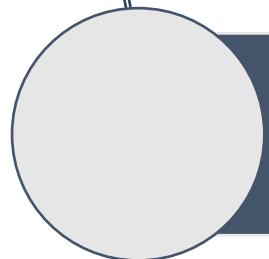
- Taxpayers whose monthly **output tax liability** (including CGST, SGST/UTGST, IGST, and Compensation Cess) does not **exceed ₹2.5 lakh** can opt for this **scheme**.
- A person can obtain only one registration per State/UT under this rule against a single PAN.



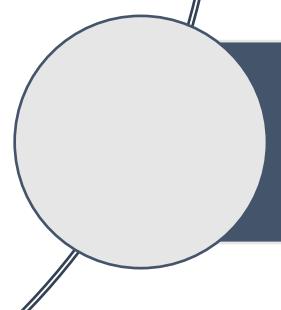
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Applicants should select "Yes" under the **"Option for Registration under Rule 14AA,"** in Form GST REG-01.



Aadhaar Authentication Mandatory **for the Primary Authorized Signatory** and at least one **Promoter/Partner**.



Registration granted **within 3 working days of generation of the Application Reference Number (ARN),**



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- If a taxpayer **fails to furnish bank account** details within **30 days of registration**, the system will automatically **suspend the registration**.
- Once bank account details **are furnished, cancellation proceedings** will be automatically dropped by the system.
- If the cancellation **proceedings are not dropped automatically** on the same day after adding bank details, the taxpayer **can manually initiate** the process.

Read more at: <https://taxguru.in/goods-and-service-tax/auto-suspension-gst-registration-due-non-furnishing-bank-account.html>

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**AUTO
SUSPENSION
OF
GST
REGISTRATION**



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Member, NIRC of ICAI

GST Rule 10A: Your Guide to Avoiding Automatic Suspension

THE CORE REQUIREMENT: RULE 10A



CONSEQUENCE OF NON-COMPLIANCE



HOW TO RESOLVE THE SUSPENSION



EXEMPTIONS TO THE RULE



Who is Exempt?

This rule is not mandatory for OIDAR (Online Information and Database Access or Retrieval) and NRTP (Non-Resident Taxable Person) taxpayers.



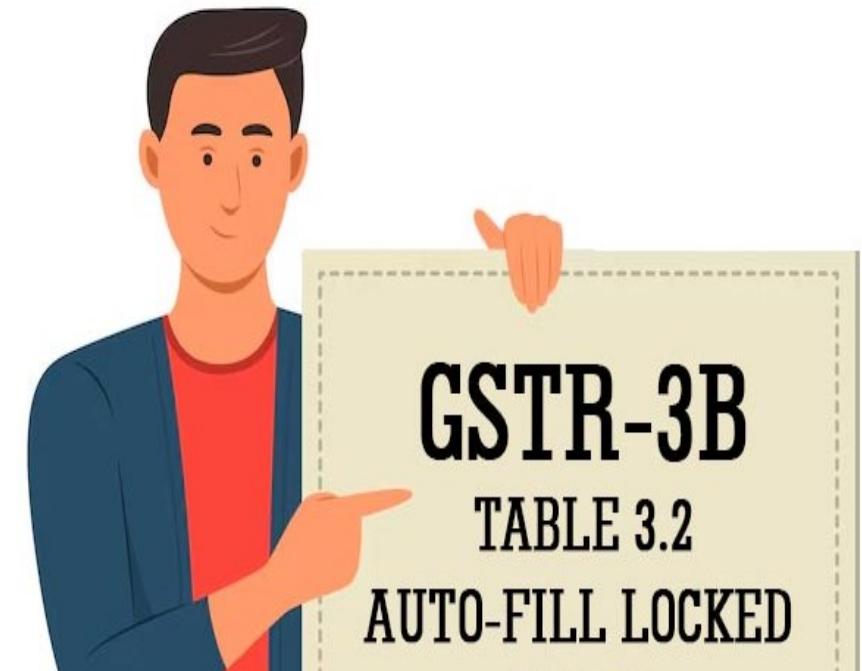
Exception to the Exemption

However, if an OIDAR taxpayer appoints a representative in India, furnishing bank account details becomes mandatory.



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- Table 3.2 of the **GSTR-3B** form will be auto-filled and **locked for editing starting November 2025 onwards.**
- This table records **inter-state supplies made to unregistered persons, composition taxpayers, and UIN holders.**
- In case any **modification/amendment** is required, then the same can be done **through GSTR-1A** for **the same tax period.**



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- The taxpayers **shall not be allowed** file their GST returns **after the expiry of a period of three years** from the **due date of furnishing the said return under**

- Section 37 (Outward Supply),
- Section 39 (payment of liability),
- Section 44 (Annual Return) and
- Section 52 (Tax Collected at Source).



- These Sections cover **GSTR-1, GSR-1A, GSTR 3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR 7, GSTR 8 and GSTR 9 or 9C.**



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- If any return whose **due date was three years back or more and hasn't been filed till November Tax period** will be barred from Filling.
- For ease of reference and better clarity, the **latest GST returns that will be barred from filing w.e.f 1st December 2025** are detailed in the table

GST Forms	Barred Period (w.e.f. 1st December,2025)
GSTR-1/IFF	October-2022
GSTR-1Q	July-Sep 2022
GSTR-3B/M	October-2022
GSTR-3BQ	July-Sep 2022
GSTR-4	F.Y. 2021-22
GSTR-5	October-2022
GSTR-6	October-2022
GSTR-7	October-2022
GSTR-8	October-2022
GSTR-9/9C	F.Y. 2020-21



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Recent GST Case Laws



Key Judgement

Case Law	Facts of Case	Decision
<p>Allahabad HC Ashok Kumar Maganbhai Patel vs State of UP [Writ Tax No. 947 of 2025].</p>	<ul style="list-style-type: none"> ▪ Goods moved from Gujarat → West Bengal under a bill-to-ship-to supply. ▪ All valid documents were carried: Tax Invoice, E-way Bill, Railway Receipt. ▪ The only discrepancy: one-digit error in ship-to PIN code on invoice. ▪ Authorities detained goods and imposed penalty under Section 129, CGST Act. ▪ Petitioner relied on Circular No. 64/38/2018-GST (14-09-2018), which bars proceedings for mere PIN code errors when the address is otherwise correct. 	<ul style="list-style-type: none"> ▪ Detention & penalty unjustified —Where address is correct and only the PIN code contains a one-digit error, the defect is considered minor and not indicative of tax evasion. ▪ Circular No. 64/38/2018-GST, issued under Section 168, is binding on officers. ▪ Clause 5(b): Incorrect PIN code alone, with correct address, does not warrant action under Section 129. ▪ Authorities acted contrary to law by ignoring the circular.



Key Judgement

Case Law	Facts of Case	Decision
<p>Delhi HC Delhi Corporation vs Principal Commissioner of Central Tax [W.P.(C) 15646 of 2025].</p>	<ul style="list-style-type: none"> The petitioner, Delhi Sales Corporation, challenged an Order-in-Original dated January 21, 2025, and a corresponding demand (Form DRC-07) for ₹1,32,467. The core of their argument was that the entire tax liability and interest had been settled back in August 2022, long before the SCN was issued in June 2024. 	<ul style="list-style-type: none"> When a taxpayer pays the full tax along with interest before the issuance of the show cause notice, such payment—supported by written intimation—can satisfy the requirement for closure at the pre-notice stage. Legal distinction between Section 74(5) and 74(8) <ul style="list-style-type: none"> → Section 74(5): Closure on payment of tax + interest + 15% penalty at pre-notice stage. The show cause notice was treated as closed. Consequently, the impugned Order-in-Original and DRC-07 demand—issued despite prior tax payment—were quashed.



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Key Judgement

Case Law	Facts of Case	Decision
<p>Delhi HC B Braun Medical India Pvt Ltd Vs Union of India & Ors.</p>	<ul style="list-style-type: none">■ The vendor's invoices erroneously mentioned the GSTIN and address of B Braun's Mumbai instead of the Delhi branch.■ However, the goods were delivered to the Delhi unit and used by it.■ The tax officer denied the ITC claim mainly due to the wrong GSTIN, even when the transaction was genuine.	<ul style="list-style-type: none">■ The High Court set aside the impugned order denying Input Tax Credit (ITC), allowing Braun Medical to avail ITC worth Rs.5.65 crore during the disputed time.■ The High Court held that tax authorities must focus on the substance and authenticity of transactions, not mere technicalities.



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Key Judgement

Case Law	Facts of Case	Decision
<p>Allahabad HC M/S Singhal Iron Traders Vs Additional Commissioner and anr. [WRIT TAX No. – 1357 of 2022].</p>	<ul style="list-style-type: none">▪ M/S Singhal Iron Traders is a registered dealer of trading and supplying iron scrap.▪ In August 2018, the firm purchased iron scrap worth ₹10,83,600 from M/S Arvind Metal Suppliers, Agra.▪ The purchase was supported by valid tax invoices, e-way bills, and payments.▪ Both the buyer and supplier had properly filed their GSTR-01 and GSTR-3B returns for that period.▪ GST Department initiated proceedings u/s 74 against M/S Singhal Iron Traders on the ground that the supplier's GST registration was cancelled after the transaction date.	<ul style="list-style-type: none">▪ The Court held that the buyer (M/S Singhal Iron Traders) cannot be punished when the transaction was genuine and the supplier was registered at the time of sale.



CA. VAIBHAV JAIN
Member, NIRC of ICAI

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Thank
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Please feel free to reach out to me at +91 97113 10004
vaibhavjain@mehrangoelco.com | vaibhavjain@inmacs.com