



H N A & Co LLP
Chartered Accountants
(Formerly known as Hiregange & Associates LLP)

HNA Updates |

May -2025

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A. Recent updates on GST

Grievance Redressal Mechanism for GST registration applicants

Instruction No. 04/2025-GST– dated 2nd May 2025

Summary of Amendment

- Each CGST Zone's Principal Chief Commissioner/Chief Commissioner should publicize an email address for grievance submissions and ensure wide dissemination.
- Applicants should include their ARN, jurisdiction (Centre/State), and a brief description of the issue in their grievance emails.
- If a grievance pertains to State jurisdiction, it should be forwarded to the concerned State authority, with a copy sent to the GST Council Secretariat.
- Authorities must ensure timely resolution of grievances with their guidance to applicants and intimate them with the outcomes.
- A monthly report on the status of grievance redressal is required to be submitted to DGGST for further perusal of Board.

H N A Comments

- Clarifies Documentation Requirements: Instruction No. 3 by CBIC standardizes the list of documents needed for GST registration, reducing ambiguity for applicants.
- Addresses Officer-Level Issues: Helps applicants facing challenges with Proper Officers, such as unclear rejection reasons or miscommunication during registration.
- Establishes Grievance Redressal Mechanism: Ensures timely resolution of technical issues and provides a platform to raise concerns, improving transparency
- Boosts Ease of Doing Business: Streamlines the registration process, reduces scope for litigation, and promotes a more business-friendly environment.

Action Points for Businesses

- Utilize Redressal Mechanism: Businesses should use this option to address pending GST registration applications held up by Proper Officers.
- File Grievances Promptly: Taxpayers must submit their concerns to the respective jurisdictional authority for timely resolution through the mechanism

B. Others changes

Timely production of records/information for audit

Instruction No. 05/2025-GST – dated 2nd May 2025

Summary of Amendment

- As per Article 149 of the Constitution, the C&AG is empowered to audit government accounts and entities funded or controlled by the government, necessitating full cooperation from field formations.
- Officers must be sensitized and instructed to promptly provide all available or required records/information to the C&AG audit teams.
- If certain documents are held by taxpayers, officers should issue formal requests to the taxpayers to furnish the same promptly, with appropriate follow-up to ensure timely compliance.

H N A Comments

- *It is instructed to provide the records/Information for audit as and when required and the officers responsible should not be liberal and issue formal notices and a follow up to ensure the timely compliance.*

Reporting compliance of Table-12 and Table-13

Advisory dated 1st May 2025

Summary of Amendment

- Phase-3 of reporting of HSN codes in **Table 12** of GSTR-1 & 1A is being implemented from May 2025 return period.
 - i. Manual user entry of HSN will not be allowed.
 - ii. HSN code can be selected from drop down only.
 - iii. A customized description mentioned in HSN master will auto-populate in a new field called "Description as per HSN Code".
- Table 12 of GSTR-1/1A is now bifurcated into two tabs, namely, "**B2B Supplies**" & "**B2C Supplies**". Taxpayers need to enter HSN summary details of B2B Supplies and B2C Supplies separately under respective tab.
- A new button has been introduced in Table 12, "Download HSN Codes List" and the button for "Product Name as in My Master" has now been made searchable.
- In **Table 13** of GSTR 1/1A, which requires taxpayers to provide details of documents issued, is now mandatory from May 2025 return period. Taxpayers will no longer be able to leave this table blank and proceed with filing their return. If B2B or B2C supplies are reported in any table of GSTR-1 or GSTR-1A, an error message will appear if Table 13 has not been filled.

H N A Comments

- Initially the validations in Table-12 was kept in warning mode only, that means warning or alert message shall be shown in case of mismatch in values, whereas taxpayers will be able to file GSTR-1 in such cases. Further, in case B2B supplies are reported in other tables of GSTR-1, in that case B2B tab of Table-12 cannot be left empty.*

Enhancement's in Biometric Functionality for Sikkim

Advisory dated 1st May 2025

Summary of Amendment

- GSTN has now introduced an additional facility allowing certain Promoters/Directors to complete their Biometric Authentication at **any GST Suvidha Kendra (GSK)** in their Home State.
- This facility was available in 33 States/UTs, now extended to Sikkim where Biometric Authentication has been enabled.
- The Primary Authorized Signatory must visit the designated jurisdictional GSK for the required process, including document verification.
- Opting for Biometric Authentication at a GSK in the home state is not mandatory. Promoters/Directors can visit their designated jurisdictional GSK if preferred

H N A Comments

- *It is advised that the Promoter/Director completes Biometric Authentication before the Primary Authorized Signatory visits the GSK.*
- *The selection of a GSK in the Home State is a one-time facility and cannot be changed once selected*

Action Points for Businesses

- *Tax payers to consider this option for the applications pending Aadhaar authentications to prevent any further delay in registration approvals which may leads to litigation.*

Invoice-wise Reporting Functionality in Form GSTR-7

Advisory dated 6th May 2025

Summary of Amendment

- Form GSTR-7 has been amended to capture invoice-wise reporting with effect from 01.04.2025 i.e. the return period for April 2025 onwards.
- The development and testing of the same is underway, the implementation of invoice-wise reporting in Form GSTR-7 in GST portal will be deployed on portal soon. Thus, the enhanced functionality shall be deployed shortly, and users will be duly informed once the changes are made live on the portal.

H N A Comments

- *Form GSTR-7 which refers to the a monthly return filed by individuals who deduct tax at source or TDS under the Goods and Services Tax (GST) has been amended to capture invoice wise reporting for better transparency. However, the same is deferred due to delay in portal updation.*

Updates in Refund Filing process for recipients of deemed export

Advisory dated 8th May 2025

Summary of Amendment

1. **“Amount Eligible for Refund”** Table amended as follows with Auto populated data:

- Col. 1: Balance in ECL at the time of filing of refund application – Auto-populated balance in Electronic Credit Ledger (ECL).
- Col. 2: Net ITC of Deemed Exports – Auto-filled from Statement 5B invoices under all major heads of Taxes.
- Col. 3: Refund Amount as per uploaded invoices – Total ITC claimed from Statement 5B invoices; editable downwards.
- Col. 4: Eligible Refund Amount – Auto-calculated max refundable amount per Circular No. 125/44/2019-GST.
- Col. 5: Refund amount not eligible as insufficient Balance in the ECL – Difference between claimed and available ITC in ECL

2. System now optimizes refund eligibility by matching total claimed ITC with total ECL balance, even if head-wise balances (IGST/CGST/SGST) are insufficient.

3. Taxpayers no longer need to select ‘From Period’ and ‘To Period’, meaning refund applications can be filed out of tax period sequence. However, GSTR-1 and GSTR-3B are required to be filed mandatorily upto the date of refund application.

H N A Comments

- *This update comforts the Taxpayers with visibility in the process and reducing manual errors. Also, allows applicants to compare the ITC available under each tax head with the total ECL balance, facilitating a more transparent and simplified refund calculation process.*
- *Taxpayers facing issues can raise a grievance on the GST portal:
<https://selfservice.gstsystem.in/ReportIssue.aspx>*

Updates in Refund Filing process for recipients of deemed export (contd...)

Advisory dated 8th May 2025

Action Points for Businesses

- Taxpayers who are filing the refund applications under the said category are suggested to timely filing of GST returns and verify that the values auto-populated in the application are correct wrt ITC and ECL balances.

GST RFD-01

On account of Refund by Recipient of deemed export

Statement 5B •

Click to fill the details of documents of inward supplies in case refund is claimed by recipient

• Indicates Mandatory Fields
[Download Offline Utility](#)

Note: Invoices used in a refund application will be locked and will not be available to be added in any subsequent refund application/amended in return unless a Deficiency memo is issued, or the application is withdrawn.

Amount Eligible for Refund (in ₹)

Act	Balance in Electronic Credit ledger at the time of filing of refund application (1) (₹)	Net Input Tax Credit (ITC) of Deemed Exports (2) (as per uploaded invoices) (₹)	Refund amount as per the uploaded invoices (3) (₹) •	Eligible refund amount (4) (₹) ① •
Integrated Tax	9,42,373.00	0.00	₹0.00	0.00
Central Tax	79,046.00	0.00		0.00
State/UT Tax	79,046.00	0.00		0.00
Cess	0.00	0.00	₹0.00	0.00
Total	11,00,465.00	0.00	0.00	0.00

[Click to view Electronic Liability Ledger](#)

Note: You may view the Electronic Liability Register that displays your liabilities/ dues of Returns and other than Returns. Hence, you may save this Refund Application and navigate to the dashboard to settle the dues first, or may proceed here to submit the application.

Please note that the recoverable dues shall be deducted from the gross amount to be paid from the Refund Amount claimed in the refund application received, by the Refund Processing Officer while processing the Refund.

C. Customs Notifications (Tariff)

Reinstatement and amendment of SION C-888

Public Notice No.05/2025 – GST dated 06th May 2025

Summary of Amendment

- The Director General of Foreign Trade has reinstated and amended the Standard Input Output Norms (SION C-888) under the Foreign Trade Policy 2023.
- Export Item: Small and large-size circular stainless-steel washers of different grades.
- Export Quantity: 1.0 kg
- Permitted Import: 1.60 kg of prime/secondary stainless-steel sheets, coils, strips, plates, or sheet cutting of relevant grade and thickness.

H N A Comments

Implication:

- Reinstatement of SION C-888: Restores the duty-free import norms for stainless-steel raw materials used in manufacturing washers.
- Adjustment for Manufacturing Losses: Accounts for wastage, shaping losses, and scrap in the production process.
- Enhances Operational Efficiency: Enables faster approvals and smoother compliance for manufacturers.
- Reduces Cost and Time: Promotes cost-effective and timely production for exporters and domestic producers.

Action Points for Businesses

- Duty-Free Imports: Businesses can import inputs under Advance Authorizations to ease working capital pressure.
- System Updates Required: Importers must update systems to track input-output ratios as per SION norms.
- Seek Expert Advice: Recommended to consult experts for accurate input-output calculations and compliance.

Amendment of SION A-1294

Public Notice No.06/2025 – GST dated 06th May 2025

Summary of Amendment

The Director General of Foreign Trade has amended the Standard Input Output Norms (SION A-1294) under the Foreign Trade Policy 2023.

• **Export Product:** Di-Ethyl Phthalate (DEP)

• **Export Quantity:** 1 kg

• **Amendments in Import Items:**

- **Sl. No. 1:** Phthalic Anhydride — *no change*, quantity allowed: **0.700 kg**
- **Sl. No. 2:** Ethanol → **Amended to: Denatured Ethyl Alcohol**, quantity allowed: **0.435 kg**

H N A Comments

- **Implication:** *The description of the import item at Sl. No. 2 has been amended with immediate effect.*

Notifications & Circulars - 01-10-2024

D. Customs Notifications (Non Tariff)

Prohibition on import from Pakistan

Notification No.06/2025-26 – GST dated 2nd May 2025
Instruction No. 07/2025-Customs dated May 03, 2025

Summary of Amendment

- The Government of India has inserted Para 2.20A into the Foreign Trade Policy (FTP) 2023, and also issued an instruction with immediate effect, to prohibit:
- Direct or indirect import or transit of all goods originating in or exported from Pakistan,
- Regardless of whether such goods are freely importable or otherwise permitted.
- This prohibition is enforced in the interest of national security and public policy.
- Exceptions to this prohibition require prior approval from the Government of India.
- The restriction will remain in effect until further orders.

H N A Comments

- *The goods originating or are being imported from Pakistan are banned and the individuals are restricted till further orders.*

Revised framework for stock and sale authorization of SCOMET items

Public Notice No.04/2025-26 – GST dated 6th May 2025

Summary of Amendment

- SCOMET (Special Chemicals, Organisms, Materials, Equipment, and Technologies) items are dual-use goods that can be used for both civilian and military purposes.
- Export Authorization Policy for 'Stock and Sale' of SCOMET Items allows Indian exporters to export SCOMET items in bulk to a foreign entity ('Stockist') for later transfer to end users.
- Following items are specifically excluded in Export Authorization Policy
 - (i) Category 0, which deals with nuclear materials, related equipment,
 - (ii) Sub-category 3A401 deals with prescribed high-end explosives
 - (iii) Category 6 covers the Munitions List, and
 - (iv) any transfer of technology.
- In addition to being a subsidiary/principal (parent) company abroad of an Indian exporter, a stockist entity can also be an affiliate of
 - (i) an Indian exporter,
 - (ii) Indian or Foreign Original Equipment Manufacturer (OEM),
 - (iii) Indian or Foreign Electronic Manufacturing Services (EMS), services such as manufacturing, assembly, repair, and testing of electronic products for OEMs, often at lower cost than in-house production, and
 - (iv) Indian or Foreign Contract Manufacturer (CM), where it is based on additional documents submitted by the Indian company, such as an AEO certification, contract/agreement between the Indian company and its OEM, etc.
- The policy would be applicable subject to approval by the Inter-Ministerial Working Group (IMWG), if it satisfies following conditions and may relax these conditions based on the description end use/end user of the item:
 1. Export is based on an End Use declaration from the Stockist and a specified End User Certificate (EUC) for 'Stock & Sale' purpose.
 2. Affiliates may be accepted with supporting documents like certifications or agreements.
- No separate authorization is required for:
 - i. Transfer from stockist to end users within the same country, and
 - ii. Re-export to pre-approved countries but they must follow export control regulations of the stockist's country.
- Requires fresh application by the Indian exporter for re-export authorization if not covered by in-principle approval.

Revised framework for stock and sale authorization of SCOMET items

Public Notice No.04/2025-26 – GST dated 6th May 2025

Summary of Amendment

- The exporter must submit the application in prescribed proforma (ANF-10B) along with following documents:
 1. Proof of corporate relationship between the Indian exporter and the stockiest
 2. End-use/End-user Certificate (EUC) from the stockiest entity (Appendix-10J).
 3. List of destination countries (as mentioned in the EUC).
 4. Purchase Orders or Invoices or equivalent documents
 5. Technical specifications of the products.
 6. Internal Compliance Program copy, if applicable.
 7. AEO Certificate, in case of OEM/EMS/CM.
 8. Declaration on company letterhead, stating that :
 - i. If an item is later found to be intended for military/end-use or diversion to WMD/missile systems, the exporter must notify DGFT.
 - ii. In such cases, the exporter will not be eligible for Stock & Sale policy and must apply for fresh authorization.
 - iii. Legal action will follow in case of mis-declaration under the FT (D&R) Act, 1992.
 9. Corporate or business registration documents of the stockiest entity in the destination country.
- In-principle approval is granted for:
 - i. Export to the stockiest.
 - ii. Sale by the stockiest within their country.
 - iii. Re-export by the stockiest to end users in other countries.
- For sales/transfers within the stockiest country or to pre-approved countries:
 - i. Indian exporter must report all such transfers to SCOMET Division of DGFT within 3 months.
 - ii. Required documents include: Form ANF-10B, EUCs (Appendix-10J), and Bills of Entry from end-user countries.
- For Repeat applications (to same stockiest and countries already approved) will be approved directly by the Chairman, no full IMWG consultation is needed.

Revised framework for stock and sale authorization of SCOMET items

Public Notice No.04/2025-26 – GST dated 6th May 2025

Summary of Amendment

- If no in-principle approval exists for a country:
- The Indian exporter must apply to SCOMET Division (DGFT HQ) via email with Form ANF-10B.
- Documents required from the stockiest:
 - End-use/End-user Certificates from each link in the supply chain.
 - Purchase Orders/Invoices or equivalent.
 - Technical specifications (only if value is added by the stockiest).
- Exporters must submit a report by 31st January annually (for exports/transfers made by 31st December), where the report includes exports to stockiest, stockiest transfers to end users, and inventory status.

H N A Comments

- *Conditional Relaxation by IMWG: IMWG may ease export conditions based on the item's nature and end use.*
- *Boosts Controlled Exports: Enables wider export of SCOMET items with oversight, enhancing global trade opportunities.*

Action Point for business

- *Strict Compliance Required: Exporters must follow rigorous reporting and approval procedures for stock and re-export of SCOMET items.*
- *Penalties for Non-Compliance: Violations may result in penalties or cancellation of export authorization.*

The Partners at HNA would like to extend their appreciation to **CA Chandana Reddy** from the BLR_Audit division for her efforts in preparing this comprehensive and insightful document on recent updates in GST and Customs.

We also thank **Ms. Labdhi Jain** from the BLR_Audit division for her valuable support and assistance in the preparation of this document

	<p>Qualified as a Chartered Accountant in 2021 and currently working in the Audit Division of Bengaluru branch. With a hands on experience and strong interest in GST and other indirect taxes.</p> <p>Presently handling various audit and compliance engagements across manufacturing, real estate, online gaming and service industries. Focused on keen learning and delivering excellence to the clients.</p>
<p>CA Chandana Reddy</p>	<p>Article Assistant joined in August 2024 contributing to Audit Division of Bangalore.</p> <p>Her contributions include effective assistance in the preparation and filing of GST returns, conducting GST reconciliations, and supporting GST audits for a diverse client base, consistently displaying attention to detail and proactive approach in identifying and resolving discrepancies.</p>
	
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