



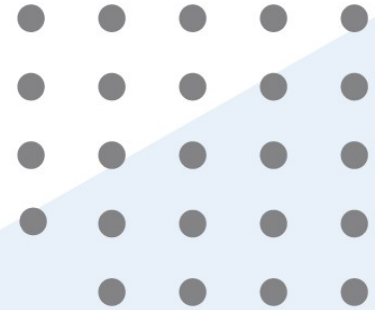
Year-end compliances
&
Changes in GST law
w.e.f. 01.04.2025

CA Anmol Gupta

Year-End Compliances

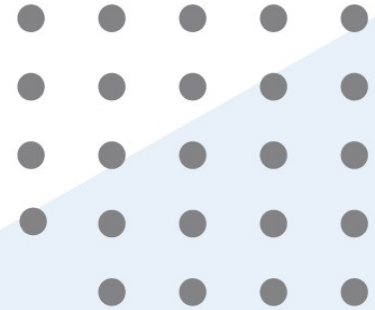
- Reconciliation basis closure of books
- Verifications
- Filings
- Waiver Scheme (Section 128A)

Reconciliation basis closure of books (1/2)



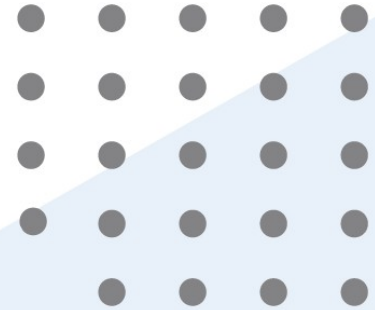
- » GSTR-1 v/s 3B v/s E-way bill data v/s E-invoice v/s Books
- » ITC as per GSTR-2A v/s 3B v/s Books
- » Closing balance of ITC ledger v/s ECL
- » RCM liability paid on expenditure
- » Whether tax paid on Advances, unbilled & deferred revenue (wherever applicable)? – Closing balance of Advances
- » 180 days compliance – Closing balance of Sundry Creditors

Reconciliation basis closure of books (2/2)



- » ITC reversal on capital goods sold during the year.
- » Tax paid on Other/Misc. Income, if applicable
- » ITC reversal on Stock written off, disposed off, etc., wherever applicable
- » ITC reversal on balance of creditors w/off, wherever applicable

Verification (1/1)



01

Rule 42 final calculation
(on annual basis)

02

Prepare ITC register for
being future ready.

03

Supplier verification (on
annual basis)

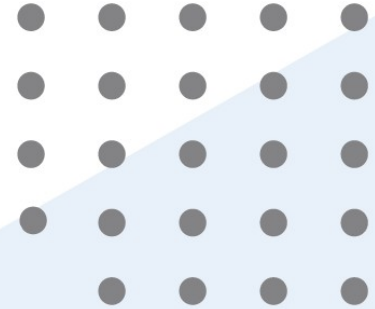
04

Procure undertaking from
customers in case of credit
notes issued & adjusted

05

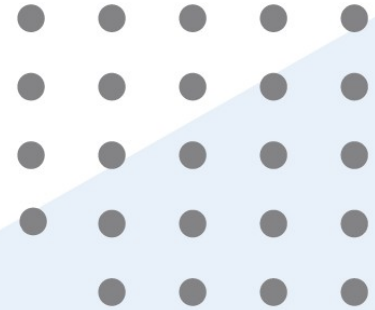
Check applicability of E-invoice for
next FY 2025-26 (if aggregate
turnover in FY 2024-25 exceeded Rs.
5 crores)

Filings (1/2)



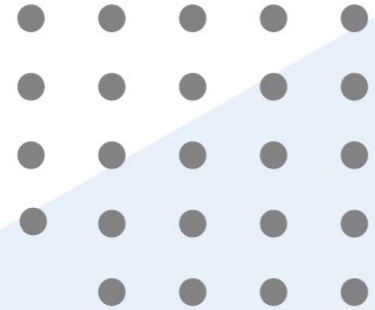
- » Ensure obtaining mandatory Input Service Distributor (ISD) registration by 31.03.2025, if you have any common input services, both domestic and imported.
- » Rectification application to be filed for Section 16(4) on or before 07.04.2025 as per Notification No. 22/2024 – Central Tax dated 08.10.2024.
- » File application for/renewal of LUT for FY 2025-26 – applicable for supplies to SEZ and/or export transactions.
- » Any person who wishes to opt for composition scheme for FY 2025-26 should file Form CMP-02 on the common portal on or before 31.03.2025.

Filings (2/2)



- » A registered person who has opted for composition scheme for FY 2024-25 should file FORM GSTR-4 on or before 30.04.2025.
- » Filing Annexure V & VI to opt for FCM/RCM for GTA supplies for FY 2025-26 by 31.03.2025.
- » Declaration in Annexure – VIII to be filed by Hotel service provider for specified premises (on or before 31.03.2025).

Waiver Scheme – Section 128A (1/1)

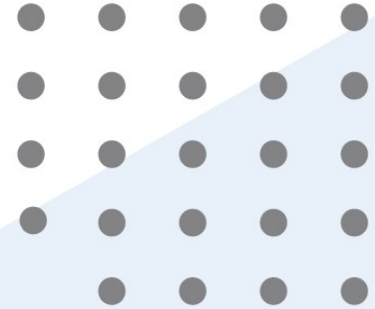


- » Make payment on or before 31.03.2025 of tax dues determined as per SCN or Order
- » File withdrawal application for appeal/writ/SLP already filed, if any.

Changes w.e.f. 01.04.2025

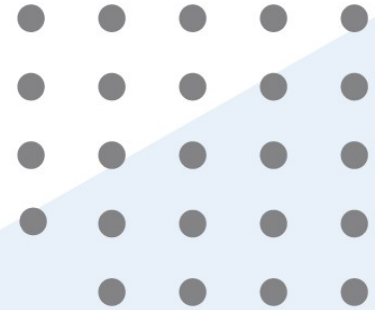
- Input Service Distributor (ISD)
- Hotel Industry

Input Service Distributor (ISD)



- » ISD made mandatory for distributing credit to distinct entities.
- » ISD registration made mandatory by way of amendment in Section 20 of IGST Act.
- » Amendment carried out in Rule 39 as well to make the procedure more comprehensive.
- » Non-compliance may lead to –
 - » Denial of ITC wrongly availed or transferred
 - » Penalty u/s 122(1)(ix) - Rs. 10,000/- or the amount of ITC wrongly availed or passed on, whichever is higher.

Hotel Industry (1/3)



Change proposed w.e.f. 01.04.2025 vide Notification No. 05/2025 – Central Tax (Rate) dated 16.01.2025 –

Omission of “Declared Tariff”: GST will now be based on the actual value charged to the customer, not the published tariff.

GST Rate Based on Accommodation Value: Hotels offering high-value accommodation (above ₹7,500 per unit/day) will fall under the category of “specified premises” and will have a GST rate of 18% for restaurant services with ITC.

Hotel Industry (2/3)

Current Law (till 31.03.2025)

(xxxv) Declared tariff means charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air-conditioner, refrigerators or any other amenities, but without excluding and discount offered on the published charges for such unit.

(xxxvi) Specified premises means premises providing "hotel accommodation" services having declared tariff of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent.

Hotel Industry (3/3)

Future Law
(w.e.f. 01.04.2025)

(xxxv) Omitted

(xxxvi) “Specified premises”, for a financial year, means,-

(a) a premises from where the supplier has provided in the preceding financial year, ‘hotel accommodation’ service having the value of supply of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent; or

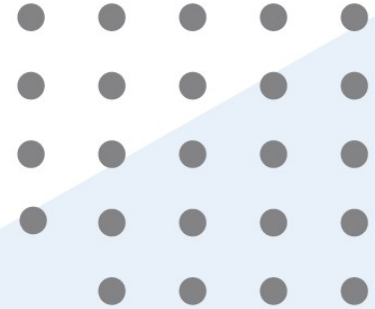
(b) a premises for which a registered person supplying ‘hotel accommodation’ service has filed a declaration, on or after the 1st of January and not later than 31st of March of the preceding financial year, declaring the said premises to be a specified premises; or **(Annexure – VIII)**

(c) a premises for which a person applying for registration has filed a declaration, within fifteen days of obtaining acknowledgement for the registration application, declaring the said premises to be a specified premises;

Recent Judicial Pronouncements

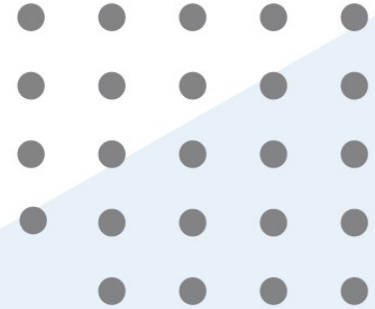
- Condonation of delay in filing appeal beyond 120 days
- Time period of 2 years not applicable in case of Refund on account of excess payment of tax

Akshaya Meditech – Mad HC – 2025 Taxo.online 308



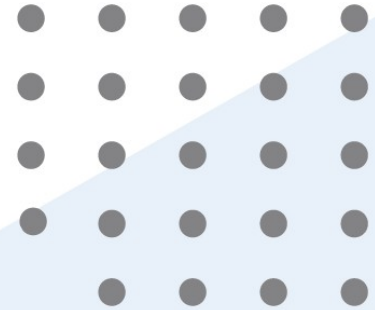
- Delay of 210 days in filing appeal.
- Appeal rejected by 1st Appellate Authority owing to delay beyond the permissible limit for filing appeal of 120 days.
- Petitioner not aware of issuance of any SCN on GST portal and no physical copy of SCN furnished to Petitioner. Similarly, not aware of any order passed on GST portal.
- Reason appears to be genuine. Delay condoned. Remitted to appellate authority to consider appeal on merits. Directed to pay 15% of disputed tax demand in addition to 10% pre-deposit requirement.

Rites Ltd. – Del. HC – W.P.(C) 13543/2023



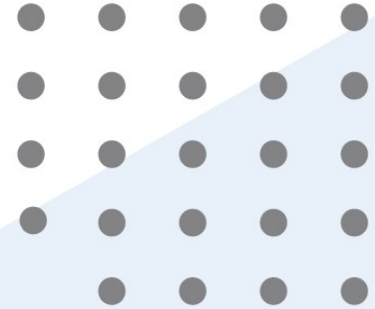
- Refund filed on account of excess payment of tax, i.e., tax was not liable to be paid but paid to Government exchequer on account of mistake in interpretation.
- Refund rejected holding refund claim filed beyond stipulated time period of 2 years.
- Challenged before HC.
- HC held that the Union can only levy a tax which is authorized by law.
- Respondent conceded that Petitioner was not liable to pay any taxes and hence, it would be wholly unjust to permit the Union to retain monies which were not liable to be collected or were authorized by law.

Rites Ltd. – Del. HC – W.P.(C) 13543/2023



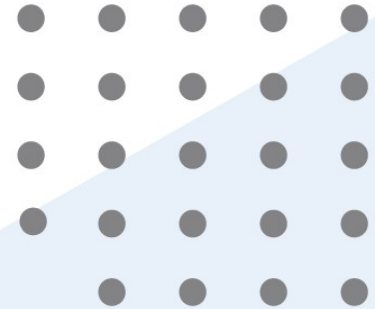
- Judgements in favour on this issue –
 - Commissioner of Central Excise and Service Tax v. Oriental Insurance Company Limited – Del HC
 - Alar Infrastructures – Del HC
 - Commissioner of Central Excise Bangalore v. KVR Construction – Kar. HC
 - Parijat Construction v. Commissioner of Central Excise, Nashik – Bom. HC
 - 3E Infotech v. CESTAT, Chennai – Mad. HC

Rites Ltd. – Del. HC – W.P.(C) 13543/2023



- Since the amount paid by the Petitioner does not qualify to be termed as 'tax' (as it was not liable to be paid), it would not be hit by time limitation.
- Respondent contended that Section 54(1) provides for refund of "any other amount" as well for which 2 years period is prescribed. Respondent also placed reliance on certain decisions.
- Decisions relied upon by the Respondent distinguished on the ground that these decisions were passed without considering the SC's decision in Mafatlal
- SC decision - monies deposited and which could not possibly fall within the ambit of a tax validly imposed, would not be bound by the contours and prescriptions contained in Section 11B of the Central Excise Act. Refund of tax consequent upon a levy held unconstitutional would be governed by Limitations Act.

Rites Ltd. – Del. HC – W.P.(C) 13543/2023



- “Any other amount” needs to be read ejusdem generis with tax & interest. It would cover tax validly imposed & collected but claim arose from subsequent adjudication which results in right of refund being created.
- Time limitation not applicable when original deposit was made under a mistaken belief of liability existing.
- Allowed refund claim of the Petitioner.



THANK YOU

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