



GST Updates – Part A

[Tax Notifications & Circulars]

for the month of

September, 2025

Prepared by:

GST Policy Planning Unit, Govt of West Bengal

Disclaimer:

This presentation is clarificatory in nature. It is not to be construed as a legal explanation or interpretation of the Acts and the Rules. For details please refer original Notifications & Circulars.

I. Notification No. 13/2025–Central Tax dated 17.09.2025

(i) **Rule 31A** [Value of supply in case of lottery, betting, gambling and horse racing]:

*Rule 31A(2) has been amended to align the **valuation rule of lottery** with the change in rate of tax on lottery **{28% with ITC to 40% with ITC}**;*

[With effect from 22-09-2025]

(ii) **Rule 39** [Procedure for distribution of input tax credit by Input Service Distributor]:

*Rule 39(1A) has been amended so that a **registered person having the same PAN and State code as an ISD** may issue an invoice/debit note to the ISD to transfer the **IGST ITC on input services attributable to one or more distinct persons** on which tax has been paid under **reverse charge mechanism**, for distribution of such credit through the ISD mechanism.*

[With effect from 01-04-2025]

I. Notification No. 13/2025–Central Tax dated 17.09.2025

(iii) Rule 91 *[Grant of provisional refund]:*

- (a) Rule 91(2) has been substituted to provide for **sanction of provisional refund on the basis of identification and evaluation of risk by the system,** within a period not exceeding seven days from the date of acknowledgement of the refund application;*
- (b) The proper officer **may not grant provisional refund** for reasons to be recorded in writing **and instead proceed to sanction refund** as provided under rule 92.*

[With effect from 01-10-2025]

I. Notification No. 13/2025–Central Tax dated 17.09.2025

(iv) Rule 110 & 111 *[Appeal /Application to the Appellate Tribunal]:*

*(a) A new “**FORM GST APL-02A**” has been introduced for issuing provisional and final acknowledgment i.r.o. of appeals/applications filed before the GSTAT.*

*(b) **Proviso to rule 110(1) & rule 110(2)** has been **omitted** to do away with the facility of manual filing of appeal.*

[With effect from 22-09-2025]

(v) Rule 110A *[Procedure for the Appeals to be heard by a single Member Bench]:*

*New rule inserted to **prescribe the conditions** (e.g. the same shall not involve question of law, the amount involved shall not exceed Rupees fifty lakh and shall be with reference to all issues and all tax periods covered in the order appealed against) subject to which appeals can be heard by the Single Member Bench of the GSTAT.*

[With effect from 22-09-2025]

I. Notification No. 13/2025–Central Tax dated 17.09.2025

(vi) Rule 113 [Order of Appellate Authority or Appellate Tribunal]:

*Rule 113(2) has been substituted to provide for **uploading of the summary of order in FORM GST APL-04A** by the GSTAT along with its order to indicate the **final amount of demand confirmed** by the Appellate Tribunal.*

[With effect from 22-09-2025]

(vii) Amendments/Insertion of Forms:

- (a) Format and instructions of **Form GSTR-9 & Form GSTR-9C** amended;*
- (b) Format of **Form GST APL-05** [Form of Appeal to the GSTAT], **Form GST APL-06** [Form of Memorandum of Cross Objection to the GSTAT] and **Form GST APL-07** [Form of Application to the GSTAT by the Department] **substituted**;*
- (c) Format of **Form GST APL-02A** inserted [Form of provisional and final acknowledgment of filing of appeal by the GSTAT];*
- (d) Format of **Form GST APL-04A** inserted [Summary of the order by the GSTAT].*

II. Notification No. 14/2025–Central Tax dated 17.09.2025

*Following category of registered persons are notified **as ineligible for provisional refund** under section 54(6) :*

*(a) **Any person**, who has **not undergone Aadhaar authentication** [under rule 10B];*

*(b) Any person, who is engaged in the supply of **Areca nuts, Pan masala, Tobacco and manufactured tobacco substitutes and Essential oils.***

[With effect from 01-10-2025]

III. Notification No. 15/2025–Central Tax dated 17.09.2025

Exemption from filing annual return u/s 44(1):

*Registered persons whose aggregate turnover in any financial year is **up to two crore rupees** are exempted from filing annual return for the said financial year from **FY 2024-25 onwards.***

IV. Notification No. 16/2025–Central Tax dated 17.09.2025

Following effective dates are notified i.r.o. the amendments as carried out in the Finance Act, 2025 :

(i) **Section 2** *[Definitions]*: *With effect from 01-10-2025*

(a) [S. 2(69)]: *Amendment made in the definition of “Local Authority” by way of insertion of Explanations defining “Local Fund & Municipal Fund”;*

(b) [S(116A)]: *New clause inserted to define the term “unique identification marking” in the context of the Track and Trace mechanism introduced for certain goods in terms of newly inserted section 148A.*

(ii) **Section 12(4)** *[Time of supply of goods]* & **Section 13(4)** *[Time of supply of services]* *omitted to remove the provisions related to the time of supply in respect of transactions in vouchers: With effect from 01-10-2025*

IV. Notification No. 16/2025–Central Tax dated 17.09.2025

(iii) **Section 17** *[Apportionment of credit and blocked credits]*

(a) The words **“plant or machinery”** have been **substituted** with the words **“plant and machinery”** in **section 17(5)(d)** to remove any ambiguity in interpretation of the same in respect of eligibility of input tax credit for plant and machinery: **With effect from 01-07-2017**

(b) **Explanation 2** to **section 17(5)** inserted to provide that the any reference to **“plant or machinery”** shall be construed and shall always be deemed to have been construed as a reference to **“plant and machinery** notwithstanding anything to the contrary contained in any judgement, decree or order of any court, tribunal, or any other authority:

With effect from 01-10-2025

IV. Notification No. 16/2025–Central Tax dated 17.09.2025

- (iv) *Proviso to section 34(2) [Credit and debit notes] has been substituted to provide that the outward tax liability of a supplier shall be permitted to be reduced on account of issuance of credit notes if,-*
- (a) *ITC attributable to such credit notes, if availed, is reversed by the recipient, where the recipient is a registered person; or*
 - (b) *incidence of tax on such supplies has not been passed to any other person, where the recipient is a unregistered person.*

With effect from 01-10-2025

IV. Notification No. 16/2025–Central Tax dated 17.09.2025

(v) Section 38 *[Communication of details of inward supplies and input tax credit]*

- (a)** *Amendments made in **sections 38(1) & (2)** to refer to **FORM GSTR-2B** as a “statement” instead of an “auto-generated statement” [FORM GSTR-2B is generated subsequent to the action taken by the recipient in the IMS].*
- (b)** ***Section 38(2)** is further amended to provide that FORM GSTR-2B would consist of all cases where ITC would not be available to a registered taxpayer under the situations specified in section 38(2)(b), or otherwise.*
- (c)** *An enabling clause (c) has been inserted to prescribe other details that may be made available in FORM GSTR-2B.*

With effect from 01-10-2025

IV. Notification No. 16/2025–Central Tax dated 17.09.2025

- (vi) **Section 39(1)** *[Furnishing of returns]* has been amended to provide for an enabling clause to prescribe conditions and restriction for filing of return in FORM GSTR-3B.

With effect from 01-10-2025

- (vii) **Proviso to Section 107(6)** *[Appeals to Appellate Authority]* has been substituted to provide that in case of **an order demanding penalty without demand of any tax**, no appeal can be filed **unless a sum equal to 10% of the said penalty has been paid by the appellant.**

With effect from 01-10-2025

IV. Notification No. 16/2025–Central Tax dated 17.09.2025

(viii) ***Proviso to Section 112(8)*** [Appeals to Appellate Tribunal] *inserted to provide that in case of an order demanding penalty without demand of any tax, no appeal can be filed before the Appellate Tribunal unless a sum equal to 10% of the said penalty, in addition to the amount payable under the proviso to section 107(6), has been paid by the appellant.*

With effect from 01-10-2025

(ix) ***Section 122B*** [Penalty for failure to comply with track and trace mechanism] *inserted for the levy of penalty for contraventions of the provisions of Track and Trace mechanism introduced for certain goods in terms of newly inserted section 148A .*

With effect from 01.10.2025

IV. Notification No. 16/2025–Central Tax dated 17.09.2025

- (x) **Section 148A** [Track and trace mechanism for certain goods] *inserted as an enabling provision to notify the **goods or persons or class of persons** who are in possession or deal with such goods, for implementation of Track and Trace mechanism for ensuring effective monitoring and control of supply of specified commodities: **With effect from 01.10.2025***
- (xi) **Schedule III** [Activities or transactions which shall be treated neither as a supply of goods nor a supply of services]: *New clause (aa) inserted in paragraph 8 to provide that activity of supply of **goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone** to any person before clearance for exports or to the Domestic Tariff Area shall neither be treated as supply of goods nor as supply of services:*
With effect from 01.07.2017

V. Circular No. 251/08/2025-GST dated 12.09.2025

Clarification on secondary or post-sale discounts under GST:

- (i) *Recipient will **not be required to reverse the ITC** attributed to the discount provided through **financial / commercial Credit notes** issued by the supplier as there is no reduction in the original transaction value of the supply and accordingly the corresponding **tax liability** would also not get reduced.*

V. Circular No. 251/08/2025-GST dated 12.09.2025

(ii) (a) *In cases where there is **no agreement between the manufacturer and the end customer**, post-sale discount offered by a manufacturer to its dealer/ distributor for competitive pricing to push sales **cannot be included in consideration of the dealer/ distributor** as the monetary value of the inducement of further supply of these goods.*

(b) *In cases where the manufacturer **has some agreement with an end customer to supply goods at a discounted price**, it is clarified that **such a post-sale discount**, given by the manufacturer to the dealer for supplying goods to the end customer at a discounted rate, **should be included in the overall consideration** as it is an inducement towards the supply of goods by the dealer to the end customer.*

V. Circular No. 251/08/2025-GST dated 12.09.2025

(iii) (a) *Post-sales discounts offered by manufacturers to dealers in cases where the dealer performs activities to promote the sale of the goods, shall not be treated as consideration because these activities ultimately enhance the sale of goods that the dealers themselves own, thereby increasing their own revenue. In this context, the discount merely reduces the sale price of the goods and is not linked to any independent service rendered to the manufacturer.*

(b) *However, GST would be leviable in cases where a dealer undertakes specific sales promotional activities, such as advertising campaigns, co-branding, customization services, special sales drives, exhibition arrangements, or customer support services, etc., only when such services are explicitly stated in the agreement with a clearly defined consideration payable for such a supply.*

In such cases, the dealer provides a distinct service to the supplier, and accordingly, GST would be chargeable.

Thank
you



Disclaimer:

This presentation is clarificatory in nature. It is not to be construed as a legal explanation or interpretation of the Acts and the Rules. For details please refer original Notifications & Circulars

Image Courtesy:

<https://www.google.co.in/imghp?hl=en&tab=ri&ogbl>