



The Institute of Chartered Accountants of India

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GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE-272

1. Guidelines for Processing GST Registration Applications

The CBIC has issued guidelines to streamline the processing of GST registration applications, standardise documentation requirements and prevent unwarranted queries or delays. The key clarifications and instructions are summarised below:

(a) Business, promoter and authorised signatory details (Part B of Form REG-01)

Constitution of business: Select the correct constitution and upload the requisite supporting document; partnership deed (partnership), registration certificate/proof of constitution (society, trust, club, AOP/BOI, Government department, local authority, statutory body, etc.) or Karta document (HUF).

Promoters/partners: Details of the proprietor, Managing Partner and all partners, Karta, Managing/whole-time directors, members of the managing committee or trustees are required as per Annexure-II. DIN is mandatory for directors and designated partners and is validated with MCA.

Photographs: Recent, colour, full front-face photograph of the concerned individual (limited to ten for partners/committee members). It must not be a group photograph or a copy, even cropped, of PAN, Aadhaar, driving licence, passport, etc. A wrong photograph may lead to a query or rejection.

Authorised signatory/representative: Up to ten authorised signatories (including the primary) can be added, with details, photographs and an authorisation letter from the proprietor/partners/board/trust/committee. The primary signatory signs the application digitally; adding an alternate is advisable. Details of the authorised representative (GST Practitioner's Enrolment ID, or name, PAN, etc.) may be given.

(b) Principal Place of Business (PPoB) and Additional Place of Business (APoB)

Wrong or inadequate PPoB details are a major reason for queries and rejection. The address must be complete and specific, down to the shop/flat/premises (building/plot number, Khasra/Khata number where applicable, road, locality, city, district, correct PIN Code and, as far as possible, latitude and longitude), and must **match the address in the uploaded**

proof. The correct State and Centre jurisdiction, contact details and nature of business must be selected.

(c) Standardised Documentation for Principal Place of Business (PPoB)

A list of documents required as proof of the Principal Place of Business (PPoB) has been appended to FORM GST REG-01 on the GST portal. Key clarifications include:

- **Premises owned by family members/partners/directors:** Such premises cannot be declared as owned by the applicant. The applicant must select the appropriate category, such as *Consent*, *Rented/Leased* or *Shared*, as applicable.
- **Premises inherited from a deceased ancestor:** An affidavit (Annexure IV) in the prescribed format, death certificate and any of the relevant property document viz., copy of latest Property Tax receipt, latest property tax receipt, municipal khata, property identification document, latest electricity bill or water bill must be furnished.
- **Rented premises without a rent/lease agreement:** An undertaking (Annexure V) in the prescribed format, along with a document evidencing possession of the premises viz., latest electricity bill or water bill containing the name of the tenant, is required.
- **Co-working spaces:** Copy of membership agreement which must specify the period of membership, allocated suite/cabin/desk and document evidencing ownership or lease of the premises. Supporting property documents or the registered lease agreement between the co-working space provider and owner must also be furnished, in case the property is taken on lease by the co-working space provider
- **Jointly owned property:** Where the applicant is a co-owner, consent letter (Annexure VI) or NOC from other co-owners is required. Where supporting utility documents are in another co-owner's name, a document evidencing joint ownership must be submitted.
- **Udyam/MSME certificate:** It is neither required nor acceptable as proof of PPoB/APoB.
- **Unmanned installations:** Telecommunication towers and bank ATMs are not required to be declared as PPoB or Additional Place of Business (APoB).
- **SEZ:** Valid Letter of Approval/Permission issued by the Development Commissioner. A separate registration is mandatory for an SEZ unit/developer, even if the applicant holds a registration for a non-SEZ place in the same State/UT.

(d) Restrictions on Unwarranted Queries by Tax Officers

The Circular directs officers to strictly adhere to the prescribed document checklist and refrain from raising presumptive queries or seeking unwarranted documents, such as residential address of the applicant/MD/authorised signatory in a different city/State; Udyam

Certificate; or objection that the activity cannot be carried out from the premises. Officers must also not classify electricity connection as domestic or commercial, scrutinise bill amounts, or deem residential premises as unfit for business. Utility bills/property tax receipts are to be verified only for name and address; rent/lease agreements only for validity, names of the applicant and lessor and exact property address. Discrepancies are to be communicated only through FORM GST REG-03, providing an opportunity to rectify the deficiencies rather than rejecting the application outright.

(e) Clarification on Bank Account Details

Although bank account details need not be furnished at the time of applying for registration, applicants are advised to provide them wherever available. As per rule 10A of the CGST Rules, 2017, details of account(s) in the name of the applicant and obtained on its PAN must be furnished within 30 days of grant of registration or before furnishing outward supplies in FORM GSTR-1/IFF, whichever is earlier.

The Circular clarifies that details of **up to 10 business bank accounts** may be furnished. The accounts must be in the applicant's name and obtained on the applicant's PAN.

(f) Processing of Registration Applications

The Circular reiterates the prescribed processing timelines and provides practical guidance for applicants:

- Applicants selected for biometric Aadhaar authentication and document verification must complete the process at the designated Facilitation Centre within the applicable timeline.
- Where physical verification is required, officers must upload the verification report, along with GPS-enabled site photographs and other relevant documents, on the portal at least five days before expiry of the prescribed 30-day processing period.
- If no action is taken within the prescribed time limit, registration is deemed to have been approved.
- All registration-related communications must be made through the GST common portal. Applicants should regularly monitor the portal for notices and other communications.

(g) Withdrawal from the Simplified Registration Scheme

A registered person opting to exit the simplified registration scheme under Rule 14A must apply in **FORM GST REG-32**, along with the documents specified in REG-01. The application will thereafter be processed following the procedure applicable to regular registration.

(h) Grievance Redressal

Applicants facing delays in processing registration applications or unwarranted queries may lodge a complaint or grievance with the jurisdictional Chief Commissioner of Central Tax or Commissioner of State Tax through the special email address designated by the concerned Zone or State.

The Circular also includes:

- FAQs (Annexure-I)
- Checklist of information & documents to be furnished along with the registration Application (Annexure-II),
- List of PPoB proofs (Annexure-III)
- Format of Affidavit for inherited property (Annexure-IV)
- Undertaking where no rent agreement exists (Annexure-V)
- Consent Letter (Annexure-VI)

[Circular No. 257/03/2026-GST dated 26.10.2026](#)

2. Detailed Guidelines on Demand, Adjudication and Appeal Proceedings under GST

The Circular establishes a uniform framework to ensure transparency, consistency and fairness in GST demand, adjudication and appellate proceedings, promote reasoned decision-making, improve the quality of quasi-judicial orders, reduce avoidable litigation and ensure consistency in GST administration.

- (a) **Pre-Show Cause Notice Intimation:** Wherever feasible, taxpayers may be intimated of the proposed tax liability through Part A of FORM GST DRC-01A before issuance of a formal show cause notice (SCN), enabling them to clarify their position and potentially avoid formal proceedings.
- (b) **Drafting of Show Cause Notices:** SCNs should clearly set out the relevant facts, allegations, applicable legal provisions, evidence relied upon and computation of the proposed demand. The notice must provide sufficient particulars to enable the taxpayer to understand the allegations and submit an effective response. To ensure clarity, structure, and completeness, a well drafted SCN should ideally comprise the following parts, though it may vary from case to case:
 - **Brief profile and introduction of the case:** The SCN should specify the noticee's particulars, GSTIN/Temporary ID, registration status, business address, jurisdiction, relevant tax periods and, where applicable, details of each noticee. It should briefly

outline the background and basis of proceedings, including assessment, audit, scrutiny or enforcement, with sufficient factual particulars to enable an effective reply, as emphasised in *M/s Nice Enterprises v. Deputy Commissioner ST* [(2024) – *Telangana HC*]

- **Factual background and examination of documents and evidences:** The SCN should objectively outline the noticee's acts of omission or commission and discuss relevant evidence substantiating the alleged contraventions, using neutral expressions such as "it appears that" and avoiding categorical conclusions that may suggest a pre-judged outcome.
- **Discussion and legal framework:** The SCN should identify the relevant legal provisions, link each alleged contravention to the noticee's acts or omissions, avoid invoking unrelated provisions unless specifically required. Clearly specify each noticee's individual role based on facts and evidence to uphold natural justice, where more than 1 noticee is involved.
- **Statement of charges:** The SCN should concisely state the allegations and grounds for proposed action, ensuring all requisite particulars are included as deficiencies arising from non-application of mind or failure to meet legal requirements cannot subsequently be cured, as held in *G.R. Infra Project Ltd. v. State of Madhya Pradesh* [(2026) 331 (S.C.)].
- **Quantification of Demand:** The SCN should quantify the proposed demand, specify its basis, provide financial year-wise break-up for multi-year demands. Where the determination of interest depends upon the discharge of demand by the noticee i.e. actual date of payment of tax, a suitable phrase like "why interest as applicable should not be demanded" may be mentioned in the notice for demanding the interest component on the tax demanded.

The concluding paragraph of a SCN should clearly specify the Adjudicating Authority, submission deadline for the reply, and consequences of non-compliance.

- (c) **Justification for invoking tax demand on grounds of fraud, wilful misstatement, or suppression of facts:** The power to invoke fraud, wilful-misstatement or suppression of facts for demand is conditional, hinging on proof of intent to evade tax, which is required to be clearly established in the SCN along with evidence. Further, issuing a second SCN, after the first on the same facts and grounds for the subsequent period, invoking fraud, wilful-misstatement or suppression of facts is generally not legally valid unless new and independent grounds exist, such as unreported clearances as emphasised in *G.R. Infra Project Ltd. v. State of Madhya Pradesh* [(2026) (S.C.)] and *Sriba Nirman Company v. Commissioner (Appeals)* [(2025) (A.P.)].
- (d) **SCNs covering demands under Sections 73 and 74:** Where demands are proposed under both sections, the SCN should clearly specify the factual and legal basis for each

category and separately quantify the demands. For FY 2024–25 onwards, where Section 74A applies, fraudulent and non-fraudulent demands should be distinctly delineated with their respective grounds and quantification to ensure clarity and transparency.

- (e) **Avoidance of Parallel Proceedings:** Proceedings concerning the same subject matter should not be initiated simultaneously by CGST and SGST/UTGST authorities in contravention of Section 6 of the CGST Act. Appropriate coordination between the authorities is emphasised to prevent multiplicity of proceedings as set out in *M/s Armour Security (India) Ltd. v. Commissioner, CGST, Delhi East Commissionerate, (2025) (S.C.)*.
- (f) **Timely issuance of SCNs:** As far as practicable, the proper officer should issue notices well in advance before the due date and avoid last-minute issuance.
- (g) **Principles of Natural Justice and Personal Hearings:** Taxpayers should be provided a reasonable opportunity to present their case. The guidelines address personal hearings, representation through authorised representatives, virtual hearings, adjournments and maintenance of proper hearing records.
- (h) **Reasoned Adjudication Orders:** Orders should follow the following criteria-
 - **Drafting of the Adjudication Order:** The adjudication order should be a well-structured, concise and reasoned speaking order with a logical flow, relevant facts and law and limited citations. It should include the issuing authority's details, statutory provisions, taxpayer's appellate rights, a summary of facts and SCN particulars and clearly identify the issues of fact and law requiring determination, in line with *Joint Commissioner of Income Tax, Surat v. Saheli Leasing & Industries Ltd. [2010 (253) E.L.T. 705 (S.C.)]*.
 - **Examination of evidences vis-à-vis allegations:** The Adjudicating Authority should critically assess the relevance and reliability of evidence against the SCN allegations, recording reasoned findings where documents are inconclusive or do not substantiate the allegations.
 - **Consideration of submission/ defence and additional evidences submitted by the taxpayer:** The adjudication order should independently assess submissions made through FORM GST DRC-06 or during personal hearings, record reasoned findings on their evidentiary value and specify whether they are accepted, partially accepted or rejected, avoiding generic statements such as "reply has been considered".
 - **Upholding procedural fairness and due process:** The Adjudicating Authorities should limit their findings to the allegations and grounds mentioned in the SCN. Any new issue identified may be pursued through a separate SCN.

- **Discussion of case laws cited by department as well as taxpayer:** Preference may be given to the decisions of the Hon'ble Supreme Court and jurisdictional High Courts, for balanced, defensible outcomes. Further, judgments cited by the noticee should be duly considered and discussed. Any AI-generated information used in adjudication must be independently verified for accuracy under appropriate human oversight, as the issuing authority remains ultimately responsible for the correctness of the order.
 - **Issue-wise Analysis and Findings:** The Adjudicating Authority should objectively analyse each issue by correlating the facts, evidence, SCN allegations, taxpayer's defence, applicable legal provisions, circulars and judicial precedents, and record clear, reasoned findings on whether each charge is established.
 - **Quantification of tax amount, interest and penalty:** The final order should provide accurate, issue-wise and, preferably, financial year-wise quantification of tax, interest and penalty under each tax head, without exceeding the demand proposed in the SCN, with interest quantified up to the order date wherever possible and payable until actual payment. It should clearly distinguish the original and confirmed demands, adjust payments or pre-deposits and specify the balance payable or refundable in a tabular format.
 - **Penalty justification for each taxpayer:** The Adjudicating Authority should record clear and reasoned findings before imposing any penalty, it should not be levied mechanically but after establishing the nature of the default and the applicable legal provision. Adherence to the general discipline related to the penalty as provided under section 126 of the CGST Act should be ensured during the adjudication proceedings.
 - **Conclusion:** Adjudication order should conclude with a clear, concise, and reasoned closing paragraph summarizing the outcome of the proceedings. The quantum of tax, interest, and penalty confirmed or dropped, as the case may be, should be clearly specified, along with a clear reference to the specific legal provisions invoked while confirming or waiving such liabilities.
- (i) **Timely issuance and communication of Orders:** Adjudication orders should be planned and issued within the prescribed timelines, avoiding last-minute decisions that may compromise their quality. The prescribed summary of the order must also be uploaded electronically in FORM GST DRC-07.
- (j) **Rectification under Section 161:** Rectification is confined to errors apparent on the face of the record and cannot be used to review the merits of an order, reappraise evidence or correct errors requiring detailed reasoning. Such matters fall within the appropriate appellate mechanism.

- (k) **First Appeal Proceedings:** The Circular provides guidance on preliminary scrutiny of appeals, limitation, withdrawal, personal hearings, additional grounds and admission of additional evidence. Appellate authorities are expected to record reasons for their decisions and ensure that hearing proceedings and relevant submissions are appropriately reflected in the appellate order.

[Circular No. 258/04/2026-GST dated 26.10.2026](#)

3. Clarifications on Pre-deposit for Appeals under GST

The CBIC has clarified the following issues regarding pre-deposit and its refund under Sections 107 and 112 of the CGST Act, 2017:

- (a) **Basis for Pre-deposit:** The 10% pre-deposit is calculated on the disputed tax component, excluding the amount admitted by the taxpayer, which must be paid in full. The taxpayer's classification of admitted and disputed amounts is captured in Table 14 of FORM GST APL-01 and Table 20 of FORM GST APL-05.
- (b) **Appeal before the Appellate Tribunal:** Where the Appellate Authority modifies the tax liability, the 10% pre-deposit for an appeal before the Appellate Tribunal is calculated on the remaining disputed tax liability confirmed by the Appellate Authority.
- (c) **Refund of Pre-deposit:** An appellate order allowing relief need not expressly direct refund of the pre-deposit. The refund claim should be filed under **S. No. 7 of FORM GST RFD-01 – “On account of order.”**
- (d) **Departmental Appeal:** Refund of pre-deposit cannot be withheld merely because the Department intends to file, or has filed, a further appeal against a favourable order. Refund remains payable unless the order is stayed by the Appellate Tribunal or a Court.
- (e) **Interest on Refund:** Where pre-deposits are paid at both appellate stages, the respective actual payment dates must be considered separately for each level for computing interest on the refund.
- (f) **Remand by Appellate Tribunal:** On remand to the original Adjudicating Authority, the pre-deposit is refundable within the prescribed time limit. In a partial remand, the amount attributable to the demand upheld in favour of Revenue must first be recovered or adjusted, along with applicable interest, before refunding the balance.

[Circular No. 259/05/2026-GST dated 26.10.2026](#)

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The Institute of Chartered Accountants of India, ICAI Bhawan, A-29, Sector 62, Noida (U.P.)-201301