

January 2025 | F&A | Volume LIII



Welcome to our
monthly newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during January 2025. We had tried to cover all important updates occurred during January 2025 in this volume of newsletter. The sole purpose of this circulation is to update finance professionals and business owners on direct & indirect taxes and other compliances. Feedbacks are welcome at info@nucleusadvisors.in.



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Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax, MCA, Audit & Assurance notification, circulars and case laws which may directly or indirectly impact our readers. At Nucleus, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.



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Central Tax

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DIRECT TAX UPDATES

➤ TDS Exemption for National Credit Guarantee Trustee Company Limited

The Central Government has granted TDS exemption to the National Credit Guarantee Trustee Company Limited (NCGTC). This means that entities making payments to the NCGTC, which is fully funded by the Central Government will not have income tax deducted on any payments it receives. This applies to funds used for managing government-backed credit guarantee programs, as outlined in the Act.

The notification shall be deemed to have come into force with effect from the 2nd day of January, 2025

➤ TDS Exemption on Purchases from IFSC

The Central Government has notified that no tax deduction under **Section 194Q** will apply to payments made for goods purchased from an **International Financial Services Centre (IFSC) Unit**, subject to the following conditions:

1. **Seller** must provide a **statement-cum-declaration** (Form No. 1) to the buyer detailing the relevant assessment years for claiming deductions under **Section 80LA**.
2. **Buyer** must not deduct tax after receiving the declaration and report the details in the tax deduction statement as per **Section 200(3)**.
3. The relaxation applies only for the years the seller claims deductions under **Section 80LA**.

The notification is effective from **1st January 2025**.

➤ TCS Exemption for IFSC

The Central Government has clarified that a **Unit of International Financial Services Centre (IFSC)** will not be considered a **buyer** under **Section 206C(1H)** of the Income-tax Act for purchasing goods, provided the following conditions are met:

1. **Buyer** must submit a **statement-cum-declaration** (Form No. 1A) to the seller, detailing previous years for claiming deductions under **Section 80LA**.
2. **Seller** must **not collect tax** on payments after receiving the declaration and report it in the tax collection statement.

The relaxation applies only during the years for which deductions under **Section 80LA** are claimed.

This notification is effective from **1st January 2025**.

➤ Central Power Research Institute” Approved for Scientific Research Expenditure Deductions

The Central Government hereby approves **Central Power Research Institute** (PAN: AAAAC0268P), Bengaluru under the category of ‘Research Association’ for ‘Scientific Research’ for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with Rules 5C and 5D of the Act.

This Notification shall apply from the Previous Year 2024-25 and accordingly shall be applicable for Assessment Years 2025-26 to 2029-30.

➤ Resolution of Appeal Filing Challenges under the Vivad se Vishwas Scheme, 2024

To address challenges in the **Direct Tax Vivad Se Vishwas Scheme, 2024**, the government has issued an order for cases where:

- Orders were passed on or before **22nd July 2024**.
- Appeals were filed after this date but within the stipulated time, without seeking **condonation of delay**.

Key provisions:

1. The appeal will be considered **pending** as of **22nd July 2024** for the Scheme.
2. The person will be treated as an **appellant** under the Scheme.

3. **Disputed tax** will be calculated based on the pending appeal.

4. **Scheme provisions** will apply accordingly.

➤ **Special Provision for Non-Residents Operating Cruise Ships**

The Central Board of Direct Taxes (CBDT) has amended the **Income-tax Rules, 1962** under **Section 44BBC** of the Income-tax Act, 1961.

Key points:

1. **New Rule 6GB** introduced to specify conditions for **non-residents** in the business of operating **cruise ships**.
2. Non-residents must meet the following criteria to qualify:
 - Operate passenger ships with **200+ passenger capacity** or **75 meters or more** in length.
 - Operate on **scheduled voyages** or shore excursions touching at least **two seaports of India**.
 - Ships must be used primarily for **passenger transport**, not cargo.
 - Must follow guidelines from the **Ministry of Tourism** or **Ministry of Shipping**.

➤ **Amendment to Rules for Venture Capital Funds and Finance Companies in IFSC**

The Central Board of Direct Taxes (CBDT) has issued a notification on January 27, 2025, amending the Income-tax Rules, 1962. These amendments introduce specific provisions for Venture Capital Funds and Finance Companies operating within International Financial Services Centres (IFSCs).

Key Highlights:

1. **Venture Capital Funds:** Under section 10(23FB) of the Income-tax Act, a Venture Capital Fund (VCF) is now defined as a Category I Alternative Investment Fund (AIF), regulated by the International Financial Services Centres Authority (IFSC) under the Fund Management Regulations of 2022.
2. **Finance Companies in IFSCs:** The rules for Finance Companies operating in IFSCs are now clarified. These companies may engage in activities such as lending, credit enhancement, securitization, and financial lease, along with providing corporate treasury services. They must pay interest on debt issued to non-residents in foreign currency.
3. **Retail Scheme and Exchange Traded Fund (ETF):** The rules further define conditions for retail schemes and ETFs, specifying investment limits, requirements for listing on recognized stock exchanges, and adherence to IFSC fund management regulations.

These changes are set to provide clarity and facilitate the smooth functioning of businesses in IFSCs, enhancing their regulatory framework. The amendments are effective from 27th January 2025.

➤ **“Shri Chaitanya Health and Care Trust” Approved for Scientific Research Expenditure Deductions**

The Central Government, through the Central Board of Direct Taxes (CBDT), has approved the '**Shri Chaitanya Health and Care Trust**' for conducting scientific research under section 35 of the Act. This approval applies to their unit, '**Bhaktivedanta Hospital & Research Institute**' located in Thane, Maharashtra.

This recognition allows the Trust to benefit from tax provisions related to scientific research, effective from the financial year 2024-25. The approval is applicable for assessment years 2025-26 to 2029-30.

This move aims to encourage and support scientific research initiatives in the country.

Circulars Issued

1. Regularizing payment of GST on co-insurance premium apportioned by the lead insurer to the co-insurer and on ceding /re-insurance commission deducted from the reinsurance premium paid by the insurer to the reinsurer.

Background:

Based on the 53rd GST Council Meeting (22nd June 2024, New Delhi) and exercising powers under Section 168(1) of the CGST Act, 2017, a clarification has been issued regarding GST on co-insurance premium apportionment and reinsurance commission.

Key Clarifications:

1. **Non-Taxability Under Schedule III:** Effective **01.11.2024**, the following transactions are included in Schedule III of the CGST Act, 2017 (i.e., neither treated as supply of goods nor services):
 - ❖ **o-Insurance Premium Apportionment:** When the lead insurer apportions premium to co-insurers in a co-insurance arrangement, GST is **not applicable**, provided the lead insurer pays GST on the full premium received from the insured.
 - ❖ **Reinsurance Commission Deduction:** When an insurer deducts **ceding/reinsurance commission** from the reinsurance premium before paying the reinsurer, GST is **not applicable**, provided the reinsurer pays GST on the **gross** reinsurance premium (inclusive of such commission).
2. **Legal Enactment:** These provisions were enacted under the **Finance (No. 2) Act, 2024**, and came into force on **01.11.2024** via **Notification No. 17/2024-Central Tax** dated **27.09.2024**.
3. **Regularization of Past GST Payments:**
 - ❖ The GST Council approved regularization of past GST payments for the above transactions from **01.07.2017 to 31.10.2024**, on an 'as is where is' basis.
 - ❖ This ensures no retrospective tax burden or refunds for past compliance.
4. **Implementation Issues:** Any **difficulties in implementing** this circular may be reported to the GST Board for resolution.

2. Clarifications regarding applicability of GST on certain services.

Background

The 53rd GST Council Meeting addressed critical ambiguities and disputes surrounding GST applicability across various sectors. The key focus was on taxability, exemptions, and retrospective regularization to provide clarity and ease compliance. Several sectors, including financial services, government-funded research, skilling programs, and real estate transactions, faced interpretational challenges, necessitating Council intervention.

Key Clarifications

1. **Penal Charges by Banks/NBFCs:** From **01.01.2024**, penal charges (instead of penal interest) levied by banks and NBFCs are **not taxable under GST**, as they act as deterrents rather than service consideration.
2. **GST Exemption for Payment Aggregators (PAs):** RBI-regulated PAs processing small-value digital payments (up to ₹2,000) are **exempt from GST**, aligning with entry No. 34 of Notification No. 12/2017-CTR. However, **Payment Gateways (PGs) remain taxable**.
3. **GST on Government-Funded R&D:** Exemption granted **prospectively from 10.10.2024**, with past payments from **01.07.2017 to 09.10.2024** regularized, ensuring no retrospective tax burden.

4. **National Skill Development Corporation Partnered Skilling Services:** The exemption was **withdrawn on 10.10.2024**, leading to taxation, but later **reinstated on 16.01.2025**. GST paid during the interim period is regularized.
5. **Facility Management Services for MCD:** Taxable under GST, as these services do not qualify as essential municipal functions under Article 243W of the Constitution.
6. **Delhi Development Authority (DDA) Status:** DDA is not a 'local authority' for GST purposes, impacting its taxation status.
7. **Reverse Charge Mechanism (RCM) on Rent:** From 10.10.2024, GST under RCM applies when a registered tenant rents from an unregistered landlord.
8. **GST on RCM for renting commercial property from an unregistered person to a composition dealer** is regularized for the period 10.10.2024 to 15.01.2025 on an 'as is where is' basis. This means no retrospective liability, interest, or penalty for non-payment during this period..

3. Clarification on applicability of late fee for delay in furnishing of FORM GSTR-9C

The GST authorities have received representations seeking clarification on the applicability of **late fees under Section 47 of the CGST Act, 2017** for delays in filing **FORM GSTR-9C (Reconciliation Statement)** when it is not submitted along with the **annual return (FORM GSTR-9)** but is filed later. To ensure uniform implementation of the law, the following clarifications have been issued:

Key Clarifications

1. **Regulatory Framework Before and After 01.08.2021:**
 - Prior to **01.08.2021**, businesses exceeding **₹2 crore** in turnover were required to get their accounts audited and submit a **duly certified** reconciliation statement (FORM GSTR-9C) along with FORM GSTR-9.
 - Post **01.08.2021**, the audit requirement was removed, and businesses exceeding **₹5 crore** in turnover must now submit a **self-certified** FORM GSTR-9C along with FORM GSTR-9.
2. **Mandate to Furnish FORM GSTR-9C:**
 - For taxpayers exceeding the turnover threshold, **FORM GSTR-9C is a mandatory part of the annual return (FORM GSTR-9)**.
 - If FORM GSTR-9 is submitted without the required FORM GSTR-9C, the annual return is **not considered fully furnished**.
3. **Late Fee Applicability:**
 - As per **Section 47(2) of the CGST Act**, late fees apply for failure to furnish the complete annual return on time.
 - If FORM GSTR-9C is required but submitted late, the late fee applies **from the due date of FORM GSTR-9 until the actual filing date of FORM GSTR-9C**.
 - However, no separate late fee is levied for delays in filing **FORM GSTR-9 and FORM GSTR-9C** individually.
4. **Relief for Past Delays (Up to FY 2022-23):**
 - As per **Notification No. 08/2025-Central Tax (dated 23.01.2025)**, excess late fees for delayed FORM GSTR-9C filings are **waived** if the form is submitted by **31st March 2025**.
 - No refunds will be granted for late fees already paid for FORM GSTR-9C delays in previous financial years.
5. **Implementation & Further Action:**
 - **Trade notices** should be issued to inform businesses.
 - Any implementation challenges should be reported to the **GST Board**.

Notifications Issued

Central Tax Rate

Notification-1

Seeks to amend Notification no. 01/2017- Central Tax (Rate)

Key Points:

1. Fortified Rice Kernel (FRK) added under **Schedule I (2.5%)** at **S. No. 98B** (Tariff item 1904).
2. Under **Schedule III (9%)**, *Fortified Rice Kernel (FRK)* added after “commonly known as **Murki**” under **S. No. 15**.

Definition of 'Pre-Packaged and Labelled':

- Covers retail commodities up to 25 kg/litre.
- Must be ‘pre-packed’ as per **Legal Metrology Act, 2009** and bear required declarations.

Notification-2

Seeks to amend Notification no. 02/2017- Central Tax (Rate)

Notification Amendment under CGST Act, 2017

In the exercise of powers conferred by **sub-section (1) of Section 11** of the **Central Goods and Services Tax Act, 2017 (12 of 2017)**, the Central Government, being satisfied that it is necessary in the public interest, and based on the recommendations of the GST Council, hereby introduces the following amendments to the notification **No. 2/2017-Central Tax (Rate)**, as published in the **Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)**, vide **G.S.R. 674(E)**, dated **June 28, 2017**.

Amendments to the Notification

1. **Inclusion in the Schedule:**
 - After **S. No. 105** and its corresponding entries, the following new entry is inserted:
 - ❖ **S. No. 105A - Tariff Item 30 - Gene Therapy** (Now covered under GST exemption)
2. **Modification in Explanation:**
 - The existing **clause (ii)** and its proviso have been replaced with the following:
 - ❖ The term ‘pre-packaged and labelled’ applies to all commodities meant for retail sale, containing not more than **25 kg or 25 litres**, and classified as ‘pre-packed’ under **clause (I) of Section 2 of the Legal Metrology Act, 2009 (1 of 2010)**. These packages or securely affixed labels must comply with the declaration requirements set forth under the **Legal Metrology Act, 2009**, and its related rules.

Notification-3

Seeks to amend Notification no. 39/2017- Central Tax (Rate)

Purpose: To ensure food inputs related to Fortified Rice Kernel supply under approved government programs are appropriately classified under GST provisions.

Key Amendment:

1. Modification in the Table (S. No. 1, Column 3):
 - ❖ After the existing entry:
“(b) Fortified Rice Kernel (Premix) supply for ICDS or similar scheme duly approved by the Central Government or any State Government”,

- ❖ The following text is added:
"(c) Food inputs for (a) above."

This amendment extends the tax provisions to include food inputs for specified categories, ensuring consistency in taxation under government-approved schemes.

Notification-4

Seeks to amend Notification no. 08/2017- Central Tax (Rate)

Background:

The primary focus of Notification No. 8/2018 was to exempt certain intra-state supplies of goods from central tax. Specifically, it provided exemptions for goods described in column (3) of its accompanying table, which fall under various tariff items, sub-headings, headings, or chapters as specified in the First Schedule to the Customs Tariff Act, 1975.

Issued Under: Section 11(1) of the Central Goods and Services Tax Act, 2017 (12 of 2017)

Effective Date: Immediate

- ❖ **Description:** Old and used vehicles other than those mentioned from Serial Numbers 1 to 3.
- ❖ **HSN Code:** 87
- ❖ **Central Tax Rate:** Initially set at 6%.

This means that old and used vehicles not classified under the first three serial numbers were subjected to a 6% central tax rate as per this notification. However, an amendment issued, increasing this tax rate from 6% to 9% for the vehicles categorized under Serial Number **Revision of Tax Rate:**In the **TABLE**, against **S. No. 4, Column (4):**

The existing tax rate "6%" is replaced with "9%".

Notification-5

Seeks to amend Notification No 11/2017 - Central Tax (Rate) dated 28th June, 2017 to implement the recommendations of the 55th GST Council.

Background:

- Original Notification: Notification No. 11/2017-Central Tax (Rate), dated June 28, 2017, published via G.S.R. 690(E).
- Objective: This amendment aims to streamline the process for declaring premises as "specified premises" for the supply of hotel accommodation services, ensuring better compliance and transparency for registered persons in the GST system.

Key Points:

➤ **Revision in Paragraph 4 (Explanation):**

- ❖ Clause (xxxv) will be removed from 1st April 2025.
- ❖ Clause (xxxvi) will be replaced with a new definition of "Specified Premises" for a financial year:
 - A premises where in the previous financial year, **hotel accommodation services** were provided, and the **value of supply** for any unit of accommodation was over ₹7,500 per unit per day.
 - A premises where a **registered person** providing hotel accommodation files a declaration between **1st January** and **31st March** of the preceding financial year, declaring it as a "specified premises."
 - A premises where a person applying for **GST registration** submits a declaration within **15 days of registration acknowledgment** to declare it as a "specified premises."

➤ **Introduction of Annexure VII:**

- ❖ **Annexure VII** provides the format for the **Opt-in Declaration** by **registered persons** offering hotel accommodation services to declare a premises as a "specified premises" for the relevant financial year.

❖ The declaration must include:

- Name, GSTIN, PAN, and other details of the registered person.
- A statement confirming the premises as a "specified premises" for the given financial year, continuing for subsequent years unless a fresh declaration (via **Annexure IX**) is made.

➤ **Filing Requirement:**

- The **Opt-in Declaration** must be submitted **between 1st January and 31st March** of the preceding financial year.

Notification-6

Seeks to amend Notification No 12/2017-Central Tax (Rate dated 28th June, 2017 to implement the recommendations of the 55th GST Council.

Background

Notification No. 12/2017-Central Tax (Rate) provides a detailed list of goods and services that are either **exempt** from Goods and Services Tax (GST) or **taxed at a reduced rate**. It lays down the tax rates and exemptions applicable under the Central Goods and Services Tax (CGST) Act, 2017.

This specific notification covers:

- **Exemptions and Tax Rates:** It provides a comprehensive list of services and goods that are exempt from GST or subject to specific tax rates, along with their corresponding GST classification (HSN or SAC codes).

Here are the key points of the amendment:

1. **Changes to the Table in Notification:**

- ❖ **Serial number 25A:** The phrase "transmission and distribution" is replaced with "transmission or distribution."
- ❖ **Serial number 36B:** A new entry is added for "Services of insurance provided by the Motor Vehicle Accident Fund," with a Nil tax rate.
- ❖ **Serial number 69:** A new item (f) is added for "a training partner approved by the National Skill Development Corporation."

2. **Changes to Paragraph 2 of the Notification:**

- ❖ **Item (w):** This item will be omitted from **April 1, 2025**.
- ❖ **Item (zja):** "Insurer" is defined as per sub-section (9) of section 2 of the **Insurance Act, 1938**

Notification-7

Seeks to amend Notification No 13/2017-Central Tax (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council..

Notification No. 13/2017-Central Tax (Rate) outlines services subject to the **reverse charge mechanism (RCM)** under the **CGST Act, 2017**. It specifies categories where the recipient, rather than the supplier, is liable to pay GST.

Amendments in the Table:

- **Serial number 4:** In column (3), the words "Any person" will be followed by the phrase "other than a body corporate."
- **Serial number 5AB:** In column (4), after "Any registered person," the phrase "other than a person who has opted to pay tax under composition levy" will be added.

These amendments clarify that the provisions apply to "any person" excluding body corporates and to "registered persons" who have not opted for the composition scheme.

Notification-8

Seeks to amend Notification No 17/2017- Central Tax (Rate), dated 28th June, 2017 to implement the recommendations of the 55th GST Council.

Effective Date: 1st April 2025

❖ Amendment in Explanation:

The definition of "specified premises" in item (c) is now aligned with the definition provided in **clause (xxxvi)** of paragraph 4 of **Notification No. 11/2017-Central Tax (Rate)** dated 28th June 2017.

Central Tax

Notification-1

Seeks to extend the due date for furnishing FORM GSTR-1 for the month of December, 2024 and the quarter of October to December, 2024, as the case may be

key points of the amendment:

1. **Extension of Time Limit:** The time limit for furnishing **details of outward supplies in FORM GSTR-1** is extended for certain registered persons.
2. **Tax Period December 2024:** For registered persons required to file under section 39(1), the deadline is extended until **13th January 2025**.
3. **Tax Period October to December 2024:** For those required to file under the proviso to section 39(1), the deadline is extended until **15th January 2025**.
4. **Legal Authority:** The amendment is made under the powers conferred by the first proviso to sub-section (1) of section 37 and section 168 of the **CGST Act, 2017**.

Consequently, the Draft GSTR-2B for the month of December 2024 (Quarter Oct-Dec 2024) will now be generated on **16th January 2025** in accordance.

Notification-2

Seeks to extend the due date for furnishing FORM GSTR-3B for the month of December, 2024 and the quarter of October to December, 2024, as the case may be

Background: This amendment is issued under **Section 39(6)** and **Section 168** of the **Central Goods and Services Tax Act, 2017 (CGST Act, 2017)**. The Commissioner, acting on the recommendations of the GST Council, has extended the due dates for filing **FORM GSTR-3B** for the tax periods **December 2024** and **October to December 2024**, providing additional time for registered persons.

Key Points:

1. **Extended Deadline for FORM GSTR-3B Filing:**
 - **For December 2024:** The deadline for filing **FORM GSTR-3B** for the month of December is extended to **22nd January 2025**.
2. **Quarterly Filing (October - December 2024):**
 - For registered persons filing under the **quarterly scheme** (proviso to Section 39(1)):
 - **For specified states/UTs (Chhattisgarh, Madhya Pradesh, Gujarat, etc.):** The due date is extended to **24th January 2025**.

- For other states/UTs (Himachal Pradesh, Punjab, Uttar Pradesh, etc.): The due date is extended to 26th January 2025.

Notification-3

Seeks to extend the due date for furnishing FORM GSTR-5 for the month of December, 2024

Background: This amendment provides additional time for non-resident taxable persons to file their GSTR-5 return for December 2024, based on the recommendations of the GST Council.

Key Points:

1. **Extension for Non-Resident Taxable Persons:** The deadline for filing FORM GSTR-5 (for non-resident taxable persons) for December 2024 is extended to 15th January 2025.
2. **Legal Basis:** The extension is made under Section 39(6) and Section 168 of the CGST Act, 2017, and Rule 63 of the CGST Rules, 2017.

Notification-4

Seeks to extend the due date for furnishing FORM GSTR-6 for the month of December, 2024

Background: This amendment provides additional time for Input Service Distributors to file their GSTR-6 return for the month of December 2024. The extension is made based on the recommendations of the GST Council

Key Points:

1. **Extension for GSTR-6 Filing:** The deadline for filing FORM GSTR-6 (for Input Service Distributors) for December 2024 is extended to 15th January 2025.
2. **Legal Basis:** The extension is granted under Section 39(6) and Section 168 of the CGST Act, 2017, and Rule 65 of the CGST Rules, 2017.

Notification-5

Seeks to extend the due date for furnishing FORM GSTR-7 for the month of December, 2024

Background: This amendment allows additional time for registered persons who are required to deduct tax at source under Section 51 of the CGST Act, 2017 to file their GSTR-7 return for December 2024. The extension is made on the recommendations of the GST Council

Key Points:

1. **Extension for GSTR-7 Filing:** The deadline for filing FORM GSTR-7 (for registered persons required to deduct tax at source) for December 2024 is extended to 12th January 2025.
2. **Legal Basis:** The extension is granted under Section 39(6) and Section 168 of the CGST Act, 2017, and Rule 66 of the CGST Rules, 2017.

Notification-6

Seeks to extend the due date for furnishing FORM GSTR-8 for the month of December, 2024

Background: This amendment provides additional time for e-commerce operators to file their GSTR-8 for December 2024. The extension is based on the recommendations of the GST Council, allowing operators more time to comply with the reporting requirements for outward supplies.

Key Points:

1. **Extension for GSTR-8 Filing:** The **deadline for filing FORM GSTR-8** (statement of outward supplies made through an e-commerce operator) for **December 2024** is extended to **12th January 2025**.
2. **Legal Basis:** The extension is granted under the **first proviso to sub-section (4) of Section 52 and Section 168 of the CGST Act, 2017, and Rule 67 of the CGST Rules, 2017**.

Notification-7

Central Tax Notification to amend CGST Rules, CGST (Amendment) Rules, 2025

Background: This amendment introduces provisions for granting a **temporary identification number** to non-registered persons who need to make payments under the CGST Act and updates existing forms and procedures to reflect these changes.

Key Points:

1. **Amendment to CGST Rules, 2017:** The **Central Goods and Services Tax (Amendment) Rules, 2025** have been introduced, amending specific provisions of the **CGST Rules, 2017**.
2. **New Rule 16A:** A new rule, **Rule 16A**, is introduced to provide for the **grant of a temporary identification number** to persons who are not liable for registration under the Act but need to make payments under the provisions of the Act. This identification will be issued by the proper officer in **Part B of FORM GST REG-12**.
3. **Amendment to Rule 19:** **Rule 19(1)** is amended to include an **intimation from a composition taxpayer in FORM GST CMP-02**, in addition to the current **FORM GST REG-10**.
4. **Amendment to Rule 87:** **Rule 87(4)** is amended to mention that the **common portal** will operate as per **Rule 16A** for issuing temporary identification numbers.
5. **Substitution of FORM REG-12:** **FORM REG-12** is being substituted with a new form, though the details of the new form are not specified in the provided text.

Notification-8

Central Tax Notification for waiver of the late fee

Background: This waiver is provided to ease compliance for taxpayers who missed submitting **FORM GSTR-9C** along with the **annual return** for the aforementioned financial years. The waiver aims to encourage the timely filing of **GSTR-9C** by March 2025 without additional penalties beyond the standard late fee provisions.

Key Points:

1. **Waiver of Late Fee:** The **Central Government** has waived the late fee for the **GSTR-9** returns for financial years **2017-18 to 2022-23**, **excess** of the fee payable under **Section 47 of the CGST Act**. This waiver applies to registered persons who were required to file **FORM GSTR-9C** along with the **GSTR-9** annual return but failed to do so on time.
2. **Deadline for Filing:** These registered persons are allowed to file the **FORM GSTR-9C** statement subsequently on or before **31st March 2025**.
3. **Non-Refund of Paid Fees:** Any **late fee already paid** for the delayed submission of **FORM GSTR-9C** will not be refunded.

Advisory Issued

Advisory-1

Advisory to Taxpayers on Extension of E-Way Bills Expired on 31st December, 2024

Background: These measures aim to mitigate the impact of the technical disruption on e-way bill compliance and ensure taxpayers and transporters can complete their e-way bill obligations promptly.

Key Points:

1. **Technical Issue Resolved:** The technical issues affecting the e-way bill generation process have been resolved, and the portal is now functioning normally.
2. **Extension of Expired E-Way Bills:**
 - E-way bills that expired at **midnight on 31st December 2024** can now be extended until **midnight on 1st January 2025**.
 - Taxpayers and transporters are encouraged to use the "Extend EWB" facility on the portal to extend these bills if needed.
3. **Generation of E-Way Bills for Goods Moved During the Glitch:**
 - Taxpayers and transporters who moved goods on **31st December 2024** without generating e-way bills due to the technical issues must generate them on **1st January 2025** using the portal.
4. **Assistance:** For any issues, taxpayers can contact the helpline or visit the portal support page for guidance.

Advisory-2

Advisory for Enabling filing of Application for Rectification

Background: It lies in the introduction of Section 16(5) and Section 16(6) of the CGST Act, which now allow the rectification of wrongly availed Input Tax Credit (ITC) under certain conditions. Previously, taxpayers faced demands due to violations of Section 16(4), but these new provisions enable them to rectify such orders if the ITC is now eligible

Key Points:

1. **Eligibility for rectification:**
 - Taxpayers with ITC demand orders under Section 73/74 (due to Section 16(4) contravention) can now apply for rectification if ITC is eligible under new Section 16(5) and/or Section 16(6).
2. **Procedure:**
 - Rectification applications can be submitted via the GST Portal under the "My Applications" section.
3. **Supporting Document:**
 - Annexure A (Word format) must be completed and uploaded as part of the application.
4. **Reference Material:** A [detailed guide](#) is available through the provided link.

Advisory-3

Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Rajasthan, Tamil Nadu and Himachal Pradesh

Key Points: Updates to GST Registration Process

1. **Amendment to Rule 8 of CGST Rules, 2017:**
 - Applicants may be identified through **biometric-based Aadhaar authentication and document verification** based on risk parameters.
 - A photograph of the applicant and original document verification is part of the process.
2. **Rollout:**
 - The functionality was implemented on **January 7, 2025**, in **Rajasthan**.
 - The functionality was implemented on **January 28, 2025**, in **Tamil Nadu and Himachal Pradesh**.
3. **Verification Options:**
 - Applicants will receive an email with one of the following:
 - **OTP-based Aadhaar Authentication** link (to follow the current process).
 - **Appointment booking link** for visiting a GST Suvidha Kendra (GSK) for biometric authentication and document verification.
4. **GSK Appointment Process:**

- Applicants in the mentioned states can now book appointments via the provided link.
- Confirmation of the appointment will be sent via email.
- 5. **Documents Required for GSK Visit:**
 - Copy of the appointment confirmation email.
 - Details of jurisdiction as per the intimation email.
 - Original Aadhaar and PAN Cards.
 - Original documents uploaded with the application.
- 6. **Biometric and Document Verification:**
 - Verification must be completed within the permissible time as per the intimation email.
 - Application Reference Numbers (ARNs) will be issued upon successful completion.
- 7. **Operational Details of GSKs:**
 - Days and hours of operation depend on state administration guidelines.

This process ensures accurate verification and streamlined GST registration while leveraging biometric and document authentication systems.

Advisory-4

Advisory for Waiver Scheme under Section 128A

Key Points:

- ❖ **Forms GST SPL-01 & GST SPL-02** are now available on the GST portal. Taxpayers are advised to file applications under the waiver scheme promptly.
- ❖ **Appeal Withdrawal Requirement:**
One of the eligibility conditions for availing the waiver scheme is to withdraw any appeal applications (APL-01) filed against the demand order/notice/statement related to the waiver request.
- ❖ For appeals before the First Appellate Authority: The withdrawal option is already available on the GST portal.
- ❖ For appeals filed before March 21, 2023: The withdrawal option is not available on the portal. Taxpayers must submit a withdrawal request to the concerned Appellate Authority, who will forward it to GSTN through the State Nodal Officer for backend processing.

Advisory-5

Advisory on Implementation of mandatory mentioning of HSN codes in GSTR-1 & GSTR 1A

Key Changes in Phase-III:

- **HSN Code Selection:** Manual entry of HSN codes has been replaced with a dropdown selection to ensure accuracy.
- **Table 12 Bifurcation:**
 - Now divided into **two tabs: B2B and B2C** for separate reporting of these supplies.
- **New Validations Introduced:**
 - **Supply values and tax amounts** in both **B2B and B2C tabs** will now be validated.
 - Initially, these validations will be in **warning mode only**, meaning non-compliance **will not block** the filing of **GSTR-1 & GSTR-1A** at this stage.

Advisory-6

Advisory on Business Continuity for e-Invoice and e-Waybill Systems

Key Points:

1. **Multi IRPs for e-Invoice Reporting:**
 - To ensure **redundancy** and **continuity**, there are **six active Invoice Registration Portals (IRPs)**:
 - NIC-IRP 1: [Link](#)
 - NIC-IRP 2: [Link](#)
 - Cygnet IRP: [Link](#)
 - Clear IRP: [Link](#)
 - EY IRP: [Link](#)
 - IRIS IRP: [Link](#)
 - **NIC-IRP 1 and NIC-IRP 2 are interoperable**, allowing a seamless switch between the two in case of disruptions.
2. **Testing and Sandbox Access:**
 - Users can test these features in the **NIC sandbox environment**: [Link](#)
 - If **NIC-IRP** is down, the other listed IRPs can be used.
3. **Dual Portals for e-Waybill Services:**
 - **Redundancy for e-Waybill services** is provided with two portals:
 - **eWaybill1**: [Link](#)
 - **eWaybill2**: [Link](#)
4. **Unified Authentication Token:**
 - **One authentication token** can be generated and used across multiple NIC portals (e-Invoice and e-Waybill), eliminating the need for separate tokens for each service.
5. **API Interoperability for Seamless Operations:**
 - **Cross-portal operations** are possible through API integration, allowing for:
 - Accessing **NIC1** e-Invoice services via **NIC2** APIs and vice versa.
 - Supported **e-Invoice APIs** include:
 - Get IRN details
 - Cancel IRN
 - Generate e-Waybill by IRN
 - Get e-Waybill details by IRN
 - **e-Waybill cross-operation APIs**: Get e-Waybill details and Part B update APIs.
6. **Actions Recommended for Taxpayers:**
 - **Verify API access** to ensure cross-portal interoperability.
 - **Coordinate with service providers** (IRP, ERPs, GSPs, ASPs) to enable alternate mechanisms.
 - **Explore other IRPs** beyond NIC-IRP 1 & 2 to ensure continuity.
 - For further help, contact **system integrators, service providers, or the GST helpdesk**

Advisory-7

Advisory on the Introduction of E-Way Bill (EWB) for Gold in Kerala State

Background:

- ❖ The Government of Kerala has issued a notification to mandate the generation of E-Way Bills for goods classified under Chapter 71 (precious metals like gold) for intrastate movement within the state. This is in line with the state's efforts to enhance tracking and regulation of goods, particularly valuable items like gold.
- ❖ The exclusion of Imitation Jewellery (HSN 7117) ensures that only genuine gold or precious metal items (excluding imitation products) are tracked under this new process.

Key Points:

1. Introduction of E-Way Bill (EWB) for Gold in Kerala:

- A new feature has been introduced in the E-Way Bill (EWB) system for generating EWB for gold in Kerala.

- This option became effective from **January 20, 2025**.

2. Scope of Coverage:

- The EWB for gold can be generated only for goods covered under Chapter 71 of the HSN Code, excluding HSN 7117 (Imitation Jewellery).
- This new feature is specifically for the intrastate movement of these goods within Kerala.

3. Imitation Jewellery (HSN 7117):

- Taxpayers will continue to generate EWB for Imitation Jewellery (HSN 7117) using the regular process in the EWB system, separate from the "EWB for gold" option.

4. Assistance for Taxpayers:

- For any queries or assistance, taxpayers are encouraged to contact the GST Helpdesk.

Advisory-8

Advisory on Hard - Locking of auto-populated liability in GSTR-3B

Background:

- The decision to restrict editing of auto-populated liability in GSTR-3B was initially made to improve GST compliance and prevent errors related to manual changes of auto-populated data.
- The postponement gives businesses more time to prepare for the transition and adjust their systems and processes to comply with the new rule.

Key Points:

1. Advisory on Auto-Populated Liability in GSTR-3B:

- An earlier [advisory, dated October 17, 2024](#), had announced that from the January 2025 tax period, the auto-populated liability in GSTR-3B would become non-editable.

2. Implementation Postponed:

- Due to multiple requests from the trade for more time to adapt, the decision to make the auto-populated liability non-editable in GSTR-3B will not be implemented from the January 2025 tax period on the GST Portal.

3. Future Implementation:

- The change will be introduced soon, but no exact date is provided yet.

COMPLIANCE CALENDER

Direct Taxes

February 07, 2025

- Due date for deposit of Tax deducted/collected by an office of government for the month of January, 2025. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan.

February 14, 2024

- Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M & 194-S in the month of November 2024.

February 15, 2024

- Due date for Furnishing of Form 24G by an office of the Government where TDS/TCS for the month of January, 2025 has been paid without the production of a challan
- Quarterly TDS Certificate (in respect of tax deducted for payments other than salary) for the quarter ending December 31, 2024).

Indirect Taxes

February 10th, 2025

- Due date for filing GSTR-7 & GSTR-8 (Jan, 2025).

February 11th, 2025

- Due date for filing of GSTR-1 for turnover exceeding 5Cr or opted to file monthly return (Jan 2025).

February 13th, 2024

- Due date for filing of GSTR-1 who opted for quarterly filing as per QRMP scheme (Jan, 2025).
- Due date for filing of GSTR-5 & GSTR-6 (Jan, 2025).

February 20, 2024

- Due date for filing of GSTR-3B for turnover exceeding 5 Cr or opted to file monthly return.
- Due date for filing of GSTR-5A.

February 18, 2025

- Due date for filing of CMP-08. (Jan-Mar, 2025)



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