

**N. D. KAPUR & CO.  
CHARTERED ACCOUNTANTS**

**Monthly Updates**

**MARCH 2025**

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**(I) INDIRECT TAXATION**

**AMENDMENTS AND CLARIFICATIONS TO GST AMNESTY SCHEME**

The Central Board of Indirect Taxes and Customs (CBIC), through Notification No. 11/2025-Central Tax and Circular No. 248/05/2025-GST, both dated 27 March 2025, has introduced amendments to Rules 164(4) and 164(7) of the CGST Rules, 2017. These amendments relate to the procedural framework under the GST Amnesty Scheme introduced by Section 128A of the CGST Act, 2017.

Under the amended rules, in cases where the notice, statement, or order partially relates to the amnesty period (1 July 2017 to 31 March 2020) and partially to a subsequent period, Rule 164 (4) and proviso to Rule 164(7) have been amended to allow the taxpayer to file an application under FORM SPL-01 or FORM SPL-02 as the case may be after making payment of his tax liability for the periods covered under section 128A.. The taxpayer is not required to withdraw the entire appeal but must inform the Appellate Authority or Appellate Tribunal of their intention not to pursue the matter for the amnesty-covered period. The Appellate Authority or Appellate Tribunal as the case may, shall after taking note of the said request, pass such order for the period other than that mentioned in the said sub-section, as it thinks just and proper.

It is clarified that no refund shall be granted for any tax, interest, or penalty already paid for the entire period prior to 26 March 2025, even if such payments included amounts for the subsequent period not covered under the Scheme.

Further, CBIC has clarified that any GST paid through Form GSTR-3B prior to 1 November 2024 shall be considered valid for the purposes of availing the Amnesty Scheme, subject to verification by the proper officer. However, from 1 November 2024 onwards, taxpayers must discharge GST liability strictly through the modes prescribed under Rule 164 of the CGST Rules.

Consequent to these amendments, the earlier clarification issued under Para 4 of Circular No. 238/32/2024-GST dated 15 October 2024 has been withdrawn.

**ENACTMENT OF THE FINANCE BILL, 2025**

The Finance Bill, 2025 has been enacted on 29<sup>th</sup> March 2025. The amendments made by the Finance Act, 2025 in the CGST Act, 2017 except in section 20 of the said Act, shall become effective from a date to be notified subsequently. Amendments made in section 20 have become effective from 01.04.2025.

**ADVISORY FOR ENHANCEMENTS IN BIOMETRIC FUNCTIONALITY - ALLOWING DIRECTORS TO OPT FOR BIOMETRIC AUTHENTICATION IN THEIR HOME STATE**

It may be noted that new GST registration applicants who opt for Aadhaar authentication are required to undergo the process either through OTP verification or Biometric Authentication at a designated GST Suvidha Kendra (GSK), based on system-driven data analysis. To facilitate a seamless process, GSTN provides a slot booking facility, with the link shared in the intimation email sent to the applicant.

As per the existing system, applicants selected for Biometric Authentication must visit the designated GSK mapped to their jurisdiction. However, GSTN has now introduced an additional facility allowing certain Promoters/Directors to complete their Biometric Authentication at any GSK in their Home State.

This facility applies to individuals listed in the Promoter/Partner tab for the following types of businesses:

- Public Limited Company
- Private Limited Company
- Unlimited Company
- Foreign Company

Under this enhancement, such Promoters/Directors can now choose any available GSK within their Home State in India (as per REG-01) for Biometric Authentication.

**Key Points to Note:**

1. If a new registration application is selected for Biometric Authentication, an intimation email will be sent to the applicant. Eligible Promoters/Directors will be given the option to select any GSK in their Home State through this email.
2. To avail of this option, such Promoter/Director must follow the instructions provided in the intimation email and select a GSK within their home state.
3. The selection of a GSK in the Home State is a one-time facility and cannot be changed once selected. Promoters/Directors are advised to choose their GSK carefully.
4. This facility is currently available in 33 States/UTs where Biometric Authentication has been enabled. It will soon be extended to the remaining three states: Uttar Pradesh, Assam, and Sikkim. Such Promoters/Directors whose Home State is other than Uttar Pradesh, Assam, or Sikkim can opt for any GSK in their Home State.
5. Upon selection of a Home-State GSK, the Promoter/Director will receive an email confirmation, along with a new slot booking link.
6. Using the provided link, the Promoter/Director can book a slot at their convenience, subject to availability at the chosen GSK.
7. The required photo capture and Biometric Authentication process will be completed at the selected GSK in the Home State.
8. If a Promoter/Director has already completed the biometric process, they will not be required to undergo it again.

9. If the Promoter/Director and the Primary Authorized Signatory (PAS) are the same person, the Home-State GSK selection option will not be available. The PAS must visit the designated jurisdictional GSK for the required process, including document verification.
10. To ensure a smooth process, it is advised that the Promoter/Director completes Biometric Authentication before the Primary Authorized Signatory visits the GSK.
11. Opting for Biometric Authentication at a GSK in the home state is not mandatory. Promoters/Directors can visit their designated jurisdictional GSK if preferred.

### **ADVISORY FOR BIOMETRIC-BASED AADHAAR AUTHENTICATION AND DOCUMENT VERIFICATION FOR GST REGISTRATION**

With effect from 15.03.2025, the Biometric based Aadhaar Authentication has been rolled out in state of Uttar Pradesh.

With effect from 01.04.2025, the Biometric based Aadhaar Authentication has been rolled out in state of Asaam.

### **ADVISORY FOR ISSUE IN FILING APPLICATIONS (SPL 01/SPL 02) UNDER WAIVER SCHEME**

1) Grievances are raised by taxpayers regarding difficulties faced while filing the waiver applications. Following grievances faced by taxpayers have come to the notice of GSTN and team is working to resolve the issues at the earliest.

- (i) Order number is not available in dropdown for selection in SPL 02.
- (ii) Order details are not getting auto populated after selection of a particular order in SPL 02.
- (iii) Payment details are not getting auto populated in Table 4 of SPL 02.
- (iv) After filing the SPL 02 for a demand order, the taxpayer is not able to make payment using “Payment towards Demand” for that order. Also, taxpayer is not able to adjust the amount paid through DRC 03, against the same demand order, using DRC 03A.
- (v) Not able to withdraw the Appeal applications (APL 01) filed before First Appellate authority against a particular order.

2) It is learned that there is a misconception among the trade that the last date to file waiver application is 31.03.2025. In this regard, it may be noted that the last date to file waiver applications is not 31.03.2025. As per Rule 164(6) of CGST Rules, 2017, the taxpayers have to file waiver applications within a period of

three months from the notified date. Therefore, the taxpayers can file waiver applications in SPL 01/02 till 30.06.2025.

3) However, as per Notification 21/2024-CT dated 8.10.2024, the due date for payment of tax payable for availing wavier scheme is 31.03.2025. Therefore, the taxpayers are advised to pay the requisite amount within due date using "Payment Towards Demand" functionality in GST portal.

4) In case any difficulty is faced in using the said functionality, then the taxpayers are advised to make a Voluntary Payment using Form DRC-03 under category 'Others'. After completing the payment, they can submit the Form DRC-03A to link the payment made in DRC-03 with the relevant demand order.

5) If Payment details are not auto populated in Table 4 of SPL 02, it is advised to verify the same in electronic liability ledger on GST portal. Then the taxpayer can proceed for filing waiver application. The navigation path to access the electronic liability ledger is Login>> Services>> Ledgers>> Electronic Liability Register

Taxpayers are advised to make the payment on or before 31.03.2025 and file the waiver application on or before 30.06.2025. For any other issues faced, the taxpayers are advised to raise grievance ticket immediately so that issue can be resolved.

#### **ADVISORY ON CASE INSENSITIVITY IN IRN GENERATION**

- 1) This is to inform you that, effective 1st June 2025, the IRP (Invoice Reporting Portal) would treat invoice/document numbers as case-insensitive for the purpose of IRN generation.

To ensure consistency and avoid duplication, invoice numbers reported in any format (e.g., "abc", "ABC", or "Abc") would be automatically converted to uppercase before IRN generation. This change aligns with the treatment of invoice numbers in GSTR-1, which already treats them as case-insensitive

## **(II) DIRECT TAXATION**

### **CBDT ISSUES FAQs CLARIFYING REVISED COMPOUNDING GUIDELINES UNDER THE INCOME TAX ACT, 1961**

The Central Board of Direct Taxes (“**CBDT**”) issued FAQs to clarify the revised Compounding of Offences Guidelines under the Income Tax Act, 1961, effective from 17 October 2024. These guidelines supersede all prior instructions and apply to both pending and fresh compounding applications.

Key Highlights from the Circular:

- All offences under the IT Act are now compoundable, including under Sections 275A and 276B.
- No limitation on the number of compounding applications; however, habitual offenders may be denied relief.
- Time limit for filing compounding applications has been removed, enabling filing even after earlier rejections for delay.
- Rejected applications due to curable defects can be refiled; consolidated applications are permitted.
- Pending applications as on 17 October 2024 remain valid and are to be processed under the revised norms.
- Higher compounding charges apply to subsequent applications.
- Co-accused may file independently, but undertakings for appeal withdrawal must be submitted by the main accused.
- Compounding now permitted even in cases involving ED/CBI.
- Charges will be determined based on application sequence, not merely whether the application was suo moto or post-prosecution.

### **CBDT AMENDS SCOPE OF SAFE HARBOUR RULES**

Pursuant to the recent Union Budget announcement aimed at reducing litigation and enhancing certainty for multinational enterprises, the CBDT has amended the Safe Harbour Rules under the Income-tax Rules, 1962. These changes, notified vide Notification No. 21/2025 dated 25 March 2025, aim to facilitate ease of doing business and expand the applicability of the safe harbour regime.

Key amendments include an expansion in the definition of core auto components under Rule 10TA to now include *lithium-ion batteries for electric or hybrid electric vehicles*. This amendment is a step towards aligning transfer pricing provisions with the government’s electric mobility agenda.

Under Rule 10TD, the thresholds for eligible international transaction values for applying safe harbour rates have been enhanced from INR 200 crore to INR 300 crore for software development services, IT-enabled services, knowledge process outsourcing services, and contract R&D services in both software and pharmaceutical sectors. However, the safe harbour mark-up percentages remain unchanged.

Further, the safe harbour applicability period has been extended by two additional assessment years. The provisions under sub-rules (1) and (2A) will now apply for AY 2020-21 to AY 2026-27, offering longer-term certainty to eligible taxpayers.

**AMENDMENT IN TAX AUDIT REPORT (FORM 3CD) ISSUED U/S 44AB OF THE INCOME TAX ACT, 1961**

The Income Tax department has amended Tax Audit Reporting Form 3CD. Key Changes introduced in Form 3CD with effect from April 1, 2025 are as under –

1. Insertion of Section 44BBC in Clause (12) of Form No. 3CD.
2. Omission of certain deductions under Clause (19), removing references to Sections 32AC, 32AD, 35AC, and 35CCB.
3. Modification of Clause (21) to include expenditures related to settlement of legal proceedings for contraventions notified by the Central Government.
4. Replacement of Clause (22) to include: Interest inadmissible under Section 23 of MSMED Act, 2006. Amounts due to micro or small enterprises under Section 15 of the MSMED Act.
5. Changes in Clause (26) to modify references and wording related to tax allowances.
6. Omission of Clauses (28) and (29).
7. Changes in Clause (31): New codes for types of transactions (e.g., Cash payments/ receipts, Non-account payee cheques, Journal entries, etc.).
8. Requirement to specify the nature of each loan or deposit transaction.

Insertion of Clause (36B) requiring details about buyback of shares:

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