

# GST Trail

January 2025

## Key Highlights

GST Notifications and  
Clarification Circulars



## Notification Updates

### [Notification 01/2025–Central Tax dated 10 January 2025; Notification 02/2025–Central Tax dated 10 January 2025; Advisory on Extension of Due Date w.r.t GSTR 1 and GSTR 3B and Advisory on generation date for Draft GSTR 2B for December 2024](#)

CBIC has notified that the due date for filing GSTR-1 was extended from December 2024 to 13 January 2025 and for the quarter of October 2024 to December 2024, till 15 January 2025.

Further, the due date for filing GSTR-3B was extended to December 2024 till 22 January 2025. The due date for filing GSTR-3B for the quarter of October 2024 to December 2024 was extended to 24 January 2025 for some states, whereas the same was extended to 26 January 2025 for other states.

Accordingly, the Draft GSTR-2B for December 2024 (Quarter Oct-Dec 2024) was generated on 16th January 2025 in accordance with rule 60 of CGST Rules, 2017.

### [Notification 03/2025–Central Tax dated 10 January 2025](#)

CBIC has notified that the due date for filing GSTR-5 by a non-resident taxable person for December 2024 is extended till 15 January 2025.

### [Notification 04/2025–Central Tax dated 10 January 2025](#)

CBIC has notified that the due date for filing GSTR-6 by the Input Service Distributor for December 2024 is extended till 15 January 2025.

### [Notification 05/2025–Central Tax dated 10 January 2025](#)

CBIC has notified that the due date for filing GSTR-7 by the registered person required to deduct tax at source for December 2024 is extended till 12 January 2025.

### [Notification 06/2025–Central Tax dated 10 January 2025](#)

CBIC has notified that the due date for filing GSTR-8 containing the details of outward supplies effected through an e-commerce operator for December 2024 is extended till 12 January 2025.

### [Notification 07/2025–Central Tax dated 23 January 2025](#)

CBIC has notified the Central Goods and Services Tax (Amendment) Rules, 2025. Rule 16A has been inserted in the CGST Rules, 2017, which provides that where a person is not liable to registration under the Act but is required to make any payment under the provisions of the Act, the proper officer may grant the said person a temporary identification number and issue an order in Part B of FORM GST REG-12. Appropriate amendments have also been made in Form GST REG-12 and Rule 87(4) of the CGST Rules.

Further, Rule 19(1) of the CGST Rules is amended to enable composition taxpayers to amend the particulars furnished in FORM GST CMP-02 in accordance with the provisions outlined in said Rule.

### [Notification 08/2025–Central Tax dated 23 January 2025 read with Circular No. 246/03/2025-GST dated 30 January 2025](#)

CBIC has clarified that in cases where the reconciliation statement in FORM GSTR-9C is required to be furnished along with the annual return in FORM GSTR-9, the

furnishing of the annual return under Sec.44 of the CGST Act may not be said to be complete unless both returns in FORM GSTR-9 and FORM GSTR-9C are furnished.

Thus, late fee under Sec. 47(2) of the CGST Act, is leviable for the delay in furnishing of complete annual return under section 44 of the CGST Act, i.e., both FORM GSTR-9 and FORM GSTR-9C (where FORM GSTR-9C is also required to be furnished) and the late fee shall be payable for the period from the due date of furnishing of the said annual return upto the date of furnishing of the complete annual return. As per [Notification 08/2025–Central Tax dated 23 January 2025](#), the late fee in respect of delayed filing of complete annual return for any financial year upto FY 2022-23 has been waived, which is in excess of the late fee payable under Sec. 47(2) of CGST Act upto the date of furnishing of return in FORM GSTR-9 for the said financial year, if FORM GSTR-9C is furnished on or before 31 March 2025.

Further, no refund shall be admissible with respect to any late fee already paid with respect to the delayed furnishing of FORM GSTR-9C for the said financial years.

**[Notification 01/2025–Central Tax\(Rate\) dated 16 January 2025;](#)  
**[Notification 01/2025–Integrated Tax\(Rate\) dated 16 January 2025 and](#)  
**[Notification 01/2025–Union Territory Tax\(Rate\) dated 16 January](#)  
**[2025](#)********

CBIC has amended [Notification 01/2017–Central Tax\(Rate\) dated 28 June 2017;](#) [Notification 01/2017–Integrated Tax\(Rate\) dated 28 June 2017](#) and [Notification 01/2017–Union Territory Tax\(Rate\) dated 28 June 2017](#) and to notify CGST/UTGST rate of 2.5% and IGST rate of 5% on fortified Rice Kernel (FRK). Further, the explanation for the expression ‘pre-packaged and labeled’ has also been amended.

**[Notification 02/2025–Central Tax\(Rate\) dated 16 January 2025;](#)  
**[Notification 02/2025–Integrated Tax\(Rate\) dated 16 January 2025 and](#)  
**[Notification 02/2025–Union Territory Tax\(Rate\) dated 16 January](#)  
**[2025](#)********

CBIC has amended [Notification 02/2017–Central Tax\(Rate\) dated 28 June 2017;](#) [Notification 02/2017–Integrated Tax\(Rate\) dated 28 June 2017](#) and [Notification 02/2017–Union Territory Tax\(Rate\) dated 28 June 2017](#) to notify CGST, IGST and UTGST exemption on goods pertaining to Gene Therapy.

**[Notification 03/2025–Central Tax\(Rate\) dated 16 January 2025;](#)  
**[Notification 03/2025–Integrated Tax\(Rate\) dated 16 January 2025 and](#)  
**[Notification 03/2025–Union Territory Tax\(Rate\) dated 16 January](#)  
**[2025](#)********

CBIC has amended [Notification 39/2017–Central Tax\(Rate\) dated 18 October 2017;](#) [Notification 40/2017–Integrated Tax\(Rate\) dated 18 October 2017,](#) and [Notification 39/2017–Union Territory Tax\(Rate\) dated 18 October 2017](#) to include food inputs for the below under the reduced 2.5% CGST/UTGST and 5% IGST rates, subject to specified conditions:

- i. Food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government;
- ii. Fortified Rice Kernel (Premix) supply for ICDS or similar scheme duly approved by the Central Government or any State Government.

[Notification 04/2025–Central Tax\(Rate\) dated 16 January 2025;](#)  
[Notification 04/2025–Integrated Tax\(Rate\) dated 16 January 2025 and](#)  
[Notification 04/2025–Union Territory Tax\(Rate\) dated 16 January](#)  
[2025](#)

CBIC has amended [Notification 08/2018–Central Tax\(Rate\) dated 25 January 2018;](#)  
[Notification 09/2018–Integrated Tax\(Rate\) dated 25 January 2018](#) and [Notification](#)  
[08/2018–Union Territory Tax\(Rate\) dated 25 January 2018](#) to increase the  
CGST/UTGST rate from 6% to 9% and IGST rate from 12% to 18% on all old and  
used vehicles other than those mentioned from S. No. 1 to S.No.3 of said  
notification.

[Notification 05/2025–Central Tax\(Rate\) dated 16 January 2025;](#)  
[Notification 08/2025–Central Tax\(Rate\) dated 16 January 2025;](#)  
[Notification 05/2025–Integrated Tax\(Rate\) dated 16 January 2025;](#)  
[Notification 08/2025–Integrated Tax\(Rate\) dated 16 January 2025;](#)  
[Notification 05/2025–Union Territory Tax\(Rate\) dated 16 January](#)  
[2025](#) and [Notification 08/2025–Union Territory Tax\(Rate\) dated 16](#)  
[January 2025](#)

CBIC has amended [Notification 11/2017–Central Tax\(Rate\) dated 28 June 2017;](#)  
[Notification 08/2017–Integrated Tax\(Rate\) dated 28 June 2017](#) and [Notification](#)  
[11/2017–Union Territory Tax\(Rate\) dated 28 June 2017](#) to omit the definition  
provided therein for “Declared Tariff.”

Further, the definition of “Specified Premises” has been amended. Accordingly,  
annexures for the appropriate opt-in and opt-out declarations have also been  
inserted.

[Notification 17/2017–Central Tax\(Rate\) dated 28 June 2017](#); [Notification 14/2017–Integrated Tax\(Rate\) dated 28 June 2017](#) and [Notification 17/2017–Union Territory Tax\(Rate\) dated 28 June 2017](#) are also amended to specify the above definition for “Specified premises.” The said amendments are effective from 01 April 2025.

[Notification 06/2025–Central Tax\(Rate\) dated 16 January 2025](#);  
[Notification 06/2025–Integrated Tax\(Rate\) dated 16 January 2025](#);  
and [Notification 06/2025–Union Territory Tax\(Rate\) dated 16 January 2025](#)

- CBIC has amended [Notification 12/2017–Central Tax\(Rate\) dated 28 June 2017](#); [Notification 9/2017–Integrated Tax\(Rate\) dated 28 June 2017](#) and [Notification 12/2017–Union Territory Tax\(Rate\) dated 28 June 2017](#) as below:
  1. Sr. No. 25A(CGST&UTGST) and Sr. No. 26A(IGST) are amended to substitute the term “transmission and distribution” with “transmission or distribution”;

2. Sr. No. 36B(CGST&UTGST) and Sr. No. 37A(IGST) inserted to grant CGST, IGST, and UTGST exemption for services of insurance provided by the Motor Vehicle Accident Fund, constituted under section 164B of the Motor Vehicles Act, 1988 (59 of 1988), against contributions made by insurers out of the premiums collected for third party insurance of motor vehicles.  
The definition for the term “insurer” is specified to be the same as assigned to it in sub-section (9) of section 2 of the Insurance Act, 1938(4 of 1938);
3. Sr. No. 69(CGST&UTGST) and Sr. No. 72(IGST) amended to grant CGST, IGST, and UTGST exemption to any service provided by a training partner approved by the National Skill Development Corporation in relation to the specified scheme/programme/course.
4. The definition provided for “declared tariff” has been omitted w.e.f. 01 April 2025.

[Notification 07/2025–Central Tax\(Rate\) dated 16 January 2025;](#)  
[Notification 07/2025–Integrated Tax\(Rate\) dated 16 January 2025 and](#)  
[Notification 07/2025–Union Territory Tax\(Rate\) dated 16 January](#)  
[2025](#)

CBIC has amended [Notification 13/2017–Central Tax\(Rate\) dated 28 June 2017;](#)  
[Notification 10/2017–Integrated Tax\(Rate\) dated 28 June 2017,](#) and [Notification](#)  
[13/2017–Union Territory Tax\(Rate\) dated 28 June 2017](#) to exclude the following  
services from being taxable under RCM:

1. Sponsorship services provided by a body corporate to any other body corporate or partnership firm;
2. Renting of immovable property (other than a residential dwelling) by an unregistered supplier to a composition taxpayer.

[Notification 01/2025–Compensation Cess \(Rate\) dated 16 January](#)  
[2025](#)

CBIC has notified a Compensation Cess rate of 0.1% on the supply of taxable goods by a registered supplier to a registered recipient for export subject to specified conditions.

## Circular Updates

### [Circular No. 244/01/2025-GST dated 28 January 2025](#)

The CBIC has issued clarification w.r.t. the below transactions which are to be treated neither as a supply of goods nor as a supply of services, with effect from 01 November 2024 vide [Notification No. 17/2024-Central Tax dated 27 September 2024](#):

1. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays the CGST, SGST, UTGST, and IGST, as the case may be, on the entire amount of premium paid by the insured.
2. Services by the insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from the reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the CGST, SGST, UTGST, and IGST, as the case may be, is aid by the reinsurer on the gross

reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.

It is thus clarified that the payment of GST on the aforesaid activities is regularized for the period 01 July 2017 to 31 October 2024 on an 'as is where is' basis.

### [Circular No. 245/02/2025-GST dated 28 January 2025](#)

The CBIC has issued clarification regarding the applicability of GST on certain transactions as below:

**Penal charges levied by the Regulated Entities (REs) in view of RBI instructions dated 18 August 2023 directing such REs to levy penal charges in place of penal interest for non-compliance of material terms and conditions of loan contract by the borrower.**

The same is to be treated in line with treatment clarified in [Circular No. 178/10/2022-GST dated 03 August 2022](#) for liquidated damages pertaining to breach of contract, i.e., no GST applicable thereon.



**Whether GST exemption under Sl. No. 34 of [Notification 12/2017-Central Tax \(Rate\) dated 28 June 2017](#) is available to Payment Aggregators (PAs) in relation to the settlement of an amount, up to two thousand rupees in a single transaction, transacted through credit card, debit card, charge card or other payment card services?**

The said exemption is available to RBI-regulated PAs in relation to the settlement of an amount, up to INR 2000 in a single transaction, transacted through a credit card, debit card, charge card, or other payment card services, as PAs fall within the definition of 'acquiring bank' given in the Explanation to the said exemption entry. It is also clarified that this exemption is limited to the payment settlement function only, which involves the handling of money and does not cover Payment Gateway (PG) services.

**Regularizing payment of GST on research and development services provided by Government Entities against consideration in the form of grants received from Government Entities.**

[Notification 08/2024-Central Tax\(Rate\) dated 08 October 2024](#) specifically exempts

research and development services provided by Government Entities or research associations, universities, colleges, or other institutions, notified under Sec.35(1)(ii) or Sec. 35(1)(iii) of the Income Tax Act, 1961, against consideration in the form of grants., w.e.f. 10 October 2024. The supply of such services is regularized from 01 July 2017 to 09 October 2024 on an "as is where is' basis.

**Regularizing payment of GST on skilling services provided by Training Partners approved by the National Skill Development Corporation.**

The entry at Sl. No. 69 of the [Notification 12/2017-Central Tax \(Rate\) dated 28 June 2017](#) was amended w.e.f. 10 October 2024 vide [Notification 08/2024 Central Tax \(Rate\) dated 08 October 2024](#).

The said exemption has been reinstated per [Notification 06/2025-Central Tax \(Rate\) dated 16 January 2025](#).

The payment of GST on services provided by Training Partners approved by the National Skill Development Corporation, which were exempt prior to 10 October 2024, is regularized for the period 10 October 2024 to 15 January 2025 on an 'as is where is basis.'

### **Applicability of GST on facility management services provided to Municipal Corporation of Delhi (MCD) Headquarters.**

Sr. No. 3A of [Notification 12/2017-Central Tax \(Rate\) dated 28 June 2017](#) provides exemption to composite supply of goods and services in which the value of supply of goods constitutes not more than 25% of the value of the said composite supply provided to the Government or local authority by way of any activity in relation to any function entrusted to a Municipality under Article 243W of The Constitution of India.

MCD is receiving the services of facility management such as housekeeping, civil maintenance, furniture maintenance, and horticulture agency for the upkeep of their office. These services are not supplied in relation to performing any functions entrusted to a Municipality under Article 243W of The Constitution of India. Such services are not covered under the scope of the exemption entry. Hence, GST is applicable.

### **Whether Delhi Development Authority (DDA) is a local authority as per section**

### **2(69) of the CGST Act, 2017?**

As per entry at Sr. No. 5 of [Notification 13/2017-Central Tax\(Rate\) dated 28 June 2017](#), services supplied by the local authority to a business entity are taxable on a Reverse Charge (RCM) basis.

Local authority under section 2(69) of the CGST Act, 2017 has been defined as a “Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund.”

The DDA does not meet the above requirement of local authority and hence cannot be treated as local authority under GST law.

**Regularizing payment of GST on a Reverse Charge (RCM) basis on renting of commercial property by an unregistered person to a registered person for taxpayers registered under composition levy.**

Renting commercial property by an unregistered person to a taxpayer registered under composition levy is taxable under forward charge as per [Notification 07/2025-Central Tax \(Rate\) dated 16 January 2025](#).

The same was previously taxable under RCM vide [Notification 09/2024-Central Tax \(Rate\) dated 08 October 2024](#) w.e.f. 10 October 2024 by inserting an entry at Sr. No. 5AB of the [Notification 13/2017-Central Tax\(Rate\) dated 28 June 2017](#).

Payment of GST on RCM basis for the aforesaid supply is regularized from 10 October 2024 to 15 January 2025 on an 'as is where is' basis.

**Regularizing the payment of GST on services provided by M/s Goethe Institute/Max Mueller Bhawans.**

Goethe Institute/Max Mueller Bhawan has six institutes across India that provide linguistic and cultural training to young Indians preparing for their stay in Germany.

They did not collect GST from their students, nor did they pay GST to the Government as they were under the bonafide belief that their activities are exempt from GST.

Payment of GST on services supplied by Goethe Institute/Max Mueller Bhawans is regularized for the period from 01 July 2017 to 31 March 2023 on an 'as is where is' basis.

## Technical Updates

### Gross and Net GST revenue collection report for December 2024

The GSTN team has released Gross and Net GST revenue collections for December 2024. The report highlights an 8.6% increase in Net GST revenue from December 2023. Detailed report may be viewed [here](#).

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

The Team GSTN informed that the technical challenges encountered in the e-way bill generation process have been resolved with various facilitation measures, such as the extension of expired E-Way bills up to 01 January 2025 and the generation of E-Way bills for goods moved during the glitch.

### Enabling filing of Application for Rectification as per Notification 22/2024-Central Tax dated 08 October 2024

As per [Notification 22/2024-Central Tax dated 08 October 2024](#), any registered person against whom any order confirming demand for wrong availment of ITC, on account of contravention of provisions of Sec. 16(4) of the said Act had been issued, but where such ITC is now available as per the recently inserted Sec.16(5) and/or Sec.16(6), would now be able to file an application for rectification of such demand orders.

A functionality has now been made available on the GST portal for taxpayers to file an application for rectification of such orders issued under section 73/74.

The detailed step-by-step process for filing the rectification application may be accessed [here](#).

## Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of:

1. [Rajasthan;](#)
2. [Tamil Nadu and Himachal Pradesh](#)

In accordance with the amended Rule 8 of the CGST Rules, 2017, which provides that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application, the GSTN has developed said functionality. Said functionality has been rolled out in Rajasthan on 7th January 2025 and in Tamil Nadu as well as Himachal Pradesh on 28 January 2025. The advisories also outline the detailed procedure for the document verification and appointment booking process.

## Advisory for Waiver Scheme under Section 128A

The GSTN team has informed that both Forms GST SPL 01 and GST SPL 02 are available in the GST portal, and the taxpayers are advised to file applications under the waiver scheme. Team GSTN has informed that for the appeal applications (APL 01) filed before the First Appellate Authority, the withdrawal option is already available in the GST portal. However, for the appeal applications (APL 01) filed before 21 March 2023, the taxpayers are advised to submit their request for withdrawal of appeal applications to the concerned Appellate Authority. The Appellate Authority will forward such requests to GSTN through the State Nodal officer for withdrawal of such appeal applications (i.e., filed before 21 March 2023 and not disposed of) from the backend.

Difficulty, if any, faced by the taxpayers may be reported [here](#) by raising a ticket under the category “Issues related to Waiver Scheme.”

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

The GSTN team has informed that Phase-III regarding Table 12 of GSTR-1 & 1A is being implemented from the return period of February 2025. In this phase, manual entry of HSN has been replaced by choosing the correct HSN from the given Dropdown. Also, Table 12 has been bifurcated into two tabs, namely B2B and B2C, to report these supplies separately. Further, validation regarding values of the supplies and tax amounts involved in the same have also been introduced for both the tabs of Table 12. However, in the initial period, these validations have been kept in warning mode only, which means failing the validation will not be a blocker for filling GSTR-1& 1A. The detailed advisory may be accessed [here](#).

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

The GSTN team has issued an advisory to highlight the alternate mechanisms and business continuity plans available for both the e-invoice and e-waybill systems. Team GSTN has requested the integration of the below alternate mechanisms into taxpayers' system integrators, IRPs, ERPs, GSPs, or ASPs to ensure that these mechanisms are fully operational and accessible when needed.

1. Multi IRPs for e-Invoice Reporting
2. Dual Portals for e-Waybill Services
3. Unified Authentication Token at NIC-IRP & e-Waybill Portal
4. API Interoperability for Seamless Operations

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

The GSTN team has informed that a new option for generating E-Way Bills (EWB) for gold has been introduced in the EWB system, effective from 20 January 2025. This feature has been made available to facilitate taxpayers in Kerala State to generate EWB for goods classified under Chapter 71, excluding HSN 7117 (Imitation Jewellery), for intrastate movement, in compliance with the notification issued by the Government of Kerala.

## Attention – Hard - Locking of auto-populated liability in GSTR-3B

The GSTN team has informed that the decision to make the auto-populated liability in GSTR-3B non-editable is currently not being implemented from January tax period on the GST Portal. However, Team GSTN has intimated that the above change will be introduced soon and encourages taxpayers to prepare for the same.

## About Nexdigm

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We provide integrated, digitally driven solutions encompassing Business and Professional Services, that help companies navigate challenges across all stages of their life-cycle. Through our direct operations in the USA, Poland, UAE, and India, we serve a diverse range of clients, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries.

Our multidisciplinary teams serve a wide range of industries, with a specific focus on healthcare, food processing, and banking and financial services. Over the last decade, we have built and leveraged capabilities across key global markets to provide transnational support to numerous clients.

From inception, our founders have propagated a culture that values professional standards and personalized service. An emphasis on collaboration and ethical conduct drives us to serve our clients with integrity while delivering high quality, innovative results. We act as partners to our clients, and take a proactive stance in understanding their needs and constraints, to provide integrated solutions. Quality at Nexdigm is of utmost importance, and we are ISO/IEC 27001 certified for information security and ISO 9001 certified for quality management.

We have been recognized over the years by global organizations, like the International Accounting Bulletin and Euro Money Publications, World Commerce and Contracting, Everest Group Peak Matrix® Assessment 2022, for Procurement Outsourcing (PO) and Finance and Accounting Outsourcing (FAO), ISG Provider Lens™ Quadrant 2023 for Procurement BPO and Transformation Services and Global Sourcing Association (GSA) UK.

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