

# When does GSTAT start accepting appeals under GST? - March, 2025 update

## **When does GSTAT start accepting appeals under GST?**

On March 24, 2025, during a Lok Sabha session, Shri Pradyut Bordoloi asked Unstarred Question No. 3808 to the Ministry of Finance regarding the status of the Goods and Services Tax Appellate Tribunal (GSTAT). The question was answered by Shri Pankaj Chaudhary, Minister of State in the Ministry of Finance.

**Question (a):** Whether the Government has completed the process of appointing all the members of the National Bench of the GST Appellate Tribunal (GSTAT) and operationalising it and if not, the reasons therefor.

**Ans.** The Principal Bench and State Benches of the Goods and Services Tax Appellate Tribunal (GSTAT) have been notified. The President, GSTAT has been appointed . . Work towards early operationalization is in progress.

**Question (b):** The details and the number of States that have not yet operationalised the State benches of their GSTATs.

**Ans.** The Principal Bench and State Benches of the Goods and Services Tax Appellate Tribunal (GSTAT) have been notified. The President, GSTAT has been appointed . . Work towards early operationalization is in progress.

**Question (c):** The details and the number of GST appeals pending for the last five years.

**Ans.** GSTAT has not started accepting appeals.

**Question (d):** Whether the Government has set any timelines for the establishment of the State benches of GSTATs in all the States.

**Ans.** After the benches are constituted, GSTAT would commence operations.

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## Whether the cases where tax has been paid through return in FORM GSTR-3B instead of through FORM GST DRC-03, prior to enforcement of CGST Section 128A would be

# eligible for the benefit?, now clarified

The issue concerns whether taxpayers who have paid tax through FORM GSTR-3B instead of FORM GST DRC-03, before the notification of Section 128A of the CGST Act (i.e., before 1st November 2024), are eligible to claim benefits under this section.

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## Various issues related to availment of benefit of Section 128A of the CGST Act, 2017 - Circular No. 248/05/2025-GST dated 27.03.2025

Circular No. 248/05/2025-GST

**F. No. CBIC-20001/14/2024-GST  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes and Customs  
GST Policy Wing**

North Block, New Delhi,

Dated: 27th March 2025

To,  
All the Principal Chief Commissioners/ Chief Commissioners  
All the Principal Directors General/ Directors General

Madam/Sir,

**Subject: Various issues related to availment of benefit of Section 128A of the CGST Act, 2017-reg.**

Based on the recommendations of the GST Council made in its 53rd and 54th meetings, a new section 128A was inserted in the Central Goods and Services Tax Act, 2017 (hereinafter referred to as CGST Act, 2017) and Rule 164 has been inserted in the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as CGST Rules, 2017) . 1st November 2024 to provide for waiver of interest or penalty or both relating to demands raised under Section 73 for the period from 1st July 2017 to 31st March 2020. In this regard, circular No. 238/32/2024-GST dated 15th October 2024 has also been issued clarifying various issues related to implementation of the said provisions.

2. Representations have been received from trade and industry highlighting certain issues being

faced in availing the benefit provided under section 128A of the CGST Act, 2017 such as eligibility of cases for benefit under section 128A, where payment has been made through GSTR-3B instead of DRC-03 and treatment of withdrawal of appeals filed by the taxpayer against consolidated adjudication order covering periods beyond the one specified under section 128A of the CGST Act, 2017 for the purpose of availing the said benefit.

3. Accordingly, in view of the difficulties being faced by the trade and industry and to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168 (1) of the CGST Act, 2017, hereby clarifies the issues detailed hereunder.

4. Unless otherwise specified, all the sections mentioned in this circular refer to sections of the CGST Act, 2017 and all the rules mentioned herein refer to the rules of CGST Rules, 2017.

**4.1 Issue 1: Whether the cases where tax has been paid through return in FORM GSTR-3B instead of through FORM GST DRC-03, prior to the notification of section 128A November 2024, would be eligible for the benefit under section 128A of the CGST Act?**

Representations have been received seeking clarification as to whether cases where payment has been made through FORM GSTR 3B, before coming into force of section 128A into force, i.e. 1st November 2024, are eligible for benefit provided under said section.

The matter has been examined. Vide circular No. 238/32/2024-GST dated 15th October, 2024, it was clarified that any amount paid towards the said demand prior to the date notified under sub-section (1) of section 128A i.e. 1st November 2024, shall be considered as payment made towards the amount payable under sub- section (1) of Section 128A, as long as the said amount has been paid prior to 1st November 2024 and was intended to be paid towards the said demand.

Further, rule 164 (1) provides that in order to avail the benefit under section 128A, payments are to be made in FORM GST DRC-03 towards the tax demanded in respect of a notice or a statement mentioned in section 128A (1) (a) and rule 164(2) provides that tax payment shall mandatorily be made only by crediting the amount in the electronic liability register against the debit entry created in respect of orders mentioned in clauses (b) and (c) of sub-section (1) of section 128A. The said sub-rule also provides the procedure to be followed for cases where payment has already been made through FORM GST DRC-03.

From the examination of the above provisions, it is clarified that a taxpayer who has made the payment through FORM GSTR-3B before the date of coming into force of section 128A i.e. 01st November 2024, shall also be eligible to avail the benefit under the said section. However, any taxpayer who intends to avail the benefit of the said provision on or after the said section comes into force, November 2024 shall be required to make payments necessarily through the modes as prescribed under rule 164 of the CGST Rules.

Therefore, it is clarified that the cases where the payment of tax has been made through FORM GSTR 3B prior to the issuance of demand notice and/or adjudication order before the date 1st November 2024, shall also be eligible for benefit under section 128A of the CGST Act, subject to verification by the proper officer.

**4.2 Issue 2: Whether (i) the entire amount of tax demanded is required to be discharged and (ii) the appeal is required to be withdrawn for the entire period, where notices/statements/orders issued to taxpayers, pertains to period covered partially under**

## **Section 128A and partially by those outside it.**

In cases where the notice/statement or order etc. pertains to the period partially covered under section 128A and partially beyond the said 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 after filing FORM SPL-01 or FORM SPL-02 as the case may, shall intimate the appellate authority or Tribunal his intent to avail the benefit of Section 128A and that he does not intend to pursue the appeal for the period covered under the said Section i.e. FY 2017-18 to 2019-20. 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.

. Clarification issued vide point 6 of the Table at para 4 of circular No. 238/32/2024-GST dated 15th October 2024 is accordingly withdrawn.

5. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.
6. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board.

**Yours faithfully,  
(Gaurav Singh)  
Commissioner (GST)**

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# **GST Act Amendments by Finance Act, 2025 - Clause-Wise Breakdown - As passed by Lok Sabha on March 25, 2025**

## **Analysis of Amendments to the GST Act by the Finance Act, 2025**

(As passed by Lok Sabha on )

### **1. Expansion of Input Tax Credit (ITC) for ISDs [Sections 2(61) & 20 of CGST Act, 2017]**

Proposed to amend the definition of "Input Service Distributor" in clause (61) of section 2 of CGST Act, 2017 so as to explicitly provide for distribution of input tax credit by the Input Service Distributor in respect of inter-state supplies, on which tax has to be paid on reverse charge basis, by inserting reference to sub-section (3) and sub-section (4) of section 5 of the Integrated Goods and Services Tax Act in the definition of Input Service Distributor.

Further, the Bill provides amendments in Section 20(1) of the CGST Act so as to explicitly provide for distribution of ITC by the ISD in respect of inter-State supplies, on which tax has to be paid on

RCM basis, by inserting a reference to sub-section (3) and sub-section (4) of section 5 of the IGST Act in the said sub-section. It further seeks to amend sub-section (2) of the said section so as to explicitly provide for distribution of ITC by the ISD in respect of inter-State supplies, on which tax has to be paid on RCM basis, by inserting reference to subsection (3) and sub-section (4) of section 5 of the IGST Act in the said sub-section.

- **Amendment:** Input Service Distributors (ISD) can now distribute ITC for inter-state supplies liable to tax under the Reverse Charge Mechanism (RCM).
- **Implication:** This change ensures proper allocation of ITC among distinct persons under the same PAN, improving compliance for businesses using ISD.
- **Enforcement:** 1st day of April, 2025

## **2. Clarification on the Definition of “Local Authority” [Section 2(69)]**

Proposed to amend Section 2(69)(c) so as to substitute the term “municipal or local fund” with the terms “municipal fund or local fund” and to insert an Explanation after the said sub-clause, to provide the definitions of the terms “local fund” and “municipal fund” used in the definition of “local authority” under the said clause so as to clarify the scope of the said terms.

- **Amendment:** The term “fund” has been inserted in relation to municipal authorities. Additionally, definitions for “local fund” and “municipal fund” have been provided.
- **Implication:** This clarification removes ambiguity and ensures consistency in taxation for local government entities.

## **3. Introduction of “Unique Identification Marking” [Section 2(116A)]**

A insert a new clause (116A) in section 2 will be inserted so as to define the expression “unique identification marking” to mean a mark that is unique, secure and nonremovable, for implementation of track and trace mechanism.

- **Amendment:** Introduces a digital marking system for goods to enhance tracking.
- **Implication:** Strengthens the tracking mechanism to reduce tax evasion and improve transparency in the supply chain.

## **4. Changes in the Time of Supply Provisions [Sections 12 & 13]**

Section 12(4) and Section 13(4) of the CGST Act will be omitted so as to remove the provision for time of supply in respect of transaction in vouchers, the same being neither supply of goods nor supply of services.

- **Amendment:** Sub-section (4) in both sections has been omitted.

- **Implication:** Simplifies tax compliance by removing certain time constraints related to the determination of tax liability.

## **5. Amendment in ITC Eligibility [Section 17(5)]: Change in definition of Plant or Machinery**

In Section 17(5) of the Central Goods and Services Tax Act, for the words “plant or machinery”, the words “plant and machinery” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017, to remove any ambiguity in interpretation for the purpose of availment of input tax credit in such cases.

Also, a new Explanation will be inserted as:

“Explanation 2.-For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to “plant or machinery” shall be construed and shall always be deemed to have been construed as a reference to “plant and machinery”;

The above Explanation clarifies the said amendment is made notwithstanding anything to the contrary contained in any judgment, decree or order of any court or any other authority.

- **Amendment:** The term “plant or machinery” is replaced with “plant and machinery,” with retrospective effect from July 1, 2017.
- **Implication:** Ensures uniform interpretation of ITC provisions, overriding previous court judgments.

## **6. Amendment in Credit Note Adjustments [Section 34]**

The Bill will amend the proviso to Section 34(2) of the CGST Act so as to explicitly provide for the requirement of reversal of corresponding ITC in respect of a credit-note, if availed, by the registered recipient, for the purpose of reduction of tax liability of the supplier in respect of the said credit note. It further seeks to remove the condition in the said proviso of not having passed the incidence of interest on supply for the purpose of reduction of tax liability of the supplier in respect of the said credit note.

- **Amendment:** Restricts tax liability reduction if ITC on the credit note has not been reversed or if the tax burden has been passed on.
- **Implication:** Prevents misuse of credit notes and ensures fair tax adjustments.

## **7. Updates to Auto-Populated Returns [Section 38]**

The Finance Bill, 2025 seeks to amend Section 38(1) of the CGST Act to omit the expression “auto-generated” with respect to statement of input tax credit in the said sub-section. It further seeks to amend sub-section (2) of the said section by omitting the expression “auto-generated” with respect to statement of input tax credit in the said sub-section and inserting the expression “including” after

the words “by the recipient” in clause (b) of said sub-section so as to make the said sub-section inclusive to cover other cases where input tax credit is not available to taxpayer under any other provisions of the Act. It further inserts a new clause (c) in the said sub-section to provide for an enabling clause to prescribe other details to be made available in statement of input tax credit.

- **Amendment:** Changes references from “auto-generated statement” to “statement” and introduces additional prescribed details.
- **Implication:** Provides flexibility in return filing and enhances reporting accuracy.

## **8. Changes in Return Filing Conditions [Section 39]**

Section 39(1) of the CGST Act will be amended to provide for an enabling clause to prescribe conditions and restriction for filing of return under the said sub-section.

- **Amendment:** Adds conditions and restrictions for timely return filing.
- **Implication:** Ensures stricter compliance with return filing norms.

## **9. Appeal Conditions for Penalty Orders [Sections 107 & 112]**

The Finance Bill, 2025 will substitute the proviso to Section 107(6) of the CGST Act to provide for the requirement of pre-deposit of ten per cent. of the penalty amount for filing an appeal before the Appellate Authority against an order which involves demand of penalty without involving any demand of tax. Further, it will insert a proviso to Section 112(8) of CCST Act to provide for the requirement of pre-deposit of 10% of the penalty amount for filing an appeal before the Appellate Tribunal (GSTAT) against an order which involves demand of penalty without involving any demand of tax.

- **Amendment:** Mandates a pre-deposit of 10% of the penalty amount for filing an appeal.
- **Implication:** Discourages frivolous appeals and ensures accountability.

## **10. Penalty for Non-Compliance with the Track and Trace Mechanism [New Section 122B]**

A new Section-122B will be inserted in CGST Act, as:

“122B. Notwithstanding anything contained in this Act, where any person referred to in clause (b) of sub-section (1) of section 148A acts in contravention of the provisions of the said section, he shall, in addition to any penalty under Chapter XV or the provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees or ten per cent. of the tax payable on such goods, whichever is higher.”

The new Section 122B imposes a penalty on individuals who violate the provisions of Section 148A.

In addition to any other applicable penalties, the offender must pay either Rs. 1 lakh or 10% of the tax payable on the goods, whichever is higher.

- **Amendment:** Introduces a penalty of Rs. 1 lakh or 10% of tax payable for failing to comply with the tracking mechanism.
- **Implication:** Enforces stricter adherence to the new digital tracking system.

## 11. Establishment of Track and Trace Mechanism [New Section 148A]

The Finance Bill, 2025 introduced track and trace mechanism vide a new section 148A in the CGST Act so as to provide for an enabling provision for implementation of track and trace mechanism for ensuring effective monitoring and control of supply of specified commodities. The Section 148A of CGST is reproduced here:

“**148A.** (1) The Government may, on the recommendations of the Council, by notification, specify,—

(a) the goods;

(b) persons or class of persons who are in possession or deal with such goods,

to which the provisions of this section shall apply.

(2) The Government may, in respect of the goods referred to in clause (a) of sub-section (1),—

(a) provide a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons, as may be prescribed; and

(b) prescribe the unique identification marking for such goods, including the information to be recorded therein.

(3) The persons referred to in sub-section (1), shall,—

(a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner;

(b) furnish such information and details within such time and maintain such records or documents, in such form and manner;

(c) furnish details of the machinery installed in the place of business of manufacture of such goods, including the identification, capacity, duration of operation and such other details or information, within such time and in such form and manner;

(d) pay such amount in relation to the system referred to in sub-section (2),

as may be prescribed.”

Section 148A empowers the government to mandate a **track and trace system** for specified goods and persons handling them. It allows for the **affixation of unique identification markings** on



such goods and **electronic record-keeping**. Businesses dealing with these goods must comply by marking, maintaining records, providing machinery details, and paying prescribed fees.

- **Amendment:** Government can mandate digital tracking for specific goods, including unique ID marking.
- **Implication:** Improves supply chain transparency and tax compliance.

## **12. Changes in GST Treatment for Special Economic Zones [Schedule III]**

The Finance Act, 2025 seeks to insert a new clause (aa) in paragraph 8 of Schedule III of the CGST Act to specify that the supply of goods warehoused in a Special Economic Zone (SEZ) or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area shall be treated neither as supply of goods nor as supply of services. It further seeks to amend the Explanation 2 of the said Schedule to clarify that the said Explanation shall be applicable in respect of clause (a) of paragraph 8 of the said Schedule. It also seeks to insert an Explanation 3 in the said Schedule to define the expressions "Special Economic Zone", "Free Trade Warehousing Zone" and "Domestic Tariff Area", for the purpose of the proposed clause (aa) in paragraph 8 of said Schedule.

- **Amendment:** Includes warehouse supplies in SEZs and FTWZs under exempt transactions, with retrospective effect from July 1, 2017.
- **Implication:** Streamlines GST application on SEZ-related transactions.

## **13. No Refund for Erroneous Tax Collection [Section 128]**

- **Amendment:** No refund will be provided for tax collected incorrectly before the amendment.
- **Implication:** Prevents revenue loss due to retrospective claims.

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**[What is a 'tax year' in the Income Tax Bill, 2025? | The term 'financial year' is not defined in the new Income-tax Bill](#)**

# What is a 'tax year'?

A 'tax year' is a period of twelve months contained in a financial year. It replaces the term 'previous year' used in the Income-tax Act, 1961. Further, with the discontinuance of the use of the term 'assessment year' in the Income-tax Bill, now the term 'tax year' will now be used in relation to the rate or rates of income-tax also. In addition, any assessment of the income or total income will also be done for a 'tax year'.

Use of the terms 'previous year' and 'assessment year' were creating confusion in the minds of the taxpayers as they represented two different financial years. The rationale for the use of two terms is no longer valid in view of alignment of 'previous year' with the financial year or part of the financial year (in specific cases). The term 'Tax year' is commonly used in income-tax legislation in comparable tax jurisdictions.

As a tax year can be a period which is less than the financial year in certain cases, the term 'financial year' has not been used while doing away with the terms 'previous year' and 'assessment year'. However, many actions are carried out by tax authorities and other stakeholders while implementing the tax law, being procedural actions and compliances, such as time period for filing returns, rectifications etc, which require reference to a financial year. In such cases, the time period denoted by a financial year has more relevance. This means that the term 'financial year' is required separately.

The term 'financial year' is not defined in the Income-tax Bill. It is not defined in the Income-tax Act, 1961 also. It is defined in section 3(21) of the General Clauses Act, 1897 as the year commencing on 1st April.

The term 'financial year' has been used in the Income-tax Bill. For example, in the proposed section 21(5) of the Bill, reference has been made to a financial year in relation to the completion certificate issued by a competent authority in case of a building held as stock-in-trade. In such cases, the term financial year has relevance instead of the term 'tax year'.

In the Income-tax Act, 1961, the charge of income-tax was on 'total income' of the 'previous year' of a person. Further, income-tax is charged for an 'assessment year' at the rate or rates provided by a Central Act. In the Income-tax Bill, in place of the term 'previous year', the term 'tax year' has been used. Further, the use of term 'assessment year' has been discontinued. Now, the total income also pertains to a 'tax year' and the rate or rates of incometax also pertain to that 'tax year'.

**Check more news on New Income Tax Act, 2025**

## FAQs on the Tax Year under the Income Tax Bill, 2025

**Can a 'tax year' be a period which is less than a 'financial year'?**

Yes. This will happen when a business is newly set up during any financial year, or a source of income comes into existence during a financial year. In such cases, the tax year will begin from the date of setting up of the business or the source of income coming into existence, and end on the last day of that financial year.

**Will the concept of 'tax year' conflict with the concept of an 'assessment year' at any particular time? For example, if the new Act comes into effect from 1st April, 2026, will the tax year 2026-27 of the new Act conflict with the Assessment Year 2026-27 of the Income-**

## tax Act, 1961?

No. The reasons are as follows:

- i. The Assessment Year 2026-27 of the Income-tax Act, 1961 will pertain to the income of a taxpayer for the previous year 2025-26 and not to the income of the financial year 2026-27;
- ii. The tax year 2026-27 of the new Act will pertain to the income of a taxpayer for the financial year 2026-27;
- iii. The assessment for income of the previous year (financial year) 2025-26 of a taxpayer shall be done as per the provisions of the Income-tax Act, 1961 for the assessment year 2026-27;
- iv. The assessment for income of tax year (financial year) 2026-27 of a taxpayer shall be done as per the provisions of the Bill for tax year 2026-27.

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## Section Mapping | Comparison of New Income Tax Bill, 2025 Sections corresponding to Old Income Tax Act, 1961

### **Comparison of New Income Tax 2025 and Old Income Tax 1961**

### **Section of Income Tax Bill, 2025 corresponding Sections of Income Tax Act, 1961**

The current Income-tax Act was enacted in 1961 and came into existence with effect from . It has been amended nearly 65 times with more than 4000 amendments, year on year through Finance Acts, based on the evolving requirements of modifications in taxation policy. Attempts have been made in the past, including those in 2009 and 2019 for simplification of the Income tax Act.

The Hon'ble Finance Minister in the budget speech in July 2024 stated that the purpose of the comprehensive review of the Income-tax Act, 1961, is to make the Act "*concise, lucid, easy to read and understand*".

**Sections:** Total Sections in Existing Income Tax Act, 1961 are **819** whereas total sections in the Income Tax Bill, 2025 are **536** only.

**Chapters:** Total Chapters in Existing Income Tax Act, 1961 are **47** whereas total Chapters in the

Income Tax Bill, 2025 are **23** only.

The drafting style of the new Bill is straightforward and clear, making the provisions easier to understand by incorporating more than 57 tables compared to 18 tables in the Income-tax Act, 1961. Sub-sections and clauses have been used, instead of relying on provisos and explanations for exceptions and carve-outs. This minimises cross references and conflict by aggregating all applicable provisions related to a single scenario in one place.

***Read also: Clause wise details of the Income Tax Act 2025***

Provisos (more than 1200) and Explanations (more than 900) have been removed, with their simplified content placed as sub-sections or clauses. Wherever feasible, procedural aspects and specific details are proposed to be provided by way of Rules.

**Table**

## **Section Mapping**

**Income Tax Act, 1961 corresponding to Income Tax Bill, 2025**

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**[Clarification regarding GST rates & classification \(goods\) based on the recommendations of the GST Council in its 55th meeting held on 21st December, 2024, at Jaisalmer -Circular No. 247/04/2025-GST dated 14.02.2025](#)**

**Circular No. 247/04/2025-GST**

**F. No. 19354/2/2025-TO(TRU-II)-CBEC  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes and Customs  
GST Policy Wing**

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North Block, New Delhi

Date: 14th February, 2025

To,

The Principal Chief Commissioners/ Principal Directors General,  
The Chief Commissioners/ Directors General,  
The Principal Commissioners/ Commissioners of Central Excise & Central Tax

**Subject: Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council in its 55th meeting held on 21st December, 2024, at Jaisalmer -reg.**

Madam/Sir,

Based on the recommendations of the GST Council in its 55th meeting held on 21st December, 2024, at Jaisalmer, in exercise of the powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017, the Board hereby clarifies the following issues through this circular for the purpose of uniformity in their implementation:

**1. Clarification regarding classification and GST rate on pepper of genus Piper**

1.1 References were received seeking clarification on the classification and applicable GST rate on supply of pepper of the genus Piper and whether supply of dried pepper by an agriculturist is exempt from GST.

1.2 Based on the recommendations of the GST Council in its 55th meeting, it is hereby clarified that pepper of genus Piper, whether green (fresh), white or black, is covered under HS 0904 and attracts 5% GST vide S. No. 38 of Schedule I of notification No. 1/2017-Central Tax (Rate) dated the 28th June, 2017.

1.3 As regards applicability of GST on supply of dried pepper by an agriculturist from their plantations, Section 23 (1) (b) of the CGST Act provides that an agriculturist, as defined in Section 2(7) of the CGST Act, to the extent of supply of produce out of cultivation of land is not liable to take registration.

1.4 As per the recommendation of the GST Council, it is hereby clarified that an agriculturist supplying dried pepper is not liable to be registered under Section 23(1) of the CGST Act is exempt from GST.

**2. Clarification regarding raisins supplied by an agriculturist**

2.1 Reference was received seeking clarification on the applicable rate on supply of raisins by agriculturists.

2.2 As per the recommendation of the GS Council, it is hereby clarified that an agriculturist supplying raisins is not liable to be registered under Section 23(1) of the CGST Act is exempt from GST.

### **3. Clarification on GST rate on ready to eat popcorn**

3.1 Representations were received seeking clarification regarding appropriate classification and applicable GST rate on ready to eat popcorn.

3.2 On the recommendation of the Council, it is hereby clarified that ready to eat popcorn which is mixed with salt and spices are classifiable under HS 2106 90 99. It is also hereby clarified that such ready to eat popcorn mixed with salt and spices classifiable under HS 2106 90 99 attracts 5% GST if other than pre-packaged and labelled vide S. No. 101A of Schedule I of notification No. 1/2017-Central Tax (Rate) dated the 28th June, 2017 and 12% GST if sold as packaged and labelled vide S. No. 46 of Schedule II of notification No. 1/2017-Central Tax (Rate) dated the 28th June, 2017, as it has the essential character of namkeens. However, when the popcorn is mixed with sugar thereby changing its character to sugar confectionary (e.g. caramel popcorn), it would be classifiable under HS 1704 90 90 attracting 18% GST vide S. No. 12 of Schedule III of notification No. 1/2017-Central Tax (Rate) dated the 28th June, 2017

3.3 Further, in view of the prevailing genuine doubts regarding the applicability of GST rate on ready to eat popcorn mixed with salt and spices, as recommended by the Council the issue for past period up to is hereby regularized on '*as is where is*' basis.

### **4. Fly ash based Autoclaved Aerated Concrete Blocks**

4.1 References were received regarding the classification and applicable GST rate on autoclaved aerated concrete (AAC) blocks containing at least 50% fly ash content as raw material.

4.2 Fly ash bricks, fly ash aggregates and fly ash blocks classifiable under HS 6815 attract 12% GST vide S. No. 176B of Schedule II of notification No. 1/2017-Central Tax (Rate) dated . Articles of cement, of concrete or of artificial stone, whether or not reinforced classifiable under HS 6810 attract 18% GST vide . 181 of Schedule III of notification No. 1/2017-Central Tax (Rate) dated .

4.3 As per the recommendation of the GST Council, it is hereby clarified that autoclaved aerated concrete (AAC) blocks containing more than 50% fly ash content will fall under HS 6815 and attract 12% GST.

### **5. Effective date of amended entry regarding ground clearance**

5.1 Representations were received that there are different views in some jurisdictions regarding the effective date of amended entry 52B in notification No. 1/2017-Compensation Cess (Rate) dated .

5.2 Prior to the 50th GST Council meeting, vide entry at . 52B in the notification No. 01/2017-Compensation Cess (Rate) dated , motor vehicles of engine capacity exceeding 1500 cc, popularly known as SUVs, including utility vehicles attracted 22% Compensation Cess.

5.3 Following the 50th GST Council meeting, vide notification No. 03/2023- Compensation Cess (Rate) dated , the entry 52B was substituted to provide that the cess will be applicable to all motor vehicles known as utility vehicles by whatever name called, with engine capacity exceeding 1500cc, length exceeding 4000mm and ground clearance of 170mm and above. Further, a new explanation was added that ground clearance means ground clearance in unladen condition.

5.3 As per the recommendation of the GST Council, it is hereby clarified that the amendment carried out vide notification No. 03/2023- Compensation Cess (Rate) dated will apply on or after .

6. Difficulty, if any, in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

(Limatula Yaden)  
Joint Secretary (TRU-I)  
Tel: 011-2309 2687

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## [Income Tax Bill, 2025 - Official Copy - Download in PDF](#)

### **Income Tax Bill, 2025**

The Income Tax Bill, 2025 has been tabled in Lok Sabha by Smt. Nirmala Sitharaman, the Hon'ble Finance Minister, on .

The debate on the new Income Tax Bill can be check here.

The Income Tax Bill, 2025 contains:

- **536 Sections**
- **16 Schedules**

and the Income Tax Bill, 2025 divided into **23 Chapters**.

#### **Clause wise Details of the Bill: *New Income Tax Bill 2025 - Clause wise details of the Income Tax Act 2025***

The Preamble of the Income Tax Bill is simple as *“to consolidate and amend the law relating to income-tax.”*

On , a motion has been passed in the Parliament to constitute a committee which will make report on the first day of the next session of the Lak Sabha.

Read also: **Section Mapping | Income Tax Act, 1961 corresponding to Income Tax Bill, 2025**

## **Download Authentic Copy of the Income Tax Bill, 2025**

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## **Income Tax Bill 2025 Live Lok Sabha - Debate**

Today (), in the budget session of the Lok Sabha, a motion has been passed to constitute committee to make report on first day of next session of the Lak Sabha

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## **Income Tax Bill, 2025 in the List of Business in the Lok Sabha Today**

As per Today List of Business in the Lok Sabha, Smt. Nirmala Sitharaman to move for leave to introduce a Bill to consolidate and amend the law relating to income-tax.

The Income-tax Act passed in 1961 has been subjected to numerous amendments since its passage sixty years ago. As a result of these amendments the basic structure of the Income-tax Act has been overburdened and language has become complex, increasing cost of compliance for taxpayers and hampering efficiency of direct-tax administration. Tax administrators, practitioners and taxpayers have also raised concerns about the complicated provisions and structure of the Income-tax Act.

Therefore, the Government in the budget in July 2024 announced that a time bound comprehensive review of the Income-tax Act, 1961 would be undertaken to make the Act concise, lucid, easy to read and understand. Accordingly, the Income-tax Bill, 2025 has been prepared which proposes to repeal and replace the Income-tax Act, 1961.



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# [New Income Tax Bill 2025 - Clause wise details of the Income Tax Act 2025 - \(Download\)](#)

## **New Income Tax Act, 2025 (PDF) - Download**

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The Notes on clauses explain in detail the various provisions contained in the Bill.

Read also: **Section Mapping | Income Tax Act, 1961 corresponding to Income Tax Bill, 2025**

Clause wise summary of the Bill as under:

### **1. General Provisions**

- **Clause 1:** Defines the short title, extent, and commencement of the legislation.
- **Clause 2:** Provides definitions of various terms and expressions used in the bill.
- **Clause 3:** Defines the term “tax year” for consistency in tax calculations.

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### **2. Income Tax Provisions**

#### **Chargeability & Scope of Income**

- **Clause 4:** Specifies the chargeability of income tax.
- **Clause 5:** Defines total income for both residents and non-residents.
- **Clause 6:** Outlines conditions for determining residential status in India.
- **Clause 7:** Covers income deemed to be received.
- **Clause 8:** Addresses income from receipt of capital assets or stock.
- **Clause 9:** Defines income deemed to accrue or arise in India, including business connections, interest, dividends, royalties, and capital asset transfers.
- **Clause 10:** Special provision for income apportionment between spouses under the Portuguese Civil Code.

## Income Exemptions

- **Clause 11:** Lists incomes not included in total taxable income (as per Schedules II-VII).
- **Clause 12:** Exempts incomes of political parties and electoral trusts.

## Income Classification & Computation

- **Clause 13:** Classifies income under different heads for tax computation.
  - **Clause 14:** Specifies non-deductible expenses linked to tax-exempt income.
  - **Clause 15-17:** Covers salary income, including wages, pensions, gratuity, commissions, and exclusions for specific perquisites.
- 

# 3. Taxation of Specific Income Categories

## Income from House Property

- **Clause 20:** Defines taxation of rental income from house property.
- **Clause 21:** Determines the annual value of properties.
- **Clause 22-24:** Provides deductions and co-ownership taxation rules.

## Profits & Gains from Business or Profession

- **Clause 26-29:** Covers business income, deductible expenses, and employee welfare deductions.
- **Clauses 30-33:** Deductions for insurance, bad debts, depreciation, and other business expenses.
- **Clauses 34-38:** Specifies conditions for allowing expenses and outlines taxable deemed business profits.
- **Clauses 39-43:** Discusses definitions related to business expenses, asset valuation, and forex fluctuations.

## Capital Gains

- **Clause 67-77:** Covers taxation on asset transfers, distributions during liquidation, and exemptions.
- **Clauses 78-80:** Special cases where market value is used instead of transaction value.
- **Clauses 81-86:** Exemptions for capital gains reinvested in property, bonds, or Special Economic Zones.
- **Clauses 87-91:** Rules for capital gains in mergers, acquisitions, and compulsory land acquisition.

## Income from Other Sources

- **Clauses 92-96:** Covers miscellaneous taxable income sources and their deductions.
  - **Clauses 97-100:** Clubbing provisions where income is transferred without transferring assets.
-

## 4. Special Taxation Provisions

### Taxation of Non-Residents & International Transactions

- **Clause 59:** Taxability of royalties and technical service fees for non-residents.
- **Clauses 60-61:** Presumptive taxation for specific non-resident businesses.
- **Clauses 159-161:** Agreements for double taxation relief and foreign tax credits.
- **Clauses 162-170:** Transfer pricing rules and determination of arm's length price.

### Deductions & Incentives

- **Clause 123-140:** Deductions for insurance, health expenses, higher education loans, electric vehicles, donations, and contributions to political parties.
- **Clauses 141-149:** Business-related tax deductions, including SEZ development and start-ups.

### Special Industry Taxation

- **Clause 225-235:** Tonnage tax scheme for shipping companies.
  - **Clause 221-224:** Special taxation regimes for venture capital funds, infrastructure investment trusts, and real estate investment trusts.
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## 5. Compliance, Filing, and Assessments

### Tax Returns & Assessments

- **Clauses 262-270:** Return filing requirements, electronic submissions, and audits.
- **Clauses 271-278:** Processing returns, reassessments, and rectifications.
- **Clauses 279-287:** Assessment of income that has escaped tax.
- **Clauses 288-296:** Rules for reassessment in search cases.

### Tax Recovery & Penalties

- **Clauses 289-295:** Tax demand notices, appeals, and recovery proceedings.
- **Clauses 296-305:** Legal representatives' responsibilities for tax payments.
- **Clauses 312-328:** Special cases for taxation of estates, partnerships, and dissolved firms.

### Dispute Resolution & Appeals

- **Clauses 356-379:** Appeal procedures before Income Tax Appellate Tribunal, High Courts, and Supreme Court.
  - **Clauses 380-390:** Advance Rulings for tax disputes.
  - **Clauses 391-404:** Tax deduction at source (TDS), tax collection at source (TCS), and advance tax payments.
- 

## 6. Enforcement, Penalties, and Prosecution

## Penalties for Non-Compliance

- **Clauses 439-450:** Penalties for under-reporting income, non-maintenance of accounts, and tax evasion.
- **Clauses 451-465:** Fines for non-deduction of TDS, false financial reporting, and non-filing of returns.
- **Clauses 466-470:** Rules for penalty waivers in genuine cases.

## Prosecution & Criminal Offenses

- **Clauses 471-498:** Punishments for evading tax, falsifying accounts, and aiding tax fraud.
  - **Clauses 499-505:** Asset transfers to avoid tax liabilities deemed void.
  - **Clauses 506-510:** Reporting obligations for crypto transactions and high-value financial activities.
- 

## 7. Miscellaneous Provisions

- **Clauses 511-520:** Reporting of high-value transactions and information sharing.
  - **Clauses 521-530:** Compliance regulations for digital transactions and linking PAN with Aadhaar.
  - **Clauses 531-540:** Rules for processing tax refunds and interest on delayed refunds.
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This bill provides a **comprehensive framework** for **tax administration, compliance, deductions, and enforcement**. It incorporates:

1. **Resident & Non-Resident Taxation:** Clear rules for income earned within and outside India.
2. **Corporate Taxation & Start-up Benefits:** Special incentives for businesses in key sectors.
3. **International Taxation & Transfer Pricing:** Guidelines to ensure fair taxation in global trade.
4. **Stringent Anti-Tax Avoidance Measures:** Strong penalties and prosecution for tax fraud.
5. **Digital & Faceless Tax Assessment:** Increased use of electronic filing and automated processing.

**New Income Tax PDF**

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**[Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of](#)**

# [Maharashtra and Lakshadweep](#)

## **Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Maharashtra and Lakshadweep**

Dear Taxpayers,

This is to inform taxpayers about recent developments concerning the application process for GST registration. It is advised to keep the following key points in mind during the registration process.

1. Rule 8 of the CGST Rules, 2017 has been amended to provide 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.

2. The above-said functionality has been developed by GSTN. It has been rolled out in Maharashtra and Lakshadweep on 8th February, 2025

3. The said functionality also provides for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail,

(a) A Link for OTP-based Aadhaar Authentication OR

(b) A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail)

4. If the applicant receives the link for OTP-based Aadhaar Authentication as mentioned in point 3(a), she/he can proceed with the application as per the existing process.

5. However, if the applicant receives the link as mentioned in point 3(b), she/he will be required to book the appointment to visit the designated GSK, using the link provided in the e-mail.

6. The feature of booking an appointment to visit a designated GSK is now available for the applicants of Maharashtra and Lakshadweep.

7. After booking the appointment, the applicant gets the confirmation of appointment through e-mail (the appointment confirmation e-mail), she/he will be able to visit the designated GSK as per the chosen schedule.

8. At the time of the visit of GSK, the applicant is required to carry the following details/documents

(a) a copy (hard/soft) of the appointment confirmation e-mail

(b) the details of jurisdiction as mentioned in the intimation e-mail

(c) Aadhaar Card and PAN Card (Original Copies)

(d) the original documents that were uploaded with the application, as communicated by the intimation e-mail.

9. The biometric authentication and document verification will be done at the GSK, for all the required individuals as per the GST application Form REG-01.

10. The applicant is required to choose an appointment for the biometric verification during the maximum permissible period for the application as indicated in the intimation e-mail. In such cases, ARNs will be completed.

11. The operation days and hours of GSKs will be as per the guidelines provided by the administration in your state/UT.

Thanking You,  
Team GSTN

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## **Advisory on E-Way Bill Generation for Goods Under Chapter 71**

### **Clarification on E-Way Bill Requirement for Goods under Chapter 71**

Rule 138(14) of the Central Goods and Services Tax (CGST) Rules, 2017, read with its Annexure S. Nos. 4 and 5, states that goods covered under Chapter 71 viz., Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal, Jewellery, goldsmiths', and silversmiths' articles, except those classified under HSN 7117(Imitation Jewellery), are exempt from the mandatory requirement of generating an E-Way Bill.

Pursuant to the introduction of the E-Way Bill (EWB) for goods classified under Chapter 71, excluding HSN 7117 (Imitation Jewellery), in the state of Kerala for intra-state movement, the National Informatics Centre (NIC) has provided an option to generate EWBs for goods covered under Chapter 71 except 7117 under the category "EWB for Gold" on the EWB portal.

It has been observed that various industry stakeholders have voluntarily been generating EWBs for goods under Chapter 71 due to the availability of this option in the EWB system. In this regard, it is clarified that while the system previously allowed EWB generation for goods under Chapter 71, this facility has now been withdrawn.

Accordingly, taxpayers and transporters engaged in the movement of goods under Chapter 71 (except HSN 7117) are advised that EWB generation is not required. However, it may be noted that

for the intrastate movement of such goods within the state of Kerala, the generation of an EWB has been mandated vide Notification Tax dated 27/12/24 issued by the state of Kerala. An advisory dated has already been issued in this regard.

Industry stakeholders are requested to take note of this clarification and ensure compliance with the applicable regulatory provisions.

For any further clarifications, stakeholders may contact the GST Helpdesk or approach their respective jurisdictional tax authorities.

Date: 06/02/2025

Thank You,  
Team GSTN

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## **CGST Notification No. 09/2025 - Central Tax dated 11.02.2025**

**MINISTRY OF FINANCE**  
**(Department of Revenue)**  
(CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS)

**NOTIFICATION**  
New Delhi, the 11th February, 2025

**No. 09/2025 - CENTRAL TAX**

. **129(E).**— In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), read with sub-rule (1) of rule 1 of the Central Goods and Services Tax (Amendment) Rules, 2024 (hereinafter referred to as rules), issued *vide* notification No. 12/2024-Central Tax, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number . 376(E), dated the 10th July, 2024, the Central Government hereby appoints the following dates as mentioned in column (3) of the table below, on which the provisions of rules specified in column (2) of the said table, shall come into force, namely: -

**TABLE**

<b>S. No</b>	<b>Rules</b>	<b>Date</b>
(1)	(2)	(3)
2	Rules 2, 24, 27 and 32	11th day of February, 2025
3	Rules 8, 37 and clause (ii) of rule 38	1st day of April, 2025

[F. No. CBIC-20006/21/2024-GST]  
RAUSHAN KUMAR, Under Secy.

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# **When will the new Direct Tax Code be placed in Parliament?, Smt. Nirmala Sitharaman in Press Conference**

## **Income Tax Bill, 2025**

In a press conference held on February 8, 2025, Smt. Nirmala Sitharaman, the Hon'ble Finance Minister, clarified about the new Income Tax framework: