



SNR & COMPANY
CHARTERED
ACCOUNTANTS



SNR – GST UPDATE

31st January 2025

Central Board of Indirect Taxes & Customs (CBIC), pursuant to 55th GST council Meeting recommendations, has introduced various changes and issued circulars/notifications providing clarification on certain critical issues being faced by Trade and Industry. Aforesaid changes have been summarized in this Update.

1	Advisory on implementation of HSN details in Table 12 of GSTR-01 (Phase III)	<p>After successful implementation of Phase-I & Phase-II, now Phase-III regarding Table 12 (HSN Details) of GSTR-1 & 1A is being implemented, from return period February 2025. In this phase:</p> <ul style="list-style-type: none"> • Manual user entry of HSN will not be allowed. • HSN code can be selected from drop down only. • A customized description mentioned in HSN master will auto-populate in a new filed called “Description as per HSN Code”. • The system will cross-verify the value of B2B supplies reported in various tables (4A, 4B, 6B, 6C, 8 (registered recipients), 9A, 9B (registered), 9C (registered), 15 (registered recipients), and 15A (registered recipients)) against the values reported in Table-12. • Similarly, the value of B2C supplies reported in tables (5A, 6A, 7A, 7B, 8 (unregistered recipients), 9A (exports and B2CL), 9B (unregistered), 9C (unregistered), 10, 15 (unregistered recipients), and 15A (unregistered recipients)) will be validated against Table-12. • For amendments, only the differential value will be considered for validation. • Initially, these validations will be in <i>warning mode</i>, meaning that in case of mismatches, a warning or alert will be displayed, but taxpayers will still be allowed to file GSTR-1. Additionally, if B2B supplies are reported in other tables, the B2B section of Table-12 cannot be left blank.
2	Notification No: 08/2025 – CENTRAL TAX	<p>The 55th GST Council recommended waiving the late fee for delayed filing of FORM GSTR-9C to the extent it exceeds the late fee payable up to the date of filing FORM GSTR-9 for annual returns from 2017-18 to 2022-23, provided FORM GSTR-9C is</p>

		filed on or before March 31, 2025. Now the Government has issued the enabling notification for the late fee waiver.
3	Circular No: 245/02/2025-GST Clarifications regarding applicability of GST on certain services	
	No GST on Penal Charges by Banks/NBFCs	RBI directed Regulated Entities (REs) to levy penal charges instead of penal interest from 01.01.2024. Such charges are not considered a service of tolerating an act; hence, no GST is payable on them.
	GST Exemption for Payment Aggregators (PAs)	RBI-regulated Payment Aggregators (PAs) qualify as "acquiring banks" and are exempt from GST on transactions up to ₹2000 via credit/debit/charge cards. Payment Gateways (PGs) do not qualify for this exemption.
	Regularization of GST on R&D Services by Government Entities	R&D services by Govt. institutions (e.g., DRDO, CSIR) were exempted from 10.10.2024. GST paid on such services from 01.07.2017 to 09.10.2024 is regularized.
	GST Exemption Restored for NSDC Training Partners	Earlier exemption on skilling services by NSDC-approved Training Partners was withdrawn but has been reinstated from 16.01.2025. GST paid from 10.10.2024 to 15.01.2025 is regularized.
	GST Applicability on Facility Management Services for MCD	Services like housekeeping, maintenance, and horticulture provided to MCD HQ are taxable, as they are not related to municipal functions under Article 243W.
	DDA is Not a 'Local Authority' under GST Law	DDA does not qualify as a local authority under Section 2(69) of CGST Act, 2017, meaning its services to businesses are not under reverse charge.
	Regularization of GST on Renting of Commercial Property (RCM)	RCM on commercial property rentals from unregistered to registered persons applied from 10.10.2024. Composition taxpayers are now excluded (from 16.01.2025). GST paid from 10.10.2024 to 15.01.2025 is regularized.
	GST on Electricity Transmission & Distribution Support Services	Ancillary services (meter rent, testing, shifting, duplicate bills, etc.) exempted from 10.10.2024. GST paid between 10.10.2024 and 15.01.2025 is regularized.
	Regularization of GST for Goethe Institute/Max Mueller Bhawan	These institutes provided language & cultural training but did not collect/pay GST until 01.04.2023.

	GST paid from 01.07.2017 to 31.03.2023 is regularized on 'as is where is' basis.
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