



Sambalpur Branch of EIRC – E-Newsletter

February 2025 Edition

Branch Chairman's Message



Chairman's Message

Dear Professional Colleagues,

At the outset, I express my heartfelt gratitude to all the members of the Sambalpur Branch of EIRC of ICAI for bestowing upon me the honour of serving as Chairman. I extend my sincere thanks to all the past Chairmen and senior members for their invaluable contributions, which have strengthened the foundation of our branch. Your unwavering support and guidance have been instrumental in my journey to this esteemed position.

I take this opportunity to congratulate the past committee members for their commendable efforts and achievements, which have set a high benchmark. It is my privilege to take forward the baton and continue the legacy of excellence and service. With commitment and dedication, I assure you all that our team will work tirelessly to uphold the standards of our profession.

Heartiest congratulations to the torchbearers of ICAI, our dynamic President CA Charanjot Singh Nanda and Vice President CA. Prasanna Kumar D, for leading our profession with vision and dedication. I also extend my warmest congratulations to the newly formed EIRC committee under the able leadership of CA Vishnu Tulsian. My best wishes to all the newly formed managing committees of ICAI branches across the country. May they continue to strengthen our profession and contribute towards its growth and development.

We seek continuous guidance and support from all the pillars of our profession, including our esteemed past leaders, mentors, and senior members. Their wisdom and experience are invaluable in shaping the future of our profession.

A special word of encouragement to our students—the future torchbearers of our profession. Your hard work and dedication will define the next generation of Chartered Accountants, and we are committed to supporting your journey.

Additionally, we must stay updated with the latest developments in the profession. Recently, the government has introduced key amendments in tax regulations, and ICAI has been actively involved in shaping policy recommendations. The rapid evolution of financial technologies and digital transformation is also impacting the accounting profession, requiring us to continuously enhance our skill sets. I encourage all members to stay informed and participate in professional development activities to stay ahead in this dynamic environment.

Let us work together with unity, integrity, and commitment towards achieving new milestones for our branch and the profession at large. Looking forward to an enriching and fulfilling tenure ahead.

Wishing you all success and prosperity!

**Best Regards,
CA Ankit Agrawal
Chairman,
Sambalpur Branch of EIRC of ICAI**

Message from Immediate Past Chairman, Sambalpur Branch

"Dear Esteemed Members, Colleagues, and Friends,

As I pen down before you my farewell message, I am filled with a mix of emotions - sadness to leave behind an organization that has been my second home, and gratitude for the incredible journey we've shared.

As I relinquish my role as Chairman, I want to express my heartfelt thanks to each and every one of you for your unwavering support, trust, and cooperation. Your encouragement and guidance have been invaluable to me, and I am honoured to have had the privilege of serving this esteemed organization.

During my tenure, I am proud of the progress we've made. However, I am also aware that there is still much work to be done, and I have every confidence that the incoming team will take our organization to even greater heights.

As I bid farewell, I leave behind a piece of my heart, but I also take with me unforgettable memories, lessons learned, and the knowledge that I have made a difference.

Thank you once again for the opportunity to serve. I wish the organization continued success and growth.

As I rest my pen and bid all of you a Farewell, hope we all stay in touch!

Sincerely,

CA. Rajendra Agrawal
Imm Past Chairman
Sambalpur Branch of EIRC of ICAI.

Message from Naveen Kumar Tiwari, Vice Chairman & EICASA Chairman, Sambalpur Branch

Dear Professional Colleagues,

It gives me immense pleasure to share that EICASA of Sambalpur Branch has been awarded the Second Best Branch at the National Level and the Best Branch at the Regional Level for the year 2024. This remarkable achievement is a testament to the dedication, hard work, and teamwork of the entire EICASA team and Managing Committee. My heartfelt gratitude to each member who contributed towards this success.

I also extend my warm congratulations to the newly elected Managing Committee of the Sambalpur Branch of ICAI for the term 2025-26. Your commitment and passion will undoubtedly take the branch to greater heights. As we embark on this new journey, I look forward to working together to empower students, promote knowledge sharing, and strengthen the bond within the fraternity.

Let us continue our pursuit of excellence and set new benchmarks for the future.

Wishing the entire team a successful and prosperous tenure ahead!

With warm regards,

CA Naveen Kumar Tiwari
Vice Chairman & EICASA Chairman
Sambalpur Branch of ICAI

Message from Secretary, Sambalpur Branch

Greetings to all my fellow professional colleagues,

Namaskar 🙏

At the outset, I would like to express my heartfelt gratitude to all the members of the Sambalpur Branch of EIRC of ICAI for entrusting me with the responsibility of Secretary for the year 2025. I assure you all that I will put in my best efforts and devote my time wholeheartedly towards the growth and betterment of the branch and its esteemed members.

I would also like to extend my congratulations to my fellow Managing Committee members, led by our Chairman CA Ankit Agrawal. Together, as a team, we stand committed to supporting our Chairman through every challenge and opportunity that comes our way.

Further, I am proud to highlight that through the dedicated efforts of our EICASA Wing, our branch secured the 2nd Best National Award in the Micro Category and was also recognised as the Best Students' Association in the Eastern Region. This achievement reflects the hard work and commitment of our students and the entire team.

Additionally, I would like to remind all my professional colleagues about the Amnesty Scheme under the GST Act, specifically under Section 128A, which provides waiver of interest and penalty for orders passed under Section 73 for the financial years 2017-2020. Taxpayers can avail this benefit by paying only the tax component. I request all my fellow professionals to take maximum advantage of this scheme for the benefit of our clients.

Lastly, as the Secretary of the branch, I assure you that I am always accessible for the branch and its activities. We are open to all constructive feedback, and I earnestly request all members to actively participate in all branch activities with full enthusiasm and commitment.

With warm regards,
CA Akhil Agrawal
Secretary
Sambalpur Branch of EIRC of ICAI

Message from M. Ravi Kishore Member, Managing Committee, Sambalpur Branch

Dear Professional Colleagues,

It is a great honour to be elected as a Member of the Managing Committee of the Sambalpur Branch of EIRC of ICAI. I sincerely thank all our past Chairmen and senior members for their invaluable guidance and for entrusting me with this responsibility. I seek their continued blessings and support in serving our branch.

My heartfelt congratulations to the outgoing Managing Committee members for their commendable efforts and contributions, which have significantly elevated the branch's achievements. Your dedication and hard work have set a strong foundation for us to build upon.

I also extend my best wishes to my fellow members of the newly elected Managing Committee. Together, I am confident that we will work towards the continued growth and excellence of our branch. Congratulations to the newly elected EIRC Members and Central Council Members of ICAI—your leadership will surely inspire and guide us in our journey ahead.

With a strong commitment to excellence, I assure you that we will strive to take our branch to new heights, fostering professional development and better opportunities for our members.

Looking forward to working together for the betterment of our fraternity.

**Best regards,
M. Ravi Kishore
Member, Managing Committee
Sambalpur Branch of EIRC of ICAI**

Message from Aman Kedia Member, Managing Committee, Sambalpur Branch

Dear Professional Colleagues,
Namaskar 🙏

It is with great pride and gratitude that I extend my heartfelt thanks to all the members of the Sambalpur Branch of EIRC of ICAI for your trust and support. Serving as a Managing Committee Member for the year 2025 is both an honor and a responsibility that I wholeheartedly embrace. I assure you of my unwavering commitment to the growth and development of our branch and the betterment of our professional community.

I would also like to extend my warmest congratulations to our Chairman, CA Ankit Agrawal, and my fellow Managing Committee members. With teamwork, dedication, and a shared vision, I am confident that we will collectively take our branch to greater heights.

A moment of immense pride for all of us is the recognition of our EICASA Wing, which secured the 2nd Best National Award in the Micro Category and was also recognized as the Best Students' Association in the Eastern Region. This

remarkable achievement reflects the perseverance and hard work of our students, along with the invaluable support of our members.

Additionally, I would like to bring to your attention the proposed new Income Tax Bill, which aims to introduce significant tax reforms, focusing on simplification, digitalization, and a more taxpayer-friendly approach. As professionals, staying updated with these changes is essential for effectively advising our clients and adapting to the evolving tax landscape.

As a Managing Committee Member, I remain accessible to all members and encourage your active participation in branch activities. Your insights, feedback, and engagement are vital for the continued growth of our branch and our profession.

Let us work together towards excellence and a progressive future!

**With warm regards,
CA Aman Kedia
Managing Committee Member
Sambalpur Branch of EIRC of ICAI**

Message from Keshab Poddar, Cashier, Managing Committee, Sambalpur Branch

जय जगन्नाथ! जय मां समलेश्वरी!

मुझे भारतीय सनदी लेखाकार संस्थान की संबलपुर शाखा के आगामी चार वर्षों के लिए प्रबंध समिति के सदस्य के रूप में नियुक्त किए जाने पर प्रसन्नता हो रही है। मैं आने वाले वर्ष के लिए शाखा के कोषाध्यक्ष के रूप में भी काम करूंगा और इसके लिए मैं विनम्र और आभारी हूँ।

मैंने पिछले कुछ वर्षों में अपने संगठन में जबरदस्त वृद्धि देखी है। बातचीत के बाद बातचीत ने यह स्पष्ट कर दिया है कि आप एक ऐसा संगठन चाहते हैं जो आपको संलग्न करे। आप एक ऐसा संगठन चाहते हैं जो आपके कार्यस्थल में आपको सशक्त करे।

मेरी प्रतिबद्धता सदस्यों को पहले रखने की है। आपकी बात सुनने के लिए, और हम जो कुछ भी करते हैं उसके केंद्र में अपनी आवश्यकताओं को रखें। मैं सदस्यता के लिए खुला और पारदर्शी बनाने के लिए काम करूंगा। यह आपका संगठन है।

एक बार फिर मैं अपने महान संगठन के सदस्यों की सेवा करने के लिए बहुत सम्मानित और विनम्र महसूस कर रहा हूँ। जब मैं अगले चार वर्षों की ओर देखता हूँ, तो मुझे यह उद्घरण याद आता है: "मैं आपकी सभी समस्याओं को हल करने का वादा नहीं कर सकता, लेकिन मैं वादा कर सकता हूँ कि आपको अकेले उनका सामना नहीं करना पड़ेगा।"

हमारी शक्ति हमारी एकता है। हम अपने सामने आने वाली हर चुनौती को हल करने का वादा नहीं कर सकते। लेकिन मैं आपके साथ खड़े होने और अच्छे और बुरे समय में एक साथ उनका सामना करने का वादा कर सकता हूँ।

जय श्री राम! भारत माता की जय!

आदरपूर्वक,
केशव पोद्दार
केशियर
भारतीय सनदी लेखाकार संस्थान, संबलपुर शाखा

Editor's Note



“Look at the sky. We are not alone. The whole universe is friendly to us and conspires only to give the best to those who dream and work.”

Dear Members,

It is with great excitement that we welcome our newest committee members to Sambalpur Branch of ICAI. Their passion, expertise and fresh perspectives will undoubtedly contribute to our branch and help us in achieving our goals.

As I conclude myself as an editor, this edition of February 2025 newsletter, I want to express my gratitude to our dedicated readers and contributors. Your support and engagement make this newsletter a meaningful platform for sharing ideas, insights, and updates.

We look forward to continuing this journey with you, bringing valuable content that informs and inspires.

“Learning gives creativity. Creativity leads to thinking. Thinking provides knowledge. Knowledge makes you great.”

Warm Regards,
CA Priya Gupta
Editor
Sambalpur Branch

GST ON VOUCHERS

The treatment of vouchers under GST has been a subject of debate due to their unique nature. This article provides an analytical study of GST applicability on vouchers, covering definitions, classifications, taxability, and judicial perspectives.

Definition- As per section 2(118) of CGST Act, "voucher" means an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services or both

and where the goods or services or both to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument.

From the definition of Voucher under section 2(118) of CGST Act, it emerges that “Voucher” may be in nature of payment instrument which creates an obligation on the supplier to accept it as a consideration or part consideration for the supply of goods and/or services.

Classification of vouchers- Clarification on treatment of voucher has been issued via circular no. 243/37/2024-GST Dated 31st December, 2024 which can be summaries as follows-

When vouchers treated as pre-paid instruments (PPI) by RBI

It falls under the definition of Money.

Money is neither good nor service

Therefore, GST is not applicable

When vouchers not treated as pre-paid instruments (PPI) by RBI

Falls under the definition of actionable claims

Actionable claims are treated as goods

However, actionable claims are outside the scope of supply as per para 6 of [Schedule III](#)

Therefore, GST is not applicable

Voucher under Principal-to-Principal(P2P) Model

Voucher trading under the P2P model is not a supply of goods or services

No GST applicable as vouchers trading is either supply of actionable claims as mentioned in Para 6 of [Schedule III](#) or transaction in money which is neither goods nor service.

Where Vouchers are distributed using distributors/ sub-distributors/ agents on commission/ fee basis

In such cases, GST would be payable by such distributor/sub-distributor/agent, acting as an agent of the Voucher issuer, on the commission/fee or any other

amount by whatever name called, for such purpose, as a supply of services to the Voucher issuer.

Where additional services such as advertisement, co-branding, customization services, technology support services, customer support services, etc. are provided by either the distributor/ sub-distributor or by another person to the Voucher issuer against a service fee/service charge/ affiliate charge or any other amount

In such a case, the said service fee/ service charge/ affiliate charge or other amount for supply of such additional services to the Voucher issuer as per the terms of contract/agreement, would be liable to GST at the applicable rate in the hands of the said service provider.

Unredeemed Vouchers

In the case of breakage, there is no redemption of Voucher and there is no supply of underlying goods and/or services. Therefore, there is no supply of goods and/or services on account of such unredeemed Vouchers (breakage).

Time of Supply of Vouchers

Related to supply of goods As per section 12(4) of CGST Act, in case of supply of vouchers by a supplier, the time of supply shall be—

- (a) the date of issue of vouchers, if the supply is identifiable at that point; or
- (b) the date of redemption of vouchers, in all other cases.

Related to supply of service Further, as per section 13(4) of CGST Act, in case of supply of vouchers by a supplier, the time of supply shall be

- (a) the date of issue of voucher, if the supply is identifiable at that point; or
- (b) the date of redemption of voucher, in all other cases.

However, Sub-sections (4) of section 12 and Sub-sections (4) of section 13 relating to time of supply in respect of vouchers are being omitted via Finance Bill, 2025 to resolve ambiguities in the treatment of Vouchers.

Since GST applies to the actual supply of goods and services, the concept of time of supply for vouchers become irrelevant, thereby omitted.

This simplifies the taxation of vouchers and eliminates uncertainty in digital and prepaid voucher transactions.

Relevant Judgments-

If the “Gift Voucher/ Card” was issued for any unspecified goods to be purchased on a future date from a whole range of products/goods/merchandise offered for sale by the petitioner, tax is payable on such “goods” or “merchandise” only at the time of sale i.e. at the time of redemption of “Gift Voucher/Card” in view of section 12(4)(b) of the respective GST Enactments-**MADRAS HIGH COURT [2023]**

Vouchers do not fall under the category of goods and services and they are exempted from levy of tax-**KARNATAKA HIGH COURT [2023]**

The time of supply of the gift Vouchers / gift cards by the applicant to the customers shall be the date of issue of such Vouchers and the applicable rate of tax is that applicable to that of the goods- **TAMIL NADU-AAAR [2021]**

When the Vouchers intended to be procured by the Appellant is neither goods nor service, the question of eligibility of input tax credit does not arise-**KARNATAKA-AAAR [2023]**

CA. Yogesh Agrawal

Amnesty Scheme under section 128A of the CGST Act, 2017, A comprehensive overview

Introduction

The introduction of Section 128A in the Central Goods and Services Tax (CGST) Act, 2017, by the Finance (No. 2) Act, 2024, aims to provide relief to taxpayers by waiving interest, penalty, or both for certain tax demands. This provision, effective from November 1, 2024, covers tax periods from July 1, 2017, to March 31, 2020, and is implemented through Rule 164 of the CGST Rules, 2024, along with supporting notifications and circulars. The objective behind this provision is to reduce the burden on taxpayers, resolve long-pending disputes, and streamline the tax compliance process.

This article provides an exhaustive overview of the amnesty scheme, covering procedural aspects, implementation, and clarifications provided by the government to ensure uniform application across the country.

1. Key Provisions of Section 128A

Section 128A provides relief from interest and penalties in specific cases where tax demands have been raised under Section 73. This section allows taxpayers to conclude their pending tax disputes by

paying the principal tax liability without any additional burden of penalties and interest.

The scheme is applicable in the following cases:

- ➔ Where a taxpayer has received a notice under Section 73(1) or a statement under Section 73(3), and no adjudication order under Section 73(9) has been issued.
- ➔ Where an order has been passed under Section 73(9) but no further order has been issued under Section 107(11) or Section 108(1).
- ➔ Where an order has been passed under Section 107(11) or Section 108(1) but no order has been passed under Section 113(1).

If a taxpayer meets the above conditions and pays the full tax amount as per the notice, statement, or order before the prescribed deadline, the interest and penalty on such amounts shall be waived. Furthermore, all proceedings concerning such tax demands will be deemed to be concluded. However, Section 128A does not apply in cases where:

- The demand pertains to erroneous refunds.
- The taxpayer has filed an appeal or writ petition that has not been withdrawn before the deadline.

2. Procedural Framework under Rule 164 of CGST Rules, 2024

To implement Section 128A effectively, Rule 164 was inserted in the CGST Rules, 2024, which lays down the procedural guidelines. The key procedural requirements are:

➔ Filing an Application:

Taxpayers must file an application electronically through the GST portal using FORM GST SPL-01 (for cases where only a notice or statement under Section 73 has been issued) or FORM GST SPL-02 (for cases where an adjudication order has been passed under Section 73).

➔ Tax Payment:

Taxpayers must ensure full payment of the tax demand through FORM GST DRC-03 before filing their application.

If tax has already been paid using FORM GST DRC-03, an adjustment application in FORM GST DRC-

03A is required before submitting the main application.

➔ Withdrawal of Appeals:

If the taxpayer has filed an appeal or writ petition before any Appellate Authority, Tribunal, or Court, they must withdraw such appeal before filing for the waiver.

A copy of the withdrawal order must be submitted along with the waiver application.

➔ Processing of Applications:

The tax officer must verify the application and approve or reject it within three months of submission.

If rejected, a notice will be issued in FORM GST SPL-03, and taxpayers will have one month to respond using FORM GST SPL-04.

If the officer is satisfied, an order in FORM GST SPL-05 will be issued, concluding the proceedings.

If the application is deemed ineligible, an order in FORM GST SPL-07 will be issued rejecting the waiver request.

3. Notification No. 21/2024 – Timeline for Tax Payment

Notification No. 21/2024-Central Tax, dated October 8, 2024, provides the deadlines for making tax payments under Section 128A:

March 31, 2025, is the last date for payment in cases where demand notices or orders have been issued under Section 73.

For cases where a notice was initially issued under Section 74 but later redetermined under Section 73, the deadline for payment is six months from the date of their determination order.

This notification ensures that taxpayers have a well-defined time frame to avail of the benefits of the amnesty scheme.

4. Circular No. 238/32/2024-GST – Comprehensive Clarifications

This article provides an exhaustive analysis of Circular No. 238/32/2024-GST, explaining its key provisions and implications for taxpayers.

Objective and Scope of the Circular

The circular aims to:

Provide clarity on the application of Section 128A for waiving interest and penalties related to tax demands under Section 73.

Define the eligibility criteria and procedural requirements for availing of the amnesty scheme.

Ensure uniformity in the implementation of the provision across tax jurisdictions.

The waiver applies to tax periods July 1, 2017, to March 31, 2020, and covers notices, statements, and orders issued under Section 73, subject to specific conditions.

Procedural Framework for Availing Amnesty under Section 128A

The circular elaborates on the steps that taxpayers must follow to avail of the waiver of interest and penalties:

➤ Filing of Applications

Taxpayers must submit applications in FORM GST SPL-01 or FORM GST SPL-02, depending on the stage of the proceedings.

Applications should be submitted electronically on the GST portal.

If the taxpayer has filed an appeal or writ petition regarding the tax demand, they must withdraw the appeal before applying for the waiver.

Proof of withdrawal must be attached to the application. If the withdrawal order is pending, the taxpayer can submit the withdrawal request document instead.

Multiple notices for different periods require separate applications for each notice/order.

➤ Payment of Tax

Taxpayers must make full payment of the tax demand using FORM GST DRC-03.

If the demand order has already been issued, payment must be made through the Electronic Liability Register (ELR) - Part II.

If tax was already paid via FORM GST DRC-03 before applying for the waiver, an adjustment application in FORM GST DRC-03A is required.

Payments must be completed on or before March 31, 2025, unless an order redetermining tax under Section 73 is issued. In such cases, taxpayers have six months from the date of such order to make payments.

Clarifications on Eligibility and Scope

The circular provides the following key clarifications:

➤ Scope of Section 128A

The waiver is not available for demands arising from erroneous refunds.

If the demand pertains only to interest or penalties, taxpayers can still apply for the waiver.

The waiver does not apply if the interest is related to delayed filing of returns or self-assessed liability.

Cases where tax demand notices were initially issued under Section 74 but later redetermined under Section 73 are eligible.

➤ Adjustment of Tax Payments

Any tax amount recovered by tax officers from another person on behalf of the tax payers considered a valid payment for waiver purposes.

However, interest or penalty amounts recovered cannot be adjusted against tax liability.

➤ Impact of Retrospective Amendments to Section 16 (ITC Claims)

If a demand includes disallowed Input Tax Credit (ITC) due to Section 16(4) restrictions, but the taxpayer is now eligible due to retrospective amendments, they can reduce the demanded tax liability accordingly.

In such cases, taxpayers must deduct the ineligible ITC amount and pay only the revised tax amount before applying for the waiver.

Processing of Applications by Tax Authorities

The tax officer must verify the application and issue a decision within three months.

If rejected, a notice in FORM GST SPL-03 will be issued, giving taxpayers one month to respond using FORM GST SPL-04.

If approved, the waiver order will be issued in FORM GST SPL-05.

If the application is rejected, an order in FORM GST SPL-07 will be issued, and the taxpayer can appeal the decision.

Handling of Departmental Appeals

If the department has filed an appeal only against interest or penalty, the taxpayer is still eligible for the waiver.

Tax officers are instructed to withdraw departmental appeals in cases where tax has been fully paid.

Special Considerations

Tax Periods Not Covered by Section 128A: If a notice covers tax periods within and beyond the eligible period, the waiver applies only to the eligible period, and tax payers must pay the full tax demand before seeking relief.

Demands Including Erroneous Refunds: Taxpayers must pay the entire tax demand, including erroneous refunds, to avail of the waiver.

Appeal Restrictions:

No appeal is allowed against an order approving the waiver (FORM GST SPL-05).

Appeals are permitted only for orders rejecting the waiver (FORM GST SPL-07).

Detailed FAQs and Clarifications

The circular provides sixteen detailed FAQs clarifying various doubts. These include:

1) Applicability to taxpayers who paid tax before Section 128A was introduced –

The waiver applies to all amounts paid before March 31, 2025, regardless of when the tax was paid.

2) Whether tax recovered by tax officers on behalf of a taxpayer qualifies for waiver –

Yes, such payments are eligible.

3) Adjusting recovered interest/penalty against tax liability –

Not allowed; interest and penalty cannot be adjusted against tax dues.

4) If a notice pertains only to interest/penalty, can the waiver be availed? –

Yes, except for self-assessed liabilities and delayed return filings.

5) Can a taxpayer apply for a partial waiver? –

No, full payment of the tax demand is required.

6) Application for tax periods both covered and not covered under Section 128A –

The waiver applies only to eligible periods; full tax must still be paid.

7) Cases involving erroneous refunds –

Full tax payment required; waiver applies only to non-refund demands.

8) Impact of retrospective amendments to Section 16 –

Taxpayers can deduct ITC now available before paying the balance tax.

9) Applicability to IGST and Compensation Cess –

Yes, waiver applies to all components.

10) Impact on Import IGST under Customs Act –
Not covered under Section 128A.

11) Applicability to irregularly availed transitional credit –

Covered if demand falls under Section 73.

- 12) **Waiver of penalties, late fees, and fines** – Penalties under Section 73 covered; late fees and fines are not.
- 13) **Utilization of ITC for tax payments** – Allowed, except for RCM and erroneous refund demands.
- 14) **Handling of departmental appeals enhancing tax liability** – Additional tax must be paid within three months.
- 15) **Special Leave Petition (SLP) withdrawal for waiver eligibility** – Required before applying.
- 16) **Filing Form GST SPL-02 when tax is paid through Form GST DRC-03** –

Mandatory adjustment through Form GST DRC-03A.

Instruction No. 02/2025-GST – Handling of Department Appeals

Issued on February 7, 2025, Instruction No. 02/2025-GST specifically addresses cases where the department has filed appeals against interest and penalty calculations. Key directives include:

Appeals Filed Only for Interest and Penalty:

If a taxpayer has fully paid the tax amount, but the department has filed an appeal for interest or penalty due to an alleged miscalculation, the taxpayer remains eligible for the waiver.

The proper officer must ensure that such taxpayers are not denied relief.

Withdrawal of Departmental Appeals:

The instruction directs tax officers to withdraw appeals where the only dispute is interest or penalty and the taxpayer is otherwise eligible for relief under Section 128A.

In cases where appeals are still under review, officers are advised to accept the waiver applications in the interest of reducing litigation.

Conclusion

The amnesty scheme under Section 128A provides much-needed relief to taxpayers facing long-standing disputes under Section 73 of the CGST Act. By offering a waiver of interest and penalties upon full tax payment, the scheme not only reduces the financial burden on taxpayers but also helps in clearing backlogs of litigation. The procedural clarity provided by Rule 164, along with detailed clarifications in Circular No. 238/32/2024-GST and Instruction No. 02/2025-GST, ensures seamless implementation of the scheme. Taxpayers should carefully assess their eligibility and take timely action to avail the benefits before the deadline.

CA. Kanhaiya Balodia

Up dated return under Income tax – Eligibility and Procedure

The Finance Act 2022 has inserted subsection (8A) in section 139 to enable the filing of an updated return. The section provides that an updated return can be filed by any person irrespective of the fact whether such person has already filed the original, belated or revised return for the relevant assessment year or not.

An amount equal to 25% or 50% as additional tax is required to be paid with such updated return.

The additional tax shall be equal to 25% of the aggregate of tax and interest payable by a person on the filing of the updated return where such return is furnished after the expiry of the due date of filing of belated or revised return but before completion of a period of 12 months from the end of the relevant assessment year.

Where the updated return is furnished after the expiry of 12 months from the end of the relevant assessment year but before completion of the period of 24 months from the end of the relevant assessment year, the additional tax payable shall be 50% of the aggregate of tax and interest payable.

Here it is to be noted that for computation of "additional income-tax", tax shall include surcharge and cess. Further, for the computation of additional tax, the amount of interest payable shall be reduced by the

amount of interest paid in accordance with the earlier return.

What is an updated return?

An updated return is a type of tax return that allows taxpayers to file their returns with more time. It is intended to encourage voluntary tax compliance. An updated return can be filed by any person, except in certain circumstances, regardless of whether they have previously filed an original, belated, or revised return for the relevant assessment year. The filing of an updated return is optional for the taxpayer.

An updated return is a type of tax return that allows taxpayers to file their returns with more time. It is intended to encourage voluntary tax compliance. An updated return can be filed by any person, except in certain circumstances, regardless of whether they have previously filed an original, belated, or revised return for the relevant assessment year. The filing of an updated return is optional for the taxpayer.

When can an updated return be filed?

The time limit for filing of updated return an updated return may be filed by any person in any case, except under certain circumstances. A person may file an updated return of his income or the income of any other person in respect of which he is assessable under the Income-tax Act, such as in a representative capacity or in case of clubbing of income.

A person can file an updated return even if he has furnished a return of loss under section 139(3) earlier for the relevant assessment year, but the updated return should not be a return of loss.

The time limit for filing of updated return

The provision of updated returns is effective from 01-04-2022, and the time limit provided for filing an updated return is 24 months from the end of the relevant assessment year.

In the financial year 2024-25, a person can file an updated return for AY 2022-23 and AY 2023-24.

Form for filing an updated return

As per Rule 12AC of Income Tax Rules, the return of income to be furnished by any person, eligible to file such return under the sub-section (8A) of section 139,

relating to the assessment year commencing on the 1st day of April, 2020 and subsequent assessment years, shall be in the Form ITR-U and be verified in the manner indicated therein.

An updated return shall be filed in the relevant ITR Form as applicable to the taxpayer. The taxpayer will be required to fill the Schedule 'Part A Gen_139(8A)' and Schedule 'Part B ATI' of the relevant form to file an updated return.

Manner of furnishing of an updated return

An updated return shall be filed electronically under Digital Signature Certificate (DSC) in case of the following taxpayers: (a) Company (b) Political Party (c) Any person whose accounts are required to be audited under Section 44AB of the Income-tax Act except person filing return in ITR-7. For other taxpayers, the updated return shall be filed electronically either under Digital Signature Certificate or under Electronic Verification Code (EVC).

Reporting in ITR while filing an updated return

When a person is filing an updated return, he is required to provide certain details in the relevant ITR forms. These forms include Schedule 'Part A Gen_139(8A)' and 'Part B ATI'. The details that need to be provided include:

- Basic details i.e. PAN, Name, and Aadhaar Number
- Details of earlier return, if filed i.e. section, ITR form, acknowledgment number, and date of filing of the previous return
- Eligibility of filing an updated return
- Relevant ITR form selected for updated return
- Reasons for filing the updated return
- Time of filing of updated return - The person needs to specify whether the updated return is being filed within 12 months or between 12 to 24 months from the end of the assessment year.
- Whether filing of updated return result in the reduction of carried forward loss, unabsorbed depreciation, or tax credit? If yes, then the person needs to select the affected assessment years and whether the revised or updated return is filed for such years.
- Head-wise reporting of additional income as shown in the updated return and computation of tax payable on the updated return
- Details of payments of tax on updated return

- Details of advance tax, self-assessment tax, and regular assessment tax paid, the credit of which has not been claimed in the earlier return
- Relief under section 89 which was not claimed in the earlier return

Who can file updated return—

- Any person who has made an error or omitted certain income details in its original, belated or revised return is eligible to file an updated return;
- Where wrong rate of tax has been applied or wrong head of income has been selected;
- A person who has not filed its return previously;
- For reduction of carried forward losses or unabsorbed depreciation
- For reduction of tax credit u/s 115JB & 115JC;

When an updated return cannot be filed?

1. If an updated return is a return of loss— An updated return cannot be filed if it reflects total income as a loss. However, there is no prohibition on filing an updated return if there is a loss under any head of income but the total income is positive.

2. If an updated return results in lower tax liability— An updated return cannot be filed if it decreases the total tax liability determined based on an earlier return.

If an updated return results in or increase in the refund— An updated return cannot be filed if it results in a refund or increases the refund previously due on the basis of an earlier return.

4. If a search is initiated against the assessee— An updated return cannot be filed for the assessment year relevant to the previous year in which a search is initiated under section 132 and for any assessment year preceding such assessment year.

5. If books of account or other documents or any assets are requisitioned— An updated return cannot be filed for the assessment year relevant to the previous year in which requisition is made under section 132A and for any assessment year preceding such assessment year.

6. If a survey conducted against the assessee —An updated return cannot be filed for the assessment year relevant to the previous year in which the survey is conducted under section 133A and for any assessment

year preceding such assessment year. However, this provision does not restrict the assessee from filing an updated return where the survey is conducted in connection to TDS or TCS.

7. If documents or assets are seized or requisitioned in case of any other person belonging to the assessee—A person shall not be eligible to file an updated return if a notice has been issued to him to the effect that:

any money, bullion, jewellery, or valuable article or thing, seized or requisitioned under section 132 or section 132A in the case of any other person belonging to him; or

any books of account or documents, seized or requisitioned under section 132 or section 132A in the case of any other person, pertaining to, or any other information contained therein, related to him.

8. If the updated return has already been filed—An updated return cannot be revised as it can be filed only once for any particular assessment year.

9. If the assessment is pending or completed— An assessee shall not be eligible to file an updated return of the year of which assessment or reassessment or recomputation or revision is pending or has been completed.

10. If AO has information about the assessee under specified Acts—A person cannot file an updated return for any assessment year if the Assessing Officer (AO) has information in respect of him for that year under the following Acts, and the same has been communicated to him before the filing of the updated return:

Prevention of Money Laundering Act, 2002;

The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015;

The Prohibition of Benami Property Transactions Act, 1988; or

The Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976.

11. If AO has information about the assessee under DTAA or TIEA— Where any information is received under Double Taxation Avoidance Agreement

(DTAA) or Tax Information Exchange Agreement (TIEA) in respect of a person for the relevant assessment year, he shall not be eligible to file an updated return for that year provided the same has been communicated to him before the filing of updated return.

12. If any prosecution proceeding is initiated—Where any prosecution proceedings have been initiated against the person for the relevant assessment year, he shall not be eligible to file an updated return for such year.

13. In other notified cases—A person or class of persons as notified by the Central Board of Direct Taxes (CBDT) shall not be eligible to file the updated return.

Curative Updated Return of Subsequent Years—When a person files an updated return for a previous year, and as a result, the amount of the following is reduced for any subsequent year, the person shall be required to file an updated return for each subsequent year:

Carried Forward Losses; or

Carried Forward Unabsorbed Depreciation; or

MAT Credit; or

AMT Credit

This is to ensure that the correct amount of losses are carried forward and can be used to offset future income.

Tax on updated return— The provisions of section 140B provide for payment and computation of tax, interest, fee, and additional income tax on updated returns. The updated return shall be accompanied by the proof of tax payment, i.e., normal tax (if any), additional tax, interest, and fee as required under section 140B otherwise it shall be treated as a defective return.

Computation of tax, interest, and fee on the updated return where no return was filed earlier

Where a person has not filed the original or belated return for the relevant assessment year, the tax payable

on the updated return (self-assessment tax) shall be paid along with interest and fee for delay in furnishing the return of income and interest for any default or delay in payment of advance tax.

Further, an additional income tax shall be paid before filing an updated return.

Computation of tax, interest, and fee on the updated return where a return was filed earlier

Where a person has already filed the original, belated return, or revised return for the relevant assessment year, the tax payable on the updated return (self-assessment tax) shall be paid along with interest for any default or delay in payment of advance tax as reduced by the amount of interest paid in an earlier return.

Further, an additional income tax shall be paid before filing an updated return.

CA. Komal Agrawal

Glimpses of events of February 2025



Seminar on Union Budget 08/02/2025



Seminar on Tally Prime on 13/02/2025

टैली प्राइम पर सेमिनार का आयोजन

संवाद सहयोगी, जागरण●
संबलपुर : इंस्टिट्यूट आफ
चार्टर्ड अकाउंटेंट्स आफ इंडिया
(आइसीएआइ) की ईस्टर्न
इंडिया रीजनल काउंसिल
(ईआइआरसी) की संबलपुर
शाखा की ओर से बरगढ़ स्थित
होटल गणपति में टैली प्राइम पर
सेमिनार का आयोजन किया गया।
इस सेमिनार में टैली प्राइम विषय
पर ज्ञान साझा करने के लिए कई
प्रख्यात वक्ता को बुलाया गया।
यह कार्यक्रम चार्टर्ड अकाउंटेंट्स के

लिए आयोजित किया गया, कई
चार्टर्ड अकाउंटेंट्स ने कार्यक्रम
में भाग लिया। वक्ता शिवशंकर
नायक ने अपने काम को आसान
और तेज़ बनाने के लिए टैली
प्राइम के कुशलतापूर्वक उपयोग
के बारे में बताया। उन्होंने यह भी
बताया कि टैली प्राइम की मदद
से अपने व्यवसाय को कैसे बढ़ा
सकते हैं और वैधानिक अनुपालन
कर सकते हैं। शाखा अध्यक्ष सीए
राजेंद्र अग्रवाल व अंकित अग्रवाल
ने सदस्यों को भी धन्यवाद दिया।

Important Links and Announcements and Notifications of ICAI

[Important announcement for WOFA 2025 and 75th Annual Function of ICAI - \(01-02-2025\)](#)

[ICAI \(Aggregation of LLPs\) Guidelines, 2024 - \(04-02-2025\)](#)

[Recruitment of Managing Director – IIPPI - \(10-02-2025\)](#)

[ICAI \(Merger and Demerger of CA Firms\) Guidelines, 2024 - \(11-02-2025\)](#)

[Commencement of Live Virtual Classes for the students of CA. Foundation course appearing in May & September 2025 Examinations - \(11-02-2025\)](#)

[Special Examinations - MRA / MOU, June 2025 - \(14-02-2025\)](#)

[Invitation for contribution to Question Bank in respect of Self-paced Online Module Examinations \(Set-A, B, C & D\) - \(17-02-2025\)](#)

[Empanelment of Members to act as Observers at the Examination Centres for the Chartered Accountants Examinations May, 2025 - \(17-02-2025\)](#)

[Shifting of Disciplinary Directorate of ICAI to Institute's Office at ICAI Bhawan, C-1, Sector-1, Noida – 201301. - \(18-02-2025\)](#)

[Guidance Note on Audit of Banks \(2025 Edition\) - \(18-02-2025\)](#)

[BOS Publication applicable for Foundation, Intermediate and Final Course, May 2025 Examination - \(19-02-2025\)](#)

[Commencement of Live Virtual Classes for the students of CA Intermediate course appearing in September 2025/January 2026 Examinations - \(21-02-2025\)](#)

[Mock Test Papers Series - I & Series II for students appearing in CA Intermediate for May 2025 Examinations - \(21-02-2025\)](#)

[Mock Test Papers Series – I & Series II for CA. Final students appearing in May 2025 Examinations - \(21-02-2025\)](#)

[Success at CA Exam - Series I starting from 24th March 2025 & Series II from 16th April 2025 for CA. Final students appearing in May 2025 Examinations - \(24-02-2025\)](#)

[Success at CA Exam - Session starting from 28th April 2025 for CA. Foundation students appearing in May 2025 & September 2025 Examinations - \(24-02-2025\)](#)

[Mock Test Papers Series - I & II for Students appearing in CA Foundation May 2025 & September 2025 Examinations - \(24-02-2025\)](#)

[Success at CA Exam - Series I starting from 20th March 2025 & Series II from 8th April 2025 for CA. Intermediate students appearing in May 2025 Examinations - \(24-02-2025\)](#)

[Result of the Information Systems Audit \[ISA\] Assessment Test held in January 2025 is likely to be declared on Tuesday, the 4th March 2025. - \(28-02-2025\)](#)