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1. In the Union Budget 2025-26, Finance Minister Nirmala Sitharaman announced significant reforms in GST and custom duties to bolster domestic manufacturing and streamline tax structures.

Key GST amendments include permitting Input Service Distributors to allocate input tax credits for inter-state supplies under the reverse charge mechanism, effective April 1, 2025, and introducing a Track and Trace system to enhance supply chain transparency.

On the customs front, the budget proposes eliminating seven tariff rates, reducing the total to eight, including a zero rate, to simplify the customs tariff structure. Additionally, Basic Customs Duty on certain goods has been increased from 10% to 20% to support domestic manufacturing, while BCD on display panel assembly components has been reduced to 5% to promote local production. Furthermore, the budget fully exempts 36 life-saving drugs from customs duty and imposes a concessional 5% duty on six others, aiming to reduce healthcare costs. These measures reflect the government's commitment to fostering economic growth through tax rationalization and support for critical sectors.

Source : Union Budget 2025





Source : GST News and Updates

2. Advisory on Introduction of Form ENR-03 for Enrolment of Unregistered Dealers/Persons in e-Way Bill Portal for generating e-way Bill.

A new feature has been introduced in the E-Way Bill (EWB) system to facilitate the enrolment of unregistered dealers supplying goods, with effect from 11.02.2025. In accordance with Notification No. 12/2024 dated 10th July 2024, Form ENR-03 has been introduced for the enrolment of unregistered dealers.

Unregistered dealers engaged in the movement or transportation of goods can now generate e-Way Bills by enrolling themselves on the EWB portal and obtaining a unique Enrolment ID. This ID will serve as an alternative to the Supplier GSTIN or Recipient GSTIN for generating e-Way Bills.

Source: GST News and Updates

3. The CBIC, through Circular No. 247/04/2025-GST dated 14.02.2025, has issued clarifications on GST rates and classifications based on the 55th GST Council meeting (21.12.2024).

Key highlights:

- **Pepper (Genus Piper) (HS Code 0904):** Taxed at 5% under HS Code 0904. Dried pepper supplied directly by agriculturists is exempt from GST.

Notifications & Updates

- **Raisins:** Supplies made directly by agriculturists are exempt from GST, and such suppliers are not required to register for GST.
- **Ready-to-Eat Popcorn:**
 - 1.Salt/spice mixed: 5% GST (loose), 12% (pre-packaged).
 - 2.Caramel popcorn (HS Code 1704): 18% GST (classified as sugar confectionery).
- **Construction Materials:**
 - 1.AAC blocks ($\geq 50\%$ fly ash): 12% GST.
 - 2.Cement-based blocks: 18% GST.
- **SUV Compensation Cess:** 22% cess applies to SUVs meeting ground clearance criteria in an unladen condition, effective from 26.07.2023.
- **Past Transactions:** No penalties or tax recoveries for classification-related issues before 14.02.2025

Source: Union Budget

4. Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Jharkhand and Andaman and Nicobar Islands Effective from 15th Feb 2025 and in Maharashtra and Lakshadweep on 8th February, 2025:

Rule 8 of CGST Rules now mandates biometric-based Aadhaar authentication and original document verification for GST registration based on risk parameters in Jharkhand, Andaman & Nicobar Islands, Maharashtra and Lakshadweep. Applicants shall receive an email with a

link for either OTP-based authentication or GSK appointment booking. If biometric authentication is required, they must visit a GST Suvidha Kendra with original documents. ARN will be generated only after successful biometric verification at GST Suvidha Kendra.

Source: GST Advisory

5. Clarification on E-Way Bill Requirement for Goods under Chapter 71:

Effective 6th February 2025, goods under Chapter 71 (excluding HSN 7117 - Imitation Jewellery) are exempt from the mandatory E-Way Bill (EWB) requirement as per Rule 138(14) of CGST Rules. While the EWB system previously allowed voluntary generation, this facility has now been withdrawn. However, for intra-state movement in Kerala, EWB remains mandatory as per Notification No.10/24-State Tax dated 27/12/24. Industry stakeholders are advised to comply accordingly and contact the GST Helpdesk for further clarifications.

Source: GST Advisory

6. Clarification on Departmental Appeals for Interest/Penalty under Section 128A

The CBIC has clarified that taxpayers who have fully paid the tax demanded under Section 73 of the CGST Act for FY 2017-18, 2018-19, and 2019-20 can avail Section 128A benefits, even if the department



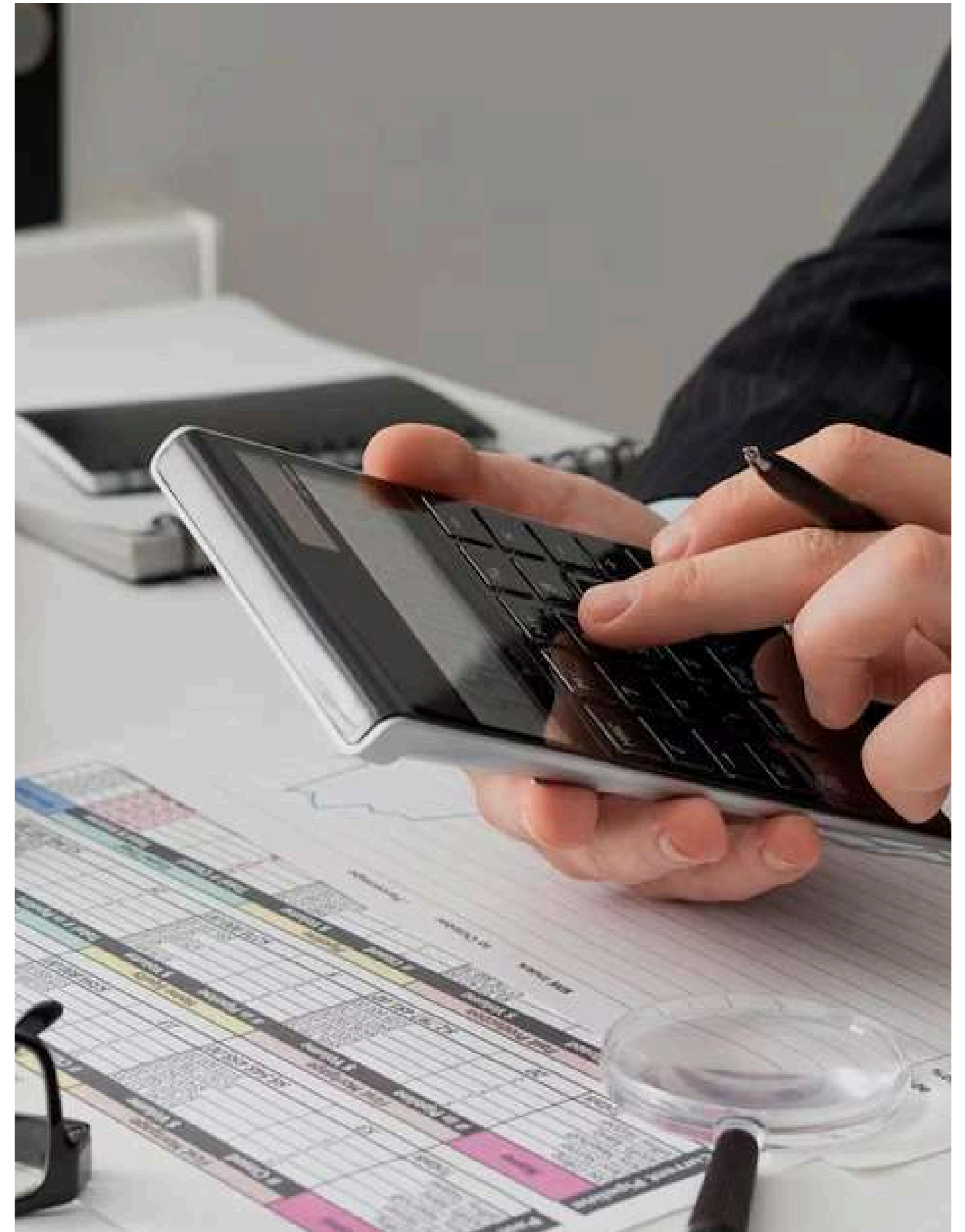
Notifications & Updates

has appealed regarding interest miscalculation or penalty disputes. The department has been directed to withdraw such appeals and accept orders under review, ensuring reduced litigation. Tax authorities must comply, and any difficulties should be reported to the Board.

Source: GST Instruction

8. In a recent judgement, the Hon'ble High Court of Orissa held that where assessee is aggrieved by order passed by first appellate authority wants to file appeal before Tribunal, however same had not yet been constituted, appellate order was to be stayed subject to deposit of 10% of disputed tax amount over and above 10% deposited for filing appeal.

Source: Boddapati Rama v. Joint Commissioner of State Tax dated 20.02.2025



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