

Here is a comprehensive study of **Circular No. 248/05/2025-GST**, which clarifies the implementation of **Section 128A of the CGST Act**, dealing with **waiver of interest and penalties** for specified past tax periods:

□ **Background**

Section 128A was introduced to provide relief for taxpayers by waiving **interest and penalties** on GST demands under **Section 73** for the period from **July 1, 2017, to March 31, 2020**, provided certain conditions are met.

□ **Key Clarifications from Circular No. 248**

1. Applicability of Waiver

- Applicable only for demands raised under **Section 73** (non-fraud cases) for the specified period.
- Not applicable to **Section 74** (fraud or suppression cases).

2. Payment Modes

- If the tax amount is paid before **November 1, 2024**, through **Form GSTR-3B**, it's eligible.
- If paid **on or after November 1, 2024**, it must be made using **Form GST DRC-03** to claim the waiver.

3. Appeal Management

- If a taxpayer has received a notice or passed order that spans **multiple tax periods**, they can:
 - Pay the tax only for the **eligible period** (i.e., till March 31, 2020).
 - File **Form SPL-01** (for no pending demand cases) or **Form SPL-02** (where demand exists).
 - Submit an intimation not to pursue appeal for that portion.

4. Partial Withdrawal of Appeals

- Rule 164 has been amended to allow **partial withdrawal** of appeals covering the amnesty period only, without affecting the rest of the disputed period.

5. Refunds Not Permitted

- Any interest/penalty already paid **before** the implementation of Section 128A **will not be refunded**.
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☐ **Deadline**

- **March 31, 2025** is the final date to:
 - Make the tax payment (if not already done).
 - File SPL-01/SPL-02 and related declarations.
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☐ **Practical Impact**

This circular significantly reduces the tax burden for old pending disputes by allowing:

- Discharge of only tax amount (no interest/penalty).
 - Retention of appellate rights for periods beyond March 2020.
 - Simplified procedural compliance for eligible taxpayers.
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