

# MONTHLY NEWSLETTER

March 2025 | F&A | Volume LV

## Welcome to our monthly newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during March 2025. We had tried to cover all important updates occurred during March 2025 in this volume of newsletter. The sole purpose of this circulation is to update finance professionals and business owners on direct & indirect taxes and other compliances. Feedbacks are welcome at [info@nucleusadvisors.in](mailto:info@nucleusadvisors.in).



## Direct Tax Updates

New Zero-Coupon Bonds by Power Finance Corporation Ltd.

The Ministry of Finance has announced a new Zero-Coupon Bond issued by Power Finance Corporation Ltd. (PFC).

Here are the key details:

- ✓ Bond Name: 10-Year Zero Coupon Bond of PFC
- ✓ Duration: 10 years and 1 month
- ✓ Issuance Deadline: On or before March 31, 2027
- ✓ Maturity Amount: ₹1,00,000 per bond
- ✓ Discounted Price: ₹49,546 per bond (bought at a lower price, but matures to ₹1,00,000)
- ✓ Total Bonds Issued: 10 lakh bonds



### Taxation on Capital Gains :

- Since these bonds qualify as zero-coupon bonds under Section 2(48) and Rule 8B, investors will be taxed on capital gains (the difference between redemption value and issue price) instead of being taxed annually on interest income.



- This structure allows for deferred taxation, making it a more tax-efficient investment option compared to interest-bearing bonds.



## Safe Harbor Extension & Inclusion of Lithium-Ion Batteries

The CBDT has issued a new notification on March 25, 2025, introducing amendments to the Income Tax Rules, 1962 under the Income-tax (Sixth Amendment) Rules, 2025. These changes primarily impact safe harbor rules (SHR) and introduce new provisions for electric vehicle components.



### Key Updates:

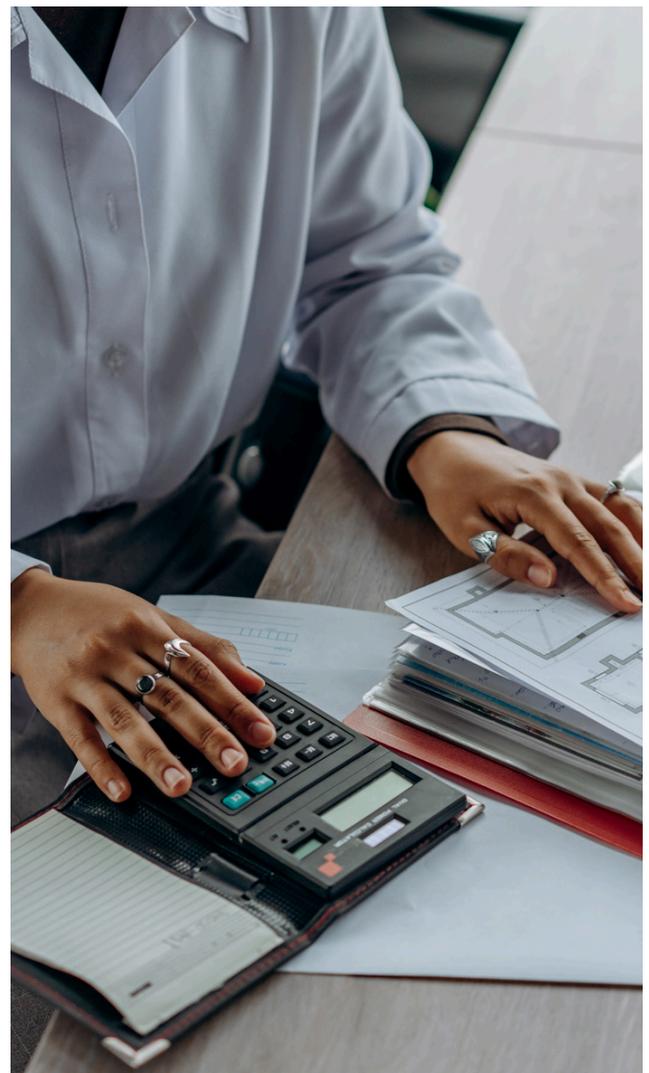
Expansion of Safe Harbor Rules for Electric Vehicle Industry

- Lithium-ion batteries used in electric and hybrid vehicles are now included in the list of eligible products under Rule 10TA.
- This means businesses dealing with these batteries can now benefit from simplified transfer pricing compliance under safe harbor rules.



### Safe Harbor Availability Extended Until 2026-27

- Earlier, safe harbor provisions were available only up to Assessment Year (AY) 2024-25.
- The amendment extends this to Assessment Year 2026-27, providing continued benefits for businesses.



# GST UPDATES



## 1. Amnesty Scheme – Section 128A (Effective from Nov 1, 2024)

### Scope:

Waiver of interest, penalty, or both for GST demands under Section 73 for the period July 1, 2017 – March 31, 2020.

### Eligibility & Payment Modes:

- Payments made via GSTR-3B before Nov 1, 2024 qualify.
- Payments made on/after Nov 1, 2024 must be via DRC-03.
  - Payments before notice/order issuance are also covered, subject to verification.

### Mixed Period Appeals:

- New Rules allow partial withdrawal of appeals (only for eligible periods).
- Remaining period (post-March 2020) to be decided separately by the authority.

## 2. Rule Amendments – Notified via Central Tax Notification

Central Goods and Services Tax (Second Amendment) Rules, 2025:

- Clarifies no refund for already paid dues for entire periods, even if partly eligible.
- Allows partial appeal withdrawal if demand includes both eligible and ineligible periods.
- Appeal is considered withdrawn only to the extent of eligible period (FY 2017-18 to 2019-20).

## 3. Biometric Authentication – Simplified Process

New Option for Directors/Promoters:

- Can now opt for biometric authentication at any GSK in their Home State.
- Applicable to: Pvt. Ltd., Public Ltd., Unlimited & Foreign Companies.
- Once selected, Home-State GSK cannot be changed.

Advisory Notes:

- PAS = Promoter/Director: Must visit jurisdictional GSK only.
- Biometric preferred before PAS visit to avoid delays.
- Facility currently available in 33 States/UTs, soon in Uttar Pradesh, Assam & Sikkim.

## 4. Aadhaar & Document Verification – UP GST Registrations

(Effective March 18, 2025)

For GST applicants in Uttar Pradesh, biometric and document verification is mandatory if flagged via risk parameters.

Steps:

1. Receive verification method via email.
2. Book appointment via link.
3. Visit GSK with Aadhaar, PAN & uploaded docs.
4. Biometric & document check → ARN issued if successful.

## 5. SPL-01/SPL-02 Filing – Technical Issues & Workarounds

Common Issues:

- Missing order number dropdown.
- Auto-population errors for payment/order details.
- Inability to adjust DRC-03 payments against demands.
- Appeals (APL-01) not withdrawable via portal.

Workarounds:

- Use DRC-03 (Category: Others) for voluntary payments.
- Link payments using Form DRC-03A.
- Check details in Electronic Liability Ledger for validation.

Important Dates:

- Payment Deadline: March 31, 2025
- Application Deadline (SPL-01/02): June 30, 2025

# MCA UPDATES

## MCA Extension of Deadline for Dematerialisation of Securities

The Ministry of Corporate Affairs (MCA), through its notification dated October 27, 2023, amended the Companies (Prospectus and Allotment of Securities) Rules, 2014 (Rules) by introducing Regulation 9B, which mandated all private companies, except small companies, and government companies, to dematerialise their securities by September 30, 2024.



- **Extension:** The deadline for compliance with Rule 9B(2) has been extended to June 30, 2025. This provides private companies (other than small and producer companies) with more time to complete the dematerialisation of securities and obtain ISIN (International Securities Identification Number) without incurring any penalties for non-compliance.
- **Applicability:** All private companies, excluding small companies and producer companies, are required to comply. Companies that intend to issue new shares, transfer shares, or make any alterations in their capital structure must do so only in dematerialised form.

## SEBI Update – Relaxation in timelines for holding AIFs' investments in dematerialised form



- The Securities and Exchange Board of India (SEBI) has updated its regulatory framework concerning Alternative Investment Funds (AIFs) on February 14, 2025.
- Investments After July 1, 2025 - Effective from July 1, 2025, all new investments made by AIFs—whether through primary infusion or through a secondary transfer—must be held in dematerialised form.

# NBFC UPDATES



Investments Made Before July 1, 2025 – Investments made by AIFs prior to July 1, 2025, are generally exempt from the requirement to hold investments in dematerialized form. However, there are two important exceptions to this rule:

1. If the investee company has been mandated by applicable law to facilitate the dematerialization of its securities, the AIF must comply with the dematerialization requirement.

2. If the AIF (either individually or along with other SEBI-registered intermediaries/entities) exercises control over the investee company, the AIF will also be required to hold its investments in dematerialized form. The term 'control' is defined under Regulation 2(1)(f) of the AIF Regulations, 2012.

## Master Direction – RBI (Prudential Norms on Capital Adequacy for Regional Rural Banks) Directions, 2025

Regulatory Capital:

- Minimum CRAR: 9% of Risk-Weighted Assets (RWAs).

Capital Composition:

- Tier 1: Paid-up capital, reserves, perpetual debt instruments (PDIs) (max 1.5% of RWAs).
- Tier 2: General provisions, loss reserves, Investment Fluctuation Reserve (IFR).

Risk-Weighted Assets (RWAs):

- Computed using risk-adjusted weights for on/off-balance sheet items.
- Reporting
- Annual returns to NABARD Regional Office.

Other Provisions:

- RBI clarifications to resolve any interpretation issues.
- Repeals prior circulars (Annex IV).

## RBI ATM/CRM Charges Update (Effective May 1, 2025)

- Interchange Fee: Decided by ATM networks.
- Free Transactions: 5/month at own bank ATMs; 3 (metro) & 5 (non-metro) at other bank ATMs.
- Charges Beyond Free Limit: ₹23 per transaction (+ applicable taxes).
- Applies to CRMs (except cash deposits).
- Issued under Payment and Settlement Systems Act, 2007.

## RBI Revises Norms for Govt-Guaranteed Security Receipts (SRs)

- The RBI has updated valuation and provisioning norms for Security Receipts (SRs) backed by government guarantees:
- Banks can reverse excess provisions if the sale includes only cash and govt-backed SRs.
- Non-cash SRs will be deducted from Core Equity Tier 1 (CET 1) capital, with no dividend payouts.
- Valuation will be based on Net Asset Value (NAV), and unrealized gains must be deducted from CET 1 capital.
- SRs post guarantee expiry will be valued at ₹1.
- Converted SRs will follow the Prudential Framework for Stressed Assets.
- These norms apply immediately to all existing and future investments.



# COMPLIANCE CALENDER



## Indirect Taxes

### April 10th , 2025

- Due date for filing GSTR-7 & GSTR-8 (Mar, 2025).

### April 11th , 2025

- Due date for filing of GSTR-1 for turnover exceeding 5Cr or opted to file monthly return (Mar 2025).

### April 13th , 2024

- Due date for filing of GSTR-1 who opted for quarterly filing as per QRMP scheme (Mar, 2025).
- Due date for filing of GSTR-5 & GSTR-6 (Mar, 2025)

### April 20, 2024

- Due date for filing of GSTR-3B for turnover exceeding 5Cr or opted to file monthly return.
- Due date for filing of GSTR-5A.

## Direct Taxes

### April 07, 2025

- Due date for deposit of Tax deducted/collected by an office of government for the month of March, 2025. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan.
- Uploading of declarations received in Form 27C from the buyer in the month of March, 2025.

### April 14, 2024

- Due date for issue of TDS Certificate for tax deducted u/s 194-IA, 194-IB, 194-M & 194S (by specified persons) in the month of February, 2025.
- Due date for issue of TDS Certificate for tax deducted under section 194M in the month of February, 2025.

### April 15, 2024

- Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of March, 2025.
- Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2025.
- Due date for furnishing statement by a recognised association in respect of transactions in which client codes been modified after registering in the system for the month of March, 2025.

### April 30, 2024

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194I-B, 194-M & 194-S (by specified persons) in the month of March, 2025.
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2025 has been paid without the production of a challan.
- Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2025.
- Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2024 to March 31, 2025.
- Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter



# LINKEDIN ENGAGEMENT

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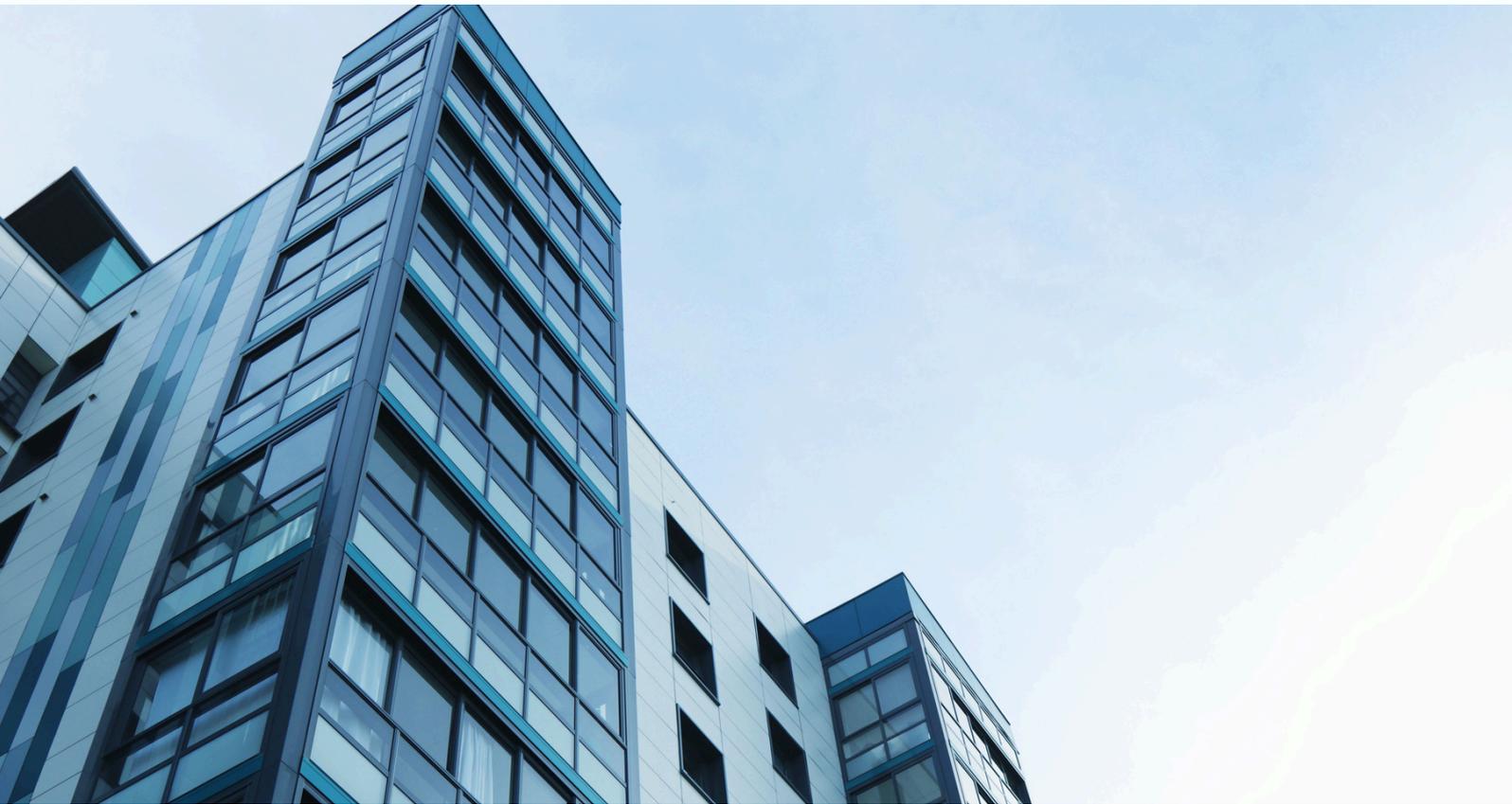
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