

# MONTHLY NEWSLETTER

April 2025 | F&A | Volume LVI

## Welcome to our monthly newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during April 2025. We had tried to cover all important updates occurred during April 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

### Mandatory Aadhaar Linking for PANs Issued via Enrollment ID

In a continued effort to strengthen identity verification within the tax system, the CBDT has made it mandatory for individuals who received their Permanent Account Number (PAN) based on Aadhaar Enrollment ID (submitted before October 1, 2024) to intimate their Aadhaar number to the Income Tax Department.

### December 31, 2025 Set as Deadline for Aadhaar-PAN Linking

This follow-up notification specifies the last date for Aadhaar intimation as December 31, 2025. Individuals failing to comply within this timeframe may face penalties or limitations on PAN functionality..

This timeline is part of a phased compliance regime to ensure all PANs are linked to Aadhaar for enhanced transparency, e-verification, and identity-based validations across tax and financial systems



### No TDS on Withdrawals from Certain Savings Schemes

Clarification has been issued stating that no tax is to be deducted at source (TDS) under Section 194EE for withdrawals made from the National Savings Scheme, as covered under Section 80CCA(2)(a).

This measure provides tax relief and reduces the procedural burden on individuals withdrawing from long-term savings instruments—commonly held by pensioners and small savers.





### New Return Filing Format for Search/Seizure-Based Assessments

CBDT has introduced Rule 12AE and Form ITR-B, specifically for cases involving search and seizure operations under Section 158BC of the Income Tax Act.

#### Key Provisions:

- Compulsory e-filing with digital signature for companies, political parties, and entities under audit
- Electronic verification code (EVC) option available for others
- Detailed disclosures across assessment years within the block period, including head-wise income, prior filings, and undisclosed income

This form strengthens compliance and streamlines assessment for complex or high-value search-related proceedings.

### HUDCO Zero Coupon Bonds Officially Notified

The government has notified the Ten-Year Zero Coupon Bonds issued by Housing and Urban Development Corporation Ltd. (HUDCO) as eligible under Section 2(48) of the Income-tax Act.

#### Bond Highlights:

- Redemption Value: ₹5,000 crore
- Discounted Issuance: ₹2,351.49 crore
- Issuance Timeline: On or before March 31, 2027
- Use of Funds: To be deployed only in self-financing infrastructure projects that are not dependent on state funding

This provides a tax-efficient, structured funding mechanism for critical infrastructure growth while offering long-term investment opportunities



### New TCS Reporting Codes Introduced for Luxury Goods

The Income-tax Rules have been amended to include new Tax Collection at Source (TCS) codes in Form 27EQ, covering high-value goods.

#### Goods Categorized for TCS Reporting:

- High-end watches, antiques, collectible stamps and coins
- Yachts, rowing boats, helicopters
- Premium fashion items: handbags, shoes, sunglasses
- Sports kits like golf or ski gear
- Home theatre systems and horses for racing/polo

These codes will help standardize TCS filings and improve tracking of luxury spending in the economy.

### TCS Imposed on Luxury Goods Sold Above ₹10 Lakh

The CBDT has formally notified that TCS will be applicable on the sale of specific luxury goods where the transaction value exceeds ₹10 lakh.

This includes items listed in Notification 35/2025 and aims to improve compliance and reporting in high-consumption sectors often prone to underreporting or tax evasion. Sellers must ensure timely TCS deduction and proper record-keeping for such transactions.

### Deduction Disallowed for Settlements of Regulatory Violations

It has been clarified that expenses incurred to settle proceedings under regulatory frameworks like the SEBI Act, the Competition Act, etc., shall not be considered allowable business expenditure.

#### Covered Laws:

- SEBI Act, 1992
- Securities Contracts (Regulation) Act, 1956
- Depositories Act, 1996
- Competition Act, 2002

This reinforces the principle that penalties and settlements arising from non-compliance cannot be passed as a business cost for tax reduction purposes.





## Revised ITR Forms Issued for AY 2025–26

CBDT has notified revised formats for ITR-1 (Sahaj) and ITR-4 (Sugam), effective for Assessment Year 2025–26.

Major Revisions:

- Allowance for capital gains up to ₹1.25 lakh under Section 112A
- Expanded eligibility for presumptive income filers (Sections 44AD/ADA/AE)
- Streamlined instructions and updated fields for simplified filing.
- These changes aim to encourage early, accurate, and digital return submission among small taxpayers and salaried individuals.

## Mysore Palace Board Granted Income Tax Exemption

Income earned by the Mysore Palace Board, under the Mysore Palace (Acquisition and Transfer) Act, 1998, has been exempted under Section 10(46).

Exempt Income Includes:

- Revenue from palace property
- Entry fees and statutory charges
- Rental income from government kiosks
- Interest earned on deposits

Conditions:

- No commercial activity
- Nature of income must remain unchanged
- Annual income tax returns must be filed accordingly

This aligns with the treatment of other government-backed heritage bodies.





# GST UPDATES



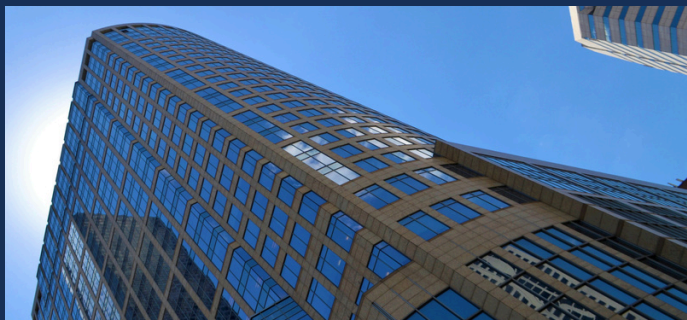
## Advisory-1

### Invoice Numbers to Be Case-Insensitive for IRN

Effective **1st June 2025** invoice/documents numbers on the Invoice Reporting Portal (IRP) will be treated as **case-insensitive** for IRN generation.

To maintain consistency and prevent duplication, all invoice numbers will be **auto-converted to UPPERCASE** before processing.

This aligns with existing GSTR-1 practices. For queries, kindly contact the **GST Helpdesk**.



## Advisory-2

### From April 2025, Table 3.2 of GSTR-3B to Be Auto-Populated and Locked

#### Background:

Table 3.2 of GSTR-3B reflects inter-State supplies made to unregistered persons, composition taxpayers, and UIN holders, based on information furnished in GSTR-1, GSTR-1A, or IFF.

Beginning with the April 2025 tax period, the values in Table 3.2 will be auto-populated by the system and rendered non-editable in GSTR-3B.

Any corrections to these values must be carried out by amending the relevant entries in GSTR-1A or in subsequent GSTR-1/IFF returns.

To ensure accurate auto-population, taxpayers are strongly advised to report inter-State supplies correctly in GSTR-1, GSTR-1A, or IFF.

## SEBI UPDATE

### SEBI Revises Cybersecurity Compliance Norms for Regulated Entities

SEBI's circular dated April 30, 2025, updates the Cybersecurity and Cyber Resilience Framework (CSCRF) by redefining compliance categories for regulated entities (REs) such as stockbrokers, portfolio managers, AIFs, KRAs, and merchant bankers. Entities are classified into Qualified, Mid-size, Small-size, or Self-certification based on size and activity, with exemptions for smaller participants. BSE is appointed as the reporting authority for Investment Advisers and Research Analysts. The circular mandates implementation by June 30, 2025.



# RBI UPDATES



## Migration to .bank.in Domain

As per RBI's directive (Feb 7, 2025), banks must migrate to the exclusive .bank.in domain to strengthen cybersecurity and reduce digital payment fraud.

- IDRBT is the sole registrar, authorized by NIXI under MeitY.
- Contact: sahyog@idrbt.ac.in to begin the registration.
- Deadline for migration: October 31, 2025.
- Banks are advised to initiate the process without delay.

## Export Relaxations for Warehouses in 'Bharat Mart', UAE

- To support Indian exporters using 'Bharat Mart' in UAE, the following relaxations under FEMA have been permitted with immediate effect:
- Extended Realisation Period:
- Exporters may realise and repatriate export proceeds within 9 months from the date of sale from the warehouse.
- No Pre-conditions for the Following: (subject to AD bank's verification)
- Opening/hiring of warehouses in 'Bharat Mart' by exporters with valid IEC.
- Remittances for initial and recurring expenses related to warehouse operations.
- Action Required:
- AD Category-I banks must inform concerned exporters and stakeholders.

## Incentives under CDES for Bank Branches & Currency Chests

To promote better customer service under the Clean Note Policy, the CDES offers performance-based incentives to bank branches and currency chests (CCs):

### Key Incentives:

- New CCs in NE, J&K, and Ladakh (inaccessible/hilly areas):
- Capital Cost: Reimbursement up to ₹50 lakh.
- Revenue Cost: 50% reimbursement for 5 years.
- Exchange Services at Branches:
- Soiled Notes: ₹2 per packet (₹50 & below).
- Mutilated Notes Adjudication: ₹2 per note.

### Coin Distribution:

- ₹65 per bag.
- +₹10 per bag for rural/semi-urban areas (with CA certificate).

### Cash Deposit by Non-chest Branches (via CCs):

- Modern CCs: ₹8 per 100 pcs.
- Other CCs: ₹5 per 100 pcs.

### Operational Guidelines:

- Incentives based on actual deposits at RBI Issue Offices.
- Coin incentives based on net withdrawals.
- CCs must pass incentives to linked branches on a pro-rata basis.
- RBI will verify coin distribution via inspections/incognito visits.
- Previous instructions (Circular DCM(CC) No.97527, Aug 27, 2021) remain applicable.

## Mandatory Use of PRAVAAH Portal for Regulatory Applications

Effective May 1, 2025, all Regulated Entities must submit applications for regulatory authorisations, licenses, and approvals exclusively through the PRAVAAH portal.

PRAVAAH (Platform for Regulatory Application, Validation And Authorisation) is a centralised, secure, web-based portal launched by RBI on May 28, 2024. The portal has already handled ~4,000 applications. Entities must stop submitting applications outside PRAVAAH if the required form is available on the portal.

Portal Access: <https://pravaah.rbi.org.in>

User manuals, FAQs, and demo videos are available for guidance.

### Action Required:

All regulated entities are to comply with this mandate from May 1, 2025 onwards.



# COMPLIANCE CALENDER



## Indirect Taxes

### May 10th , 2025

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

### May 11th , 2025

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

### May 13th , 2024

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

### May 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

### May 07, 2025

- Due date for deposit of Tax deducted/collected by an office of government for the month of April, 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 April, 2025.

### May 15, 2025

- 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 March, 2025.
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of April, 2025 has been paid without the production of a challan
- Quarterly statement of TCS deposited for the quarter ending March 31, 2025
- Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes have been modified after registering in the system for the month of April, 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 April, 2025
- Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of March, 2025

### May 30, 2025

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194-M & 194-S (by specified persons) in the month of April, 2025.
- Issue of TCS certificates for the 4th Quarter of the Financial Year 2024-25
- Furnishing of statement required under Section 285B for the previous year 2024-25.


### May 31, 2025

- Quarterly statement of TDS deposited for the quarter ending March 31, 2025
- Return of tax deduction from contributions paid by the trustees of an approved superannuation fund
- Due date for furnishing of statement of financial transaction (in Form No. 61A) as required to be furnished under sub-section (1) of section 285BA of the Act respect for financial year 2024-25
- Due date for e-filing of annual statement of reportable accounts as required to be furnished under section 285BA(1)(k) (in Form No. 61B) for calendar year 2024 by reporting financial institutions



# LINKEDIN ENGAGEMENT

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0124-4930078



[info@nucleusadvisors.in](mailto:info@nucleusadvisors.in)



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