

LUNAWAT BULLETIN

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MARKET WATCH

Sensex : 28/02/2025: **73192.35**
31/01/2025: **77565.79**

Nifty : 28/02/2025: **22126.35**
31/01/2025: **23532.05**

AROUND THE GLOBE

FISCAL DEFICIT TILL JANUARY WIDENS TO 74.5% OF REVISED TARGET SECTIONS

The Central Government's fiscal deficit reached 74.5% of the revised annual target by January, up from 63.6% a year earlier, mainly due to increased capital expenditure and advanced state devolution. Despite this, analysts believe the deficit will remain within the 4.8% of GDP target for FY25.

COAL & ELECTRICITY SLOW CORE SECTOR GROWTH TO 4.6% IN JANUARY

India's core sector growth slightly decreased to 4.6% in January from 4.8% in December, primarily due to slower growth in coal and electricity sectors. Cement output surged to a 15-month high. The growth of these eight key industries is crucial since they contribute significantly to the Index of Industrial Production.

INDIA'S DIGITAL ECONOMY TO ACCOUNT FOR ONE-FIFTH OF GDP BY 2029: REPORT

India's digital economy is expanding at twice the pace of its overall economy and is set to comprise 20% of the GDP by 2029, as per a report by Prosus and ICRIER. India's ranking as the third most digitised nation highlights its successful adoption of technologies and digital infrastructures.

INDIA'S GST COLLECTIONS SURGE IN JANUARY 2025: GROSS UP 12.3%, NET RISES 10.9%

GST collections showed strong growth in January 2025, with a 12.3% increase in gross and 10.9% in net collections. Manufacturing PMI rose to 57.7, indicating expansion, while services PMI stayed high at 56.5. Inflation moderated to 4.3%, providing more policy space. However, bank credit growth slowed, and there was a continued outflow of FII flows.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
02.03.2025 (Sunday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> Furnish Challan cum statement for TDS u/s 194-IA, 194-IB, 194 -S, 194-M in the month of January 25
07.03.2025 (Friday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> Deposit tax deducted (TDS) / tax collected (TCS) for the month of February 2025. Submission of declaration in Form-27C for no TCS as obtained from manufacturer to the CIT/ CCIT
07.03.2025 (Friday)	FEMA	<ul style="list-style-type: none"> Report actual ECB transactions through Form ECB-2 return.
07.03.2025 (Friday)	Equalisation Levy	<ul style="list-style-type: none"> Deposit of equalization levy deducted on specified services during the month of February 2025
10.03.2025 (Monday)	GST	<ul style="list-style-type: none"> GSTR -7 by TDS Deductor for the period of February, 2025. GSTR -8 by TCS Collector(E-Commerce Operator) for the period of February 2025.
11.03.2025 (Tuesday)	GST	<ul style="list-style-type: none"> GSTR -1 (Statement for furnishing details of outward supplies) for month of February 2025 by taxpayers whose aggregate turnover exceeds Rs. 5 crores in the previous FY or those who have not opted for QRMP.
13.03.2025 (Thursday)	GST	<ul style="list-style-type: none"> GSTR-5 by Non-Resident Taxpayers (13th of the next month or within 7 days after the expiry of the registration, whichever is earlier) GSTR-6 by Input Service Distributor for month of February 2025. GSTR-IFF: to furnish B2B Supplies (Optional) for the month of February 2025 by taxpayers who opted for QRMP Scheme

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
15.03.2025 (Saturday)	Income Tax	<ul style="list-style-type: none"> • Fourth instalment of advance tax for the A.Y. 2025-26 (FY 2024-25) • Payment of whole amount of advance tax in respect of A.Y. 2025-26 for assessee covered under presumptive scheme of section 44AD / 44ADA • Furnish Form 24G by an office of the Government where TDS/TCS for the month of February 2025 has been paid without the production of a challan
15.03.2025 (Saturday)	PF/ESI	<ul style="list-style-type: none"> • Filing of ECR & challan deposit of ESI & PF collected during February 2025..
17.03.2025 (Monday)	Income Tax	<ul style="list-style-type: none"> • Issue TDS Certificate for tax deducted u/s. 194-IA, 194-IB, and 194S in the month of January 2025
20.03.2025 (Thursday)	GST	<ul style="list-style-type: none"> • GSTR-3B for the month of February 2025 by taxpayers whose aggregate turnover exceeding 5 Crore in the previous FY or those who have not opted for QRMP. • GSTR-5A by OIDAR services provided for month of February 2025. • GSTR-1A: To add or amend particulars, other than GSTIN, furnished in GSTR-1 of the current tax period. <i>(Available after filing of GSTR-1 & upto due date/actual filing of GSTR-3B, whichever is earlier).</i>
25.03.2025 (Tuesday)	GST	<ul style="list-style-type: none"> • PMT-06 for monthly tax payment for Feb 2025 under QRMP Scheme
30.03.2025 (Sunday)	Income Tax	<ul style="list-style-type: none"> • Furnish Challan cum statement for TDS u/s 194-IA, 194-IB, 194-S, 194-M in the month of February 2025

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
31.03.2025 (Monday)	Income Tax	<ul style="list-style-type: none"> Country-By-Country Report in Form No. 3CEAD for the previous year 2023-24 by a parent entity or the alternate reporting entity, resident in India, in respect of the international group of which it is a constituent of such group. Uploading of statement, of foreign income offered to tax and tax deducted or paid on such income in previous year 2022-23, to claim foreign tax credit in Form 67 [if return of income has been furnished within the time specified under section 139(1) or section 139(4). Furnishing of an updated return of income for the A.Y. 2022-23
31.03.2025 (Monday)	GST	<ul style="list-style-type: none"> Taxpayers can opt for the Composition Scheme for the FY 2025-26 from February 4 to March 31, 2025 by filing Form CMP-02 Closing date of window on GST Portal for Opt in/Opt out for Forward Charge/Reverse Charge by GTA for FY 2025-26

INCOME TAX

CBDT AMENDS RULES 12CA, 12CC & FORMS 10IH, 64A, 64B, 64C, 64D, 64E & 64F

The CBDT has amended the Income-tax Rules 12CA, 12CC & Forms 10IH, 64A, 64B, 64C, 64D, 64E & 64F. The amendments focus on improving reporting requirements for business trusts and securitization trusts by revising Rules 12CA and 12CC.

- Business Trusts (Rule 12CA) digitally:
 - Must furnish income distribution details in Form No. 64A to tax authorities and Form No. 64B to unit holders.
- Securitization Trusts (Rule 12CC) digitally:
 - Required to submit income details in Form No. 64E to tax authorities and Form No. 64F to investors.

Additionally, Form No. 10IH has been updated, and Forms 64A to 64F have been replaced with revised formats, ensuring streamlined reporting. These changes enhance transparency and compliance in the taxation of income distributed by such trusts.

CBDT AMENDS INCOME-TAX RULES FOR INFRASTRUCTURE DEBT FUNDS

CBDT has amended Rule 2F of the Income-Tax Rules, 1962, impacting Infrastructure Debt Funds (IDFs). IDFs must now operate as NBFCs under RBI regulations and invest only in infrastructure projects operational for at least a year or toll-operate-transfer projects as direct lenders. Fundraising is permitted via rupee/foreign currency bonds, zero-coupon bonds, and ECBs, with a minimum ECB tenor of five years and restrictions on funds from foreign branches of Indian banks. The amendment also limits investments in projects linked to significant shareholders or associated enterprises and redefines "specified shareholder" as entities with at least 30% voting power in an IDF. These changes enhance regulatory compliance and investment safeguards.

INCOME TAX

INCOME TAX ACT: SECTION 285 NOTIFICATION FOR LIAISON OFFICE STATEMENT FILING

The Ministry of Finance has amended the Income-tax Rules, 1962, u/s 285 and 295 of the Income-tax Act, 1961. Rule 114DA now mandates liaison offices to file Form No. 49C within eight months from the end of the financial year. A revised Form No. 49C in Appendix-II includes a detailed verification section, requiring the declarant to confirm the accuracy of details like PAN or Aadhaar and declare their authority to file. These amendments, effective immediately, streamline compliance while ensuring accurate reporting.

CBDT EXTENDS DUE DATE FOR FILING FORM 56F FOR AY 2024-25

The CBDT, has extended the due date for filing Form 56F for AY 2024-25 to March 31, 2025. This relief, granted under Section 119(2)(b) of the Income-tax Act, 1961, addresses difficulties faced in submitting the accountant's report under Section 10AA(8) read with Section 10A(5). The extension provides relief to taxpayers who could not meet the original Section 44AB deadline. The circular has been communicated to relevant authorities for implementation.

CBDT ISSUES GUIDANCE ON TDS FROM SALARIES FOR FY 2024-25

The CBDT, has issued guidelines on TDS from salaries u/s 192 of the Act, for FY 2024-25. It incorporates amendments from the Finance Acts of 2023 and 2024, including the Agniveer Corpus Fund u/s 17(1) and revised perquisites u/s 17(2). Surcharge rates under the old tax regime now range from 10% to 37%, while new tax regime rates under Section 115BAC vary from 5% to 30% based on income levels. Form 16 and Form 24Q have been updated to reflect these changes, including the replacement of "Education Cess" with "Health and Education Cess" and enhanced tax deduction reporting. Employers must comply with these guidelines for accurate tax computation and reporting.

GOODS & SERVICES TAX

NOTIFICATION NO. 09/2025: - SEEKS TO BRING CERTAIN RULES OF THE CGST (AMENDMENT) RULES, 2024 IN TO FORCE

Important Amendment Regarding:

- Applicability of E-way Bill on the Unregistered Persons

Rules	Explanation	Effective Date
Rule 24/27	<p>Rule 24 brings an amendment to Rule 138(3), introducing FORM GST ENR-03 for unregistered persons who are required to generate an e-way bill (FORM GST EWB-01) or choose to do so voluntarily. Such persons must submit their details electronically through the common portal or a Facilitation Centre, after which a Unique Enrolment Number (UEN) will be assigned upon successful validation.</p> <p>Rule 27 further formalizes the enrolment process for unregistered persons with the introduction of FORM GST ENR-03, which is now required for generating an E-way Bill.</p>	11th day of February, 2025

- Amendment in GSTR Forms

Rules	Explanation	Effective Date
Rule 32	Table 6.1 is being amended in Form GSTR-3B and a new class of 'Adjustment of Negative Liability of previous tax period' is being inserted. Now the taxpayers can recognize the negative and adjust manually against GST liabilities in the next returns.	11th day of February, 2025
Rule 37	<ul style="list-style-type: none"> • Revised Table 3 & Table 4 in Form GSTR-7 which deals with TDS under GST • Table 3 now captures invoice-wise TDS details, including GSTIN, invoice number, value, amount liable for TDS, and tax deducted. • Table 4 allows for amendments to previously filed TDS details for accurate reporting 	1st day of April, 2025
Clause (ii) of Rule 38	<p>Introduces changes to Form GSTR-8, which is used by e-commerce operators to report Tax Collected at Source (TCS). The amendment substitutes serial numbers 3 and 4 in the form with new entries,</p> <p>Revised Serial No. 3: Now captures detailed supply data, including:</p> <ul style="list-style-type: none"> ◦ GSTIN of the supplier, gross & net value of supplies, TCS amount, and Place of Supply (POS). <p>Revised Serial No. 4: Allows for amendments to previously reported supplies, ensuring accurate reporting.</p>	

GOODS & SERVICES TAX

- Amendment in GSTR Forms

Rules	Explanation	Effective Date
Rule 8	<ul style="list-style-type: none"> Applicants who choose not to undergo Aadhaar authentication are required to: Have their photograph taken—either of the individual applicant or, for non-individual entities, of the individuals specified under section 25(6C) (Karta, Managing Director, whole time Director, such number of partners, Members of Managing Committee of Association, Board of Trustees, authorised representative, authorised signatory and such other class of persons, in such manner, as the Government may, on the recommendations of the Council) of the CGST Act. Present the original documents uploaded with FORM GST REG-01 for verification. Complete these steps at a Facilitation Center designated by the Commissioner. 	1st day of April 2025

CIRCULAR NO. 247/04/2025: - CLARIFICATION REGARDING GST RATES & CLASSIFICATION

- Clarification regarding classification and GST rate on pepper of genus Piper
 - It has been clarified that:
 - Pepper (green, white, or black) falls under HS Code 0904 and is subject to 5% GST
 - Farmers supplying dried pepper from their plantations are not required to register under GST as per Section 23(1)(b) of the CGST Act and are exempt from GST.
- Clarification regarding raisins supplied by an agriculturist
 - Agriculturists supplying raisins are not required to register under GST under Section 23(1) of the CGST Act and are exempt from GST
- Clarification on GST rate on ready to eat popcorn
 - The GST Council clarified the classification and tax rates for ready-to-eat popcorn:
 - Popcorn with salt and spices falls under HS Code 21069099:
 - 5% GST if sold loose (not pre-packaged and labelled).
 - 12% GST if sold as packaged and labelled
 - Caramel or sugar-coated popcorn is classified under HSN Code 17049090 and attracts 18% GST.

GOODS & SERVICES TAX

CLARIFICATIONS REGARDING APPLICABILITY OF GST ON CERTAIN SERVICES

- Fly ash based Autoclaved Aerated Concrete Blocks
 - The GST Council clarified that autoclaved aerated concrete (AAC) blocks with more than 50% fly ash content are classified under HS 6815 and attract 12% GST, like fly ash bricks and blocks.
 - Other cement or concrete articles under HSN 6810 attract 18% GST.
- Effective date of amended entry regarding ground clearance & Compensation Cess
 - The GST Council clarified the effective date of the amended entry 52B in Notification No. 1/2017-Compensation Cess (Rate):
 - Before the 50th GST Council meeting, SUVs and utility vehicles with engine capacity over 1500cc attracted 22% Compensation Cess under entry 52B.
 - After the 50th GST Council meeting (via Notification No. 03/2023 dated 26.07.2023), the scope of cess applicability expanded to include all utility vehicles with:
 - Engine capacity exceeding 1500cc
 - Length over 4000mm
 - Ground clearance 170mm or more (unladen condition)
- The amendment carried out vide notification No. 03/2023- Compensation Cess (Rate) dated 26.07.2023 will apply on or after 26.7.2023.

GOODS & SERVICES TAX

OTHER AMENDMENTS:

- Revised Time Limit for E-Invoice Reporting for Businesses with AATO of ₹10 Crores & Above:
 - Starting April 1, 2025, businesses with an annual turnover of ₹10 crores or more must report e-invoices within 30 days from the invoice date. Previously applicable only to businesses with ₹100 crores turnover, this rule now covers a broader taxpayer base. Invoices older than 30 days will be rejected by the Invoice Registration Portal (IRP), making timely reporting essential for compliance.
- Update of Harmonized System of Nomenclature (HSN) Codes:
 - GSTN has updated the HSN reporting process in Table 12 of GSTR-1 and GSTR-1A as part of Phase 3 of HSN reporting.
- Mandatory Multi-Factor Authentication (MFA):
 - The government is implementing mandatory Multi-Factor Authentication (Multi-factor authentication (MFA) implies secured login to the e-invoice and e-way bill portals for generation of e-invoice and e-way bills using username, password and One-time password (OTP)) for GST portal access in phases:
 - From Jan 1, 2025: For taxpayers with AATO over ₹200 million.
 - From Feb 1, 2025: For those with AATO over ₹50 million.
 - From Apr 1, 2025: Mandatory for all taxpayers.

COMPANY LAW

THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) AMENDMENT RULES, 2025

MCA has issued the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025. As per the amendment, MCA has extended the mandatory DEMAT requirement for Private Companies till 30th June 2025. The extension shall not apply to Producer companies and Small Companies as on 31st March 2023.



LUNAWAT UPDATE

Articles & Presentations

During February 2025 , CA Pramod Jain gave following presentations:

- PPT on Budget 2025 & New IT Bill 2025 made at
 - ICAI Bhawan, Faridabad organised by ICAI - Faridabad Branch (NIRC)
 - ICAI - Trinagar Keshavpuram CPE Study Circle (NIRC)
 - ICAI - Sangrur Branch (NIRC)
 - Mangalam Group, Delhi
- PPT on Financial Reporting for Non-Corporates made at
 - ICAI - Pusa Road CPE Study Circle (NIRC)
 - ICAI - CIRC & KCAS CPE Study Circle
- PPT on Accounting Standards & FS for Non-Corporates made at ACA, Chennai
- PPT on Budget 2025 made at
 - ICAI - Rohini CPE Study Circle (NIRC)
 - Advocate Forum, Delhi
 - ICAI - West Delhi CPE Study Circle (ICAI)
 - ICAI - North Campus CPE Study Circle (NIRC)

During February 2025 , CA Rajesh Saluja gave following presentations:

- Training for Fintax Programme for Escorts Kubota Ltd
- Training for Finance for Non Finance Programme at Fujifilm India Pvt Ltd



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