

February 2025 | F&A | Volume LIV



Welcome to our  
monthly newsletter

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



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## Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax, MCA, Audit & Assurance notification, circulars and case laws which may directly or indirectly impact our readers. At Nucleus, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.





# NEWSLETTER HIGHLIGHTS

## Direct Tax Updates

- Enhanced Reporting Procedures for Business and Securitisation Trusts.
- “Bhaikaka University” Approved for Scientific Research Expenditure Deductions.
- Revised Guidelines for Infrastructure Debt Funds (IDFs)

## GST Updates

### Circulars Issued

- Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council in its 55th meeting held on 21st December, 2024, at Jaisalmer.

### Notifications Issued

#### Central Tax

- Seeks to bring rules 2, 8, 24, 27, 32, 37, 38 of the CGST (Amendment) Rules, 2024 in to force.

### Advisory Issued

- Advisory on E-Way Bill Generation for Goods Classified Under Chapter 71
- Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Maharashtra, Lakshadweep, Jharkhand and Andaman and Nicobar Islands
- Advisory for GST Registration Process (Rule 8 of CGST Rules, 2017)
- Advisory on Introduction of Form ENR-03 for Enrolment of Unregistered Dealers/Persons in e-Way Bill Portal for generating e-way Bill.



## DIRECT TAX UPDATES

### ➤ Enhanced Reporting Procedures for Business and Securitisation Trusts

The Ministry of Finance, through the Central Board of Direct Taxes (CBDT), has introduced significant amendments to the Income-tax Rules, 1962, via Notification No. 17/2025, dated February 24, 2025. These amendments impact reporting procedures for business trusts and securitization trusts under specific sections of the Income-tax Act, 1961. Below is a summary of the key changes:

#### 1. Updated Reporting Requirements for Business Trusts (Rule 12CA):

- Business trusts distributing income to unit holders must submit Form No. 64A electronically with a digital signature by June 15 of the financial year following the income distribution.
- Unit holders must receive Form No. 64B by June 30 of the following financial year, generated and downloaded from the official Income-tax web portal.
- The Principal Director General of Income-tax (Systems) will oversee the filing procedures and the secure management of submitted statements.

#### 2. Revised Compliance for Securitisation Trusts (Rule 12CC):

- Securitisation trusts must provide Form No. 64E to the tax authorities by June 15 of the financial year following the income payment.



- Investors must receive Form No. 64F by June 30, generated through the designated web portal and verified by the income payer.
- The Director General of Income-tax (Systems) will establish protocols for electronic filing and ensure the safe storage and retrieval of these records.

### 3. Amendments to Appendix-II Forms:

- Specific rate references (@10% and @15%) have been removed from Form No. 10IH to align with the latest tax structure.
- Updated versions of Forms No. 64A, 64B, 64C, 64D, 64E, and 64F have been introduced, reflecting the revised reporting procedures and ensuring compliance with updated guidelines.

#### Key Takeaways:

- Business and securitisation trusts must adhere to new filing deadlines and formats.
- Updated forms and reporting processes ensure greater transparency and compliance.

Ensure timely submission of Forms 64A, 64B, 64E, and 64F to meet regulatory requirements.

### ➤ “Bhaikaka University” Approved for Scientific Research Expenditure Deductions

The Central Government hereby approves **Bhaikaka University** (PAN: AAGAB9280N), Gujarat under the category of ‘University, College or other Institution’ for ‘Scientific Research’ for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with Rules 5C and 5D of the Act.

This Notification shall apply from the Previous Year 2024-25 and accordingly shall be applicable for Assessment Years 2025-26 to 2029-30.

### ➤ Revised Guidelines for Infrastructure Debt Funds (IDFs)

Central Board of Direct Taxes (CBDT) has issued changes focus on regulations related to Infrastructure Debt Funds (IDFs) and will take effect from February 7, 2025 changes focus on regulations related to Infrastructure Debt Funds (IDFs) .

#### 1. Infrastructure Debt Fund (IDF) Structure:

- IDFs must be registered as Non-Banking Financial Companies (NBFCs) and follow the guidelines set by the Reserve Bank of India (RBI).

#### 2. Investment Rules:

- IDFs can only invest in the following:
  - a) Infrastructure projects that have been operational for at least one year.
  - b) Toll-Operate-Transfer projects where the IDF acts as a direct lender.

#### 3. Ways to Raise Funds:

- IDFs can raise money through these methods:
  - a) Issuing bonds in Indian or foreign currencies, following RBI and Foreign Exchange Management regulations.
  - b) Issuing zero-coupon bonds according to Rule 8B.
  - c) External commercial borrowings (ECBs) through loans.

#### 4. Rules for Bonds and ECBs:

- Bonds must follow RBI rules and relevant regulations.
- ECBs must comply with the guidelines from RBI's Foreign Exchange Department.

**5. New Rule for External Commercial Borrowings (Sub-rule 5A):**

- ECBs raised by IDFs must have a minimum tenure of five years.
- These borrowings cannot come from foreign branches of Indian banks.

**6. Investment Restrictions (Sub-rule 7):**

- IDFs cannot invest in projects where a major shareholder, their associated companies, or their group holds a significant interest.

**7. Definition of 'Specified Shareholder':**

- This term now refers to any NBFC, bank, or other entity holding at least 30% of the voting power in an IDF.

These updates aim to streamline and regulate the functioning of Infrastructure Debt Funds more effectively, ensuring better compliance and governance.

## Circulars Issued

1. Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council in its 55th meeting held on 21st December, 2024, at Jaisalmer.

### Key Clarifications:

S. No	Issue	GST Rate/ Other Information
1.	Clarification on classification of pepper (green, white, or black) under HS 0904.  Applicability of GST on dried pepper supplied by an agriculturist.	Pepper (green, white, black) under HS 0904 attracts <b>5%</b> GST (Schedule I, Notification No. 1/2017-Central Tax (Rate) dated 28th June 2017). <b>Agriculturist supplying dried pepper is exempt</b> from GST under Section 23(1)(b) of CGST Act.
2.	- Clarification on GST applicability for raisins supplied by agriculturists.	Agriculturists supplying raisins are <b>exempt</b> from GST under Section 23(1) of CGST Act.
3.	- Clarification on classification and GST rate for ready-to-eat popcorn, including those mixed with salt and spices.	Ready-to-eat popcorn with salt and spices: <b>5%</b> GST (if not pre-packaged & labeled). - <b>12%</b> GST (if pre-packaged & labeled). Popcorn mixed with sugar (e.g., caramel popcorn) classified under HS 1704 90 90 attracts <b>18%</b> GST. Issue regularized for the period up to 14.2.2025 on an 'as is where is' basis.
4.	- Clarification on GST rate for AAC blocks with at least 50% fly ash content.	AAC blocks containing more than 50% fly ash content: - Classified under HS 6815 and attract <b>12%</b> GST.
5.	- Clarification regarding the effective date of the amended entry in Notification No. 1/2017-Compensation Cess (Rate) dated 28.06.2017.	Amendment effective from 26th July 2023. <b>Cess</b> applicable to utility vehicles with engine capacity exceeding 1500cc, length exceeding 4000mm, and ground clearance of 170mm.

# Notifications Issued

## 2. Central Tax

### Notification-1

Seeks to bring rules 2, 8, 24, 27, 32, 37, 38 of the CGST (Amendment) Rules, 2024 in to force

#### Key Points:

S. No	Rules	Date
1	Rules 2, 24, 27, and 32	11th February 2025
2	Rules 8, 37, and clause (ii) of Rule 38	1st April 2025

#### About

Rule 2 - Describing change in Rule 8 of CGST rules, 2017

Rule 24 Unregistered person are now required to Generate E-way Bill GST EWB-01 & EWB-02

Rule 27 GST ENR-03 form is inserted.

Rule 32 Amendment in Table 6.1 of GSTR-3B

Rule 8 Manner of ITC Distribution of ISD

Rule 37 Amendment in Table 3 & Table 4 of GSTR-7

Rule 38 Amendment in Table 3 & Table 4 of GSTR-8

# Advisory Issued

### Advisory-1

#### Advisory on E-Way Bill Generation for Goods Classified Under Chapter 71

Under Rule 138(14) of the CGST Rules, 2017, goods under Chapter 71 (except HSN 7117) are exempt from mandatory E-Way Bill generation. However, in Kerala, an option to generate E-Way Bills for such goods was previously available but has now been **withdrawn**.

### Advisory-2

#### Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Maharashtra, Lakshadweep, Jharkhand and Andaman and Nicobar Islands

#### Updates to GST Registration Process (Rule 8, CGST Rules, 2017)

1. Start → Applicant Identified via Risk Parameters
2. Verification Method Assigned → Email Notification Received
  - OTP-Based Aadhaar Authentication → Follow Current Process
  - GSK Appointment Booking → Visit GSK for Biometric & Document Verification
3. GSK Appointment Process → Book via Provided Link → Receive Confirmation Email
4. Visit GSK with Required Documents
  - Appointment Confirmation Email
  - Jurisdiction Details (as per Email)
  - Original Aadhaar & PAN Cards
  - Original Uploaded Documents
5. Biometric & Document Verification → Complete Within Permissible Time



- If Successful → ARN Issued
- If Unsuccessful → ARN Not Issued
- 6. Operational Details → GSK Timings Depend on State Guidelines

**Rolled out Date:**

**Jharkhand and Andaman and Nicobar Islands on 15th February, 2025.**

**Maharashtra and Lakshadweep on 8th February, 2025**

**Advisory-3**

**Advisory for GST Registration Process (Rule 8 of CGST Rules, 2017)**

**Key Points:**

1. Start → Choose Aadhaar Authentication
  - Yes → Biometric & Photo at GSK
  - No → Visit GSK for Photo & Document Verification
2. Appointment Scheduling → Email with GSK details → Book Appointment
3. Verification at GSK
4. Already Verified?
  - Yes → Only Document Verification
  - No → Full Verification
5. Same Promoter & PAS? → Both need Photo, Biometric & Documents
6. Complete in 15 Days → ARN Generated
7. Ensure Aadhaar Accuracy → Avoid Issues

**Advisory-4**

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

**Enrolment of Unregistered Dealers for e-Way Bill (Form ENR-03)**

1. Start → Access EWB Portal
2. Enrolment Process
  - Go to "Registration" tab → Select ENR-03 Form
  - Enter PAN Details → Verify Mobile via OTP → Provide Address
  - Select Type of Enrolment → Create Username & Password
3. Form Submission → Generate 15-character Enrolment ID
4. Use Enrolment ID for EWB Generation
  - Login to EWB Portal
  - Enrolment ID auto-fills as Supplier/Recipient
5. E-Way Bill Generated → End

## Direct Taxes

### March 02, 2025

- 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 January, 2025.

### March 07, 2024

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

### March 15, 2024

- Due date for Furnishing of 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.
- Fourth instalment of advance tax for the assessment year 2025-26.
- Due date for payment of whole amount of advance tax in respect of assessment year 2025-26 for assessee covered under presumptive scheme of section 44AD / 44ADA.

### March 17, 2024

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

### March 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 February, 2025.

### March 31, 2024

- Furnishing of an updated return of income for the Assessment Year 2022-23
- Uploading of statement [Form 67], of foreign income offered to tax and tax deducted or paid on such income in previous year 2022-23, to claim foreign tax credit [if return of income has been furnished within the time specified under section 139(1) or section 139(4)]

## Indirect Taxes

### March 10<sup>th</sup>, 2025

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

### March 11<sup>th</sup>, 2025

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

### March 13<sup>th</sup>, 2024

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

### March 20, 2024

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



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# ABOUT US

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Team Nucleus is comprised of people from Big4s and reputed consulting firms with combined experience of 30+ years. Team is distinguished by their functional and technical expertise combined with their hands-on experience, thereby ensuring that our clients receive the most professional



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