Demystifying Complexities

TAX EDGE

Monthly Tax & Regulatory Updates

Tax • Regulatory • Assurance • Legal

April 2025

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Contents

Goods & Services Tax ('GST')

GST

GST revenue collection for March 2025 Rs. 1,96,141 crore (9.9% higher than GST revenue in March 2024)

IGST (Integrated Goods and Services Tax)	Rs. 95,853 Crore
CGST (Central Goods and Services Tax)	Rs. 38,145 Crore
SGST (State Goods and Services Tax)	Rs. 49,891 Crore
Compensation cess	Rs. 12,252 Crore
Total	***Rs. 1,96,141 Crore***

The gross GST collection for Financial Year (FY) 2024-25 till March 2025 stood at Rs. 22.09 lakh crore, representing a 9.4% year-on-year growth, driven by a strong increase in domestic transactions (10%) and marginal increase in imports. After considering refunds, the net GST revenue in the FY 2024-25 till March 2025 stands at Rs.19.56 lakh crore, reflecting a growth of 8.6 % compared to the same period last year.

Please Click Here to read the revenue report dated 1 April 2025 released by the GST Network.

Ministry of Finance clarifies no intention to levy GST on Unified Payments Interface (UPI) transactions exceeding Rs.2,000

The Ministry of Finance has firmly denied claims suggesting that it plans to levy GST on UPI transactions > Rs.2,000. Government has clarified that these rumours are false and misleading. There is currently no proposal under consideration to impose GST on such transactions.

GST is levied on charges, such as the Merchant Discount Rate (MDR), relating to payments made using certain instruments.

Effective January 2020 onwards, the Central Board of Direct Taxes (CBDT) has removed the MDR on Person-to-Merchant (P2M) UPI transactions through the Gazette Notification dated 30 December 2019. Since currently no MDR is charged on UPI transactions, there is consequently no GST applicable to these transactions.

The Government remains committed to promoting digital payments via UPI.

To support and sustain the growth of UPI, an Incentive Scheme has been operational from FY 2021-22 onwards, specifically targeting low-value UPI (P2M) transactions, benefiting small merchants by alleviating transaction costs and promoting wider participation and innovation in digital payments.

The total incentive payouts under this scheme over the years reflect the Government's commitment to promoting UPI-based digital payments. Allocation under the scheme over the years has been as below:

- FY 2021-22: Rs.1,389 crore
- FY 2022-23: Rs.2,210 crore
- FY 2023-24: Rs.3,631 crore

These measures have contributed to India's robust digital payments ecosystem. According to the ACI Worldwide Report 2024, India accounted for 49% of global real-time transactions in 2023, reaffirming its position as a global leader in digital payments innovation.

UPI transaction values have seen an exponential increase, growing from Rs.21.3 lakh crore in FY 2019-20 to Rs.260.56 lakh crore by March 2025. Specifically, P2M transactions have reached Rs.59.3 lakh crore, reflecting growing merchant adoption and consumer confidence in digital payment methods.

Please Click Here to read the Press Release dated 18 April 2025 issued by Ministry of Finance.

Central Board of Indirect Taxes & Customs (CBIC) issues revised instructions for processing of applications for GST registration

Reportedly, several grievances have been received by CBIC regarding difficulties being faced by applicants during the GST registration process, mainly on account of queries raised by GST officers on the grounds of seeking additional documents.

To resolve these grievances and to smoothen GST registration process, CBIC has issued Instruction no. 03/2025-GST dated 17 April 2025 to GST officers. The GST officers have been instructed to strictly adhere to the prescribed list of documents provided in registration application form. Requisite documents in specific cases to be uploaded with registration application form have also been delineated in the instructions. *Officers have been directed not to issue notices based on presumptive grounds, minor discrepancies or for additional documents that are not essential for processing of applications*. Officers have been also directed to seek approval of the concerned Deputy / Assistant Commissioner in cases where document apart from the listed documents is required to be sought.

The zonal Principal Chief Commissioner / Chief Commissioners have been advised to devise mechanism to closely monitor and issue suitable trade notices, wherever required. It has also been advised that the strict action should be taken against the officers deviating from these instructions. This is likely to facilitate the process of getting GST registration, ease compliance burden. and promote ease of doing business.

Instruction no. 03/2025-GST dated 17 April 2025 issued by CBIC

The instructions issued by CBIC particularly focus on the documents to be sought from an applicant while processing applications for registration of GST.

- *Documents for Proof of Principal Place of Business (PPOB):*

✓ *Owned premises* - The applicant must upload any one document from the indicative list provided in Form GST REG-01 as proof of PPOB (such as latest property tax receipt or copy of electricity bill of the owner). Alternatively, a similar document such as a water bill or any other document recognized under state or local laws that clearly establishes ownership will also suffice. Officials must not request additional documents or physical copies to verify ownership of the premises.

- ✓ *Rented premises:* The applicant is required to upload the valid rent / lease agreement alongwith any one of the documents mentioned in the indicative list of documents in Form GST REG-01 to establish the ownership of the premise by the lessor (such as latest property tax receipt or copy of electricity bill). Alternatively, a similar document such as a water bill or any other document recognized under state or local laws that clearly establishes ownership by lessor will also suffice. Officials must not request additional documents (such as s PAN card, Aadhar Card, photograph of the lessor in front of / or inside the property, etc.) or physical copies to verify ownership of the premises.

  In case rent / lease agreement is not registered, then agreement along with identity proof of lessor and one ownership document will suffice. In case rent / lease agreement is registered, no identity proof of lessor required.

- ✓ *Consent Premises (owned by spouse, relative, etc.):* The applicant must upload a consent letter on plain paper from the owner of the premises, along with the owner's identity proof and any one document from the list appended to Form GST REG-01 that establishes ownership of the premises. No additional documents should be requested.

- ✓ *Shared premises:* Where rent / lease agreement is available, agreement alongwith any one of the documents mentioned in the list would suffice. If the rent / lease agreement is not registered, then agreement alongwith any one of the documents mentioned in the list and a copy of the identity proof of the lessor should be sufficient. In case rent / lease Agreement is registered, agreement alongwith any one of the documents mentioned in the list should suffice and no identity proof of the lessor should be sought.

  If rent / lease agreement is not available, consent letter on plain paper along with lessor's identity proof and any of the documents mentioned in the list supporting ownership of the premises would suffice.

- ✓ *Rented / leased premises, if rent or lease agreement is not available:* Affidavit is to be executed on non-judicial stamp paper of minimum value in the presence of First-Class Judicial Magistrate or Executive Magistrate or Notary Public. Also, any document prescribed in the Form GST REG-01 in support of the possession of the premises (such as copy of electricity bill in the name of the applicant) is sufficient.

- ✓ *PPOB located in Special Economic Zone (SEZ) or applicant is SEZ developer:* Necessary documents / certificates issued by the Government of India are required to be uploaded.

- *Issues in respect of Constitution of Business:*

✓ *Partnership firm:* Only the partnership deed is required. No additional document like Udhyam certificate, Micro, Small, and Medium Enterprises (MSME) certificate, shops & establishment certificate, trade license etc. should be sought from the applicant.

✓ Other entities (such as Trusts, Societies, Association of Persons, etc.): Registration Certificate / Proof of Constitution is sufficient.

GST officers should not ask any presumptive query which is unrelated to the documents or information submitted by the applicant.

- *Processing timeline and Physical verification*

✓ Officers must scrutinize only the prescribed documents under Form GST REG-01 (photograph, proof of constitution, place of business, bank details).

✓ If application is not flagged as risky and documents are complete, it must be approved within 7 working days of submission of application.

✓ If flagged risky or Aadhaar authentication is not completed, or the GST officer decides to inspect, then Physical verification is mandatory. Registration to be granted within 30 days, subject to verification.

✓ Where physical verification is to be carried out, the officer carrying out physical verification shall ensure to provide a clear report on existence / non-existence. In case entity is found non-existing, efforts made in respect of locating the said premises, need to be recorded in the physical verification report. Uploading of GPS-tagged photographs and documents in Form GST REG-30 is required. If ARN is wrongly assigned to another jurisdiction, it must be reassigned immediately.

Please Click Here to read the Press Release dated 18 April 2025 issued by Ministry of Finance.

Please Click Here to read the detailed Instruction no. 03/2025-GST dated 17 April 2025 issued by CBIC.

GST Network (GSTN) issues advisory on Table-12 (HSN - wise summary of outward supplies) of Form GSTR-1 (outward supply return) / GSTR-1A (amendment to GSTR-1)

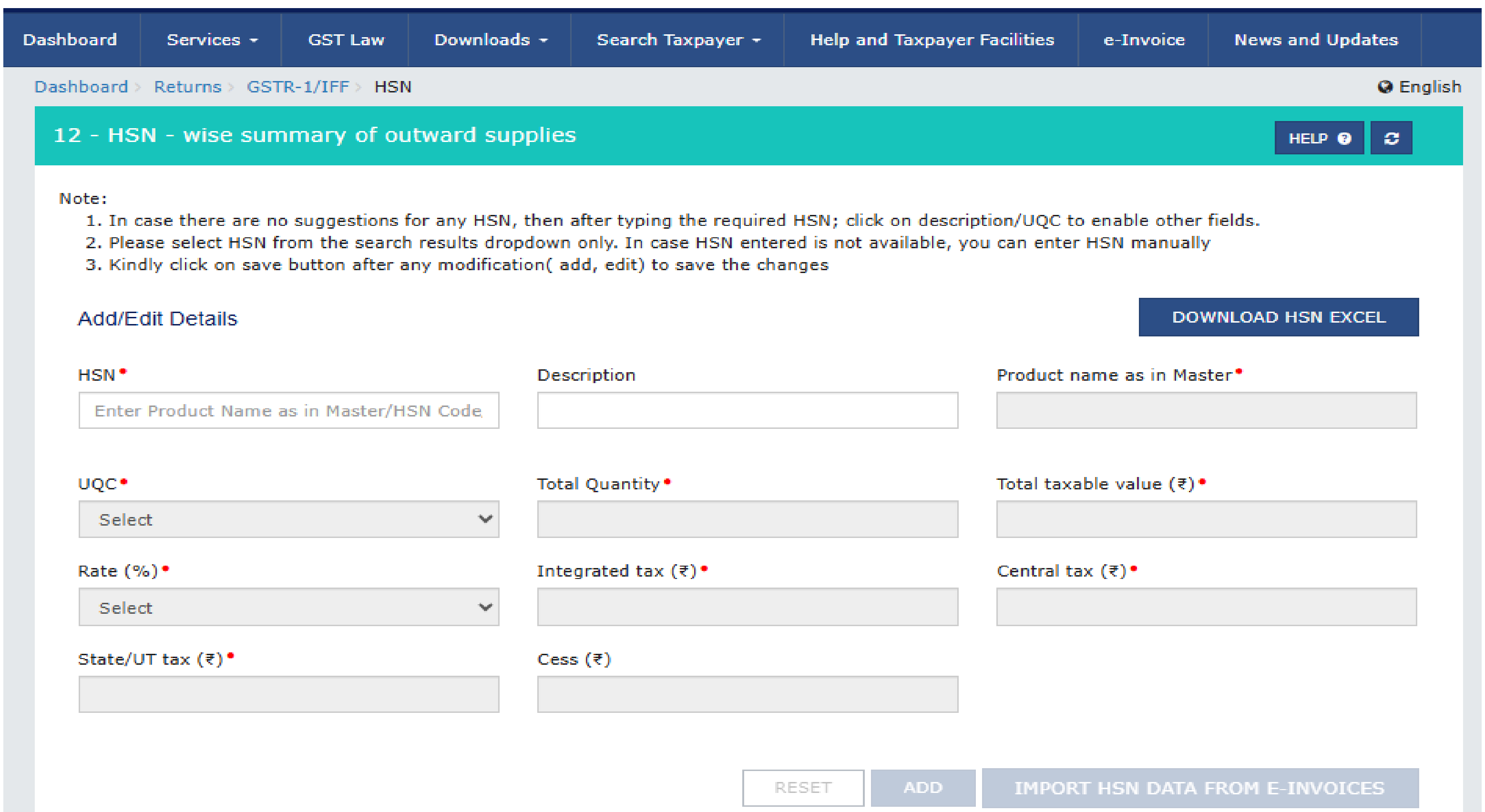
Background

GSTN has been undertaking phase wise changes in Table-12 (HSN - wise summary of outward supplies) of Form GSTR-1 / 1A. For the same, various advisories have been issued time to time, which are available on GST portal

Advisory on Table-12 of Form GSTR-1 / 1A

GSTN has announced the implementation of Phase III changes in Table-12 of Form GSTR-1 / GSTR-1A, effective from tax period April 2025 onwards. As part of this update:

- Table-12 has been bifurcated into two tables namely B2B and B2C, to report the summary of supplies HSN wise separately in corresponding table
- Manual entry of HSN will not be allowed. Taxpayer will be able to choose correct HSN from given drop down.



Please Click Here to read the advisory dated 11 April 2025 issued by GSTN.

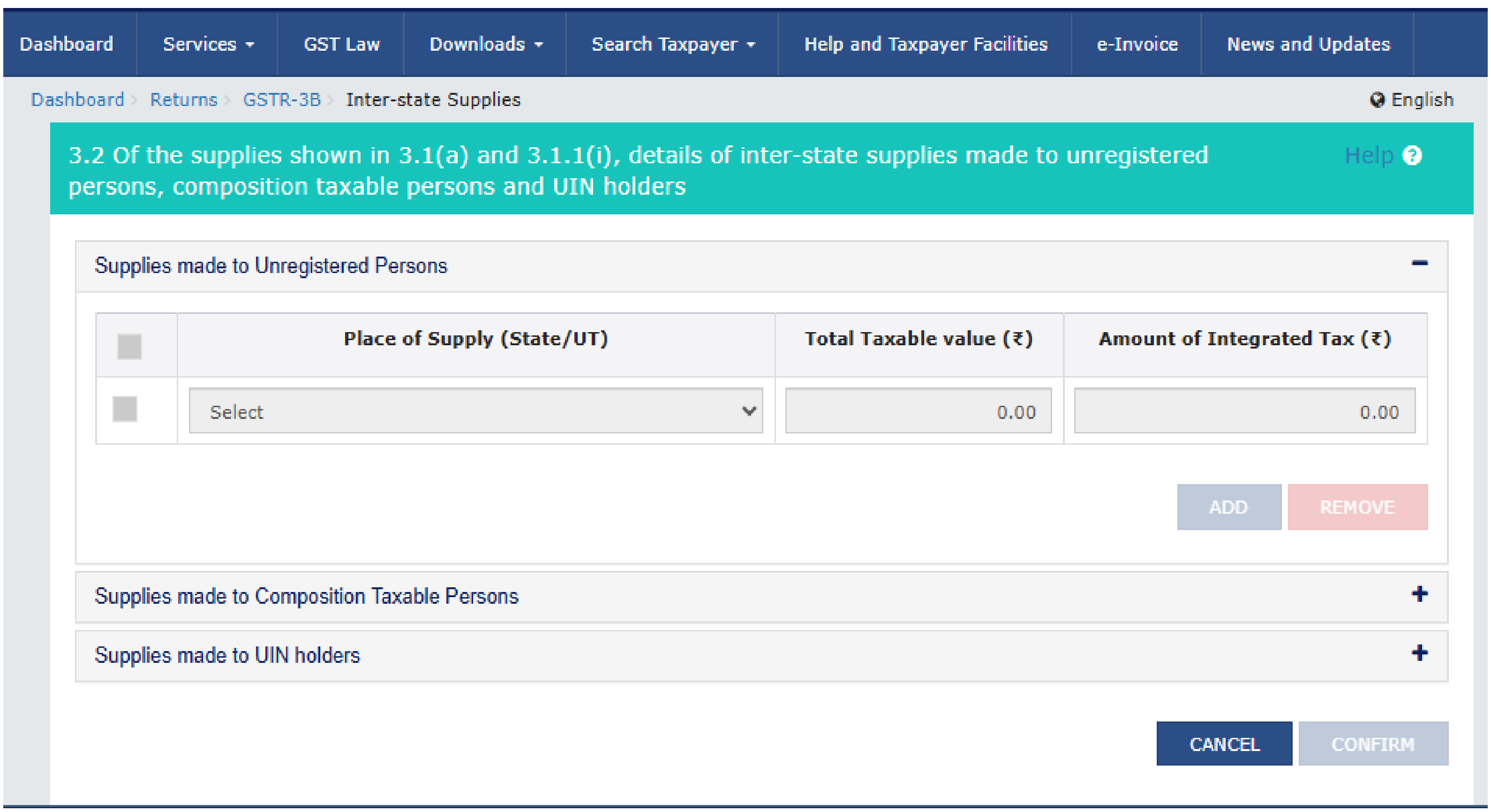
GSTN issues advisory on reporting values in Table 3.2 of Form GSTR-3B (summary return)

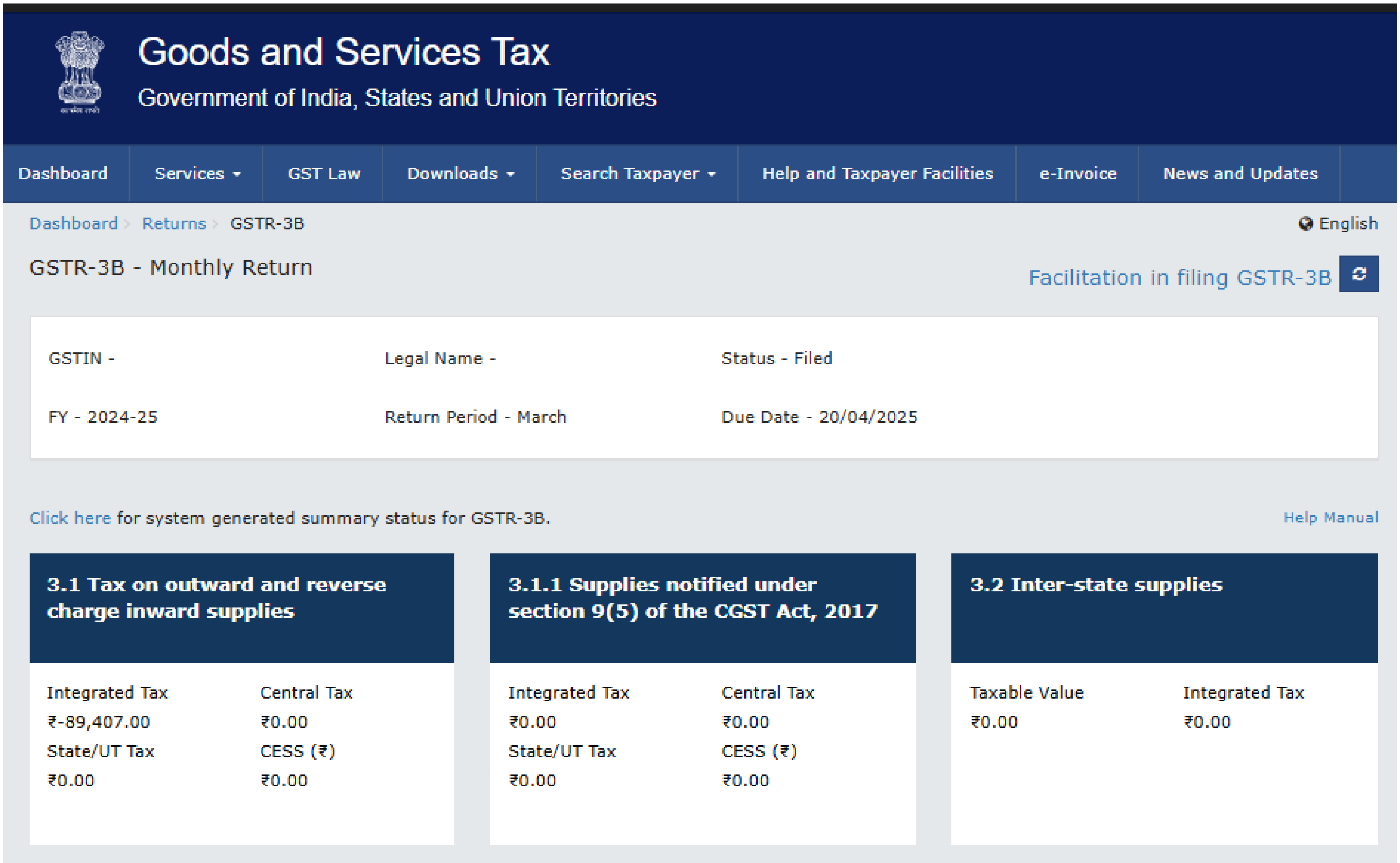
Background

Table 3.2 of Form GSTR-3B captures inter-state outward supplies made to:

- Unregistered persons
- Composition scheme taxpayers
- Unique Identification Number (UIN) holders

These values are drawn from the corresponding entries in Table 3.1 and 3.1.1 of the same return form.





Advisory on reporting values in Table 3.2 of Form GSTR-3B

GSTN has released an advisory announcing key changes to the reporting mechanism of inter-state supplies in Table 3.2 of Form GSTR-3B, effective from tax period April 2025 onwards.

The values in Table 3.2 of GSTR-3B will auto-populate from corresponding inter-state supplies declared in Form GSTR-1, Form GSTR-1A and Invoice Furnishing Facility (IFF). Therefore, in case any modification / amendment is required in auto-populated values of Table 3.2 of Form GSTR-3B, same can be achieved only by amending the corresponding values in respective tables of Form GSTR-1A or through Form GSTR-1 / IFF filed for subsequent tax periods.

To ensure that Form GSTR-3B is filed accurately with the correct values of inter-state supplies, it is advised to report the correct values in Form GSTR-1, Form GSTR-1A, IFF. This will ensure that the auto-populated values in Table 3.2 of Form GSTR-3B are accurate and compliant with GST regulations.

Frequently Asked Questions (FAQs) answered by GSTN

- *What are the changes related to reporting supplies in Table 3.2?*

  Starting from April 2025 tax period onwards, the auto-populated values in Table 3.2 of Form GSTR-3B for inter-state supplies made to unregistered persons, composition taxpayers and UIN holders will be non-editable and taxpayers will need to file Form GSTR-3B with the auto-populated values generated by the system only.

- *How can one rectify values in Table 3.2 of Form GSTR-3B if incorrect values have been auto-populated after April 2025 period onwards due to incorrect reporting of the same through Form GSTR-1?*

  If incorrect values are auto-populated in Table 3.2 after April 2025, taxpayers need to correct the values by making amendments through Form GSTR-1A or through Form GSTR-1 / IFF filed for subsequent tax periods.

- *What should one do to ensure accurate reporting in Table 3.2 of Form GSTR-3B?*

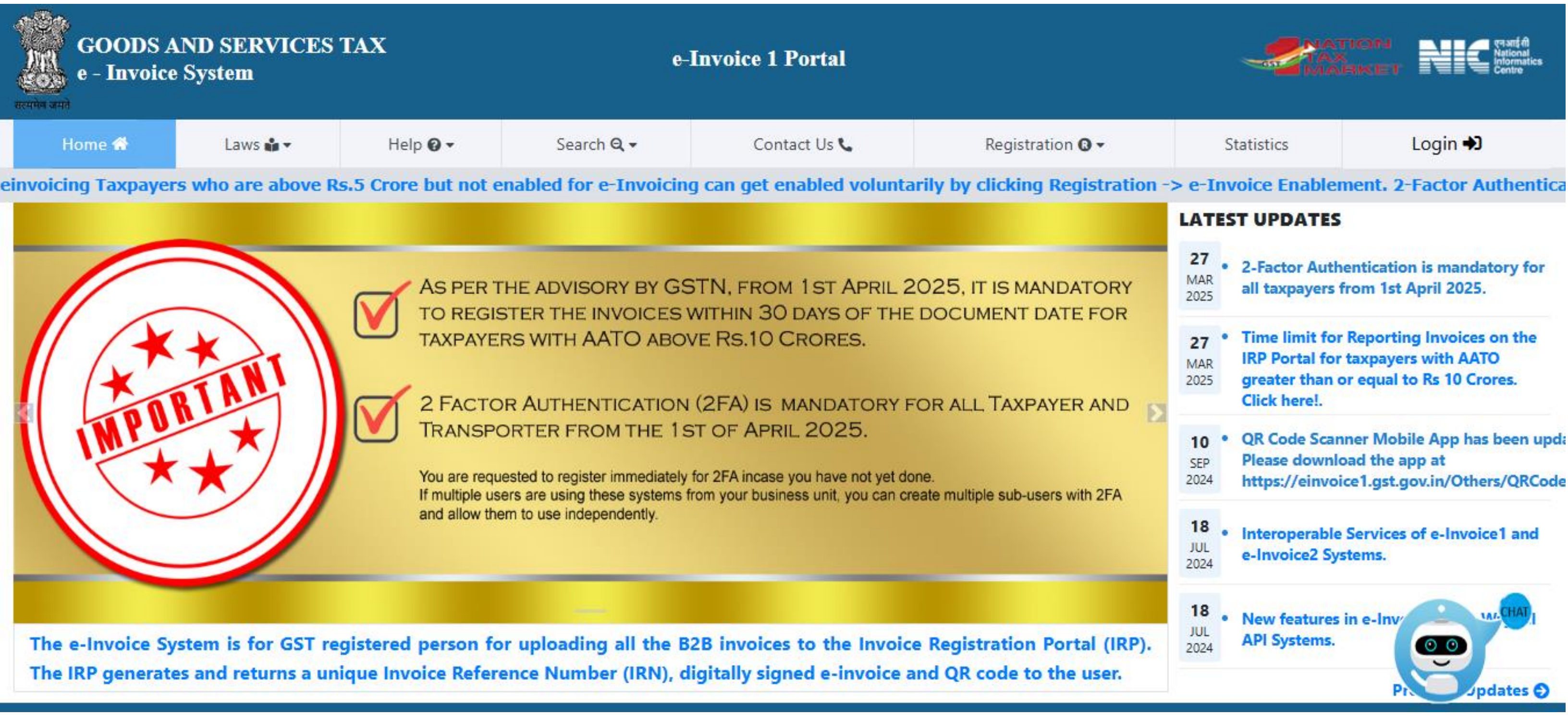
  Taxpayers should ensure that the inter-state supplies are reported correctly in their Form GSTR-1, Form GSTR-1A or IFF. This will ensure that the accurate values are auto-populated in Table 3.2 of Form GSTR-3B.

- *Till what time / date can one amend values furnished Form in GSTR-1 through Form GSTR-1A?*

  There is no cut-off date for filing Form GSTR-1A before form GSTR-3B, which means Form GSTR-1A can be filed after filing Form GSTR-1 and till the time of filing Form GSTR-3B. Hence, any amendment required in auto-populated values of Table 3.2, can be carried out through Form GSTR-1A till the filing of Form GSTR-3B.

Please Click Here to read the advisory dated 11 April 2025 issued by GSTN.

GSTN issues advisory on Case Insensitivity in Invoice Reference Number (IRN) generation



GSTN has announced that, with effect form 1 June 2025 onwards, the Invoice Reporting Portal (IRP) will treat invoice and document numbers as case-insensitive for the purpose of IRN generation.

Under the new rule, invoice numbers such as ‘abc’, ‘ABC’ or ‘Abc’ will be treated as identical. To ensure consistency and prevent duplication, the system will automatically convert all invoice numbers to uppercase before generating the IRN.

This update aligns IRP practices with Form GSTR-1 filings, which already consider invoice numbers case-insensitive. Taxpayers have advised to take note of this change. For further clarification, taxpayers may contact the GST helpdesk.

Please Click Here to read the advisory dated 4 April 2025 issued by GSTN.

Direct Tax

Direct Tax

Direct Tax Vivad se Vishwas Scheme, 2024 – Due date for submission of declaration in respect of tax arrears (Form 1) extended to 30 April 2025

Background

The Government vide Finance (No. 2) Act, 2024 has launched the 'Direct Tax Vivad se Vishwas Scheme, 2024' in order to provide a mechanism for settlement of disputed issues, thereby reducing litigation without much cost to the exchequer. The date of commencement of the scheme was notified as 1 October 2024. Rules and forms for enabling the scheme were notified on 20 September 2024. On 30 September 2024, the Directorate of Income Tax (Systems), Bengaluru, issued the procedure for making declaration and furnishing undertaking under the scheme.

The procedure under the scheme involves 4 forms:

- Form 1 - For filing declaration and undertaking by the applicant.
- Form 2 - Form for certificate to be issued by the Income-tax department containing details of tax arrears and the amount payable by the applicant after determination.
- Form 3 - Form for intimation of payment by the applicant to the Income-tax department along with proof of payment
- Form 4 - Order of full and final settlement of tax arrears by the Income-tax department

Notification dated 8 April 2025 issued by CBDT

CBDT has extended the due date for filing declaration in Form 1 from 31 January 2025 to *30 April 2025*.

Please Click Here to read Notification dated 8 April 2025 issued by CBDT.

Direct Tax

Scope of capital gains tax exemption u/s 54EC of the Income-tax Act, 1961 on transfer of land / building extended to investment in bonds issued by the Housing & Urban Development Corporation Limited (HUDCO)

Background

Section 54EC of the Income-tax Act allows exemption from capital gains tax on transfer of land / building, if the proceeds are invested in a 'long term specified asset'. 'Long term specified asset' for this purpose currently means bonds issued by the National Highways Authority of India (NHAI) or Rural Electrification Corporation Limited (RECL) on or after 1 April 2018 and redeemable after 5 years.

Notification no. 31/2025 issued by CBDT on 7 April 2025

CBDT has included within the list of 'long term specified asset', bonds issued by HUDCO on or after 1 April 2025 and redeemable after 5 years. HUDCO shall utilise the proceeds from such bonds only for those infrastructure projects which can service the debt out of the project revenues without being dependent on the state governments for the service of debts.

Please Click Here to read Notification no. 31/2025 dated 7 April 2025.

Block Assessment – New Form 'ITR-B' notified for filing Income-tax Return (ITR) for search & seizure cases

Background

The Finance (No. 2) Act 2024 introduced block assessment provisions in cases of search u/s 132 and requisition u/s 132A of the Income-tax Act. The new regime for reopening of cases introduced vide Finance Act 2021 had merged search assessment with the revised procedure for reassessments. This created administrative hurdles whereby each year sought to be reopened under search was assessed separately leading to staggered assessments of different years, which was found to be time consuming and increasing cost of litigation for both taxpayers and tax authorities.

Considering the same, vide Finance (No. 2) Act 2024, search proceedings have been separated from the new regime for reopening of cases, whereby all years under search are assessed together as a single block ('block assessment') procedure as was prevalent in the past. The new block assessment regime is applicable in respect of searches conducted on or after 1st September 2024.

Notification no. 30 / 2025 issued by CBDT on 7 April 2025

CBDT has introduced a new Rule 12AE in the Income-tax Rules, providing that the ITR required to be furnished by any person u/s 158BC(1)(a) relating to any search initiated u/s 132 or requisition made u/s 132A on or after 1 September 2024 shall be in Form ITR-B. The Form seeks the following details:

- General Information
  - ✓ Personal and business details (e.g., PAN, name, contact information, Aadhaar and residential status)
  - ✓ Information about the search initiation date, block period and ITR details in response to the notice u/s 158BC
- Income Details - Bifurcation of income for the years constituting the block period. Categories include salaries, income from house property, business or profession, capital gains, income from other sources and the total income for each assessment year
- Undisclosed Income - Computation of undisclosed income for the block period, specifying provisions under the Income-tax Act (e.g., section 158BB) and categorizing income by type (e.g., speculative business, international transactions)
- Tax Payable
  - ✓ Computation of tax payable on undisclosed income
  - ✓ Total tax payable, taxes paid and balance payable / refundable
- Tax Credits and Payments - Details of tax deducted at source / collected at source and self-assessment tax payments not previously claimed

Please Click Here to read Notification no. 30/2025 dated 7 April 2025.

Direct Tax

Requirement to intimate Aadhaar number by those individuals to Income-tax department, who were allotted Permanent Account Number (PAN) on basis of Enrolment ID of Aadhaar application form filed prior to 1 Oct 2024

The Income-tax department has been working hard to reinforce PAN Aadhaar linkage, particularly in cases where PAN was issued based on provisional Aadhaar enrolment details. This is expected to enhance identity verification processes and promote better tax compliance.

CBDT has issued notifications on 3 April 2025, mandating that every individual who has been allotted PAN on the basis of Enrolment ID of Aadhaar application form filed prior to 1 Oct 2024, is required to intimate his Aadhaar number to the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems). The due date to intimate Aadhaar number is *31 December 2025*.

Please Click Here to read Notification no. 25/ 2025 dated 3 April 2025.

Please Click Here to read Notification no. 26/ 2025 dated 3 April 2025.

Changes in Form 3CD (Annexure to Tax Audit Report) effective from 1 Apr 2025 onwards

What is Form 3CD?

Form 3CD is a key component of the tax audit process mandated u/s 44AB of the Income-tax Act, 1961. It serves as a detailed statement that Chartered Accountants use to report a taxpayer's financial and compliance information to the Income-tax department. Following taxpayers are required to submit Form 3CD along with annual tax audit report mandatorily:

- Businesses having annual sales / turnover > Rs. 10 crore (provided cash receipts / payments < 5% of the total receipts / payments)
- Professionals having annual receipts > Rs. 50 lakh

Form 3CD consists of two parts:

- Part A, capturing basic details of the taxpayer, such as Permanent Account Number (PAN), nature of business, assessment year, etc.
- Part B, focusing on tax compliance, loans, deductions, withholding tax (tax deducted at source or 'TDS') and financial transactions impacting tax liability

Direct Tax

Notification no. 23 / 2025 issued by CBDT on 28 March 2025

CBDT has introduced certain changes in the reporting format of Form 3CD, effective from 1 April 2025 onwards. The changes are consequential to amendments proposed by the Finance (No. 2) Act 2024. Some of the key changes are highlighted below:

- Introduction of Clause 36B for Buyback Receipts - A new Clause 36B has been added in Form 3CD, mandating the disclosure of the buyback receipts of shares u/s 2(22)(f) of the Income-tax Act. It seeks the following details:

✓ Amount received for buyback of shares
✓ Cost of acquisition of shares bought back

- Introduction of Code in Clause 31 - CBDT has introduced a new code system for transactions in Clause 31, which deals with loans, deposits and repayments. The code categorises the nature of amounts / receipts / repayments involved in loans, deposits and specified advances. Examples of codes include:

✓ Cash payment (Code A)
✓ Cash receipt (Code B)
✓ Payment through non-account payee cheques (Code C)
✓ Transfer of assets (Code E), etc.

- Omission of Clauses 28 and 29 – Clauses 28 and 29 have been omitted, relating to disclosures of receipt of unlisted company for inadequate consideration u/s 56(2)(viia) and reporting of receipt of consideration exceeding fair market value u/s 56(2)(viib)

- Modifications to Clause 22 - Inadmissibility under Micro, Small and MediumEnterprises Development (MSMED) Act, 2006 – Clause 22 of Form 3CD requires reporting of the amount of interest inadmissible u/s 23 of MSMED Act, 2006 or any other amount not allowable u/s 43B(h) of the Income-tax Act. Clause 22 now includes a bifurcation of amounts disallowed u/s 43B(h), seeking reporting in the following manner:

✓ Total amount payable to a micro or small enterprise u/s 15 of the MSMED Act
✓ Amount paid within the time limit u/s 15
✓ Amount not paid within the time limit and inadmissible for the previous year.

Direct Tax

Waiver on levy of interest for failure to deduct / collect tax at source & pay to the Government

Background

Section 201(1A) of the Income-tax Act provides for levy of interest on account of failure to deduct or pay tax at source to the credit of the Central Government by the deductor. Similarly, section 206C(7) of the Act provides for levy of interest on account of failure to collect or pay the collected tax to the credit of the Central Government by the collector.

Reportedly, representations have been received by CBDT that while making payments of above tax to the credit of the Central Government, taxpayers have encountered technical glitches wherein, while the payment is initiated by the taxpayer and the amounts are debited from their bank accounts on or before the due date, the actual credit to the Central Government is done after the due date. In such cases, notices have been received by such taxpayers for levy of interest u/s 201(1A)(ii) / 206C(7) of the Act, even though they were at no fault.

Circular no. 5/2025 issued by CBDT on 28 March 2025

CBDT has authorised the Chief Commissioner of Income-tax / Director General of Income-tax to reduce / waive interest charged u/s 201(1A)(ii) / 206C(7) of the Act in the class of cases where;

- The payment is initiated by the taxpayers and the amounts are debited from their bank accounts on or before the due date, and
- The tax could not be credited to the Central Government before the due date because of technical problems beyond the control of the taxpayer

Even if the interest u/s 201(1A)(ii) / 206C(7) has already been paid by the taxpayer, the same can be considered for waiver and a refund may be given to the taxpayer, if waiver is ordered.

No application for waiver shall be entertained beyond 1 year from the end of the FY for which the interest is charged. The time limit for disposal of application is 6 months from the end of the month in which the application is received. The order issued by Chief Commissioner of Income-tax / Director General of Income-tax shall be final and no petition against the order shall be entertained by CBDT.

Please Click Here to read Circular no. 5 / 2025 issued by CBDT on 28 March 2025.

International Tax

Transfer Pricing – CBDT signs 174 Advance Pricing Agreements (APAs) in FY 2024-25

What is APA?

An agreement between the Government and taxpayer, which determines in advance, the arm's length price (ALP) or manner of determination of ALP, in relation to an international transaction. APA programmes are operational in a number of countries for a long time. The primary goal of APA programme is to provide certainty to taxpayers in respect of pricing of cross-border transactions undertaken by taxpayers with their group entities.

APA programme in India

The APA programme in India was launched in 2012 vide the Finance Act, 2012 through the insertion of sections 92CC and 92CD in the Income-tax Act, 1961. These provisions, effective from 1 July 2012 onwards, lent the legal backing to CBDT to enter into APAs with taxpayers for a period of 5 years in respect of international transactions between associated enterprises (AEs) to determine the ALP or to specify the manner in which the ALP is to be determined. Further, taxpayers have the option to roll back the APA for 4 preceding years, as a result of which, tax certainty is provided for 9 years. Under the Indian APA programme, APAs can usually be:

- Bilateral APA (BAPA), involving CBDT and the tax authorities of another country, or
- Unilateral (UAPA), involving CBDT only

Press Release issued by CBDT on 31 March 2025

CBDT has entered into 174 APAs with Indian taxpayers in FY 2024-25. These includes UAPAs, BAPAs and Multilateral APAs (MAPAs). With this, the total number of APAs since the inception of the programme has reached 815, comprising 615 UAPAs, 199 BAPAs and 1 MAPA.

This marks the highest number of APAs signed in a single FY since the programme's launch. Of the 174 APAs signed, 65 were BAPAs, the highest number of BAPAs finalized in any year so far. These were a result of Mutual Agreements with India's treaty partners, including Australia, Japan, South Korea, Netherlands, New Zealand, Singapore, UK and the USA.

CBDT has maintained a consistent pace in concluding APAs, having signed 125 in FY 2023-24 and 95 in FY 2022-23. Notably, this year also saw the signing of India's first-ever MAPA. Additionally, on 27th March 2025 a record 34 APAs were signed on a single day.

Please Click Here to read the Press Release dated 31 March 2025 issued by CBDT.

Corporate Law & Regulatory

Ministry of Electronics & Information Technology notifies Electronics Component Manufacturing Scheme to develop robust electronic component manufacturing ecosystem in India

Background

Electronics is one of the highest-traded and fastest-growing industries globally due to ongoing digitization. As digitization continues to advance, the electronics industry is expected to play a pivotal role in shaping the global economy and advancing a country's economic and technological development. Since electronics permeates all the sector of the economy, it has cross-cutting economic and strategic importance. Its economic importance extends beyond its direct contribution, as it is a foundational industry that influences, supports and enables progress in other sectors.

Notification dated 8 April 2025 issued by Ministry of Electronics & Information Technology

The Ministry of Electronics & Information Technology has notified the Electronics Component Manufacturing Scheme with a funding of Rs.22,919 crore to make India self-dependant in electronics supply chain. This scheme aims to develop a robust component ecosystem by attracting large investments (both global and domestic) in electronics component manufacturing ecosystem, increasing domestic value addition by developing capacity and capabilities and integrating Indian companies with global value chains.

The scheme envisages to attract investment of Rs.59,350 crore, result in production of Rs.4,56,500 crore and generate additional direct employment of 91,600 persons and many indirect jobs as well during its tenure.

Salient features of the Scheme

The target segments covered under the scheme and nature of incentives offered are as below:

S No.	Target Segments	Nature of Incentive
A	Sub-assemblies	
1	Display module sub-assembly	Turnover linked incentive
2	Camera module sub-assembly	
B	Bare components	
3	Non-Surface mount devices (non-SMD) passive components for electronic applications	Turnover linked incentive
4	Electro-mechanicals for electronic applications	
5	Multi-layer Printed Circuit Board	
6	Li-ion Cells for digital applications (excluding storage and mobility)	
7	Enclosures for Mobile, IT Hardware products and related devices	
C	Selected bare components	
8	High-density interconnect / Modified semi-additive process / Flexible Printed Circuit Board	Hybrid incentive
9	Surface mount devices passive components	
D	Supply chain ecosystem and capital equipment for electronics manufacturing	
10	Parts/components used in manufacturing of sub-assembly (A) and bare components (B) & (C)	Capex incentive
11	Capital goods used in electronics manufacturing including their sub-assemblies and components	

The tenure of the scheme is six years with one year of gestation period. Payout of a part of the incentive is linked with employment targets achievement.

Please Click Here to read the Press Release dated 28 March 2025 issued by Cabinet.

Please Click Here to read the Notification dated 8 April 2025 issued by the Ministry of Electronics & Information Technology.

Ministry of Law & Justice issues directive for efficient & effective management of litigation by the Government of India

In furtherance of the Government of India's policy to prevent, regulate and reduce litigation involving the Union of India, the Department of Legal Affairs, Ministry of Law and Justice, Government of India, has formulated the 'Directive for the Efficient and Effective Management of Litigation by the Government of India'. This Directive has been developed pursuant to the recommendations of the Committee of Secretaries, chaired by the Cabinet Secretary. It shall be applicable to all Ministries and Departments of the Central Government, including their subordinate offices, autonomous bodies, as well as Central Public Sector Enterprises in matters pertaining to arbitration.

The Directive adopts a comprehensive approach in reinforcing the goal of good governance, ensuring public welfare and facilitating the timely dispensation of justice. It aims to introduce stringent measures to simplify legal procedures, prevent unnecessary litigation, address inconsistencies in notifications and orders, minimise unwarranted appeals, streamline inter-departmental coordination in litigation, ensure greater public accountability in arbitration matters and establish a robust knowledge management system to improve and enhance the efficiency of legal processes.

The implementation of the recommendations outlined in the Directive will be reviewed by the Committee of Secretaries, chaired by the Cabinet Secretariat.

Please Click Here to read the Press Release dated 4 April 2025 issued by the Ministry of Law & Justice.

Ministry of Law & Justice enacts New Immigration & Foreigners Act, 2025

Background

India has introduced a new law – the Immigration and Foreigners Act, 2025, to replace erstwhile immigration laws. This law has come into effect from 4 April 2025 onwards and brings stricter rules for foreign nationals coming to India for work, travel or business.

The law combines and replaces the following old laws, making India's immigration rules clearer but also stricter.

- The Passport (Entry into India) Act, 1920
- The Registration of Foreigners Act, 1939
- The Foreigners Act, 1946
- The Immigration (Carriers' Liability) Act, 2000

Highlights of the new law

- Strict Visa and Entry Requirements

✓ Foreign nationals must have a valid passport and visa to enter, stay or leave India

✓ Entering India without valid papers may lead to 5 years of imprisonment or fine of Rs.5 lakh

✓ Using forged documents is a serious offence - 2 to 7 of imprisonment alongwith fine between Rs.1 lakh to Rs. 10 lakh

✓ Overstaying or breaking visa rules can lead to upto 3 years of imprisonment or fine of Rs. 3lakh

Corporate Law & Regulatory Tax

- Mandatory Reporting by Indian Entities

  - ✓ Companies, schools, hospitals and hotels hosting foreign nationals must report their details to local immigration officers
  - ✓ Failure to report may attract penalties

- Obligations for Airlines & Transporters

  - ✓ Airlines must submit detailed passenger and crew data in advance
  - ✓ Bringing unauthorized foreigners can lead to a fine of Rs.2 lakh to Rs.5 lakh and even seizure of aircraft or vessel if fines are unpaid

- Government Powers and Control

  - ✓ The Central Government can now fully manage visa approvals, deportations and entry bans.
  - ✓ Any foreigner considered a security risk may be denied entry / stay, regardless of valid documents

- Foreigners Must Prove Their Status

  - ✓ If someone is suspected of being an illegal foreigner, they must prove they are in India legally
  - ✓ This rule continues from earlier laws but is now more strictly enforced.

Please Click Here to read the notification dated 4 April 2025 issued by the Ministry of Law & Justice.

Compliance Calendar

Compliance calendar for the month of May 2025

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7th May	April 2025	TDS / TCS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
10th May		a) GSTR-7 (TDS return under GST) b) GSTR-8 (TCS return under GST)	a) Person required to deduct TDS under GST b) Person required to collect TCS under GST
11th May		GSTR-1 (Outward supply return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2024-25 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13th May		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
		GSTR-5 (Return by Non-resident)	Non-resident taxable person (NRTP)
		Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and opted for QRMP Scheme
15th May		Deposit of PF & ESI contribution	All Deductors
	Jan-Mar 2025	Form 27EQ –TCS return	All Collectors
20th May	April 2025	GSTR-3B (Summary return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2024-25 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and not opted for QRMP scheme
		GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	OIDAR services provider
25th May		Form GST PMT-06 (payment of tax for QRMP filers)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and opted for QRMP scheme
30th May	FY 2024-25	Form 11 (Annual Return) with Ministry of Corporate Affairs	Limited Liability Partnership Firm (LLPs)
	Jan-Mar 2025	TCS certificate in Form 27D	All Collectors
31st May		TDS Return	All Deductors
	FY 2024-25	Statement of Financial Transactions (Form No.61A)	Specified reporting persons as per section 285BA of the Income-tax Act,1961

About KrayMan

KrayMan Consultants LLP (KrayMan) is an accounting & consulting Firm headquartered in Gurugram & serving Clients across India for more than 13 years.

We were founded in 2012 by professionals from Big 4 accounting firms & industry background. We are a team of Chartered Accountants, Company Secretaries, Advocates & MBAs.

We specialize in India-Entry, Accounting, Taxation, Legal, Regulatory, Assurance, HR, Payroll, Loan staffing and Global Outsourcing services. We provide services in the areas of Compliance, Advisory & Litigation.

We have been serving Domestic as well as International Clients from countries like USA, Japan, Australia, EU etc.

We have been Awarded under the category 'Small Business Award 2021' by the International Business Council of Australia.

Write To Us

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