



# Monthly Missive for March, 2025

**S.P.NAGRATH & Co. LLP**  
CHARTERED ACCOUNTANTS

---

# **Key Tax and Financial Updates from FY 2025-26**

## ❖ **GST Changes effective from 1<sup>st</sup> April, 2025**

**No GST on Supply of Voucher** - The Time of Supply under sections 12(4) and 13(4) of the CGST Act, concerning the supply of vouchers, has been omitted as per the Finance Act 2025, since such transactions are neither considered a supply of goods nor a supply of services. However, the underlying goods or services will now be taxable under the normal provisions of the Time of Supply, as specified in sections 12 and 13 of the CGST Act, 2017.

**Timeline for issuance of E-Invoice** - Taxpayers whose Annual Aggregate Turnover (AATO) of 10 crores and above would not be allowed to report e-Invoices older than 30 days from the date of reporting on IRP portals.

**Pre-Deposit on Appeal on Penalty issues** - Sections 107(6) and 112(8) of the CGST Act have been amended to include provisions mandating a pre-deposit for appeals against penalty orders not involving a tax demand. Under Section 107(6), appellants must pay 10% of the penalty before filing an appeal. Under Section 112(8), an additional 10% of the penalty, on top of the amount specified in Section 107(6), is required for filing appeals before the Appellate Tribunal.

**2-Factor Authentication for e-Way Bill and e- Invoice** - 2 Factor Authentication (2FA) is mandatory for all taxpayers and Transporters from the 1st of April 2025. In addition to username, password, a One-Time Password (OTP) will also be authenticated for login.

**GST on sale of Old and used vehicles** - The GST rate on the sale of old and used vehicles will be revised to 18% from 12% starting 1st April 2025.

**Mandatory Input Service Distribution Registration** - Businesses with multiple GST registrations under the same PAN have to mandatorily register as an Input Service Distributor (ISD) from April 1, 2025, if they receive common input service invoices. The ITC has to be distributed to its branches through ISD. Organisations must obtain the ISD registration by April 1, 2025 to comply GST regulations and file GSTR-6 monthly return by the 13th of each month.

❖ Income Tax Changes effective from 1<sup>st</sup> April, 2025

**Income Tax Slabs for FY 2025-26 under New Regime**

Upto Rs.4 lakh	NIL
Rs. 4,00,001 - Rs.8,00,000	5%
Rs.8,00,001 - Rs.12,00,000	10%
Rs.12,00,001 - Rs.16,00,000	15%
Rs.16,00,001 - Rs.20,00,000	20%
Rs.20,00,001 - Rs.24,00,000	25%
Above Rs.24,00,000	30%

**Increased Rebate Under Section 87A**

The rebate under Section 87A for taxpayers filing their returns under the New Tax Regime has been increased from Rs. 25,000 to Rs. 60,000. Consequently, individuals earning up to Rs. 12 lakhs will have no tax liability under the new tax regime. In contrast, the rebate for those opting for the Old Tax Regime remains unchanged at Rs. 12,500.

**Updated Tax Return** - The deadline for filing an Updated Tax Return was extended from 24 months to 48 months (4 years) from the end of the relevant assessment year.

The additional tax liability based on the timeline of filing an updated return is as follows:

If ITR-U filed	Additional Tax
Within 12 months from the end of the relevant AY	25% of tax and interest
After 12 months but within 24 months from the end of the relevant AY	50% of tax and interest

After 24 months but within 36 months from the end of the relevant AY	60% of tax and interest
After 36 months but within 48 months from the end of the relevant AY	70% of tax and interest

### Enhanced TDS Thresholds

Following changes have been introduced to threshold limits :-

Section	Before 1st April 2025	From 1st April 2025
<u>193</u> - Interest on securities	NIL	Rs.10,000
<u>194A</u> - Interest other than Interest on securities	Threshold Limits (i) Rs.50,000/- for senior citizens; (ii) Rs.40,000/- in case of others when the payer is the bank, cooperative society and post office (iii) Rs.5,000/- in other cases	Threshold Limits (i) Rs.1,00,000/- for senior citizen (ii) Rs.50,000/- in case of others when the payer is a bank, cooperative society and post office (iii) Rs.10,000/- in other cases
194 - Dividend, for an individual shareholder	Rs.5,000	Rs.10,000
<u>194K</u> - Income in respect of units of a mutual fund	Rs.5,000	Rs.10,000
<u>194B</u> - Winnings from lottery, crossword puzzle Etc. & <u>194BB</u> - Winnings from horse race	Aggregate of amounts exceeding Rs.10,000/- during the financial year	Rs.10,000/- in respect of a single transaction
<u>194D</u> - Insurance commission	Rs.15,000	Rs.20,000

<u>194G</u> - Income by way of commission, prize etc. on lottery tickets	Rs.15,000	Rs.20,000
<u>194H</u> - Commission or brokerage	Rs.15,000	Rs.20,000
<u>194-I</u> - Rent	Rs.2,40,000 during the financial year	Rs.50,000 Per month or part of a month
<u>194J</u> - Fee for professional or technical services	Rs.30,000	Rs.50,000
<u>194LA</u> - Income by way of enhanced compensation	Rs.2,50,000	Rs.5,00,000
<u>194T</u> - Remuneration, Interest, bonus and Commission paid to partners	Nil	Rs.20,000

### Changes in threshold limits and rates for TCS

Following changes have been introduced to threshold limits :-

Section	Before 1st April 2025	From 1st April 2025
<u>206C(1)</u> - TCS rates for Timber and other forest produce, other than tendu leaves	2.5%	2%
<u>206C(1G)</u> - Remittance under LRS and overseas tour program package	7 Lakhs	10 Lakhs
<u>206C(1G)</u> - Remittance under LRS for education if financed through educational loans	7 Lakhs	Nil (No TCS Applicable)
<u>206C(1H)</u> - Purchase of Goods	50 Lakhs	Nil (No TCS Applicable)