



# Monthly Missive for August, 2025

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

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## **Key Amendments to Form 3CD under the Income-tax (Eighth Amendment) Rules, 2025**

Effective from April 1, 2025 • Applicable for Financial Year 2024-25 / Assessment Year 2025-26. This document presents a clause-wise comparative analysis of the recent amendments to Form 3CD introduced via the Income-tax (Eighth Amendment) Rules, 2025. These changes are aimed at streamlining reporting processes, enhancing regulatory transparency, and aligning tax audit requirements with evolving legislative and compliance frameworks.

<b>Clause No.</b>	<b>Earlier Requirement</b>	<b>Amendment for FY 2024-25 / AY 2025-26</b>	<b>Impact / Purpose</b>
12 – Presumptive Taxation	Report presumptive income under Sections 44AD, 44ADA, 44AE, 44B, 44BB, 44BBA, 44BBB, etc.	Added Section 44BBC for non-resident cruise ship operations – deems 20% of specified receipts as taxable income.	Simplifies compliance for non-resident cruise operators; avoids detailed expense/depreciation reporting.
19 – Deductions	Included deductions under Sections 35AC, 35AD, 35CCB (now obsolete).	Omitted these sections from reporting.	Removes expired provisions; reduces audit clutter.
21 – Legal Settlement Expenditure	No specific reporting for certain regulatory contravention settlements.	New reporting for expenses to settle proceedings under SEBI Act, Securities Contracts Regulation Act, Depositories Act, Competition Act – such expenses are non-deductible u/s 37(1).	Enhances transparency; aligns with judicial precedents.
22 – MSME Payments	Report inadmissible interest u/s 23 of MSMED Act.	Expanded to include total dues to MSMEs, classification of payments within/beyond due dates (15/45 days), aligning with Section 43B(h).	Strengthens monitoring of MSME payment timelines; enforces timely settlement.

26 – Section 43B	Used term 'allowed' for liabilities deductible on payment basis.	Changed to 'allowable'.	Clarifies that deduction is eligible only on actual payment, avoiding misinterpretation.
28 – Share Receipt (Sec 56(2)(viiia))	Report receipt of shares (closely held) without or for inadequate consideration.	Omitted.	Aligns with repeal of Section 56(2)(viiia); reduces compliance burden.
29 – Share Issue Premium (Sec 56(2)(viib))	Report issue of shares above FMV.	Omitted.	Reduces burden on startups/investment transactions; aligns with Angel Tax restructuring.
31 – Loans & Deposits	General disclosure of loan/deposit transactions.	Introduced 12-category coding (A–L) for cash, cheque, transfer, conversion, journal, other modes – with payment/receipt and asset/liability bifurcation.	Enables advanced analytics; improves audit trail.
36B – Buyback Transactions	No specific clause for buybacks under Sec 2(22)(f).	New disclosure for share buyback amounts & cost of acquisition; aligns with Sec 115QA buyback tax compliance.	Prevents disguised dividends; improves monitoring of corporate restructuring.