

NEWSLETTER

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ICAI & NFSU Collaboration- Strengthening Forensic Accounting for the Future

The collaboration between ICAI and NFSU represents a significant leap in financial crime prevention and forensic accounting. By integrating AI-driven fraud detection, cybersecurity, and blockchain analysis into professional training, this initiative enhances audit precision, strengthens regulatory oversight, and positions India as a global leader in combating financial irregularities and economic offenses.



Your Guide to 2025 Tax Compliance & Audit Essentials

The Income-tax (Eighth Amendment) Rules, 2025 introduce key updates aimed at streamlining audits and enhancing tax compliance.



These include presumptive taxation for non-resident cruise operators, revised Form 3CD disclosures, and a TDS exemption on NSS withdrawals, benefiting senior citizens. Aadhaar-PAN linking has been made mandatory by December 31, 2025, to prevent PAN inactivation. Additionally, Section 194T imposes a 10% TDS on partnership payments exceeding ₹20,000, ensuring stricter tax oversight.

What Should be our priority- Economic Growth or Sustainability?

In 2025, economic growth and sustainability must align. Growth fosters jobs, innovation, and prosperity, but unchecked expansion worsens climate change. Smart growth—green technologies, circular economies, and new success metrics—ensures progress without harming the planet. The future belongs to economies that balance financial gains with environmental resilience, making sustainability essential.

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ICAI & NFSU Collaboration: Strengthening Forensic Accounting for the Future

Introduction

In a significant move to enhance forensic accounting and financial crime detection, the Institute of Chartered Accountants of India (ICAI) has renewed its Memorandum of Understanding (MoU) with the National Forensic Sciences University (NFSU). This collaboration aims to build a robust ecosystem for forensic investigation, equipping professionals with advanced tools and methodologies to combat financial fraud and cybercrime.

The Need for Forensic Accounting in India

Financial fraud has become increasingly sophisticated, necessitating specialized expertise in forensic accounting. With economic crimes evolving rapidly, traditional auditing methods often fall short in detecting complex fraudulent activities. The partnership between ICAI and NFSU addresses this gap by integrating forensic science with financial investigation, ensuring that professionals are well-equipped to tackle emerging threats.

Impact on the Financial Sector

This collaboration is expected to strengthen regulatory frameworks, improve fraud detection mechanisms, and enhance public trust in financial institutions. By integrating forensic science with accounting principles, ICAI and NFSU are setting new benchmarks in financial investigation, ensuring that professionals remain ahead of evolving threats.

Key Objectives of the Collaboration

The renewed MoU focuses on several critical areas:

- **Advanced Training Programs:** ICAI and NFSU will offer specialized training for enforcement agencies such as the CBI, CID, SFIO, and EOW, enhancing their ability to interpret financial statements and detect irregularities.
- **Educational Initiatives:** The collaboration will develop joint certifications, workshops, and research programs in forensic accounting, cybersecurity, blockchain, and big data analytics.
- **Capacity Building:** By leveraging NFSU's forensic expertise and ICAI's financial acumen, the initiative aims to create a tech-savvy investigative workforce capable of addressing complex financial crimes.
- **Global Outreach:** ICAI's pioneering Forensic Accounting and Investigation Standards (FAIS) will be further refined, positioning India as a leader in forensic finance on the global stage.

Conclusion

The ICAI-NFSU partnership marks a transformative step in forensic accounting, reinforcing India's commitment to financial integrity and fraud prevention. As forensic accounting continues to evolve, this collaboration will play a pivotal role in shaping the future of financial crime detection and investigation.

Your Guide to 2025 Tax Compliance & Audit Essentials

1. Income-tax (Eighth Amendment) Rules, 2025 – Key Changes in Tax Audit Regulations

The Income-tax (Eighth Amendment) Rules, 2025, effective April 1, 2025, introduce several modifications to Form 3CD, the tax audit report required under Section 44AB of the Income-tax Act, 1961.

Major Amendments:

- **Presumptive Taxation for Non-Resident Cruise Ship Operators:** Clause 12 now includes Section 44BBC, deeming 20% of specified receipts as taxable income.
- **Omission of Expired Deduction Sections:** Clause 19 removes references to Sections 32AC, 32AD, 35AC, and 35CCB, ensuring relevance to current tax provisions.
- **Mandatory Reporting of Legal Settlement Expenses:** Clause 21 now requires disclosure of expenses incurred for settling legal contraventions.
- **Revised MSME Payment Reporting:** Clause 22 aligns reporting with Section 43B(h), ensuring transparency in payments to Micro and Small Enterprises (MSEs).
- **Updated Loan & Deposit Reporting:** Clause 31 introduces a drop-down selection for specifying the nature of transactions.



2. TDS Exemptions on National Savings Scheme (NSS) Withdrawals:

The Central Board of Direct Taxes (CBDT) has issued Notification No. 27/2025, exempting Tax Deducted at Source (TDS) on withdrawals from National Savings Scheme (NSS) accounts.

Key Highlights:

- **Effective Date:** April 4, 2025
 - **Applicability:** Applies to withdrawals made by individual taxpayers under Sec 80CCA(2)(a).
 - **Previous Taxation:** Earlier, NSS withdrawals exceeding ₹2,500 attracted 10% TDS under Section 194EE.
 - **New Rule:** No TDS will be deducted on NSS withdrawals, ensuring full payout to senior citizens.
- This exemption benefits senior and super-senior citizens, particularly those holding legacy NSS accounts.

3. Aadhaar-PAN Linking Deadline – Mandatory Update for Pre-Oct 2024 PAN Holders

The CBDT has mandated that individuals who obtained a Permanent Account Number (PAN) using an Aadhaar Enrolment ID before October 1, 2024, must link their Aadhaar number by December 31, 2025.

Compliance Requirements:

- Notification No. 26/2025 issued under Section 139AA(2A) of the Income-tax Act.
- Failure to link Aadhaar may result in PAN becoming inoperative, restricting banking and tax-related transactions.
- Affected Individuals: Those who received PAN based on an Aadhaar Enrolment ID, rather than an actual Aadhaar number.

Game-Changing TDS Rules for Partnership Firms & LLPs – Implications for Tax Planning

The Finance (No. 2) Act, 2024, introduces Section 194T, mandating TDS on payments to partners in Partnership Firms and LLPs, effective April 1, 2025.

4. Key Changes:

TDS Applicability:

If total payments to a partner exceed ₹20,000 in a financial year, 10% TDS will be deducted.

Payments Covered:

- Salary/Remuneration – TDS applicable
- Commission & Bonus – TDS applicable
- Interest on Capital/Loan – TDS applicable
- Drawings or Capital Repayment – No TDS

Impact on Tax Liability: Partners can claim TDS credit against their final tax liability when filing Income Tax Returns (ITR).



What Should be our priority- Economic Growth or Sustainability?

Introduction

In 2025, the debate between economic growth and sustainability has taken center stage. As the world continues to recover from the pandemic and navigates mounting environmental challenges, governments, businesses, and individuals are increasingly asking: Should we prioritize faster economic growth or focus on building a more sustainable future?

On one hand, economic growth remains critical. It drives job creation, higher living standards, innovation, and infrastructure development. Many policymakers argue that robust growth is essential not just for prosperity, but also to fund sustainable initiatives like renewable energy projects and green technologies. Particularly in emerging markets, continued growth is seen as vital to lifting millions out of poverty and narrowing global inequality gaps.

However, unchecked economic expansion comes with severe consequences. Rising carbon emissions, resource depletion, and the acceleration of climate change are urgent warnings that traditional growth models are no longer sustainable. Advocates for sustainability stress that economic progress cannot come at the expense of the environment. Without healthy ecosystems, clean air, and potable water, long-term prosperity is unattainable.

Rather than viewing growth and sustainability as opposing goals, a new perspective is emerging: the need for smart, sustainable growth. Concepts like green growth, which focuses on decoupling economic progress from environmental harm, and circular economy models that minimize waste, are gaining traction. At the same time, broader measures of national success — such as citizen well-being and environmental resilience — are starting to complement traditional GDP metrics.



In truth, economic growth and sustainability should not be seen as mutually exclusive. The most effective path forward is balancing both through sustainable development. This involves:

Investing heavily in renewable energy and clean technologies.

Promoting circular economies that emphasize reuse and waste reduction.

Enforcing strong environmental regulations.

Incentivizing innovation that benefits both the economy and the planet.

Public sentiment is also shifting. Recent global surveys show that 62% of people believe governments should prioritize sustainability over raw economic expansion. Younger generations, in particular, are demanding new definitions of success, where social and ecological health are valued just as highly as financial wealth.

Context also matters. In developing countries, economic growth remains an urgent need to combat poverty and build basic infrastructure. In wealthier nations, the focus is increasingly on reshaping growth patterns to ensure environmental stewardship.

Ultimately, in 2025, the real question is not growth versus sustainability, but how to align them. The economies that will lead the future are those that grow not just faster, but smarter — building prosperity without sacrificing the planet. Sustainable growth is no longer an option; it is a necessity.



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GST, Indirect Taxes & Corporate and Allied Laws

10th May	Return for authorities deducting tax at source-GSTR 7 for Apr 2025
10th May	Details of supplies effected through e-commerce operator and the amount of tax collected-GSTR 8 for April 2025
11th May	GSTR-1 for the m/o April 2025
13th May	IFF for Apr 2025 in lieu of GSTR-1 for QRMP Filers
13th May	Return for Non-Resident foreign taxable person - GSTR 5 for April 2025
13th May	Return for Input Service Distributor-GSTR 6 for Apr 2025
20th May	GSTR-3B for the m/o Apr 2025 (Monthly Taxpayer - Rule 61) - Either Compulsory taxpayer > 5 cr. or Voluntary taxpayer < 5 cr.
20th May	Return for OIDAR Service Provider-GSTR 5A for Apr 2025
22th May	GSTR-3B for Apr 2025 (turnover < 5 Cr) Category I States (Note 1)
24th May	GSTR-3B for Apr 2025 (Turnover < 5 Cr - Rule 61) - Category II States (Note2)
25th May	Monthly payment for Apr 2025 through Challan PMT06 for QRMP filers

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30th May	LLP-Form 11 Annual Return for Financial Year 2024-25
31st May	Professional Tax- Monthly Return Tax Liability of Rs. 1,00,000/- and above for Apr 2025

Note 1 For Andaman & Nicobar Islands, Andhra Pradesh, Chhattisgarh, Dadra & Nagar Haveli, Gujarat, Goa, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Puducherry, Tamil Nadu, Telangana

Note 2 Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi.

TDS/TCS

7th May	Payment for Apr 2025
15th May	Issue of TDS Certificate for tax deducted u/s 194-IA, 194-IB, 194M in Mar 2025
31st May	TDS quarterly statements (other than govt deductor) for Jan-Mar 2025
31st May	Deposit of TDS u/s 194-IA on payment made for purchase of property in Apr 2025 in Form 26QB
31st May	Deposit of TDS u/s 194M for Apr 2025 on payments made to resident contractors or professionals greater than 50 lacs pa by individuals/HUF not subject to tax audit in Form 26QD

CREATIVE CORNER



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NEWSLETTER CREDIT



PALAK SHAH



SAMAA SHAIKH

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