



## A Monthly E-Newsletter

Vol 06 Issue 4  
April 2025

# The Bottom Line

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## KEY METRICS

### Indices

BSE SENSEX	77,415	5.76%	▲
NSE NIFTY50	23,519	6.30%	▲
NASDAQ Composite	17,299	-8.21%	▼
NIKKEI 225	35,618	-4.14%	▼

### Currency

USD/INR	85.45	2.30%	▲
Euro/INR	92.43	-1.86%	▼
GBP/INR	110.38	-0.34%	▼
JPY/INR	0.57	1.83%	▲

Note: The month-on-month movement as on March 28, 2025, is represented in percentages  
Source: NSE.com, BSE.com, NASDAQ.com, NIKKEI.com, Investing.com



# DIRECT TAX

## Circulars/Notifications

### FAQ's on revised guidelines for compounding of offences released

CBDT has issued clarifications in the form of FAQs regarding the revised guidelines for compounding of offences under the Act, which were issued in October of last year. It provides clarity on each aspect of the revised guidelines including the meaning of compounding of offences, manner of application and fees, terms of compounding and approval requirement under various scenarios.

*Circular No. 04 of 2025 dated March 17, 2025*

### Scope of Safe Harbour rules expanded

The CBDT has amended the Income-tax Rules, expanding the scope of Safe Harbour provisions. Key changes include increasing the turnover threshold for availing Safe Harbour from INR 2 to 3 billion and classifying lithium-ion batteries for electric/hybrid vehicles as core auto components. Businesses in the auto and Electric Vehicle sectors can benefit from simplified transfer pricing compliance and reduced litigation risks. These amendments are applicable for AY 2025-26 and 2026-27.

*Notification No. 21 of 2025 dated March 25, 2025*

### Finance Bill 2025 approved with some important modifications

The Lok Sabha approved the Finance Bill 2025 on March 25, 2025, and it subsequently received presidential assent on March 29,

2025, becoming the Finance Act 2025. While the new Finance Act largely maintains the original budget proposals, it includes key modifications such as adjustments to block assessment provisions, the removal of the equalisation levy, and the prioritization of Section 44BBD over Sections 115A and 44DA

*Gazette – Extraordinary Part II - Section 1 dated March 29, 2025*

## Judicial Rulings

### Filing Form 67 for claiming Foreign Tax Credit is directory and not mandatory

The Tribunal ruled in favour of the Assessee, holding that Foreign Tax Credit cannot be denied solely due to a procedural lapse. Specifically, when the Assessee correctly claimed credit for taxes paid in the UK in their return of income filed in India, they should not be denied that credit due to a delay in filing Form 67, as the filing requirement is directory, not mandatory.

*Madan Kumar Sivinigari (Bangalore ITAT)*

### Transfer of copyrighted articles for internal use not liable to TDS

The Assessee made payments to a UK-based company for services including global technology management, communication support, and brand strategy implementation. While the assessing officer classified these payments as royalties subject to TDS, the Tribunal ruled that the payments did not constitute

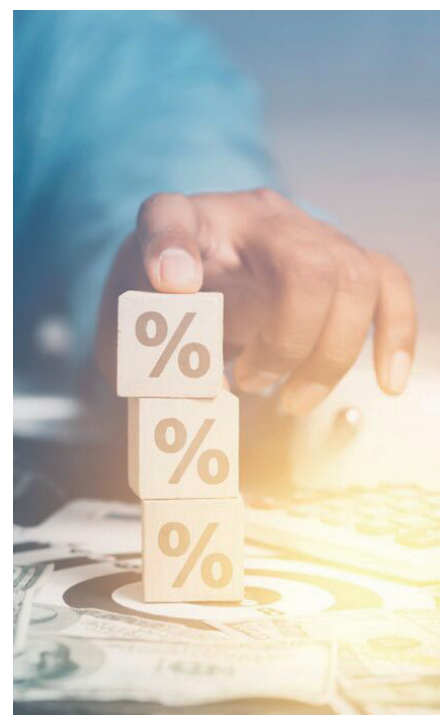
### Scope of Safe Harbour rules expanded

### Finance Bill 2025 approved with some important modifications

### Filing Form 67 for claiming Foreign Tax Credit is directory and not mandatory

royalties under the India-UK tax treaty. The Tribunal reasoned that since there was no transfer of Intellectual Property Rights, but only the provision of copyrighted articles for internal use, no TDS was required.

*Deloitte Touche Tohmatsu India LLP (Mumbai ITAT)*





# INDIRECT TAX

## Circulars / Notifications / Press Releases

### Scope of GST Amnesty Scheme extended

The scope of applicability of the Amnesty scheme extended to include Orders which includes demand of tax partially for the period covered under the scheme and partially for the other period. The procedure for filing application in the said case has been prescribed in the Rules.

*Notification No. 11/2025-Central Tax dated March 27, 2025*

## Judicial Rulings

### Conflicting Orders cannot be passed

No conflicting Order can be passed by the assessing officer on same issue in the same period.

*Siemens Ltd (Delhi High Court)*

### Date of filing appeal

The date of online submission of the appeal application will be considered for calculating the limitation period for filing the appeal. The date of physical submission of any documents related to the appeal will not be taken into account.

*Chegg India Pvt Ltd (Delhi High Court)*

### ITC cannot be denied due to clerical mistakes

Order to be set aside as ITC cannot be denied merely due to wrong address and GSTIN in invoices. The department was directed to check all the conditions for availment of ITC.

*B Braun Medical India Pvt Ltd (Delhi High Court)*

### Time period for filing refund starts from date of shipping bill

Two-year limitation period as mentioned under Section 54(1) of the CGST Act, 2017 for filing of refund of GST paid on exports shall be computed from the date of shipping bill.

*Nitrex Chemicals India Ltd (Gujarat High Court)*

### Software development services are not Intermediary services

Software development services provided by taxpayer to foreign parent company shall not qualify the definition of intermediary services. It can be treated as

### Scope of GST Amnesty Scheme extended

### Software development services are not Intermediary services

### ITC cannot be denied due to clerical mistakes

exports of services subject to the fulfilment of other conditions as prescribed under GST law.

*Atlan Technologies Pvt Ltd (Delhi High Court)*



# CORPORATE & ALLIED LAWS

## Circulars / Notifications

### Presentations and Disclosures in FS

Clarifications have been issued by RBI on disclosures in notes to accounts to the financial statements and notes and instructions for Balance Sheet compilation

S. No.	Transaction	Disclosure in BS / FS
1.	Margin money received in the form of deposits, where lien is marked by banks in the ordinary course of business	BS- Schedule 3: Deposits with suitable disclosures
2.	Advances guaranteed by CGTMSE backed by explicit Central Government guarantee	BS- Schedule 9 (B) (ii): Advances Covered by Bank/ Government Guarantee
3.	Repo and Reverse Repo	FS- Disclosures both in market and face value terms

[RBI/2024-25/126 DOR.ACC.REC. No.66/21.04.018/2024-25 dated March 20, 2025](#)

### Treatment of RoU asset for regulatory capital purposes

Where the underlying asset taken on lease is a tangible asset, regulated entities need not to deduct RoU asset created in terms of Ind AS-116 on accounting for leases from owned fund / Common Equity Tier 1 Capital to calculate regulatory capital / owned fund. Further, the RoU asset shall be risk-weighted at 100%, as is the case with owned tangible assets.

[RBI/2024-25/128 DOR.CAP.REC. No.68/21.01.002/2024-25 dated March 21, 2025](#)



### New framework for faster rights issue

Mandatory revised timeline prescribed for completion of the various activities involved in the rights issue process. Now this must be completed within twenty-three working days from the date Board of Directors of the issuer company approves the rights issue. Further, the ASBA process, from the time of submission of application by the applicants till the transfer of shares in the depository account of the investors, shall be followed in rights issue also, to the extent relevant.

[SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31 dated March 11, 2025](#)

### Holding of specified securities in dematerialised form

To provide further clarity and transparency to investors in the securities market, the following further disclosures regarding shareholding pattern have been mandated for all listed entities:

- NDU, other encumbrances, total number of shares pledged or otherwise encumbered including NDU

### Treatment of RoU asset for regulatory capital purposes

### New framework for faster rights issue

### Clarifications on presentations and disclosures in FS

- Shares underlying outstanding convertible securities to include ESOPs
- Total number of shares on fully diluted basis
- Details of promoter and promoter group with Nil shareholding

[SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/35 dated March 20, 2025 effective quarter ending June 30, 2025](#)





# CFO WATCH

## **EU's sustainability pause offers strategic breather for Non-EU Firms and SMEs**

The Council has provisionally delayed the implementation of the CSRD and CSDDD, extending deadlines for non-EU firms and SMEs. By extending compliance timelines, EU aims to ease administrative pressures, address readiness concerns, and allow for smoother alignment with global ESG frameworks. This provides businesses, especially in emerging markets like India, with valuable time to strengthen internal ESG infrastructure, build reporting capabilities, and integrate sustainability into their long-term strategy.

## **SEBI mandates standardised KPI disclosures in IPO documents effective from April 2025**

A circular has been issued mandating issuer companies to disclose KPIs in IPO documents to justify the issue price, aid investor analysis and ensure transparency. These standards, developed by the Industry Standards Forum, ensure consistency in defining, identifying, and presenting KPIs. They require KPIs to be quantifiable, approved by company management and audit committees, and certified by qualified Chartered or Cost Accountants. The KPIs must be disclosed in specified sections of the IPO documents, along with guidelines for continuous disclosures post-listing to maintain investor awareness.

## **New SEBI circular introduces green credit disclosures and ESG assurance timeline**

SEBI has introduced key amendments to LODR compliance, including a new leadership indicator under BRSR

Principle 6 that requires disclosures on green credits by listed entities and key value chain partners. Further, updates to the BRSR Core streamline assessment and assurance requirements, clarify third-party verification standards and introduce a glide path for mandatory compliance, extending to the top 1,000 entities by FY 2026–27. ESG disclosures for value chains have been deferred by a year, with thresholds revised for greater practicality. These changes aim to reduce compliance burdens and allow time to build robust ESG systems.

## **IASB announces comprehensive revisions to IFRS for SMEs**

IASB issued a significant update to the IFRS for SMEs accounting standard which is adopted or permitted in 85 jurisdictions. Aimed at entities without public accountability, the update seeks to meet the information needs of users such as lenders while considering the limited resources

**EU's sustainability pause offers strategic breather for Non-EU Firms and SMEs**

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of SMEs. Key changes include a revised revenue recognition model, consolidated guidance on fair value measurement, and updated requirements for business combinations, consolidations, and financial instruments. The revised standard is effective for annual periods beginning on or after January 1, 2027, with early adoption allowed.



# MERGERS & ACQUISITIONS

## Indian Startups Face Funding Winter Amid Global Caution

In 2024, India's startup ecosystem faced a significant funding slowdown, securing just \$2.7 billion—the lowest in four years. Major global investors, including SoftBank and Tiger Global, adopted a cautious stance, favouring smaller follow-on investments in their existing portfolios rather than making new large-scale bets. As a result, the number of \$100 million-plus funding rounds dropped to just four, down from ten in the previous year.

This funding contraction can be traced back to the global tech downturn of 2022 and 2023, which disrupted markets and led venture capital firms and growth funds to reassess their investment strategies. Despite raising substantial capital in previous years, many investors chose to hold back due to valuation corrections and overall market uncertainty. For instance, Tiger Global's latest venture fund managed to raise only \$2.2 billion—falling far short of its \$6 billion target and significantly lower than its previous \$12.7 billion fund.

With international investors taking a step back, domestic capital has stepped up. Family offices and India-focused hedge funds like Hornbill Capital have played a key role in sustaining startup investments, accounting for nearly 50% of large deals in 2024. This shift toward local funding sources indicates a changing investment landscape where Indian capital is becoming more instrumental in supporting entrepreneurial growth. Additionally, this increased reliance

on domestic investors may influence valuation standards, leading to a more pragmatic approach to market expectations.

Despite the funding slowdown, early signs of recovery are emerging. The Indian government's Union Budget 2025 has introduced several initiatives aimed at revitalizing the startup ecosystem. These include a 10,000 crore Fund of Funds for Startups, improved credit guarantees, and reduced guarantee fees across 27 key sectors. Furthermore, the proposed

Deep Tech Fund of Funds is expected to boost investments in advanced technologies, fostering innovation and encouraging specialized startups.

With increased capital availability and supportive policies, India's startup ecosystem is poised for a gradual recovery. For investors, these developments signal fresh opportunities, suggesting that while the funding winter has been challenging, the foundations for long-term resilience and growth are being laid.





# IN THE NEWS

## ACIIA - IIA India International Conference 2025

March 03, 2025

At the IIA India International Conference 2025, Shrikrishna Dikshit, Baker Tilly ASA India took the stage alongside Krishnan Venugopal and Arpit Garg to discuss "Risks Your Organization Should be Preparing for in 2025."

Their session explored the key trends and challenges shaping the future of governance, risk, and internal audit offering practical insights to help organizations stay ahead in an evolving landscape.

## Space & Geospatial Bilateral Business Meet

March 04, 2025

Manisha Sachdeva, Baker Tilly ASA India joined the exclusive India-Australia Space & Geospatial Bilateral Business Meet organised by Indo-Australia chamber of commerce at IPGF 2025 to discuss collaboration in space and geospatial technology. The event focused on partnerships, AI applications, and regulatory changes needed for growth. With industry, government, and academia involved, the India-Australia partnership is steadily growing.

## 4th Edition Great Indian Audit Leaders' Summit & Awards 2025

March 06, 2025

Valuable insights were shared by Gaurav Bhatia, ASA, at Fire Side Chat on ESG Assurance: An Internal Auditor's Perspective. The session delved into the evolving role of internal auditors in the realm of Environmental, Social, and Governance (ESG) assurance, highlighting the importance of incorporating ESG factors into risk management frameworks.

## SRCC Business Conclave

March 14, 2025

Sunil Arora, ASA, was a judge at the SRCC Business Conclave 2025, engaging with bright young minds

and witnessing their innovative ideas was truly inspiring. The event brought together the most promising business students and entrepreneurs, showcasing their entrepreneurial spirit and out-of-the-box thinking.

## Sanmokusai by the Japan Chamber of Commerce and Industry in India (JCCII)

March 26, 2025

Industry leaders shared insights on India's business landscape, while Mina Nagashima, Baker Tilly ASA India, representing the Women's Empowerment Committee, emphasized the importance of supporting Japanese women professionals in India.



# GLOSSARY

## ASBA

Application Supported by Blocked Amount

## AY

Assessment Year

## BRSR

Business Responsibility and Sustainability Reporting

## BS

Balance Sheet

## CBDT

Central Board of Direct Taxes

## CGST

Central GST

## CGTMSE

Credit Guarantee Fund Trust for Micro and Small Enterprises

## CSDDD

Corporate Sustainability Due Diligence Directive

## CSRD

Corporate Sustainability Reporting Directive

## ESG

Environmental, Social and Governance

## ESOP

Employee Stock Option Plan

## EU

European Union

## FAQ

Frequently Asked Question

## FS

Financial Statements

## FY

Financial Year

## GST

Goods & Services Tax

## GSTIN

GST Identification Number

## IASB

International Accounting Standards Board

## IFRS

International Financial Reporting Standards

## IPO

Initial Public Offering

## ITAT

Income Tax Appellate Tribunal

## ITC

Input Tax Credit

## KPI

Key Performance Indicator

## LODR

Listing Obligations and Disclosure Requirements

## NDU

NDU

## RBI

Reserve Bank of India

## RoU

Right of Use

## SEBI

Securities and Exchange Board of India

## SME

Small and Medium Enterprise

## TDS

Tax Deducted at Source

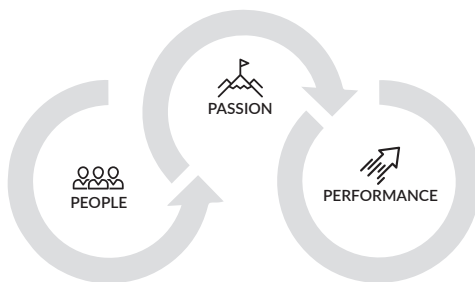
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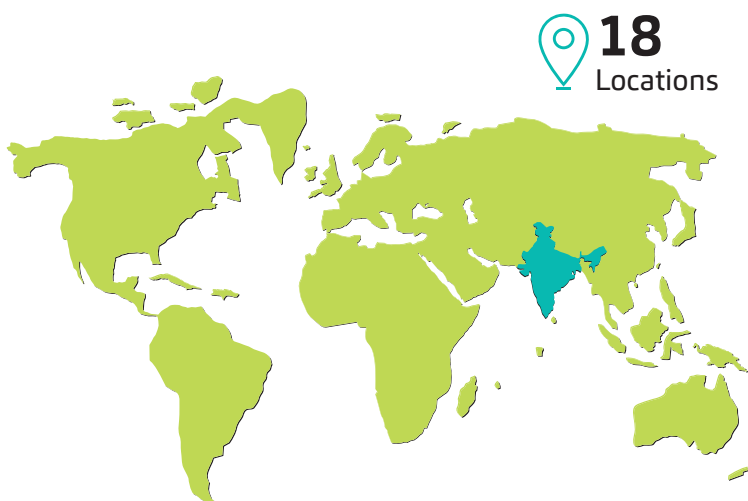
## SERVICES

- Accounting and Business Support
- Assurance
- Business Advisory
- Digital Automation and Transformation
- Risk Advisory
- Taxation
- Transaction Advisory

Well structured teams with domain specialization are guided by leaders who possess expertise and experience and are present PAN India to ensure excellent client service.

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**6000+**  
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Professionals

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**700**  
Offices



**143**  
Territories



**\$5.6bn**  
Turnover



**ASA**  
Going The Extra Mile

**bakertilly**  
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Vishakhapatnam

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