

14 July

UPDATES

June

2025

“Frangipani : Fragrance that lingers. Beauty that whispers.”

Frangipani, also known as Chafa, is a beautiful and fragrant flower that grows in tropical places. it is a symbol of beauty, peace, and tradition. Its lovely fragrance and elegant look make it truly special.

NEXT



Updates

June 2025

PG BHAGWAT LLP (“PGB LLP”) is glad to release updates for the month of June 2025

The objective of these updates is to make you aware of the latest changes in auditing, accounting, taxes, labour laws etc.

We hope these updates are useful to you to stay on top of the development in your field.

“It is what we know already that often prevents us from learning”

For detailed information and / or queries, please do get in touch with us at updates@pgbhagwatca.com. Note: The information contained herein is in summary form. It has been written in general terms and should be seen as broad guidance only. The information is not intended to cover specific situations and you should refrain from acting, or should not act, upon the information contained therein without obtaining specific professional advice. Please contact P G BHAGWAT LLP to discuss these matters in the context of your circumstances. P G BHAGWAT LLP and its partners and/or employees do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

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We compile only the most relevant & important updates and therefore urge to you go through them...



This edition contains the following: click on the content line to navigate

1. Relaxation of time limit for processing of valid returns of income filed pursuant to condonation of delay u/s 119(2)(b) of the Income-tax Act, 1961

Summary of CBDT Circular No. 07/2025 dated 25th June, 2025 – Relaxation of time limit for processing of valid returns of income filed pursuant to condonation of delay u/s 119(2)(b) of the Income-tax Act, 1961

What's New?

The CBDT has relaxed the time limit under the second proviso to Section 143(1) to allow processing of valid ITRs filed up to 31.03.2024 under condonation orders passed u/s 119(2)(b), even if the statutory time for issuing intimation has lapsed.

Detailed Explanation

1. Several taxpayers had filed delayed ITRs after obtaining condonation under Section 119(2)(b).
2. Due to technical issues, these returns could not be processed within the time limit prescribed under Section 143(1) (i.e., 9 months from the end of the financial year in which return was filed). This led to grievances related to non-receipt of refunds.
To address this, the Board has invoked its powers under Section 119 and permitted processing of such delayed but valid returns (filed up to 31.03.2024) even after the time limit has expired.

Key Conditions

1. The return must have been:

- Filed electronically,
- Pursuant to a valid condonation order under Section 119(2)(b),
- Filed on or before 31.03.2024.

2. The relaxation will not apply to cases where:

- Assessment or reassessment proceedings have already been completed for the same AY under Sections 143(3), 144, 144B, 153A, 153C, 147, or 148.
- There is re-computation or revision already completed for the relevant AY.

3. Refunds (if any) will not be issued in cases where PAN-Aadhaar linkage is not done, as per Circular No. 03/2023 dated 28.03.2023.

Practical Implications:

1. Relief for taxpayers who filed delayed returns with condonation but didn't receive refunds due to processing delays.
2. Enables processing of such returns and issuance of intimation and refunds (if due).
3. Enhances taxpayer confidence in the condonation process and system responsiveness.

2. Exemption from TDS on Certain Payments to Units in International Financial Services Centres (IFSCs)

Summary of Notification No. S.O. 2768(E)

What's New?

The Central Government has notified that no TDS shall be deducted on certain payments made by any payer to a Unit in an IFSC, subject to specific conditions and declarations being filed. This applies to several sections under Chapter XVII-B of the Income-tax Act like 194A, 194C, 194H, 194I, and 194J.

Detailed Explanation

Under the powers granted by Section 197A(1F) read with Sections 80LA(1A) and 80LA(2) of the Income-tax Act, this notification:

- Exempts deduction of TDS on specified payments made to IFSC Units listed in the Table in the notification.
- Applies only if the payee IFSC unit opts for deduction under Section 80LA and furnishes a statement-cum-declaration in Form No. 1.
- The payer must receive this declaration before availing the TDS exemption.

Key Conditions

1. Eligible Payees: Units located in an IFSC as defined in the SEZ Act and Income-tax Act.
2. Specified Payments (examples):
 - Professional/consulting/advisory fees to BATF service providers – Sec 194J
 - Commission/incentives to broker-dealers – Sec 194H/194C
 - Interest on lease by finance companies – Sec 194A
 - Management/performance fees to fund managers – Sec 194J
 - Interest, rent, penalty payments to recognized exchanges/depositories – Sec 194A, 194I, 194J
3. Conditions for Payee (IFSC Unit):
 - Must opt for Section 80LA deduction.
 - Must submit a statement-cum-declaration (Form No. 1) annually for each of the 10 consecutive assessment years.
4. Conditions for Payer:
 - Must receive Form No. 1 before claiming exemption.
 - Must report such non-deducted payments in TDS statements (Form 26Q etc.).

Additional Conditions

1. The exemption applies only for the 10 consecutive assessment years chosen under Section 80LA.
2. Income must be from the business for which the Unit has been approved in the IFSC-SEZ.
3. The Principal DGIT(Systems) will lay down procedures and ensure secure data handling.

Practical Implications

1. Significant TDS relief to IFSC Units enhancing their cash flow and administrative ease.
2. Encourages more global financial service entities to set up operations in IFSCs (like GIFT City).
3. Payers must track declaration status and TDS reporting obligations carefully to avoid compliance issues.

Implementation Deadlines

1. The notification comes into effect from 1st July 2025.
- Declaration in Form No. 1 must be obtained before making payments for the TDS exemption to be valid.

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3. Protocol amending the Agreement between India and Oman for Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income

Summary of Notification No. 69/2025, S.O. 2858(E)

What’s New?

A new Protocol has been signed between India and Oman on 27th January 2025. It modifies and updates the existing Double Taxation Avoidance Agreement (DTAA) signed in 1997.

The Protocol came into force on 28th May 2025, with provisions effective from 1st April 2026 (FY 2026-27) in India.

Detailed Explanation

The updated Protocol covers the following significant changes:

1. Updated Preamble:
Now includes an anti-abuse clause to prevent treaty-shopping and tax avoidance.
2. Clarification on Taxes Covered:
In Oman, only “income tax” is covered (now clearly defined as “Omani tax”).
3. General Definitions Updated:
Redefined “competent authority” in both countries.
Defined "tax year" in Oman as per Omani income tax law.

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4. Resident Status Resolution:
For non-individuals resident in both countries, tie-breaker rules involve mutual agreement with factors like place of incorporation, effective management, etc.
5. Air Transport Clause Deleted:
Paragraph 5 of Article 8 has been removed (specifics not provided).
6. Associated Enterprises Adjustment:
New clause inserted requiring corresponding tax adjustments in cross-border transactions between associated enterprises.
7. Reduction in Withholding Tax Rates:
Royalties and Technical Fees: Reduced from 15% to 10%.
8. Non-Discrimination Clause Added (New Article 25A):
Prevents differential tax treatment based on nationality, permanent establishment status, or ownership.
9. Strengthened Mutual Agreement Procedure (MAP):
Improved dispute resolution procedures with timelines and cross-consultation flexibility.
10. Robust Exchange of Information (Article 27 Revised):
Expands scope beyond income tax, includes safeguards on confidentiality and usage.
11. New Article 27A – Assistance in Collection of Taxes:
Enables cross-border tax collection and enforcement, including conservancy measures.

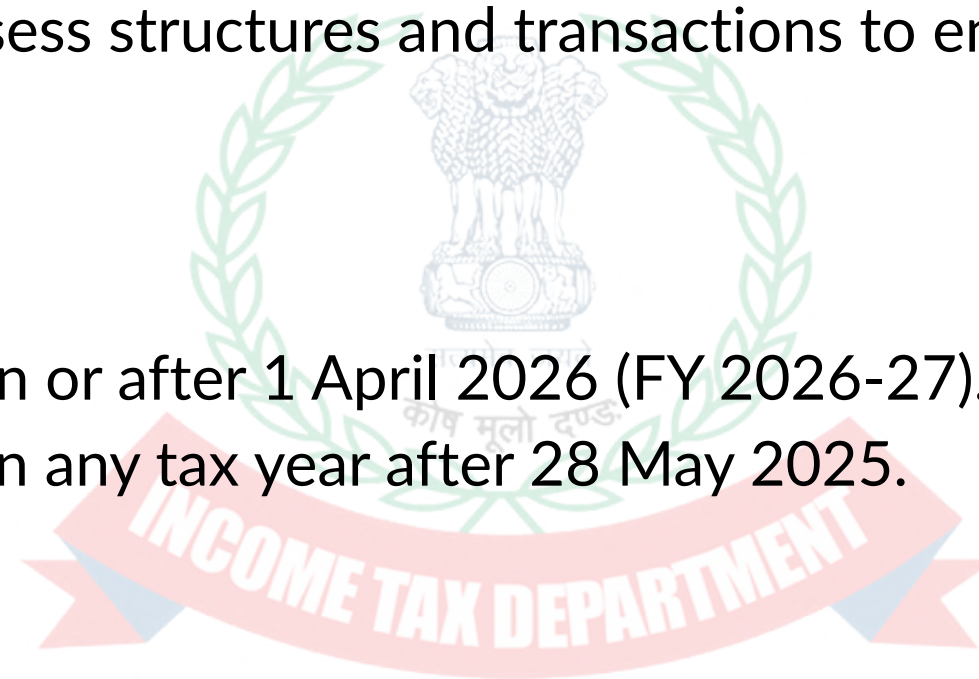
Practical Implications

1. Lower Withholding Tax rates will reduce cost of cross-border payments.
2. Stronger anti-abuse rules discourage treaty-shopping
3. Better tax clarity for dual residents and MNCs operating in both jurisdictions.
4. Enhanced information exchange and collection assistance promotes transparency and better compliance.
5. Indian and Omani businesses need to reassess structures and transactions to ensure compliance with the updated treaty provisions.

Implementation Deadlines

Protocol Entry into Force: 28 May 2025.

- Applicable in India: For income derived on or after 1 April 2026 (FY 2026-27).
- Applicable in Oman: For income derived in any tax year after 28 May 2025.



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1. Limited relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Summary of SEBI Circular SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83 dated June 05, 2025.

What's new?

SEBI has extended the relaxation regarding the requirement to send hard copies of financial statements and associated documents under Regulation 58(1)(b) of the SEBI LODR Regulations, 2015, for entities with listed non-convertible securities, up to September 30, 2025.

Detailed Explanation

1. Background:

Regulation 58(1)(b) mandates sending hard copies of financial statements and related documents to holders of non-convertible securities who haven't registered their email addresses.

Earlier, this requirement was relaxed till September 30, 2024 via SEBI's circular dated October 06, 2023.

2. Extension by MCA:

MCA, through its General Circular No. 09/2024 dated September 19, 2024, extended the relaxation for AGMs held till September 30, 2025.

3. SEBI's Response:

SEBI has extended its earlier relaxation accordingly:

- For October 01, 2024 to June 05, 2025: No penal action for non-compliance with Regulation 58(1)(b) if MCA conditions are met.
- For June 06, 2025 to September 30, 2025: Similar relaxation is provided, with an additional condition of publishing a web-link in the advertisement (under Regulation 52(8)) that directs security holders to the statements.

Key Conditions

1. Applicable only to entities with listed non-convertible securities.
2. Entities must comply with MCA Circular No. 09/2024.
3. For the second phase (June 6 to Sept 30, 2025), the advertisement must include a web-link to the financial statement documents

Additional Conditions

1. The relaxation is conditional on adherence to the Companies Act, 2013 and rules thereunder.
2. The notification is issued under Section 11(1) of the SEBI Act, 1992 and Regulation 101 of the LODR Regulations.

Practical Implications

1. Cost savings and ease of compliance for issuers as they are not required to send physical copies to investors without email addresses.
2. Encourages digital dissemination of financial documents.
3. Investors without email must refer to the provided web-link in published advertisements to access financial documents.

Implementation Deadlines

- Immediate effect from June 5, 2025.
- Valid for AGMs and financial disclosures up to September 30, 2025.

Link : [Click Here](#)

Summary on notification no. SEBI/HO/DDHS/DDHS-POD-1/P/CIR/2025/84 dated June 5, 2025

SEBI introduces a detailed framework for issuance and listing of ESG debt securities other than green bonds—specifically social bonds, sustainability bonds, and sustainability-linked bonds—providing operational and disclosure norms aligned with international standards but adapted to Indian context.

SEBI now allows municipal bonds to be rated using an EL-based approach, which evaluates both the likelihood of default and the expected severity of loss. This rating is intended to complement the existing rating, not replace it. Only bonds already rated under the conventional system are eligible. This move aims to improve transparency, align with global practices, and boost investor confidence.

1.Scope & Applicability:

Applicable to ESG debt securities such as social bonds, sustainability bonds, and sustainability-linked bonds listed/proposed to be listed on recognized stock exchanges. **Excludes green debt securities (already governed under existing SEBI norms).**

2. Recognized Standards:
 Issuances must align with frameworks like ICMA Principles, Climate Bonds Standard, ASEAN, EU Standards, or those by Indian financial regulators.

- 3. Definitions Introduced:**
- Social Bonds: Funds must target specific social issues like affordable housing, healthcare, education, food security, employment, etc.
 - Sustainability Bonds: Blend of social and green projects.
 - Sustainability-Linked Bonds (SLBs): Linked to issuer’s sustainability performance via predefined KPIs and SPTs.

- 4. Disclosures & Reviews:**
- Mandatory initial and continuous disclosures.
 - Independent third-party reviewer/certifier must validate claims and compliance.
 - Annual reporting and impact measurement required.

5. Preventing Purpose-Washing:
 Measures introduced to ensure genuine use of proceeds and avoid misuse (“purpose-washing”).
 Early redemption clauses in case of misrepresentation.

6. Additional Conditions for SME Issuers:

SMEs issuing ESG bonds must comply with bi-annual continuous disclosure norms under Annexures A/B and SEBI NCS Master Circular.

Key Conditions

1. Use of proceeds should strictly align with the project objectives (social/sustainability).
2. Disclosures to follow detailed templates in Annexures A & B.
3. Appointment of SEBI-registered or compliant independent third-party reviewer is mandatory.
4. Adherence to internationally recognized ESG bond frameworks is required.
5. Impact assessment and tracking of fund usage are compulsory.

Additional conditions:

1. Issuers must quantify negative externalities of the financed projects.
2. Misleading ESG labels or data manipulation prohibited.
3. ESG committees may be formed for tracking and reporting.
4. In case of SLBs, fallback mechanisms and mitigation plans for SPT failure must be disclosed.

Practical Implications

- Encourages diversified ESG debt financing avenues beyond green bonds.
- Enhances transparency, accountability, and investor protection in ESG bond markets.
- Helps standardize ESG bond issuances and build investor confidence.
- Imposes compliance burden for issuers in terms of disclosures, third-party reviews, and reporting.

Implementation Deadlines

Effective Date: The circular comes into force from June 5, 2025 and applies to all ESG debt security issuances thereafter.

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3. Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”

Summary of SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025

What's New in the Notification:

Revised Industry Standards on the minimum information to be provided for approval of Related Party Transactions (RPTs) by Audit Committees and Shareholders.

Implementation date updated to September 01, 2025. Supersedes earlier circulars dated February 14, 2025, and March 21, 2025.

Detailed Explanation of the Notification:

1. Regulation 23(2), (3), and (4) of SEBI (LODR) Regulations require audit committee and shareholder approval for RPTs.
2. Previous standards for disclosure were issued via SEBI Master Circular dated November 11, 2024.
3. Based on feedback, SEBI revised the format and approved a simplified and standardized structure under the aegis of the Industry Standards Forum (ISF), comprising ASSOCHAM, FICCI, and CII.
4. These standards aim to ensure uniformity in the information disclosed to the Audit Committee and shareholders.
5. Applicable sections of the Master Circular have been modified to reflect the updated disclosure format.

Key Conditions of the Notification:

1. Audit Committee Approvals: Information to be provided must follow the format in the revised Industry Standards.
2. Shareholder Approvals: Notices to shareholders must include explanatory statements with information per the Industry Standards.
3. Compliance with Regulation 23(2), (3), (4) of SEBI LODR is mandatory.
4. ISF and Stock Exchanges are required to: Host RPT Industry Standards and FAQs on their websites.
5. Prepare FAQs in consultation with SEBI.

Additional Conditions (if any):

This circular supersedes the earlier circulars:

- SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated Feb 14, 2025.
- SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/37 dated Mar 21, 2025.

The revised standards were made after extensive stakeholder consultation.

Entities must refer to the ISF websites for the final RPT format and FAQs.

Practical Implications of the Notification:

1. Listed entities must align their internal processes and templates for RPT approval with the revised Industry Standards.
2. Boards and Company Secretaries must ensure adequate disclosures in proposals submitted to the Audit Committee and shareholders.
3. Failure to follow the updated disclosure format may result in non-compliance with LODR provisions.
4. Entities may need to revise internal checklists, board notes, and shareholder notice formats to comply.

Implementation Deadlines:

Effective Date: September 01, 2025

Earlier deadlines (April 01 and July 01, 2025) stand revised and overridden.

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Key Conditions of the Notification:

- The extended timeline is applicable only to SEBI Regulated Entities (REs), excluding MII, KRAs, and QRTAs.
- Stock Exchanges and Depositories must notify their members and participants of the circular and ensure dissemination on their websites.
- The circular is effective immediately upon issuance.

Practical Implications of the Notification:

1. Regulated entities (like Mutual Funds, AIFs, Portfolio Managers, etc.) get more time to operationalize cybersecurity infrastructure and processes under CSCRF.
2. It provides relief to entities facing resource or implementation constraints.
3. MII, KRAs, and QRTAs must already be in compliance or meet the originally stipulated timeline.
4. It places greater onus on Stock Exchanges and Depositories to communicate and enforce this update.

Implementation Deadlines:

- Revised Compliance Deadline: August 31, 2025
- Effective Date of Circular: June 30, 2025

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1. Reserve Bank of India (Project Finance) Directions, 2025

What's New:

- A harmonized, principle-based framework for project finance applicable to all regulated entities (REs).
- Replaces all previous fragmented guidelines on projects under implementation and treatment of change in Date of Commencement of Commercial Operations (DCCO).
- Introduces standard norms for provisioning, income recognition, resolution, and classification across phases of a project.
- Extends provisions for resolution planning, database maintenance, and disclosures.

Detailed Explanation of the Notification:

1. Objective & Scope:

- To streamline financing, restructuring, and resolution of project loans across sectors (infrastructure, CRE, CRE-RH), including during project stress or delays in commercial operations.

2. Applicability:

Applies to:

- All commercial banks (except RRBs, LABs, and Payments Banks)
- All NBFCs (including HFCs)
- All India Financial Institutions
- Urban Cooperative Banks

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Excludes:

- Projects that achieved financial closure before Oct 1, 2025 (unless restructured post that date)

3. Key Definitions :

- Project Finance: ≥51% repayment from project cash flows + common agreement among all lenders.
- Credit Event: Broad definition including defaults, need for additional debt, DCCO changes, etc.
- DCCO: Original, Extended, and Actual DCCO clearly defined
- SBCF: Contingent line of credit for cost overruns.

4. Project Phases:

- Design
- Construction
- Operational

5. Sanction & Disbursement Conditions:

- Clear DCCO and approvals required before disbursement.
- Minimum land availability: 50% (PPP), 75% (others).
- Exposure thresholds:
< ₹1500 cr → min 10% per lender
≥ ₹1500 cr → min 5% or ₹150 cr

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6. Resolution Framework:

- Credit event triggers resolution
- Permissible DCCO extension:
 - Infra: up to 3 years
 - Non-infra: up to 2 years
- Cost Overruns:
 - Up to 10% of project cost + IDC
- Additional provisions apply if no SBCF was pre-sanctioned

7. Provisioning Norms:

- Standard Assets:
 - Construction: 1% (others), 1.25% (CRE), 1% (CRE-RH)
 - Operational: 0.4%, 1%, 0.75% respectively
- DCCO Deferred Standard Assets:
 - Additional 0.375% (infra) / 0.5625% (non-infra) per quarter
- NPAs: As per general IRACP norms

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8. Disclosures and MIS:

- Mandates detailed project finance database
- Periodic disclosures in Notes to Accounts

Key Conditions of the Notification:

1. Uniform DCCO across lenders.
2. Strict approval and viability checks for sanction and restructuring
3. Resolution plan must be implemented within 180 days post review period
4. Cost overrun and scope changes must meet defined thresholds for standard classification
5. One-time benefit for change in scope-related classification benefit.

Additional Conditions:

1. SBCF must be pre-sanctioned and continuously renewed for cost overrun provisioning.
2. New system for data update within 15 days of any project change to be implemented within 3 months of effective date.

1. Relaxation of additional fees for filing of 13 e-forms during the period of transition from MCA21 V2 to V3 -reg.

Summary of File No. Policy 01/1/2023 CL-V-MCA General Circular No. 01/2025, issued by the Ministry of Corporate Affairs.

What's New?

Relaxation of additional fees for filing of 13 e-forms during the period of transition from MCA21 V2 to V3 -reg.

Detailed Explanation

1. In view of transition of the MCA 21 portal from Version 2 (V2) to Version 3 (V3) and to facilitate a smooth roll out of Annual filing and related e forms in MCA 21 V3, the Ministry has scheduled a system migration phase during which E-forms (as per Annexure) will be temporarily unavailable for filing from 18.06.2025 to 13.07.2025 (both dates inclusive).
2. Accordingly, to facilitate smooth filing experience for stakeholders, the component authority has decided that, in cases where due date (i.e. last date for filing without additional fees) or resubmission date falls between 18.06.2025 and 31.07.2025 (both dates inclusive), filing of the said e-forms shall be allowed without levying any additional fees up to 15.08.2025.
3. This issues with the approval of Competent Authority.
4. List of new e forms for fee relaxation:

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Sl. No.	Form ID	Description
1	AOC-4	Form for filing financial statements and other documents with the Registrar
2	AOC-4 NBFC	For NBFC filing financial statements
3	AOC-4 CFS	Consolidated Financial Statements
4	AOC-4 CFS NBFC	Consolidated Financial Statements for NBFC
5	AOC-4 XBRL	Financial Statement in XBRL format
6	MGT-7/MGT- 7A	Annual Return
7	MGT-15	Report on Annual General Meeting
8	GNL-1	Application for extension of AGM
9	LEAP-1	Submission of prospectus with the Registrar
10	ADT-1	Appointment by Auditor
11	ADT-3	Resignation by Auditor
12	CRA-2	Appointment of Cost Auditor
13	CRA-4	Cost Audit Report

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2. Separate Filing of e-form CSR-2 post the period of transition from MCA21 V2 to V3 -reg.

What's New?

The notification allows Separate filing of e-form CSR-2 post the period of transition from MCA21 V2 to V3 reg.

Detailed Explanation

1. In view of the transition of the MCA21 portal from Version 2 (V2) to Version 3 (V3) in respect of the Annual filing forms and other related e-forms and to facilitate a smooth roll out of these e-forms in MCA-21 version 3.0, the Ministry has scheduled a system migration due to which filing in V2 will be decommissioned with effect from 18.06.2025.
2. Whereas, vide notification G.S.R. 317(E) dated 19th May, 2025, an amendment in the 4th proviso to Rule 12(1B) of the Companies (Accounts) Rules, 2014 was done through the Companies (Accounts) Amendment Rules, 2025, effectively allowing for independent filing of e-Form CSR-2.
3. And whereas, vide notification G.S.R. 357(E) dated 30th May, 2025, V3 version of Annual filing and related e-Forms, including CSR-2 as an eForm linked to AOC-4, have been notified through the Companies (Accounts) 2nd Amendment Rules, 2025.
4. Now keeping in view that the MCA V2 system will be decommissioned w.e.f. 18.06.2025, it has been decided by the competent authority that the stakeholders intending to file e-form CSR- 2 as an independent Form with V2 SRN of Form AOC-4/ AOC-4(XBRL)/ AOC-4 (NBFC), can file the same in V3 portal from 14th July 2025 to 15th August, 2025.

Link : [Click Here](#)

3. The Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules, 2025.

Summary of notification no. G.S.R. 317(E) dated 6th June, 2025, issued by the Ministry of Corporate Affairs.

What's New:

A new sub-rule (1A) is inserted in Rule 3 of the XBRL Filing Rules, 2015 mandating that:

Companies filing financials in e-Form AOC-4 XBRL must now also attach a PDF copy of the signed financial statements as per Section 134 of the Companies Act, 2013 (including Board's report, auditor's report, and other relevant documents).

Detailed Explanation:

1. Applicability:

- Applies to companies that are already filing their financial statements in AOC-4 XBRL.
- The amendment brings in an additional documentation requirement in PDF format.

2. Amendment Inserted:

- New Sub-rule (1A): Adds obligation to attach authenticated PDF copies of signed financials along with XBRL filings.

3. Revised AOC-4 XBRL Format:

- The format for e-Form AOC-4 XBRL is updated.

- It now includes structured fields for:
 - a) Company and financial details
 - b) AGM information
 - c) Financial statement nature and taxonomy
 - d) Secretarial audit applicability
 - e) CSR reporting
 - f) CAG comments (in case of Govt. companies)
 - g) Attachments including XBRL and signed PDFs

Key Conditions of the Notification:

- Applies only to companies that are required to file financial statements in XBRL format.
- Financial statements must be duly signed and authenticated under Section 134 of the Companies Act, 2013.
- The signed PDF copy must be attached in AOC-4 XBRL.

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Additional Conditions:

- The form requires digital signatures from company officials (Director/Manager/CEO/CFO/CS).
- Certification by a practicing professional (CA/CS/CMA) is mandatory.
- Filing must comply with the XBRL taxonomy notified under the 2015 Rules.
- Declaration and accuracy requirements are strict, referencing Sections 448 and 449 for punishment for false information or certification.

Practical Implications:

- Increased compliance burden: Companies must now maintain and attach additional signed documents in PDF format.
- Risk Mitigation: Ensures that XBRL filings are supported with legally authenticated records, minimizing chances of falsification or mismatch.
- Professional Involvement: Certification by a professional ensures authenticity and reliability of information filed.

Implementation Deadlines:

- Effective Date: 14th July 2025

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1. Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Sixth Amendment) Regulations, 2025

What's New:

The eligibility period for opening a Diamond Dollar Account (DDA) has been extended from 2 years to 3 years.

Detailed Explanation:

1. This notification amends the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2015.
2. Specifically, it modifies Schedule II of the principal regulations, which deals with the application form for opening Diamond Dollar Accounts (DDAs).
3. Earlier, only firms and companies engaged in the gem and jewellery sector with a track record of at least 2 years in import/export activities were eligible to apply for a DDA.
4. Now, this requirement has been relaxed to include entities with at least 3 years of such experience.

Key Conditions:

- The amendment only changes the eligibility period mentioned in the application form for DDAs.
- All other conditions of the original regulations remain unchanged.

requirements have been introduced through the application format.

Now demonstrate three years of import/export in the sector who were earlier eligible under licence and risk control by allowing accounts.

Publication in the Official Gazette, i.e., April 2018.

1. Entities in the gem and jewellery sector must now demonstrate three years of import/export history to be eligible to open a DDA.
2. This may affect newer businesses or startups in the sector who were earlier eligible under the 2-year requirement.
3. On the other hand, it may enhance due diligence and risk control by allowing accounts only to more experienced entities.

The amendment is effective from the date of publication in the Official Gazette, i.e., April 29, 2025.

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1. Extension of the Validity of FCRA Registration Certificates – Public Notice dated June 2025

What’s New?

The Ministry of Home Affairs has extended the validity of FCRA registration certificates for certain categories of registered entities up to 30th September 2025 or until the renewal application is disposed, whichever is earlier.

Detailed Explanation:

- This notification is a continuation of the earlier public notice dated 28.03.2025, and includes the following key updates:
- Entities with Prior Extension Till 30.06.2025:
For FCRA-registered entities whose validity was already extended up to 30.06.2025 (as per the previous public notice) and whose renewal applications are still pending, the validity is further extended up to 30.09.2025 or till the renewal application is decided, whichever is earlier.
- Entities Expiring Between 01.07.2025 to 30.09.2025:
For entities whose 5-year FCRA registration period expires between 01.07.2025 and 30.09.2025, and who have applied or will apply for renewal before expiry, the validity is similarly extended till 30.09.2025 or till the renewal is disposed, whichever is earlier.
- Important Condition on Refusal of Renewal:
If the renewal application is refused, the registration expires on the date of refusal, and the entity is not eligible to either receive or utilise foreign contribution thereafter.

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1. Barring of GST Return Filing after Expiry of Three Years

As per Finance Act, 2023 (8 of 2023), implemented via Notification No. 28/2023 – Central Tax dated 31st July, 2023

What's New?

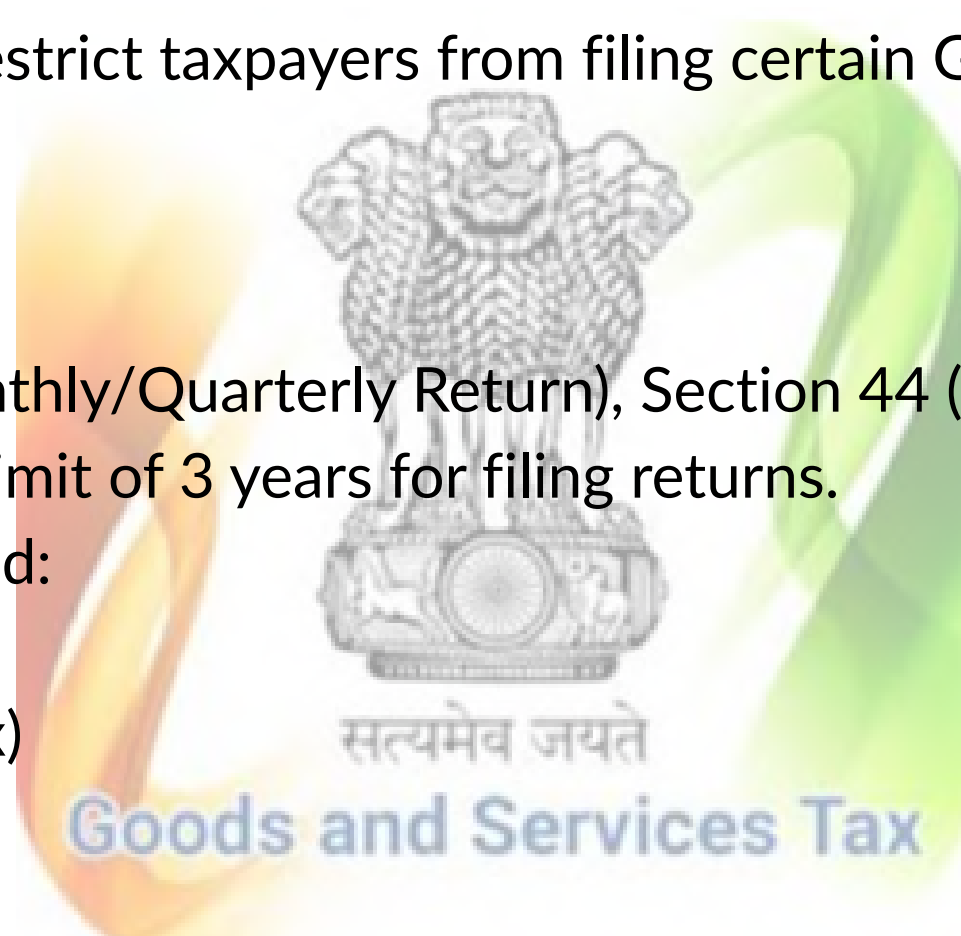
From July 2025 tax period, the GST portal will restrict taxpayers from filing certain GST returns if not filed within three years from their respective due dates.

Detailed Explanation

Section 37 (Outward Supplies), Section 39 (Monthly/Quarterly Return), Section 44 (Annual Return), and Section 52 (TCS Return) of the CGST Act have been amended to insert a time limit of 3 years for filing returns.

Returns under the following forms will be affected:

- GSTR-1 (Outward Supplies)
- GSTR-3B (Summary Return with payment of tax)
- GSTR-4 (Return for Composition Taxpayers)
- GSTR-5 (Non-resident taxable person)
- GSTR-5A (OIDAR services)
- GSTR-6 (ISD return)
- GSTR-7 (TDS return)
- GSTR-8 (TCS return)
- GSTR-9 (Annual return)



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Key Conditions

1. Returns cannot be filed after three years from their original due dates. This applies to both pending and future returns.
2. No provision for filing delayed returns post 3 years unless expressly allowed by Government through a special notification.
3. The restriction applies regardless of taxpayer type (regular, composition, non-resident, etc.)

Practical Implications

1. Taxpayers cannot regularize old defaults after 3 years. Reconciliation and compliance must be completed before the 3-year deadline.
2. This could impact:
 - Input Tax Credit (ITC) for recipients if GSTR-1 was never filed.
 - Annual return reporting accuracy (GSTR-9).
 - Legal standing in assessments, audits, or appeals.

Implementation Deadlines

1. Effective for tax periods from July 2025 onwards.
2. Taxpayers are advised to file pending returns immediately to avoid permanent non-compliance.

Link : [Click Here](#)

2. Advisory on filing of Amnesty applications under Section 128A of the CGST Act

Summary of Updates in Refund Filing Process for various refund categories-Reg

What's New?

Alternate mechanism introduced for filing waiver applications (SPL-01/02) under Section 128A due to technical issues faced by taxpayers. Guidance provided via a tutorial link.

Taxpayers are advised to report technical glitches on the GST Self-service portal.

Detailed Explanation

Background: As of June 8, 2025, 3,02,658 waiver applications were already submitted on the GST portal. Despite this, many taxpayers are unable to file their applications due to technical glitches on the portal. With the deadline approaching, trade associations have urged for an alternative method to ensure affected taxpayers are not deprived of relief.

Government Response:

GSTN has issued this advisory recommending affected taxpayers follow step-by-step instructions provided in the tutorial hosted here. Any technical difficulty encountered while using this alternative method should be reported to the GST Self-Service Portal at <https://selfservice.gstsystem.in>.

Key Conditions

1. The advisory applies only to taxpayers facing technical issues with filing amnesty applications under Section 128A.
2. Taxpayers must follow the alternate procedure as per the provided tutorial link.
3. Any technical problem must be reported immediately through the GST complaint system.
4. The advisory does not extend the due date for application submission. It only provides a workaround for technical issues.
5. Taxpayers should maintain a record of their attempts and complaints submitted for future reference.

Practical Implications

- Ensures that genuine taxpayers are not denied relief under the amnesty scheme due to portal-related technical problems.
- Reduces the risk of missing the deadline for waiver applications.
- Provides a clear escalation mechanism through the GST Self-Service Portal.

Implementation Deadlines

- Immediate implementation required due to the approaching last date for submission.
- Taxpayers must act promptly if facing issues and follow the guidance without delay.

Link : [Click Here](#)

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3. Handling of Inadvertently Rejected records on IMS

What’s New?

This clarification provides detailed guidance on how suppliers and recipients should handle cases where valid invoices, debit notes, or credit notes were wrongly rejected on the Invoice Matching System (IMS), particularly after filing of GSTR-3B.

Detailed Explanation

Q1. Availing ITC on Wrongly Rejected Invoices/Debit Notes/ECO-Documents:

Issue: Recipient has already filed GSTR-3B and inadvertently rejected valid document on IMS.

Solution:

Recipient to request the supplier to refurnish the same document (without changes) via:

- GSTR-1A of same tax period or
- Amendment table of GSTR-1/IFF in a subsequent period (within permissible time).
- Recipient can then accept the record on IMS and recompute GSTR-2B.
- ITC is allowed on the full amended value.

Q2. Impact on Supplier’s Liability if Re-furnishing Same Invoice:

Issue: Supplier refurnishes the same invoice (which was wrongly rejected by recipient).

Clarification:Since amendment tables work on delta values, furnishing the same invoice again (without changes) does not increase supplier’s liability.

No additional liability arises for supplier.

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Q3. Reversing ITC on Wrongly Rejected Credit Notes:

Issue: Credit note wrongly rejected, GSTR-3B already filed by recipient.

Solution:

Recipient to request supplier to refurnish the same credit note via:

- GSTR-1A of same period or
- Amendment table of subsequent GSTR-1/IFF.
- Recipient accepts the CN on IMS and recomputes GSTR-2B.
- ITC gets reversed fully based on amended CN value.

Q4. Impact on Supplier's Liability on Rejected CN:

Initial Effect: Liability of supplier increases due to recipient's rejection of CN.

Final Adjustment: Once supplier furnishes CN again, liability reduces accordingly.

Net effect: Liability is adjusted only once, avoiding duplication.

Key Conditions

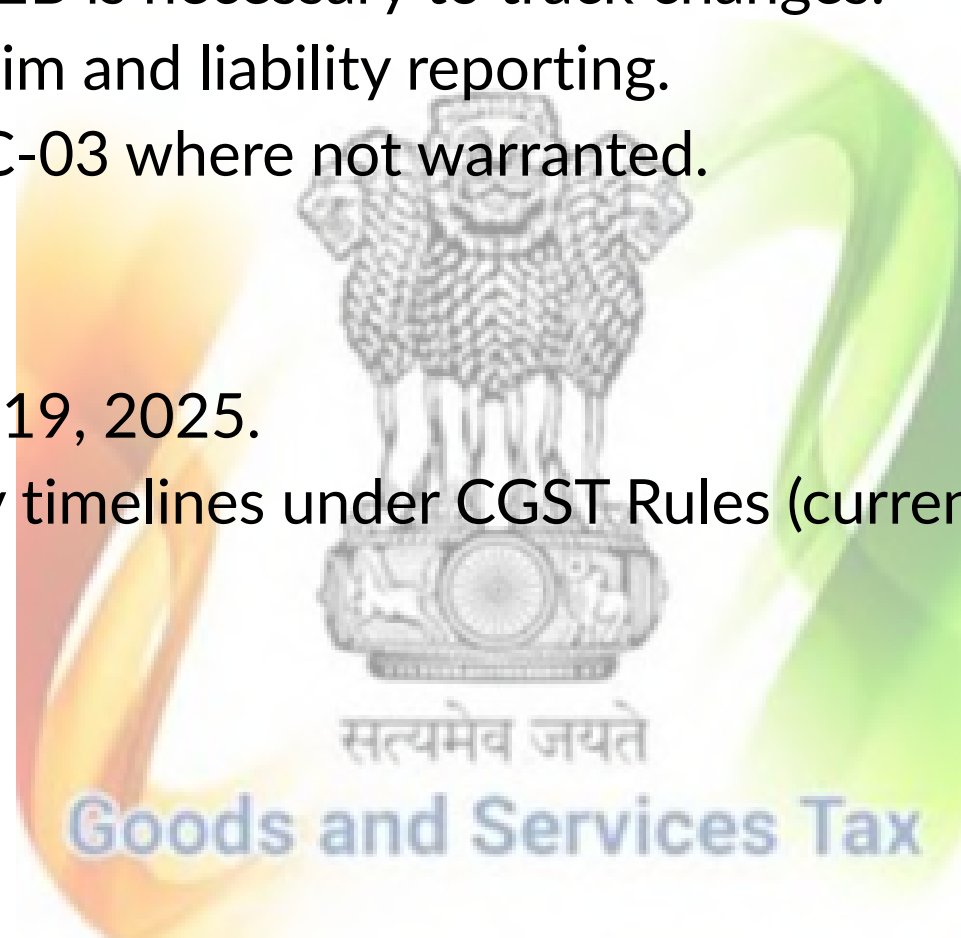
1. The document must be reported without any change.
2. Amendments must be made within the prescribed time limit under the law.
3. Recomputation of GSTR-2B on IMS is essential for the changes to reflect.

Practical Implications

Businesses must closely coordinate between suppliers and recipients to identify and resolve rejections.
Proper monitoring of IMS dashboard and GSTR-2B is necessary to track changes.
Minimizes disputes and ensures accurate ITC claim and liability reporting.
Avoids the need to file GSTR-3B revision or DRC-03 where not warranted.

Implementation Deadlines

The circular is immediately applicable as of June 19, 2025.
Amendments must be made within the statutory timelines under CGST Rules (currently up to 30th November of the following FY or filing of annual return, whichever is earlier).



Link : [Click Here](#)