# R. C. JAIN & ASSOCIATES LLP NEWSLETTER July-2025

"The highest form of professionalism is calm under pressure and clarity under chaos."

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#### **Direct Tax**

# MINISTRY OF FINANCE (Department of Revenue) (CENTRAL BOARD OF DIRECT TAXES)

#### **❖** Circular No. 8/2025

The CBDT Circular No. 8/2025 provides clarification regarding Circular No. 5/2025 dated 28.03.2025 for waiver on levy of interest u/s 201(1A)(ii) / 206C(7) of the Income Tax Act, 1961, as the case may be, in specified cases. It clarifies that:

- 1. **Waiver Authority**: Waiver applications can be processed by CCIT/DGIT/Pr.CCIT after the circular's issue date (28.03.2025).
- 2. **Application Deadline**: Applications for interest waiver can be submitted within one year from the end of the financial year for which interest was charged (e.g., for FY 2023-24, the deadline is 31.03.2025).
- 3. **Retrospective Waiver**: Waiver applications can also be entertained for interest charged before the circular, as long as they meet the one-year deadline.

Essentially, it gives taxpayers some flexibility on applying for interest waivers, even for past periods, within specific timelines.

#### **❖** Circular No. 9/2025

The CBDT Circular No. 9/2025 modifies Circular No. 3/2023 regarding the consequences of a PAN becoming inoperative under Rule 114AAA of the Income-tax Rules, 1962. Here's a simple summary:

- 1. **Previous Circular**: Circular No. 3/2023 (dated 28.03.2023) stated that if a PAN becomes inoperative, higher TDS/TCS rates would apply from 1<sup>st</sup> July 2023 until the PAN becomes operative again.
- 2. **Relief Given**: Circular No. 6/2024 (dated 23.04.2024) provided relief to deductors/collectors for transactions until 31<sup>st</sup> March 2024, as long as the PAN became operative by 31<sup>st</sup> May 2024.
- 3. **Grievances**: Taxpayers complained about notices for **short deduction/collection** of TDS/TCS, where the PAN was inoperative but the higher rates were not applied.

#### 4. New Modifications:

#### No Liability for Deduction/Collection:

- o If the payment was made between 1<sup>st</sup> April 2024 and 31<sup>st</sup> July 2025, and the PAN becomes operative by 30<sup>th</sup> September 2025 (linked with Aadhaar), there is **no liability** to apply higher TDS/TCS rates.
- o If the payment is made after 1<sup>st</sup> August 2025, and the PAN becomes operative within **two months** from the end of the month of payment, the higher rates will not apply.

5. **Other Tax Deductions**: Normal TDS/TCS rules will apply for such transactions as per the provisions of the Income Tax Act.

In simple terms, this circular ensures that taxpayers and deductors will not face penalties for not applying higher TDS/TCS rates if the PAN becomes operative within the specified timeframes.

#### **❖** Circular No. 10/2025

The CBDT Circular No. 10/2025 provides **relaxation on the processing of electronically filed returns** that were mistakenly invalidated by the Centralized Processing Centre (CPC) Bengaluru. Here's a simplified breakdown:

- 1. **Issue**: Some electronically filed income tax returns for various assessment years were wrongly invalidated due to technical errors. The deadline for processing these returns had passed, with the latest being 31st December 2024 for AY 2023-24.
- 2. **Relaxation of Time Limit**: The Board has decided to extend the time limit for processing these returns:
  - o Returns filed by 31st March 2024 that were wrongly invalidated will now be processed.
  - The **processing of these returns** and issuance of the intimation under section 143(1) will be done by 31<sup>st</sup> March 2026.
- 3. **Refunds and Interest**: If applicable, **refunds along with interest** will be issued for these returns. However, if there is no **PAN-Aadhaar linkage**, no refund will be made, as per Circular No. 03/2023.

In simple terms, the Board has allowed extra time to process tax returns that were wrongly invalidated by CPC, and the returns will now be processed by 31<sup>st</sup> March 2026. Refunds will be issued where applicable, provided PAN and Aadhaar are linked.

#### **CBDT Notification No. 70/2025**

CBDT Notification No. 70/2025 (July 2025) announces the Cost Inflation Index (CII) for FY 2025–26 as 376 (up from 363). This index is used to calculate inflation-adjusted cost for long-term capital gains tax from Assessment Year 2026–27 onward, helping reduce taxable gains by accounting for inflation.

#### **CBDT Notification No. 74/2025**

CBDT Notification No. 74/2025, issued on July 11, 2025, amends a previous notification under Section 10(23FE) of the Income-tax Act, 1961. The amendment extends the tax exemption period for certain foreign investors, including sovereign wealth funds and pension funds, from March 31, 2025, to March 31, 2030. This extension applies retroactively from April 1, 2025, and aims to encourage long-term foreign investment in India's infrastructure and related sectors.

#### **CBDT Notification No. 93/2025**

CBDT Notification No. 93/2025, issued on July 11, 2025, amends Notification No. 130/2021 under Section 10(23FE) of the Income-tax Act, 1961. This amendment extends the tax exemption period for the School Employees Retirement System of Ohio (a specified pension fund) from March 31, 2025, to March 31, 2030. The extension applies to qualifying investments made in India, allowing the fund to continue benefiting from tax exemptions until the new deadline.

#### **CBDT Notification No. 116/2025**

**Notification No. 116/2025**, issued by the Central Board of Direct Taxes (CBDT) on July 17, 2025, grants income tax exemption to the **New Okhla Industrial Development Authority (NOIDA)** under Section 10(46A)(b) of the Income-tax Act, 1961. This exemption is applicable for the **Assessment Year 2024–25 and onwards**, provided NOIDA continues to be constituted under the Uttar Pradesh Industrial Area Development Act, 1976, and serves public purposes such as infrastructure development and urban planning.

-Compiled by Ovais Sayed

#### **Case Laws**

#### Karnataka High Court

#### **Principal Commissioner of Income-tax**

## <u>V.</u> <u>Plama Developers Ltd., 147 (Karnataka)</u> <u>dated 20.03.2023</u>

#### **Facts:**

- The assessee filed its income tax return for AY 2011–12, declaring taxable income of Rs. 5.93 crores.
- During a search under Section 132 of the Income-tax Act, loose papers were found allegedly showing interest and cash payments to landowners.
- The Assessing Officer (AO) added these amounts to the assessee's income, claiming unaccounted cash transactions.

#### **Proceedings:**

- The Commissioner of Income Tax (Appeals) deleted the additions, noting that the seized documents did not prove actual cash or interest payments.
- A remand report by the AO confirmed that the statements of individuals involved did not contain anything adverse to the assessee.
- The revenue relied on a paper dated 17-3-2010, sent by "PK," allegedly showing cash payments. However, both the AO's own order and assessee's explanation clarified the cash component was later paid by cheque.
- The ITAT upheld the Commissioner (Appeals)' decision and dismissed the revenue's appeal.

#### **High Court Ruling:**

- The Karnataka High Court agreed with both lower authorities, holding that:
  - Loose papers alone could not justify additions without corroborative evidence.

- The additions were rightly deleted based on factual findings and the remand report.
- o The precedent set in CIT v. Anil Bhalla (2010) 322 ITR 191 (Delhi) was applicable.

#### **Conclusion:**

- The High Court dismissed the revenue's appeal, affirming that the additions were unjustified and unsupported by reliable evidence.
- Reference was also made to *Dy. CIT v. Plama Developers Ltd.* [ITA No. 1363/Bang/2017, dated 28-9-2018], which supported the assessee.

#### **Bombay High Court**

#### Rajesh Poddar

#### <u>V.</u> <u>Income-tax Officer [2023] 152 taxmann.com 98 (Bombay)</u> <u>dated 17.04.2023</u>

#### **Facts:**

- A notice under Section 148 of the Income-tax Act was issued to reopen assessment for AY 2014–15.
- The taxpayer repeatedly requested the reasons for reopening, but they were never provided by the Assessing Officer (AO).
- Instead, a draft assessment order was issued with only three days to file objections—those days being a holiday and a weekend.
- Assessment was completed under Sections 147 and 144B without providing the reasons for reopening.

#### Legal Analysis:

- The Court reiterated the legal position from GKN Driveshafts (India) Ltd. v. ITO (SC) that:
  - o A taxpayer is entitled to know the reasons recorded for reopening.
  - o The AO must furnish the reasons and give the taxpayer an opportunity to object.
- In contrast to *Amaya Infrastructure (P.) Ltd.*, where objections were filed after receiving reasons, here, the reasons were never shared.
- The Court emphasized that not providing the reasons violates principles of natural justice and undermines the reassessment process.

#### **Decision:**

- The Bombay High Court held that:
  - o The assessment order, demand notice, and Section 148 notice were invalid.
  - o The AO's failure to provide reasons made the reassessment legally unsustainable.
- The matter was remanded under the Faceless Assessment Scheme with instructions to:
  - o Provide the reopening reasons to the taxpayer.
  - o Complete reassessment proceedings within **three months** from the judgment date.

#### **Conclusion:**

Assessment order quashed for procedural lapses. The case reinforces the taxpayer's right to receive and respond to reasons for reopening under Section 148.

-Compiled by Prajakta Gosavi and Sanjana Jain

#### **GST**

#### **GSTN** Advisories

## Advisory dated 16<sup>th</sup> July, 2025 - GST Portal is now enabled to file appeal against waiver order (SPL 07).

Subject: Appeal Filing Now Live for Rejected Waiver Applications (SPL-07 Orders)

Applicable Law: Section 128A, CGST Act | GST Amnesty Scheme 2024

#### Context: GST Amnesty Scheme (Section 128A)

Under the GST Amnesty Scheme introduced via Section 128A, taxpayers were allowed to apply for waiver of interest and penalty for non-fraud cases (Section 73) pertaining to FY 2017–18, 2018–19, and 2019–20.

Eligible taxpayers could file:

Form SPL-01 – If a demand order was not yet issued

Form SPL-02 – If a demand order under Section 73 was already issued

After examining the application, the jurisdictional officer would issue either:

Form SPL-05 – Acceptance of the waiver request

Form SPL-07 – Rejection of the waiver application

What's New: Appeal Against SPL-07 Now Enabled

The GST portal has now been updated to allow filing of appeals against rejection orders

(SPL-07) under the waiver scheme.

If your SPL-01 or SPL-02 application has been rejected via SPL-07, you can now challenge it through

Form APL-01 filed with the Appellate Authority.

Step-by-Step Guide to File Appeal (APL-01) Against SPL-07

#### Portal Navigation:

Log in to www.gst.gov.in

Go to: Services  $\rightarrow$  User Services  $\rightarrow$  My Applications

Choose Application Type: "Appeal to Appellate Authority"

Click New Application

Filling the Appeal Form:

Under Order Type, select: "Waiver Application Rejection Order"

#### Enter:

SPL-07 Order Number and Date

Grounds for appeal

Relevant facts and legal justification

Upload supporting documents:

Copy of SPL-01 or SPL-02 DRC-03 payment proof Copy of demand order (if applicable) Review all entries and submit the application

#### **Important Notes & Cautions**

No Withdrawal Allowed: Once the appeal is filed, it cannot be withdrawn through the GST portal. Please exercise due caution before submission.

Carefully verify your documents, order details and payment evidence before filing.

Appeal is governed by Section 107 of the CGST Act and Rule 108 of the CGST Rules.

## Advisory dated 17th July, 2025 - Enhanced GST Security: New Features for Data Access Transparency and Control

The GST system is introducing new security enhancements to increase transparency and give taxpayers greater control over their data. Soon, taxpayers will start receiving email and/or SMS notifications whenever they give OTP-based consent to an Application Suvidha Provider (ASP) to access their GST data through a GST Suvidha Provider (GSP).

These notifications will include the name of the ASP and GSP, the date and time the consent was given and the validity period of that consent. Additionally, the GST Common Portal will be upgraded to include a new feature in the taxpayer dashboard. This feature will allow users to view all current and past consents granted to ASPs/GSPs and give them the option to revoke any active access at any time. These changes aim to strengthen data protection and ensure that taxpayers remain informed and in control of how their GST information is being used. The exact dates for the release of these features will be announced through official advisories.

Example of Mail Notification issued by GSTN Portal to Taxpayer: -

"Dear 27XXXXX1234X1X0, ABC Private Limited,

Please be informed that token refresh request has been obtained by GSP: Vay Network Services Private L, ASP: Defmacro Software Pvt Ltd on 01/07/2025 05:11:25. This token shall remain valid until 01/07/2025 11:11:25. Vay Network Services Private L, Defmacro Software Pvt Ltd could refresh this token before this expiry until 30 days without OTP.

If you have not authorized this authentication, you may view the authentication history trail and revoke any of the active authentication token through Navigation My Profile > Manage API Access after logging in the GST Portal at https://www.gst.gov.in/.

Regards,

Team GSTN"

Note – Defmacro Software Pvt. Ltd. is the legal name of ClearTax which is widely used by tax preparers for downloading GST reports from the portal.

## Advisory dated 7th June, 2025 - Auto-Filled Table 3.2 in GSTR-3B to Become Non-Editable from July 2025 tax period:

Starting from the July 2025 tax period, the GST portal will lock the values in Table 3.2 of GSTR-3B, which means you will not be able to edit them anymore. These values show details of inter-state sales made to unregistered buyers, composition taxpayers, and UIN holders.

Earlier, the system was supposed to make this table non-editable from April 2025, but it was delayed to make filing easier. Now, the rule will be applied from the GSTR 3B of July 2025 onwards.

If the auto-filled details in Table 3.2 are wrong, you cannot change them in GSTR-3B directly. Instead, you will need to correct the original data in GSTR-1, GSTR-1A or IFF (Invoice Furnishing Facility). These corrections will then automatically update the values in GSTR-3B. Also, you can file GSTR-1A anytime after filing GSTR-1 and before filing GSTR-3B, so you still have time to make changes before final submission.

#### Example:

Suppose you are a GST-registered business in Maharashtra and during the July 2025 tax period, you make inter-state sales worth Rs. 50,000 to an unregistered customer in Gujarat and Rs. 30,000 to a composition dealer in Karnataka. You report these sales in your GSTR-1. Based on this, the GST portal will auto-fill these values into Table 3.2 of your GSTR-3B. From July 2025 onward, these auto-filled values will be non-editable, meaning you can no longer change them directly in GSTR-3B. Now, if you accidentally report Rs. 70,000 instead of Rs 50,000 for Gujarat in your GSTR-1, the system will auto-populate the wrong amount in GSTR-3B as well. Since it is non-editable, you cannot fix it in GSTR-3B itself. To correct this mistake, you will need to update the figures using Form GSTR-1A before filing GSTR-3B, or make the correction in the next month's GSTR-1 or through the IFF. This ensures the corrected values are reflected properly in your GSTR-3B and helps maintain accurate GST reporting.

To avoid mistakes, always report the correct details in your earlier GST returns.

#### Advisory dated 20th July, 2025 - Regarding GSTR-3A Notices for Cancelled Composition Taxpayers

Recently, due to a technical system error, some taxpayers have inadvertently received GSTR-3A notices for the non-filing of Form GSTR-4.

These notices were mistakenly sent even to taxpayers whose registrations were cancelled before the start of the Financial Year 2024–25, for whom such notices were not applicable. This issue has been identified and is currently under active investigation, with corrective measures being implemented by the technical team to ensure that these erroneous notices do not recur in the future.

If you have already filed your GSTR-4 return or if your registration was cancelled prior to the Financial Year 2024–25, you may kindly ignore these notices. There is no requirement for any further action on your part in these cases.

However, if you face any other issues or concerns related to GST filings or notices, you are advised to raise a grievance through the Self-Service Portal available on the GST Portal. Please provide all relevant details when submitting your grievance to facilitate a timely and effective resolution.

#### **Case Laws**

#### **Issue Involved**

Where writ petition was filed by assessee challenging cancellation of its registration under GST on ground that assessee was not supplied with particulars of certain dealers who allegedly passed on ITC to assessee without supply of goods, since SCN provided required particulars, assessee was to be given opportunity to avail statutory remedy

#### **HIGH COURT OF ANDHRA PRADESH**

#### **Suleiman Scrap Merchants**

v.

#### **Assistant Commissioner ST**

U. DURGA PRASAD RAO AND A.V. RAVINDRA BABU, JJ. WRIT PETITION NO. 23446 OF 2023 JUNE 19, 2024

#### 1. Facts:

Suleiman Scrap Merchants, a proprietary firm engaged in the business of buying and selling iron scrap, was a registered GST taxpayer in Andhra Pradesh.

The firm regularly filed monthly returns and claimed Input Tax Credit (ITC).

On 22<sup>nd</sup> June 2023, the GST officer issued a Show Cause Notice (SCN) under Section 29 of the CGST/SGST Act read with Rule 21 of the CGST Rules, proposing cancellation of registration.

The reason: The officer alleged that some of the firm's suppliers had fraudulently availed ITC without actually supplying goods, and had passed on such fake credit to the petitioner. The SCN was allegedly based on reports from other GST authorities regarding those suppliers.

#### <u>Petitioner's Objection:</u>

The petitioner filed detailed objections on 13th July 2023, denying the allegations and claiming that:

- 1. The GST officer did not share the investigation reports or details of the bogus suppliers.
- 2. Without those details, it was impossible to respond properly, violating the principles of natural justice.
- 3. If the purchases were considered fake, then logically, there should be no sales either—but this was not examined.
- 4. Despite the objections, the GST officer passed an order on 15<sup>th</sup> July 2023, cancelling the GST registration.
- 5. The petitioner did not file a revocation application under Section 30 or an appeal under Section 107 due to lack of legal advice, and instead directly filed a writ petition in the High Court.

#### 2. Brief of the Case:

Petitioner's Main Arguments:

- a) The SCN was vague and did not contain the names/details of the bogus suppliers.
- b) The officer relied on external reports without sharing them with the petitioner.
- c) The principles of natural justice were violated as the petitioner did not get a fair chance to defend.

#### Government's Response:

- a) The SCN was clear and self-contained; it did mention the names of the non-existent dealers.
- b) The petitioner had alternate statutory remedies:
- c) Apply for revocation of cancellation under Section 30, or
- d) File an appeal under Section 107.
- e) Filing a writ without availing these remedies was premature.

#### 3. What Was Held:

- The Court held that there was no violation of natural justice, as the SCN contained adequate particulars. Thus, the petitioner's argument that SCN lacked particulars was rejected.
- The writ petition was dismissed as the petitioner had not exhausted alternate remedies under GST law.
- However, the Court allowed the petitioner 15 days to file for revocation or appeal, and directed authorities to decide the matter on merits.

#### 4. Impact:

- This judgement clarifies that GST officers must provide clear SCNs with enough details for the taxpayer to respond—but if they do, the taxpayer cannot later claim lack of natural justice without proof.
- It reaffirms that alternate remedies must be used before approaching court.
- It clarifies that a detailed SCN alone satisfies natural justice.
- It provides a procedural roadmap for taxpayers facing registration cancellation.
- It grants limited relief by allowing a second chance to seek remedy under GST law.

## Where amount of tax, interest and penalty demanded in order was in excess of amount specified in notice, impugned order was to be set aside

#### **HIGH COURT OF ALLAHABAD**

Pavan Traders

V.

#### State of U.P.

SHEKHAR B. SARAF AND PRAVEEN KUMAR GIRI, JJ. WRIT TAX NO. 1258 OF 2025 JULY 3, 2025

#### 1. Facts:

The GST Department issued a show cause notice (SCN) to Pavan Traders on 30<sup>th</sup> January 2024 under Section 73 of the GST Act, proposing a demand of Rs.4,80,527.36 (including tax, interest, and penalty). The trader did not reply to the SCN or appear for the hearing, even after a reminder. Subsequently, the department issued a final order on 27<sup>th</sup> April 2024, demanding Rs.24,40,363.10, which was much higher than what was mentioned in the original notice.

#### 2. Brief of the Case:

The petitioner (Pavan Traders) challenged the final order in the Allahabad High Court, arguing that the department violated Section 75(7) of the GST Act. Section 75(7) says the amount of tax, interest, and penalty in the final order cannot exceed the amount mentioned in the show cause notice. The department defended the order, claiming interest and penalty are statutory and can be added even if not mentioned earlier.

#### 3. What Was Held:

- The High Court held that the final demand of Rs. 24.4 lakh was illegal as it exceeded the Rs. 4.8 lakh mentioned in the notice.
- This was a clear violation of Section 75(7).
- The court set aside the final order and remanded the case back to the department with instructions to:
  - o Provide a proper hearing to the taxpayer
  - o Pass a fresh order within the limits of the original notice

#### 4. Impact:

- 1. This judgment reinforces that tax authorities cannot exceed the scope of the show cause notice when issuing final orders.
- 2. It protects taxpayers from unexpected and arbitrary tax demands.
- 3. It emphasizes the importance of due process and procedural fairness under GST law.
- 4. Officers must ensure that final demands match the amounts and grounds mentioned in the notice.

## **BOMBAY HIGH COURT Navnit Motors Pvt. Ltd**

### <u>v.</u> Commissioner of CGST & Central Excise (2025)

#### **Background:**

Navnit Motors filed an appeal against a GST order and paid the required 10% pre-deposit using Input Tax Credit (ITC). However, the Appellate Authority dismissed the appeal, saying the pre-deposit must be paid in cash (through the Electronic Cash Ledger), and not by using ITC. They relied on a judgment by the Patna High Court in Flipkart's case.

#### **Main Issues:**

- 1. Can the 10% pre-deposit for filing an appeal under Section 107(6) of the CGST Act be paid using ITC?
- 2. Was it right for the Appellate Authority to dismiss the appeal without giving notice or a chance to be heard?

#### **Court's Findings:**

The Bombay High Court held that the Appellate Authority was wrong to dismiss the appeal
without informing Navnit Motors or giving them a hearing. This violated the principles of
natural justice.

- The Court said that when there are two different views (like the Patna HC and Bombay HC decisions), the Authority must follow the ruling of its own jurisdictional High Court in this case, the Bombay High Court.
- In the Oasis Realty case (2022), the Bombay High Court had clearly allowed taxpayers to use ITC for the 10% pre-deposit. So that decision was binding in Maharashtra.
- The Patna High Court's view (that only cash is allowed) was not binding in Mumbai. Also, the Supreme Court had stayed the part of the Patna HC decision that restricted ITC use, further weakening its authority.

#### **Outcome:**

- The High Court quashed the dismissal order.
- It restored Navnit Motors' appeal and directed the Appellate Authority to hear the case afresh.
- The Court clarified that using ITC for the 10% pre-deposit is valid as per its earlier ruling in Oasis Realty.

#### **Key Takeaway:**

ITC can be used for the mandatory 10% pre-deposit in appeals under Section 107(6).

Similar stand was taken in M/s Yasho Industries Ltd. v. Union of India – Gujarat High Court (2024) which was further confirmed by Supreme Court by dismissing Department's SLP filed against High Court's order.

-Compiled by Aryan Shejwal

#### **RBI**

#### RBI/2025-26/64

#### DoR.MCS.REC.38/01.01.001/2025-26

#### July 2, 2025

#### Reserve Bank of India (Pre-payment Charges on Loans) Directions, 2025

#### **Effective Date & Coverage**

- Effective from January 1, 2026, these rules apply to all loans or advances sanctioned or renewed on or after that date
- The directions cover **all regulated entities**, including commercial banks (excluding payment banks), co-operative banks, NBFCs, and All India Financial Institutions.

#### No Pre-Payment Charges: Floating-Rate Loans

- Individuals (non-business loans):
- No pre-payment or foreclosure charges can be levied on floating-rate loans, irrespective of coborrowers or repayment source.
- Individuals & MSEs (business-purpose floating-rate loans):
  - No charges if provided by:
    - Commercial banks (excluding Small Finance Banks, RRBs, Local Area Banks)
    - Tier-4 urban co-operative banks
    - Upper-layer NBFCs (NBFC-ULs)
    - All India Financial Institutions
  - o No charges on loans up to Rs. 50 lakhs when issued by:
    - Small Finance Banks, RRBs, Tier-3 urban co-operative banks, state/central co-operative banks, and middle-layer NBFCs (NBFC-MLs).
- Partially or fully prepaid loans, irrespective of payment source—such as refinance or own funds—are exempt from charges, and no lock-in period applies

#### When Pre-Payment Charges May Apply

- **Fixed-rate loans** (or business loans above Rs. 50 lakhs under smaller institutions) remain subject to **pre-payment charges**, but only if:
  - o Charges are **approved in advance** by the lender's policy,
  - o They are **pro-rated** based on the actual prepaid amount (for term loans),
  - Or capped at the **sanctioned limit** (for overdraft/cash credit facilities)
- No retrospective charges can be imposed if fees were previously waived; similarly, if the lender itself initiates pre-payment, no charges are allowed.

# Notification No. FEMA 23(R)/(6)/2025-RB July 4,2025

## Foreign Exchange Management (Export of Goods & Services) (Amendment) Regulations, 2025

#### **Key Details**

- Effective: Immediately upon publication in the Official Gazette.
- This is the **sixth amendment** to the original FEMA 23(R)/2015 regulation

Under this new clause, tugs, tug boats, dredgers, and vessels used for offshore support services are now exempt from filing export declarations (e.g., Export Declaration Form – EDF), provided they are re-imported into India after deployment abroad.

**Simplifies regulatory compliance** for Indian maritime operators by removing export documentation for eligible vessels used on temporary offshore missions.

Aims to support offshore oil & gas operations, dredging, marine logistics, and towing/rescue services by reducing procedural delays.

#### RBI/2025-26/65 DOR.STR.REC.39/21.06.008/2025-26 July,10 2025

## <u>Basel III Capital Regulations – External Credit Assessment Institutions</u> (ECAIs) – CareEdge Global IFSC Limited

The Reserve Bank of India (RBI) has approved CareEdge Global IFSC Limited as an eligible External Credit Assessment Institution (ECAI) under Basel III capital regulations. This decision allows banks to use CareEdge's credit ratings for assigning risk weights to their exposures on non-resident corporates operating in International Financial Services Centres (IFSCs).

Until now, banks were permitted to rely on international rating agencies such as Fitch, Moody's, and Standard & Poor's. With this move, CareEdge Global becomes the first India-linked entity to be added to that list for IFSC exposures.

#### RBI/2025-2026/66 FIDD.CO.FSD.BC.No.08/05.05.010/2025-26

**July 11,2025** 

#### <u>Lending Against Gold and Silver Collateral - Voluntary Pledge of Gold and</u> Silver as Collateral for Agriculture and MSME Loans

- The Reserve Bank of India has issued a key clarification allowing voluntary pledging of gold and silver as collateral for agriculture and MSME loans—even when the loan amount is within the existing collateral-free threshold. Critically, this will not violate collateral-free lending norms applicable under RBI guidelines
- Borrowers, especially small farmers and micro-enterprises, can now offer gold or silver jewellery voluntarily to secure loans—without compromising collateral-free status.
- It is explicitly stated that **banks cannot mandate such collateral** for loans within the collateral free limit; taking collateral must be **purely by borrower choice.**
- **Not applicable** to Regional Rural Banks, State Co-operative Banks and District Central Co-operative Banks.

-Compiled By Harsh Bhadra

#### **ROC**

#### Ministry of Corporate Affairs (MCA) Offers One-Time Relief on E-Form Filings

#### **Background**

As part of the transition from MCA21 Version 2 (V2) to the new MCA21 Version 3 (V3) platform, the Ministry of Corporate Affairs temporarily suspended filing access for certain e-forms between June 18 and July 13, 2025. This system downtime impacted timely compliance for many stakeholders.

#### Fee Waiver Announcement

MCA has announced a one-time waiver of additional (late) fees for the filing and resubmission of 13 specific e-forms affected during the transition period.

Key Dates at a Glance

- Late Fee Waiver Applies To Due Dates: Between June 18 and July 31, 2025
- Filing Without Late Fees Allowed Until: August 15, 2025
- Eligible Forms: 13 specified e-forms (see list below)

#### **List of Impacted E-Forms**

Sr. No.	Form ID	Description
1	AOC-4	Filing financial statement with Registrar
2	AOC-4 NBFC	Financial statements for NBFCs
3	AOC-4 CFS	Consolidated financial statements
4	AOC-4 CFS NBFC	Consolidated financials for NBFCs
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	LEAP-1	Submission of Prospectus with Registrar
9	ADT-1	Appointment of Auditor
10	ADT-3	Resignation of Auditor
11	CRA-2	Appointment of Cost Auditor
12	CRA-4	Cost Audit Report
13	GNL-1	Application for extension of AGM

#### **What This Means for Corporates**

This fee waiver is a welcome move by MCA to ease the compliance burden and support a smooth transition to MCA21 V3. It reflects MCA's commitment to improving digital infrastructure and simplifying corporate governance in India.

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