Notifications & Circulars issued during week (5th- 11th May 2025)

1. **Income Tax**

**ITR Form-V and Acknowledgement forms notified for AY 2025-26:** The notification amend the Income Tax Rules. Form ITR-V and Form ITR-Acknowledgement have been replaced with new forms in Appendix-II of the existing rules. The updated Form ITR-V is meant for taxpayers who have filed their income tax returns (ITR-1 to ITR-5 and ITR-7) but have not verified them electronically. Verification can be done electronically using Aadhaar OTP, Net Banking, EVC from a validated bank/demat account, or by sending a signed physical copy to the Centralized Processing Centre in Bengaluru via speed post. The revised Form ITR-Acknowledgement applies to returns that have been filed and verified. It records transmission and verification details, including IP address and verification mode. [*(Income Tax Notification 45/2025 Dated 07/05/2025)*](https://incometaxindia.gov.in/communications/notification/notification45-2025.pdf)

**ITR Form-7 notified for AY 2025-26:** The notification amend the Income Tax Rules. Form ITR-7 (For persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) only)has been replaced with new form in Appendix-II of the existing rules. It is used by entities such as **charitable trusts, religious institutions, political parties, research associations,** and other institutions that claim exemption under various sections of the Income-tax Act including **section 11, 12, 10(23C), and 13A.** The amendment update the structure and reporting requirements of this form, in line with evolving compliance standards and digital filing protocols. [*(Income Tax Notification 46/2025 Dated 09/05/2025)*](https://drive.google.com/file/d/1yBfdqGMuYSyDKSZOYg9h51tgKU35I7S_/view?usp=sharing)

**ITR Form-6 notified for AY 2025-26:** The notification amend the Income Tax Rules. Form ITR-6 (For Companies other than companies claiming exemption under section 11)has been replaced with new form in Appendix-II of the existing rules. Section 11 relates to exemptions from tax for income derived from property under charitable trusts and institutions.

-- The Schedule for Capital Gains has been split to separately report gains earned before and after 23rd July 2024. Provisions have also been added to allow capital losses on share buybacks under specific conditions for income arising post 1st October 2024. A reference to Section 44BBC concerning the cruise business has been included. The Schedule BP (Business Profits) has been updated aligning it with Rule 10TIA, requiring profits from the sale of raw diamonds to be reported as 4% or more of gross receipts. Changes have been made to accurately capture deductions under Section 24(b) for interest on housing loans. The form now mandates reporting the specific TDS section code in the relevant schedule. [*(Income Tax Notification 44/2025 Dated 06/05/2025)*](https://incometaxindia.gov.in/communications/notification/notification44-2025.pdf)

**ITR Form 5 notified for AY 2025-26:** The notification amend the Income Tax Rules. FORM ITR- 5 (for persons other than Individuals, HUF, Company and persons filing ITR-7)has been replaced with a new form in Appendix-II of the existing rules. [*(Income Tax Notification 42/2025 Dated 01/05/2025)*](https://incometaxindia.gov.in/communications/notification/notification-42-2025.pdf)

**ITR Form 3 notified for AY 2025-26:** The notification amend the Income Tax Rules. FORM ITR- 5 (for Individuals and HUFs having Income from profits and gains of business or profession)has been replaced with a new form in Appendix-II of the existing rules. The key changes include a split in the Schedule- Capital Gain for gains before and after 23rd July 2024. Capital loss on share buyback is now allowed if the corresponding dividend income is reported under “Income from Other Sources” for transactions post 1st October 2024. The asset and liability reporting threshold has been increased to Rs 1 crore of total income. Additionally, Section 44BBC (specific to cruise business) has been incorporated, along with enhanced reporting requirements for deductions under Sections 80C and 10(13A), and a mandate to report the TDS section code in Schedule- TDS. [*(Income Tax Notification 41/2025 Dated 30/04/2025)*](https://incometaxindia.gov.in/communications/notification/notification%2041-2025.pdf)

**ITR Form-2 notified for AY 2025-26:** The notification amend the Income Tax Rules. Form ITR-2 (For Individuals and HUFs not having income from profits and gains of business or profession)has been replaced with new form in Appendix-II of the existing rules. The Schedule for Capital Gain now distinguishes gains before and after 23rd July 2024. It permits claiming capital loss on share buyback if corresponding dividend income is declared under other sources post 1st October 2024. The reporting threshold for assets and liabilities has been raised to Rs 1 crore of total income, with enhanced reporting requirements for deductions such as 80C and 10(13A). The form also mandates reporting of TDS section codes in Schedule TDS. [*(Income Tax Notification 43/2025 Dated 03/05/2025)*](https://incometaxindia.gov.in/communications/notification/notification-43-2025.pdf)

**SAHAJ (ITR 1) and SUGAM (ITR-4) notified for FY 2025-26:** The notification amend the Income Tax Rules. FORM ITR- 1 and ITR-4 will be replaced with new forms in Appendix-II of the existing rules.

-- ITR-1 SAHAJ is for individuals being a resident (other than not ordinarily resident) having total income up to Rs.50 lakh and having Income from Salaries, one house property, other sources (Interest etc.), long-term capital gains under section 112A up to Rs 1.25 lakh, and agricultural income up to Rs 5 thousand. It is not for an individual who is either Director in a company or has invested in unlisted equity shares or in cases where TDS has been deducted under section 194N or if income tax is deferred on ESOP or has assets (including financial interest in any entity) located outside India.

-- ITR-4 SUGAM is for Individuals, HUFs and Firms (other than LLP) being a resident having total income up to Rs.50 lakh and having income from business and profession which is computed under sections 44AD, 44ADA or 44AE, and having long-term capital gains under section 112A up to Rs. 1.25 lakh. It is not for an individual who is either Director in a company or has invested in unlisted equity shares or if income tax is deferred on ESOP or has agricultural income more than Rs. 5000 or has assets (including financial interest in any entity) located outside India. [*(Income Tax Notification 40/2025 Dated 29/04/2025)*](https://incometaxindia.gov.in/communications/notification/notification-40-2025.pdf)

**HC, Bandwidth Charges Not Royalty Under Income Tax Act:** *Case of PCIT International Taxation vs Bharti Airtel Ltd, HC Delhi Judgement Dated 22nd April 2025.* The HC upheld the view that payments made for bandwidth to overseas telecom operators do not constitute ‘royalty’ under Section 9(1)(vi) of the Income Tax Act. [*(HC Delhi Judgement Dated 22/04/2025)*](https://drive.google.com/file/d/1yA9648GVW3pGvTY2kgDhL1YTMmmAkAIP/view?usp=sharing)

1. **GST**

**Advisory, Invoice-wise reporting functionality in Form GSTR-7 (TDS monthly return) on the portal:** Vide Notification No. 09/2025, Form GSTR-7 has been amended to capture invoice-wise reporting with effect from 01.04.2025 i.e. the return period for April 2025 onwards. In this regard it is informed that development and testing of the same is underway. The enhanced functionality shall be deployed shortly, and users will be duly informed once the changes are made live on the portal. [*(GSTN Advisory Dated 06/05/2025)*](https://services.gst.gov.in/services/advisoryandreleases/read/599)

**Advisory, Updates in refund filing process for various refund categories:** The important changes has been made in the refund filing process under the following categories:

1. Export of Services with payment of tax (statement 2)
2. Supplies made to SEZ Unit/SEZ Developer with payment of tax (statement 4)
3. On account of Refund by Supplier of Deemed export (statement 5B)

The said refund categories are changed from ‘Tax Period based filing’ to ‘Invoice based filing’. Taxpayers must ensure that all the returns (GSTR-1, GSTR-3B etc) due till the date of refund application, are filed. The taxpayers can upload eligible invoices and claim refund. The invoices once uploaded with a refund application will be locked for any further amendment and will not be available for any subsequent refund claims. The said invoices will be unlocked only if the refund application is withdrawn or a deficiency memo is issued. [*(GSTN Advisory Dated 08/05/2025)*](https://services.gst.gov.in/services/advisoryandreleases/read/600)

**Advisory, Updates in refund filing process for recipients of deemed export:** The refund applications under this category is no longer need to be filed in chronological order of Tax Period. Taxpayers must ensure that all the returns (GSTR-1, GSTR-3B etc) due till the date of refund application, are filed. The table “Amount Eligible for Refund” has been modified. The columns of the revised table are:

Col. 1 *‘Balance in ECL at the time of filing of refund application’*. It will be auto populated.

Col. 2 *‘Net Input Tax Credit (ITC) of Deemed Exports (as per uploaded invoices)’.* It will be auto populated based on invoices furnished in Statement 5B.

Col. 3 *‘Refund amount as per the uploaded invoices’* reflects the sum of the amount of ITC claimed under all major Heads (IGST/CGST/SGST/UT) as per the invoices uploaded by the taxpayer in Statement 5B.

Col. 4 *‘Eligible Refund Amount’*. The maximum amount of ITC which is available for refund claim will be auto populated.

Col. 5 *‘Refund amount not eligible as insufficient balance in the ECL’*.

The taxpayers are advised to note these changes. [*(GSTN Advisory Dated 08/05/2025)*](https://services.gst.gov.in/services/advisoryandreleases/read/601)

**Timely production of records/information for audit:** The CAG Audit Report 7 of 2024 report highlighted instances where field formations failed to fully or promptly provide records required for GST audits. It emphasized the constitutional mandate under Article 149, which grants the C&AG authority to audit government accounts and entities receiving government funding. It directed all records and information maintained be promptly provided to C&AG audit teams. Where requested documents are with taxpayers, officers should issue formal letters to those taxpayers and follow up as necessary to ensure timely compliance. [*(CGST Instructions 05/2025 Dated 02/05/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1000540/ENG/Instructions)

**SC, upholds 5% GST on badam flavoured milk:** *Case of AC Central Tax vs Sri Vijaya Vishakha Milk Producers Company, SC Judgement Dated 9th May 2025.* Fresh milk and pasteurised milk are fully exempt from GST. Further, milk products like curd, lassi, buttermilk, and paneer are also exempt from GST if sold loose, but attract 5 per cent GST when sold in pre-packaged and labelled form. Ultra-High Temperature (UHT) milk also attracts 5 per cent GST. Additionally, a GST of 12 per cent applies to condensed milk, flavoured milk, butter, ghee, and cheese. The apex court upheld AP HC judgement which classified ‘flavoured milk’ with almonds (badam) under Entry 0402 9990, attracting GST at 5 per cent. [*(SC Judgement Dated 09/05/2025)*](https://drive.google.com/file/d/1yA1otWybklmMh7oTIH7Z17Dj2AXLIrTn/view?usp=sharing)

**HC, GST ITC block limited to one year under Rule 86A:** *Case of Sai Ram Enterprises vs DGGI Gurugram, HC Delhi Judgement Dated 28th April 2025.* The HC has held that the credit ledger cannot be blocked beyond the period of one year, as stipulated under Rule 86A of the CGST Rules. This is however independent of any other action that the adjudicating authority may have taken, in accordance with law, against the Petitioner. [*(HC Delhi Judgement Dated 28/04/2025)*](https://drive.google.com/file/d/1yAT2ZCZ3kEeNaSgDitJB2fziEKFQsnq3/view?usp=sharing)

**AAAR, Value of Free Silver Includible in Battery Taxable Value for GST:** *Case of High Energy Batteries (India) Ltd, AAAR Tamil Nadu Ruling Dated 25th April 2025.* The appellant authority has upheld AAR ruling stating that the value of silver supplied free of cost by Naval formations to must be included in the taxable value of the batteries manufactured and supplied back to the Naval formations for the purpose of GST. [*(AAAR Tamil Nadu Ruling Dated 25/04/2025)*](https://drive.google.com/file/d/1y9GBP3FB02OhPF3mpcUI2uxdGkqEUHqv/view?usp=sharing)

**AAR, Supply of medicines as composite In-Patient healthcare service exempt from GST:** *Case of Maha Critical Speciality Division, AAR Tamil Nadu Ruling Dated 29th April 2025.* AAR ruled that supply of medicines and consumables used in the course of providing health care services to In-patients by pharmacy unit of Maha Critical Speciality Division, having common registration within Tamil Nadu for diagnosis or medical treatment or procedures till discharge is a composite supply of in-patient healthcare service as defined in Para 2(zg) of Notification 12/2017 and the same is exempted from GST as per Serial No 74 of the above notification. [*(AAR Tamil Nadu Ruling Dated 29/04/2025)*](https://drive.google.com/file/d/1y9yRoQ4CXVbOK7sU8z6wIzzhK6LC31ZA/view?usp=sharing)

**AAR, IIIT housekeeping services taxable under GST:** *Case of Srinacss Enviro Private Limited, AAR Tamil Nadu Ruling Dated 29th April 2025.* AAR ruled that the house-keeping/cleaning service provided to Indian Institute of Information Technology, Design and Manufacturing (IIITDM) Kancheepuram, by the applicant is not exempted from payment of GST. The work assigned to the applicant by IIITDM is nothing but an activity in relation to house-keeping/cleaning services, and not in relation to sanitation or solid waste management. It will not be lawful on the part of the applicant to raise invoice without GST, in the instant case. [*(AAR Tamil Nadu Ruling Dated 29/04/2025)*](https://drive.google.com/file/d/1yAur_vtNMqoMXCqedjwk0yz3wYqhW0AT/view?usp=sharing)

**AAR, GST exempt on Weekly Market Fee Collection by Panchayat**: *Case of Kannivadi Town Panchayat, AAR Tamil Nadu Ruling Dated 30th April 2025.* The activity of leasing, to the tender contractor, the right to collect entry fees, for sell vegetables, fruits, birds and animals for venders/ farmers/ public in the open space / temporary tents on the days fixed for weekly market days would be covered under the function entrusted to Panchayat under Article 243G of the Constitution as a local authority engaged as public authority. Notification No. 14/2017 as amended, issued in terms of Section 7(2)(b) of CGST Act, is very much available to claim as the activity is ‘neither supply of goods nor supply of services’. [*(AAR Tamil Nadu Ruling Dated 30/04/2025)*](https://drive.google.com/file/d/1yBUpHLfXVr_ecWTKpSq5E_0QApmljEac/view?usp=sharing)

1. **Central Excise**

No Notifications/ Circular during the week.

1. **Custom Duty**

**Customs Duty Exemption on Work of Art & Antiquities Import:** The notification exempts works of art, statuary, pictures intended for public exhibition in museums or art galleries, public memorials, and registered antiquities imported into India from the whole of the basic customs duty. For works of art and museum/gallery antiquities, the importing institution must be the purchaser or owner, provide an undertaking that the items are for public exhibition and will not be sold or traded, and furnish a certificate from an Authorized Officer confirming the institution is a publicly accessible museum or art gallery in a suitable building. [*(Custom Notification 29/2025 (T) Dated 09/05/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1010376/ENG/Notifications)

**Anti-dumping Duty on Glufosinate and its salt** **originating  in or exported from China:**Anti-dumping Duty has been imposed on imports of Glufosinate and its salt originating in or exported from China and imported into India. The anti-dumping duty shall be effective for a period of five years. [*(Custom Notification 09/2025 (ADD) Dated 08/05/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1010373/ENG/Notifications)

**Anti-dumping Duty on Sodium Citrate originating  in or exported from China:**Anti-dumping Duty has been imposed on imports of Sodium Citrate originating in or exported from China and imported into India. The anti-dumping duty shall be effective for a period of five years. [*(Custom Notification 10/2025 (ADD) Dated 08/05/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1010374/ENG/Notifications)

**Anti-dumping Duty on Textured Tempered Coated and Uncoated Glass** **originating  in or exported from China:**Anti-dumping Duty has been imposed on imports of Textured Tempered Coated and Uncoated Glass originating in or exported from China and imported into India. The anti-dumping duty shall be effective for a period of five years. [*(Custom Notification 11/2025 (ADD) Dated 08/05/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1010375/ENG/Notifications)

**Anti-dumping Duty on Titanium dioxide** **originating  in or exported from China:**Anti-dumping Duty has been imposed on imports of Titanium dioxide originating in or exported from China and imported into India. The anti-dumping duty shall be effective for a period of five years. [*(Custom Notification 12/2025 (ADD) Dated 10/05/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1010377/ENG/Notifications)

**Counter-veiling Duty on Textured Toughened (Tempered) Coated or Uncoated Glass** **originating  in or exported from Vietnam:**Counter-veiling Duty has been imposed on imports of Textured Toughened (Tempered) Coated or Uncoated Glass originating in or exported from Vietnam and imported into India. The anti-dumping duty shall be effective for a period of five years. [*(Custom Notification 03/2025 (CVD) Dated 10/05/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1010378/ENG/Notifications)

**Closing of the Integrated Check Post, Attari for all types of incoming and outgoing passengers and movement of goods:**  As per the revised directive, while the ICP remains closed for general movement, Pakistani nationals with valid Pakistani travel documents are now permitted to exit India, and Indian nationals with valid Indian travel documents are allowed to enter India through the Attari ICP. This limited movement will remain in effect until further orders. All relevant customs and immigration authorities have been instructed to implement this update accordingly. [*(Custom Instructions 08/2025 Dated 05/05/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1000539/ENG/Instructions)

**Closing of the Integrated Check Post, Attari for all types of incoming and outgoing passengers and movement of goods:** The instruction convey the Ministry of Home Affairs’ direction to close the ICP for all passenger and goods movement. It highlights a one-time exemption, which permits the entry of 162 specified freight trucks carrying perishable agricultural goods for export from Afghanistan into India through Attari. [*(Custom Instructions 09/2025 Dated 09/05/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1000541/ENG/Instructions)

1. **Directorate General of Foreign Trade (DGFT)**

**Framework for Stock & Sale Authorization for export of SCOMET Items:** The amended Paragraph 10.10 of the Handbook of Procedures 2023, broadens the definition of an eligible ‘Stockist’ abroad to include a subsidiary, parent company, or affiliate of the Indian exporter, as well as Indian or Foreign Original Equipment Manufacturers (OEM), Electronic Manufacturing Services (EMS), and Contract Manufacturers (CM). Applications for bulk export authorization to these stockists for subsequent transfer to end users will be considered by the Inter-Ministerial Working Group (IMWG). The Indian exporter is required to submit an application with supporting documents, including proof of corporate relationship, an End Use Certificate from the stockist specifying intended countries for re-export, and an undertaking adherence to regulations concerning military or WMD end use. [*(DGFT Public Notice 04/2025 Dated 06/05/2025)*](https://drive.google.com/file/d/1yAUJPsa-YUFEzmiWl4GHmYq0KeuYj850/view?usp=sharing)

**Reinstatement and amendment of Standard Input Output Norms (SION C-888) for Steel Washers Export:** This SION had previously been suspended since 14th January 2020. DGFT has now brought this norm back into effect with a modification, that for the export of 1.0 Kg of stainless steel washers, the allowed import quantity of Prime/Secondary Stainless Steel sheets, sheet cutting, coils, strips, or plates of the relevant grade and thickness will be 1.60 Kg. [*(DGFT Public Notice 05/2025 Dated 06/05/2025)*](https://drive.google.com/file/d/1yAbqB6PvO-dxyrUhhOZInFosHNagoCuv/view?usp=sharing)

**Amendments in Standard Input Output Norms (SION A-1294) for Di- Ethyl Phthalate (DEP):** The description of a key input material permitted for import, listed at serial number 2 has been changed, from ‘Ethanol’, to ‘Denatured Ethyl Alcohol’. The quantity allowed for import against the export of one kilogram of DEP remains unchanged at 0.435 kilograms. [*(DGFT Public Notice 06/2025 Dated 07/05/2025)*](https://drive.google.com/file/d/1y94evzm3j77VZadz5SJA-pKz0gc7ZUOt/view?usp=sharing)

1. **Securities and Exchange Board of India (SEBI)**

**Amendments to SEBI Issue and Listing of Securitised Debt Instruments and Security Receipts Regulations:** The amendment relates to clause g(ii) of regulation 2(1). Under the new rule, any financial asset originated by an originator regulated by RBI qualifies, with conditions. It explicitly prohibits special purpose distinct entities (SPDEs) from engaging in certain securitisation activities or assuming particular exposures, particularly re-securitisation exposures. [*(SEBI Notification Dated 05/05/2025)*](https://www.sebi.gov.in/legal/regulations/may-2025/securities-and-exchange-board-of-india-issue-and-listing-of-securitised-debt-instruments-and-security-receipts-amendment-regulations-2025_93803.html)

**Publishing Investor Charter for KYC Registration Agencies (KRAs) on their Websites:** The circular require all KRAs to publish an Investor Charter on their websites and through other means to enhance investor awareness. The charter, outlines the various services provided by KRAs, the rights of investors dealing with them, specific actions investors should and should not take, and the available grievance redressal mechanisms. Key services provided by KRAs include facilitating KYC registration and modifications through intermediaries, online tracking of KYC status, processing solicited/unsolicited KYC feeds, sending alerts on KYC activity, verifying KYC attributes with official databases, and ensuring data protection. [*(SEBI Circular dated 06/05/2025)*](https://www.sebi.gov.in/legal/circulars/may-2025/publishing-investor-charter-for-kyc-know-your-client-registration-agencies-kras-on-their-websites-_93811.html)

**Disclosure Norms for REITs updated:** The circular revise chapters 3 and 4 of its Master Circular for Real Estate Investment Trusts (REITs). It cover the disclosure of financial information in offer documents and ongoing disclosure and compliance obligations post-listing. The revised provisions require REITs to disclose certified proforma financial statements covering at least the last completed financial year and any applicable period, particularly in cases involving recent acquisitions or divestments. Disclosures may also reference previously published financials, provided links are included. These must be audited by the seller’s auditor. [*(SEBI Circular dated 07/05/2025)*](https://www.sebi.gov.in/legal/circulars/may-2025/review-of-a-disclosure-of-financial-information-in-offer-document-and-b-continuous-disclosures-and-compliances-by-real-estate-investment-trusts-reits-_93837.html)

**Financial Disclosure and Compliance Norms for InvIT revised:** The circular revise chapters 3 and 4 of its Master Circular for Infrastructure Investment Trusts (InvITs). The revisions relates to disclosure requirements, on the period and nature of financial statements to be included in offer documents and placement memorandums. It updates requirements for disclosing proforma financial statements in case of material acquisitions or divestments post the last disclosed financial period. [*(SEBI Circular dated 07/05/2025)*](https://www.sebi.gov.in/legal/circulars/may-2025/review-of-a-disclosure-of-financial-information-in-offer-document-placement-memorandum-and-b-continuous-disclosures-and-compliances-by-infrastructure-investment-trusts-invits-_93835.html)

**Consultation Paper on Separate carve out for the voluntary delisting of Public Sector Undertakings (PSUs)**: The proposal relates to PSUs where promoter shareholding equals or exceeds 90%. It propose a simplified framework, eligible PSUs may be allowed to delist without complying with Minimum Public Shareholding norms, use a fixed price delisting method with at least a 15% premium over the floor price, and bypass the need for two-thirds public shareholder approval. It also outlined three options for setting exit prices for public shareholders, including using standard valuation rules or relying solely on an independent valuer. The stakeholders comments/ suggestions are invited. [*(SEBI Consultation Paper dated 06/05/2025)*](https://www.sebi.gov.in/reports-and-statistics/reports/may-2025/consultation-paper-on-separate-carve-out-for-voluntary-delisting-of-public-sector-undertakings_93820.html)

**Draft Circular on Modification to Master Circular for listing obligations and disclosure requirements for Non-Convertible Securities, Securitized Debt Instruments and/ or Commercial Paper:** The modifications specifically impact High Value Debt Listed Entities (HVDLEs). It outlines new formats and timelines for HVDLEs to submit their annual secretarial compliance reports and periodic corporate governance compliance reports. It also details the required half-yearly disclosures for related party transactions (RPTs) and specifies the information that must be presented to the Audit Committee, Debenture Trustee, and shareholders for reviewing and approving RPTs. The stakeholders comments/ suggestions are invited. [*(SEBI Draft Circular dated 09/05/2025)*](https://www.sebi.gov.in/reports-and-statistics/reports/may-2025/draft-circular-for-public-comments-modification-to-chapter-vii-of-the-master-circular-for-listing-obligations-and-disclosure-requirements-for-non-convertible-securities-securitized-debt-instruments-_93872.html)

**Consultation paper on providing flexibility to AIFs to offer Co-Investment opportunities to investors:** It proposes changes to the Alternative Investment Funds (AIF) Regulations. The paper notes difficulties faced by AIFs offering co-investment outside the fund structure, which limit investment in unlisted securities and affect aligning co-investor and AIF interests. The paper proposes the CIV model (Model C), where a separate AIF scheme would be launched for each co-investment. The proposals for this model include registering CIVs under Category I or II AIFs, filing a shelf Private Placement Memorandum (PPM) for the CIV with SEBI, launching a separate scheme per co- investment for accredited investors, and exempting CIVs from certain requirements like diversification norms, sponsor commitment, and minimum tenure. The stakeholders comments/ suggestions are invited. [*(SEBI Consultation Paper dated 09/05/2025)*](https://www.sebi.gov.in/reports-and-statistics/reports/may-2025/consultation-paper-on-providing-flexibility-to-aifs-to-offer-co-investment-opportunities-to-investors-within-the-aif-structure-under-aif-regulations_93883.html)

**Consultation Paper on use of liquid mutual funds for compliance with deposit requirement by Investment Advisers (IAs) and Research Analysts (RAs):** It proposes that liquid mutual funds, considered relatively low-risk and offering digital accessibility, may serve as an alternative to fixed deposits. These units can be held in Statement of Account or demat form and must be lien marked in favour of the relevant Administration and Supervisory Body (ASB) for at least one year. The deposit value will be calculated based on the Net Asset Value (NAV) of the mutual fund, adjusted by a haircut and any applicable exit load, with annual reviews to ensure compliance. If the deposit falls below the required threshold due to changes in value or an increase in client numbers, additional units must be lien marked. The stakeholders comments/ suggestions are invited. [*(SEBI Consultation Paper dated 09/05/2025)*](https://www.sebi.gov.in/reports-and-statistics/reports/may-2025/consultation-paper-on-use-of-liquid-mutual-funds-for-compliance-with-deposit-requirement-by-investment-advisers-and-research-analysts_93881.html)

1. **Ministry of Corporate Affairs (MCA)**

**Amendments to Companies Indian Accounting Standards Rules:** The amendments relates to Indian Accounting Standard (Ind AS)- 21, ‘The Effect of Changes in Foreign Exchange Rates’, clarify the concept of exchangeability between currencies, requiring assessment at the measured date for a specific purpose. If exchangeability is lacking, entities must estimate the spot exchange rate and disclose the impact. [*(MCA Notification Dated 07/05/2025)*](https://www.mca.gov.in/bin/dms/getdocument?mds=vBFzI3EzmTiUyL7B7SDwAw%253D%253D&type=open)

1. **Insolvency and Bankruptcy Board of India (IBBI)**

**SC, NCLAT not empowered to condone delay beyond prescribed period of 45 days**: *Case of Tata Steel Ltd vs Raj Kumar Banerjee, SC Judgement Dated 7th May 2025.* The apex court held that NCLAT has no power to condone delay beyond prescribed period of 45 days to entertain appeal regardless of the reason for delay. Accordingly, order passed by NCLAT condoning delay is ultra vires and liable to be quashed. [*(SC Judgement Dated 07/05/2025)*](https://drive.google.com/file/d/1y9_ZElIEHtE_YZKesHMzuqH7HB42-ODF/view?usp=sharing)

**NCLAT rejects HDFC Bank appeal to exclude mortgaged units from Resolution Plan:** *Case of HDFC Bank vs Atul Kumar Kansal, NCLAT Delhi Judgement Dated 8th April 2025.* The appellant tribunal has dismissed an appeal by HDFC Bank Ltd., which sought the exclusion of certain mortgaged units from the resolution plan of a Corporate Debtor undergoing the CIRP. It upheld the Adjudicating Authority’s decision, ruling that the Appellant when is not the unit holder or any rights in the units except the mortgage right cannot be heard in asking to exclude the unit. The Adjudicating Authority has rightly observed that the Applicant bank has no locus to object to the resolution plan which already stand approved by the Committee of Creditors. [*(NCLAT Delhi Judgement Dated 08/04/2025)*](https://drive.google.com/file/d/1y97ONjEFCsSQSb3Ps-1bkLNy8Athq8Iu/view?usp=sharing)

1. **Reserve Bank of India (RBI)**

**Investments by Foreign Portfolio Investors (FFPIs) in Corporate Debt Securities through the General Route, Relaxations:** At present, investments by FPIs in corporate debt securities through the General Route are subject to the short-term investment limit and the concentration limit as prescribed in the Master Direction. It has now been decided to withdraw the requirement to comply with the short-term investment limit and the concentration limit. [*(RBI Notification 35/2025 Dated 08/05/2025)*](https://rbidocs.rbi.org.in/rdocs/Notification/PDFs/35NT1A4AAAC7E141470486FC6785028754FA.PDF)

**RBI Digital Lending Directions 2025:** RBI has from time to time issued various directions and circulars on digital lending by Regulated Entities (REs). The consolidated directions on the subject have been prepared and issued. It includes instructions regarding Digital Lending, Transparency in Aggregation of Loan Products from Multiple Lenders*.* It also includes instructions regarding operationalization of the Public Directory of Digital Lending Apps (DLAs). [*(RBI Notification 36/2025 Dated 08/05/2025)*](https://rbidocs.rbi.org.in/rdocs/Notification/PDFs/36NT8C402BE7C2A349E0BFFF3C526668CD7A.PDF)

1. **Miscellaneous**

**SC, Section 34, 47 and 58 of Consumer Protection Act, 2019 prescribing pecuniary jurisdictions are constitutionally valid:** *Case of Rutu Mihir Panchal vs Union of India, SC Judgement Dated 29th April 2025.* The apex court upholds constitutionality of Sections 34(1), 47(1)(a)(i) and 58(1)(a)(i) of the Consumer Protection Act, 2019 prescribing pecuniary jurisdictions of the district, state and national commissions on the basis of value of goods and services paid as consideration. [*(SC Judgement Dated 29/04/2025)*](https://drive.google.com/file/d/1y96q1ImJigAEv05YxBoU6hmatF2pr_2T/view?usp=sharing)

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***Disclaimer:****The contents of this article are for informational purposes only. The user may refer to the relevant notification/ circular/ decisions issued by the respective authorities for specific interpretation and compliances related to a particular subject matter)*

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