

JUNE 2025

NEWSLETTER

TAX

- Income Tax
- Goods and Services Tax

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| <u>Income Tax</u> | | | | | | | | | | | | | | | | | | | | | | | |
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| 1. Zero Coupon Bond | | | | | | | | | | | | | | | | | | | | | | | |
| | | CBDT Notification No. 56 /2025 dated 12.06.2025 | | | | | | | | | | | | | | | | | | | | | |
| <p>Vide this notification, CBDT has specified a Zero-Coupon Bond issued by The National Bank for Agriculture and Rural Development (NABARD).</p> <ul style="list-style-type: none"> • Period of life of the bond: Ten years eleven months thirteen days • Time schedule of the issue: To be issued on or before March 31, 2027 • Amount to be paid on maturity or redemption: Rs. 19,500 crores • Discount: Rs. 10,349.625 crores • Number of bonds to be issued: 19.50 lakhs <p>Zero coupon bonds are debt securities that do not pay periodic interest (coupons) during their life. Instead, they are issued at a deep discount to their face value and pay the full-face value at maturity. The investor's return is the difference between the discounted purchase price and the amount received at maturity</p> <p>Notification No- 56</p> | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Exemption from Tax Deduction at Source (TDS) for certain payments made to Units in International Financial Services Centres (IFSCs) | | | | | | | | | | | | | | | | | | | | | | | |
| | | CBDT Notification No. 67/2025 dated 20.06.2025 | | | | | | | | | | | | | | | | | | | | | |
| <p>Vide this notification, CBDT has specified that no tax shall be deducted under the Income-tax Act, 1961, for certain payments made by a "payer" to a "payee" (a Unit in an International Financial Services Centre or IFSC).</p> <p>Payments Exempt from TDS</p> <table border="1"> <thead> <tr> <th>International Financial Services Centre (IFSC Unit) [Payee]</th><th>Nature of Payment</th><th>Relevant provisions under Income Tax Act</th></tr> </thead> <tbody> <tr> <td>BATF Service Provider</td><td>Professional or Consulting or Advisory fees</td><td>194J</td></tr> <tr> <td>Broker Dealers</td><td>Payment made by Recognised Stock Exchanges Commission Incentives</td><td>194J 194H or 194C</td></tr> <tr> <td>Finance Company</td><td>Interest on account of lease Freight Charges or Hire Charges</td><td>194A 194C</td></tr> <tr> <td>Fund Management Entity</td><td>Portfolio management fees, Investment advisory fees, Management Fees, Performance Fees</td><td>194J</td></tr> <tr> <td>Recognise Clearing Corporation</td><td>Professional or Technical Services fees Interest Income Penalty levied on clearing members</td><td>194J 194A 194J</td></tr> <tr> <td>Recognised Depository</td><td>Professional or Technical or Contractual fees</td><td>194J or 194C</td></tr> </tbody> </table> | | | International Financial Services Centre (IFSC Unit) [Payee] | Nature of Payment | Relevant provisions under Income Tax Act | BATF Service Provider | Professional or Consulting or Advisory fees | 194J | Broker Dealers | Payment made by Recognised Stock Exchanges Commission Incentives | 194J 194H or 194C | Finance Company | Interest on account of lease Freight Charges or Hire Charges | 194A 194C | Fund Management Entity | Portfolio management fees, Investment advisory fees, Management Fees, Performance Fees | 194J | Recognise Clearing Corporation | Professional or Technical Services fees Interest Income Penalty levied on clearing members | 194J 194A 194J | Recognised Depository | Professional or Technical or Contractual fees | 194J or 194C |
| International Financial Services Centre (IFSC Unit) [Payee] | Nature of Payment | Relevant provisions under Income Tax Act | | | | | | | | | | | | | | | | | | | | | |
| BATF Service Provider | Professional or Consulting or Advisory fees | 194J | | | | | | | | | | | | | | | | | | | | | |
| Broker Dealers | Payment made by Recognised Stock Exchanges Commission Incentives | 194J 194H or 194C | | | | | | | | | | | | | | | | | | | | | |
| Finance Company | Interest on account of lease Freight Charges or Hire Charges | 194A 194C | | | | | | | | | | | | | | | | | | | | | |
| Fund Management Entity | Portfolio management fees, Investment advisory fees, Management Fees, Performance Fees | 194J | | | | | | | | | | | | | | | | | | | | | |
| Recognise Clearing Corporation | Professional or Technical Services fees Interest Income Penalty levied on clearing members | 194J 194A 194J | | | | | | | | | | | | | | | | | | | | | |
| Recognised Depository | Professional or Technical or Contractual fees | 194J or 194C | | | | | | | | | | | | | | | | | | | | | |

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|---------------------------|--|------|
| Recognised Stock Exchange | Professional or Technical Services fees | 194J |
| | Rent for Data Centres | 194I |
| | Interest Income | 194A |
| | Penalty levied on Members by Stock Exchanges | 194J |

Conditions for Relaxation

- Payee must furnish a statement-cum-declaration in Form No. 1 to the payer, detailing the previous years relevant to the ten consecutive assessment years for which deduction under section 80LA (1A) and (2) is claimed.
- Payer must not deduct tax on payment after receiving the statement-cum-declaration.
- Payer must furnish particulars of all non-TDS payments in the tax deduction statement.

The notification shall be effective from 1 July, 2025.

[Notification No- 67](#)

3. Relaxation of Time Limit for Processing Filed Income Tax Returns (ITRs) filed after Condonation of Delay

CBDT
Circular No. 07/2025 dated 25.06.2025

Vide this circular, CBDT has relaxed the time limit for processing ITRs that were filed electronically after the delay was condoned under section 119(2)(b) of the Income-tax Act, 1961. Due to technical reasons, many of these returns were not processed within the prescribed time limits under second proviso of Sec 143(1) of the Income Tax Act, leading to grievances about non-receipt of refunds.

Key Points:

Applicability: This relaxation applies to valid returns filed electronically on or before **March 31, 2024**, where the delay was condoned by the competent authority.

Extended Processing Deadline: The time frame for processing these specific returns has been relaxed and now the intimations under section 143(1) for these ITRs will be sent to assesseees by **March 31, 2026**.

Exclusions: This relaxation does not apply to cases where assessment, reassessment, or revision proceedings have already been completed for the relevant assessment year.

Refunds: Subsequent effects, including refunds with interest, will follow. However, refunds will not be issued if PAN-Aadhaar linkage is not found.

[Circular No. 07](#)

Goods and Service Tax

1. Reviewing authority, Revisional Authority and Appellate Authority in respect of orders passed by Common Adjudicating Authority (CAA) for show cause notices issued by DGGI - reg.

CBIC

Circular No. 250/07/2025 dated 24.06.2025

Vide circular No. 239/33/2024 dated 04th Dec 2024, Joint/Additional Commissioners in specified Commissionerate have been designated as Common Adjudicating Authorities (CAAs) for show cause notices issued by the Directorate General of GST Intelligence (DGGI). However, procedure related to review, revision, and appeals of Orders passed by CAA is not prescribed.

Now, vide this circular, CBIC has clarified the procedure for review, revision, and appeals concerning orders passed by CAAs for show cause notices issued by the Directorate General of GST Intelligence (DGGI).

Details are as under:

- **Reviewing Authority:** The Principal Commissioner or Commissioner of Central Tax under whom the CAA is posted will be the reviewing authority for the orders passed by CAA.
- **Revisional Authority:** The Principal Commissioner or Commissioner of Central Tax under whom the CAA is posted will be the revisional authority for such orders.
- **Appellate Authority:** Appeals against the orders of a CAA will be heard by the Commissioner (Appeals) corresponding to the territorial jurisdiction of the Principal Commissioner or Commissioner of Central Tax under whom the CAA is posted.
- **Department's Representation in Appeals:** The Principal Commissioner or Commissioner of Central Tax of the Commissionerate where the CAA is posted will represent the department in appeal proceedings and may appoint a subordinate officer for filing departmental appeals.
- **Seeking Comments:** The reviewing or revisional authority may seek comments on the such orders from the concerned DGGI formation before proceeding to decide on the orders passed by the CAA

[Circular No- 250/07](#)

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.
Instead, it is only a listing of some of the circulars/notifications that we considered important



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