

MONTHLY UPDATE CAPSULE

February 2025



R R D AND ASSOCIATES
Chartered Accountants

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INCOME TAX

CBDT introduces self-help tool to provide instant answers to I-T bill 2025

The Income Tax Department has introduced an online self-help tool to assist taxpayers in understanding the changes proposed in the Income Tax Bill 2025. This tool, available on the official income tax department's website, allows taxpayers to compare the provisions of the new bill with those of the Income Tax Act, 1961.

The comparison tool enables taxpayers to choose a specific section from the current Income Tax Act using a dropdown menu. Upon selection, the corresponding clause from the new Income Tax Bill will be displayed on the right-hand side. To enhance clarity, the mapping can also be presented in a table format.

A key change in terminology is the replacement of 'assessment year' and 'previous year' with 'tax year,' which denotes the 12-month period beginning on April 1.

Read More: [CBDT introduces self-help tool to provide instant answers to I-T bill 2025](#)

GST & CUSTOMS

Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Maharashtra and Lakshadweep

This is to inform taxpayers about recent developments concerning the application process for GST registration. It is advised to keep the following key points in mind during the registration process.

1. Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application.
2. The above-said functionality has been developed by GSTN. It has been rolled out in Maharashtra and Lakshadweep on 8th February, 2025
3. The said functionality also provides for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail,
 - (a) A Link for OTP-based Aadhaar Authentication OR
 - (b) A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail)
4. If the applicant receives the link for OTP-based Aadhaar Authentication as mentioned in point 3(a), she/he can proceed with the application as per the existing process.
5. However, if the applicant receives the link as mentioned in point 3(b), she/he will be required to book the appointment to visit the designated GSK, using the link provided in the e-mail.
6. The feature of booking an appointment to visit a designated GSK is now available for the applicants of Maharashtra and Lakshadweep.
7. After booking the appointment, the applicant gets the confirmation of appointment through e-mail (the appointment confirmation e-mail), she/he will be able to visit the designated GSK as per the chosen schedule.

8. At the time of the visit of GSK, the applicant is required to carry the following details/documents
 - (a) A copy (hard/soft) of the appointment confirmation e-mail
 - (b) The details of jurisdiction as mentioned in the intimation e-mail
 - (c) Aadhaar Card and PAN Card (Original Copies)
 - (d) The original documents that were uploaded with the application, as communicated by the intimation e-mail.
9. The biometric authentication and document verification will be done at the GSK, for all the required individuals as per the GST application Form REG-01.
10. The applicant is required to choose an appointment for the biometric verification during the maximum permissible period for the application as indicated in the intimation e-mail. In such cases, ARNs will be generated once the Biometric-based Aadhaar Authentication process and document verification are completed.
11. The operation days and hours of GSKs will be as per the guidelines provided by the administration in your state/UT.

Read more at: [Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Maharashtra and Lakshadweep](#)

Unregistered persons can now generate e-Way Bill for GST compliance; Step-by-step guide on how to file ENR-03 on E-Way Bill portal

The Goods and Services Tax Network (GSTN) has introduced a new feature in the E-Way Bill (EWB) portal through which unregistered persons (URPs) can generate an e-Way Bill without taking out a GST registration. This feature has been enabled from February 11, 2025 and requires filing of ENR-03 form. Under GST rules no goods over Rs 50,000 value can be transported if the corresponding e-Way Bill is generated. GST officials can seize both the transport vehicle and the goods if a valid e-Way is not generated for transporting the goods.

What did GSTN say?

GSTN in an advisory dated February 15, 2025 said:

A new feature has been introduced in the E-Way Bill (EWB) system to facilitate the enrolment of unregistered dealers supplying goods, with effect from 11.02.2025. In accordance with

Notification No. 12/2024 dated 10th July 2024, Form ENR-03 has been introduced for the enrolment of unregistered dealers.

Unregistered dealers engaged in the movement or transportation of goods can now generate e-Way Bills by enrolling themselves on the EWB portal and obtaining a unique Enrolment ID. This ID will serve as an alternative to the Supplier GSTIN or Recipient GSTIN for generating e-Way Bills.

Read More : [Unregistered persons can now generate e-Way Bill for GST compliance; Step-by-step guide on how to file ENR-03 on E-Way Bill portal](#)

Bank deposit cover may be doubled

The Centre is considering doubling the insurance cover for bank deposits, from Rs 5 lakh at present, to assuage the concerns of depositors, especially senior citizens, and strengthen the trust in the banking system. An announcement in this regard is expected by March end.

Actuarial calculations are currently underway to decide on the enhanced cover keeping in mind the affordability of banks as they would be required to pay higher premium to the Deposit Insurance and Credit Guarantee Corporation (DICGC), sources said.

“The effort is to increase the deposit cover substantially to Rs 8-12 lakh. It may be announced in the current financial year itself,” a person aware of the matter told FE. Currently, the deposit insurance cover of Rs 5 lakh applies uniformly to all insured banks, including cooperative banks and their depositors, and is payable to any depositor in case of liquidation or failure of a bank.

The recent fraud at New India Co-operative Bank (NICB) has further riled depositors and led the Reserve [Bank of India \(RBI\)](#) to supersede its board for 12 months. The cooperative bank has a network of 30 branches and a deposit base of Rs 2,436 crore as of March 2024. Post the RBI's action, the bank's depositors have been queuing up at its branches to withdraw their money. Depositors of NICB would be entitled to receive deposit insurance claim amounts of up to a monetary ceiling of Rs 5 lakh from the DICGC, the RBI has said.

The rate of insurance premium paid by banks was fixed at 0.05 paise per Rs 100 of assessable deposits per annum in 1962. The premium was raised to 8 paise in April 2004, 10 paise in April 2005 and 12 paise in April 2020, reflecting the rise in cases of defaults largely at the level of co-operative banks. The premium paid by the insured banks to the DICGC is required to be absorbed by the banks themselves so that the benefit of deposit insurance protection is made available to the depositors free of cost.

The deposit insurance coverage limit has been enhanced six times since 1962, from Rs 1,500 per depositor to Rs 1 lakh on May 1, 1993, and further to Rs 5 lakh on February 4, 2020.

Read More: [Bank deposit cover may be doubled](#)

To prevent frauds, international online transactions will soon need additional authentication factor

The Reserve Bank of India (RBI) has announced the introduction of additional factors of authentication for international digital payments made to offshore merchants who are enabled to undertake such transactions.

Enabling Additional Factor of authentication in cross-border Card Not Present transactions

Introduction of Additional Factor of Authentication (AFA) for digital payments has enhanced the safety of transactions which, in turn, provided confidence to customers to adopt digital payments. This requirement, however, is mandatory for domestic transactions only. In order to provide a similar level of safety for online international transactions using cards issued in India, it is proposed to enable AFA for international card not present (online) transactions as well. This will provide an additional layer of security in cases where the overseas merchant is enabled for AFA. Draft circular will be issued shortly for feedback from stakeholders."

Enhancing Trust in the Financial Sector through 'bank.in' and 'fin.in' domains

RBI said: "Increased instances of fraud in digital payments are a significant concern. To combat the same, the Reserve Bank of India (RBI) is introducing the 'bank.in' exclusive Internet Domain for Indian banks. This initiative aims to reduce cyber security threats and malicious activities like phishing; and, streamline secure financial services, thereby enhancing trust in digital banking and payment services. The Institute for Development and Research in Banking' Technology (IDRBT) will act as the exclusive registrar. The actual registrations will commence from April 2025. Detailed guidelines for banks will be issued separately. Going forward, it is planned to have an exclusive domain viz., "fin.in" for other non-bank entities in the financial sector."

Read more at: [To prevent frauds, international online transactions will soon need additional authentication factor](#)

Sebi revises timelines for issuance of consolidated account statements for depositories

Sebi has revised the timelines for the issuance of Consolidated Account Statements (CAS) by depositories to improve compliance ease. Asset management companies and mutual fund registrars must now provide common PAN data within five days. CAS will be delivered electronically by the 12th and physically by the 15th day of the month. Capital markets regulator Sebi has revised the timelines for the issuance of (CAS) by depositories to enhance compliance ease. In a circular issued, the regulator said the asset management companies (AMCs) and mutual fund registrar and transfer agents (MF-RTAs) are required to provide common PAN data to the depositories within five days from the end of the month, instead of the earlier three-day deadline.

After receiving the data, the depositories will then consolidate and dispatch the CAS to investors who opt for electronic delivery (e-CAS) by the 12th day of the month and to those preferring physical copies by the 15th day from the month-end, it noted.

Under the revised framework, in respect of half yearly CAS, Sebi decided that "the AMCs/MF RTAs shall provide the data with respect to the common PANs to the depositories on or before 8th day of April and October every year". Also, the depositories will then consolidate and dispatch the consolidated account statement to investors that have opted for e-CAS on or before 18th day of April and October and to investors those who have opted for delivery via physical mode by the 21st day of April and October, respectively, as per the circular.

The markets watchdog has also revised provisions regarding CAS issuance in cases where there were no transactions. If there is any activity in an investor's demat account or mutual fund folios, then CAS will continue to be sent monthly basis via email.

In case there is no transaction in any of the mutual fund and demat accounts then CAS with holding details shall be sent to the investors by email on half yearly basis, Sebi said.

Sebi highlighted that investors can opt for CAS through email or in physical form. If an investor don't want to receive CAS via email, they can choose to receive the same in physical form at the address registered address with the depositories and the AMCs/MF-RTAs. These revised timelines will come into effect from May 14, the circular said.

Read more at: [Sebi revises timelines for issuance of consolidated account statements for depositories](#)

Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction

1. Regulation 23(2), (3) and (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") require related party transactions ("RPTs") to be approved by the audit committee and by the shareholders, if material. Part A and Part B of Section III-B of SEBI Master Circular dated November 11, 2024 1 ("Master Circular") specify the information to be placed before the audit committee and shareholders, respectively, for consideration of RPTs.

2. In order to facilitate uniform approach and assist listed entities in complying with the above mentioned requirements, the Industry Standards Forum ("ISF") comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, has formulated industry standards, in consultation with SEBI, for minimum information to be provided for review of the audit committee and shareholders for approval of RPTs. The industry associations which are part of ISF (ASSOCHAM, FICCI, and CII) and the stock exchanges shall publish the industry standards on their websites.

3. The listed entities shall follow the aforesaid industry standards to ensure compliance with Part A and Part B of Section III-B of the Master Circular read with Regulation 23(2), (3) and (4) of LODR Regulations.

4. Section III-B of the Master Circular shall stand modified as given below:

4.1. Paragraph 4 under Part A of Section III-B shall stand substituted by the following paragraph:

"The listed entity shall provide the audit committee with the information as specified in the Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction", while placing any proposal for review and approval of an RPT."

4.2. Paragraph 6 under Part B of Section III-B shall stand substituted by the following paragraph:

"The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction"."

5. This circular shall come into effect from April 1, 2025.

6. The Stock Exchanges are advised to bring the contents of this circular to the notice of their listed entities and ensure its compliance.

Retail investors to join algo-trading from Aug

The Securities and Exchange Board of [India](#) ([Sebi](#)) has allowed participation of retail investors in algorithmic trading starting August for faster order execution and improved liquidity. Currently, only institutional investors are permitted to use the pre-defined programmes for trading.

For this, the regulator has come up with a framework that spells out the rights and responsibilities of main stakeholders of the trading ecosystem such as investors, brokers, algo providers/vendors and [market](#) infrastructure institutions (MIIs).

Under the framework, retail investors will get access to the approved algos only from registered brokers, which will safeguard the interest of these investors. This facility is to be provided by stock brokers only after obtaining requisite permission from the stock exchange for each algo. All algo orders shall be tagged with a unique identifier provided by the exchange to establish the audit trail, and the broker shall seek approval from the exchange for any modification or change to the approved algos..

It added that brokers will be solely responsible for handling investor grievances related to algo trading and the monitoring of application programming interfaces (APIs) for prohibited activities.

Read more at: [Retail investors to join algo-trading from Aug](#)

MISCELLANEOUS

Home buyers may get possession during insolvency resolution: IBBI

In a bid to provide relief to homebuyers, the Insolvency and Bankruptcy Board of India (IBBI) has allowed resolution professionals (RP) to hand over possession of plots, flats, or buildings to homebuyers while the resolution process is still ongoing.

Through amending 'Insolvency Resolution Process for Corporate Persons' regulations, the IBBI has allowed the RP to hand over the possession of property to home buyers, after obtaining approval of the committee of creditors (COC) and upon fulfilment of all obligations by the homeowner, an official release said on Tuesday.

Through the changes, the IBBI has now empowered CoCs to relax certain conditions for associations or groups of homebuyers to participate as resolution applicants in the insolvency resolution process. These include relaxations in eligibility criteria, performance security, and deposits for submitting resolution plans.

Additionally, the CoC can now invite relevant land authorities such as NOIDA, HUDA etc. to their meetings for inputs and perspectives on regulatory and land development-related matters, which would not only enhance the viability and feasibility of resolution plans but also build confidence among homebuyers and other stakeholders in the resolution process, said the IBBI.

Further, the RPs must now prepare a detailed report on the status of development rights, approvals, and permissions for real estate projects within 60 days of insolvency commencement; and must disclose the corporate debtor's registration status as a micro, small, or medium enterprise. "This will encourage greater participation of potential resolution applicants as they can avail benefits and relaxations available for [MSMEs](#) under the Code," said the IBBI.

Read more at: [Home buyers may get possession during insolvency resolution: IBBI](#)

FM calls for one-year free look period to boost insurance policy reviews

Finance Minister [Nirmala Sitharaman](#) has urged insurance companies to extend the so-called free look period from one month to a year. 'Free look' is the time given to subscribers to review an insurance policy at inception and cancel it if they wish. For a health insurance policy, the term must be at least three years to avail of the option. If implemented, extended free look will give policyholders more time to assess policies and obtain a full refund of premiums if they find the terms unsuitable. Last year, the insurance regulator increased the period to 30 days from 15 days.

Review period:

The insured is given a minimum of 15 days (or 30 days for electronic policies and those purchased through distance mode) from the date of receiving the policy to review its terms and conditions. If the policy is not acceptable, the insured can return it within this period.

Refund eligibility

If no claims are made during a free look period, the insured is entitled to a refund, subject to certain deductions:

Full refund: Premium paid minus expenses incurred on medical examinations and stamp duty charges.

Risk-based deduction: If coverage has already commenced, the insurer may deduct a proportionate risk premium for the period covered.

Partial coverage deduction: If only part of the insurance coverage has started, a proportionate deduction will be made for the duration of coverage.

For unit-linked policies: In addition to the above deductions, the insurer can repurchase units at the prevailing market price on the date the policy is returned.

How to cancel a policy during the free-look period?

Policyholders must typically submit a written request containing details such as the policy document's receipt date, the reason for cancellation, and agent information. Once the request is received, the insurance company may reach out to the policyholder to understand their concerns and explore possible alternatives.

Read More : [FM calls for one-year free look period to boost insurance policy reviews](#)

R R D AND ASSOCIATES



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WHAT WE SERVE



SPECIALIZED INTO

- ✓ Audit & Assurance (incl. Tax Audit, Statutory Audit etc)
- ✓ Internal audit / Management audit
- ✓ ESOP Valuation SBP (Share based payment) under Ind AS
- ✓ Valuations under various laws including Companies Act and IBBI
- ✓ Implementation of IFC, Drafting SOPs, Testing controls
- ✓ Company formation and assisting clients with Regulatory compliance for setting up business in India
- ✓ Setting up of Vigil and whistle-blower mechanism
- ✓ Developing, implementing and operationalizing Business Ethics and Code of Conduct for Employees and Directors
- ✓ Tax, Regulatory and Advisory
- ✓ Accounting advisory, Book Keeping and MIS services
- ✓ Project Financing for Term Loan & Working Capital Loan
- ✓ ECB Compliances, Returns, Hedge Accounting and Certification
- ✓ Tax effective Portfolio Management / Reshuffling advisory
- ✓ Regular Attest function
- ✓ Talent pool of proficient resources to our network firms and clients

OTHER SPECIALIZED SERVICES:

Assurance

- ✓ Concurrent Audit
- ✓ Statutory Audit
- ✓ Stock Audit
- ✓ Forensic Audit
- ✓ Due Diligence
- ✓ Tax Audit

Operations & Risk Consultancy

- ✓ Internal Audit
- ✓ Review of Internal Financial Control
- ✓ Drafting and assistance in SOP's
- ✓ Fraud Investigations

Tax, Regulatory & Advisory

- ✓ Consultancy under Direct and Indirect taxation
- ✓ GST Implementation Services
- ✓ Assessment and Litigation Support
- ✓ Filing of Returns under direct and indirect taxes
- ✓ ROC Fillings Regulatory compliances
- ✓ RBI and SEBI fillings
- ✓ Supporting in 15CA and 15CB filing

Accounting Advisory

- ✓ Assistance in drafting and preparations of Financial statement with respect to Ind-AS, IFRS, US GAAPs
- ✓ Accounts receivables / payable reconciliations
- ✓ Bank Reconciliations
- ✓ Inventory Management support
- ✓ Fixed Asset & Inventory verification
- ✓ MIS, Budgeting

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