

# *Niti*

*Developments in Tax Laws  
July, 2025*



**innergize**

Solutions Pvt. Ltd.

*"Krishna controls the Finite and the Infinite with inconceivable supernatural transcendental force.  
This is the power of inner energy."*

*.....Bhagavad Gita*



## **Section I – Direct Tax Laws**

### **A. Clarification on Waiver of Interest under Sections 201(1A)(ii) and 206C(7)**

<https://incometaxindia.gov.in/communications/circular/circular-no-8-2025.pdf>

In Circular No. 5/2025 dated March 28, 2025, the Central Board of Direct Taxes (CBDT) allowed the waiver of interest levied under Section 201(1A)(ii) (for delays in depositing TDS) and Section 206C(7) (for delays in depositing TCS) of the Income-tax Act, 1961, where the taxpayer demonstrates reasonable cause for default.

This waiver can be granted by prescribed authorities: Chief Commissioners of Income-tax (CCIT), Directors-General of Income-tax (DGIT), or Principal Chief Commissioners (Pr.CCIT) of Income-tax.

CBDT has issued Circular No. 8/2025 on July 1, 2025 to resolve confusion regarding the effective date and scope, the said circular confirms:

**Authority to Pass Waiver Orders:** The prescribed authority is empowered to pass waiver orders after the issuance date of Circular 5/2025 (i.e., after March 28, 2025).

**Scope of Applicability:** Waiver applications may be filed for interest charged even before March 28, 2025, subject to compliance with the time limit for filing.

**Time Limit for Filing Applications:** Applications for waiver must be filed within one year from the end of the financial year for which interest is charged.



**B. CBDT Extends ITR Filing Due Date for AY 2025-26**

<https://incometaxindia.gov.in/communications/circular/circular-6-2025.pdf>

CBDT has extended the due date for filing Income Tax Returns for Assessment Year 2025-26 from July 31, 2025 to September 15, 2025. This extension applies to assesseees covered under clause (c) of Explanation 2 to Section 139(1) of the Income-tax Act, 1961. This extension applies to assesseees referred to in clause (c) of Explanation 2 to Section 139(1) of the Act, which includes individuals (other than companies/ firms whose accounts are not required to be audited).

**C. Cost Inflation Index for FY 2025–26**

<https://incometaxindia.gov.in/communications/notification/notification-70-2025.pdf>

CBDT has notified the Cost Inflation Index (CII) as 376 for FY 2025–26 (AY 2026–27) via Notification No. 70/2025 dated July, 1, 2025. This will be applicable for computing long-term capital gains from April 1, 2026 onwards.

**D. IREDA Bonds Notified as Specified Asset under Section 54EC**

<https://incometaxindia.gov.in/communications/notification/notification-73-2025.pdf>

The Government has notified that bonds issued by the Indian Renewable Energy Development Agency (IREDA) (redeemable after 5 years and issued on or after July 9, 2025) will qualify as ‘long-term specified assets’ under Section 54EC of the Income Tax Act. Proceeds from these bonds must be used for self-sustaining renewable energy projects.

**E. Relief - PAN-Inoperative TDS/ TCS Defaults**

<https://incometaxindia.gov.in/communications/circular/circular-9-2025.pdf>

CBDT has issued Circular No. 9/2025 providing important relief for deductors and collectors regarding the applicability of higher TDS/ TCS rates under Sections 206AA/ 206CC when PAN is inoperative.



Currently Under Rule 114AAA, a PAN becomes inoperative if not linked to Aadhaar. If PAN is inoperative, higher TDS/ TCS rates apply under Sections 206AA/206CC. Notices were being sent and demands raised for short deduction/ collection where PANs were inoperative.

By this circular CBDT has clarified that no higher TDS/ TCS liability shall arise under Sections 206AA/ 206CC if:

- The PAN is linked with Aadhaar by September 30, 2025 for payments made up to July 31, 2025.
- For payments made on or after August 1, 2025, PANs must be linked within two months of the transaction month to avoid higher deduction/ collection.



**Section II – Some Reminders for August, 2025**

<b>Particulars</b>		<b>Due Date</b>
<b>Payment of</b>	Tax Deducted at Source for the month of July, 2025	7 <sup>th</sup> August, 2025
	Provident Fund (includes EDLI) for the month of July, 2025	15 <sup>th</sup> August, 2025
	ESIC for the month of July, 2025	15 <sup>th</sup> August, 2025
<b>Filing of</b>	GSTR- 1 for July, 2025 (turnover of more than or less than Rs. 5 crores)	11 <sup>th</sup> August, 2025
	GSTR-8 for July, 2025 [return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST]	10 <sup>th</sup> August, 2025
	GSTR-7 for July, 2025 [return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST]	10 <sup>th</sup> August, 2025
	GSTR - 3B for July, 2025 (turnover of more than Rs. 5 crores)	20 <sup>th</sup> August, 2025
	GSTR - 3B for July, 2025 (turnover up to Rs. 5 crores, depending on the state)	22 <sup>nd</sup> August, 2025
	Publishing of Investor Charter and disclosure of Investor Complaints by Portfolio Managers on their websites	7 <sup>th</sup> August, 2025
	Filing of Statement of Deviation(s) or Variation in the use of proceeds raised from the public issue, rights issue, preferential issue, or Qualified Institutions Placement	14 <sup>th</sup> August, 2025
<b>Approving</b>	Financial results for the quarter ended 30 <sup>th</sup> June, 2025 along with Limited Review report	14 <sup>th</sup> August, 2025
<b>Holding</b>	Annual General Meeting by Top 100 companies	31 <sup>st</sup> August, 2025



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**Compiled by: CA Shruti Mehta, CA Nandita Nevatia and Mr. Kiran Mankodi**

**For more information, please feel free to write to us at:**

**Innergize Solutions Private Limited**

**A-2, 1<sup>st</sup> Floor, A Wing, Barodawala Mansion,**

**81, Dr. Annie Besant Road,**

**Worli, Mumbai 400025, India.**

**Tel: +91-22-6662 1393**

**Email: [shruti.mehta@innergize.in](mailto:shruti.mehta@innergize.in), [nandita.nevatia@innergize.in](mailto:nandita.nevatia@innergize.in),**

**[kiran.mankodi@innergize.in](mailto:kiran.mankodi@innergize.in)**

**Or visit [www.innergize.in](http://www.innergize.in)**