

# ELCINA POLICY CAPSULE

**May 2025**

**ELCINA POLICY CAPSULE - May 2025**

<b>S. No.</b>	<b>Notification/Instruction</b>	<b>Issuing Authority</b>	<b>Subject</b>	<b>Effective Date / Remarks</b>
1	DGFT Notification No. 11/2025-26 dated 26 May 2025	DGFT	<b>RoDTEP benefits restored</b> for Advance Authorisation holders, EOUs, and SEZ units	Effective from <b>1 June 2025</b>
2	Instruction No. 04/2025-GST dated 2 May 2025	CBIC	<b>Grievance Redressal Mechanism</b> for GST registration applications	Mechanism established via <b>nodal officers</b>
3	Instruction No. 05/2025-GST dated 2 May 2025	CBIC	Directive for <b>timely submission of records</b> to C&AG Audit teams	Ensures audit efficiency & transparency
4	Public Notice No. 04/2025-26 dated 6 May 2025	DGFT	<b>SCOMET Policy Update:</b> Revised framework for <b>Stock &amp; Sale</b> authorization	Expands flexibility for overseas inventory
5	Notification No. 09/2025-26 dated 19 May 2025	DGFT	<b>Export Policy aligned</b> with Finance Act, 2025	Changes in <b>Schedule-II, ITC (HS) 2022</b>
6	Notification No. 10/2025-26 dated 26 May 2025	DGFT	<b>RoDTEP Schedule</b> revised to align with Customs Tariff changes	Effective <b>1 May 2025</b>
7	Notification S.O. 2232(E) dated 19 May 2025	DPIIT	<b>Quality Control Order (QCO)</b> for electrical appliances	Mandatory BIS certification from <b>March 2026</b>
8	RBI Notification dated 7 May 2025	RBI	<b>Framework for Formulation of Regulations</b> issued	Promotes <b>transparency &amp; public consultation</b>
9	RBI/2025-26/36 DOR.STR.REC.19 dated 26 May 2025	RBI	<b>Digital Lending Directions, 2025:</b> Comprehensive regulations for digital lending ecosystem	Immediate effect; key clauses: <b>June 15 &amp; Nov 1, 2025</b>

## ELCINA POLICY CAPSULE—1<sup>st</sup> May to 31<sup>st</sup> May 2025

### 1. **DGFT Notification No. 11/2025-26 dated 26<sup>th</sup> May 2025: RoDTEP Benefits Restored for AA Holders, EOUs & SEZ Units – Effective 1st June 2025**

Pursuant to sustained representations by ELCINA, the Government has reinstated RoDTEP (Remission of Duties and Taxes on Exported Products) benefits for **Advance Authorisation (AA) holders, Export Oriented Units (EOUs), and Special Economic Zone (SEZ) units**, effective **1st June 2025**.

This has been notified through **DGFT Notification No. 11/2025-26 dated 26 May 2025**. The applicable rebate rates and per-unit value caps—aligned with the updated HS codes under the Finance Act, 2025—are published in **Appendix 4RE** of the Foreign Trade Policy and can be accessed on the DGFT website under '*Regulations > RoDTEP*'.

#### **A. Background and Timeline:**

- *The RoDTEP scheme was implemented in **August 2021**, with rates notified from **1 January 2022**, aimed at reimbursing embedded duties and taxes on exports.*
- *Initially, AA, EOU, and SEZ exports were excluded from the scheme.*
- *Upon industry feedback, **Notification No. 70/2023 (8 March 2024)** extended RoDTEP for these categories till **30 September 2024** and further extended up to **31 December 2024** (Notification No. 32/2024-25 dated 30 Sept 2024), and **5 February 2025** (Notification No. 66/2024-25 dated 20 March 2025).*
- ***However, there was a gap** in RoDTEP coverage for exports made between **6 February 2025 and 31 May 2025**, which remains **non-notified and ineligible** for RoDTEP benefit.*

#### **B. Key Highlights:**

- ***RoDTEP benefit stands restored** from **1 June 2025 onwards** for exports made by AA holders, EOUs, and SEZ units.*
- ***Exports under the MOOWR Scheme remain ineligible** for RoDTEP benefit.*
- *ELCINA continues to pursue industry concerns regarding the **non-coverage of exports during the interim period (6 Feb–31 May 2025)** and urges DGFT to consider retrospective benefit or transitional relief.*

ELCINA appreciate the Government's responsiveness to industry needs and welcome this positive policy move that supports India's export competitiveness. We will keep members informed of any further updates or clarifications from DGFT or CBIC. This policy revision

is a welcome step towards enhancing export competitiveness and addressing key industry concerns raised over the past years.

For further details, *members are advised to refer to the official DGFT Website DGFT Notification No. 11/2025-26 dated 26<sup>th</sup> May 2025.*

## **2. Instruction No. 04/2025-GST dated 2nd May 2025 : CBIC Establishes Grievance Redressal Mechanism for GST Registration Applications**

The Central Board of Indirect Taxes and Customs (CBIC) has issued **Instruction No. 04/2025-GST**, dated **2nd May 2025**, to streamline grievance redressal related to **GST registration applications** assigned to **Central jurisdiction**.

Applicants who encounter issues such as improper queries or rejection of applications—contrary to **Instruction No. 03/2025-GST**—can now approach the **jurisdictional Principal Chief Commissioner/Chief Commissioner** for resolution.

### **Key highlights of the mechanism include:**

- a) **Dedicated Email:** Each CGST Zone will publicize a dedicated email ID for applicants to submit grievances with their **ARN, jurisdiction details (Centre/State), and a brief of the issue**.
- b) **Forwarding to States:** Grievances related to State jurisdiction will be forwarded by the Central office concerned to the respective State authorities, with a copy to the **GST Council Secretariat**.
- c) **Timely Resolution:** Zonal officers are expected to ensure **prompt and effective resolution** and communicate outcomes to applicants. If queries are found to be valid, applicants will be suitably advised.
- d) **Monthly Reporting:** A monthly report on grievance redressal will be compiled by the **Director General of GST (DGGST)** and submitted to the Board.

The CBIC has also requested the **GST Council Secretariat** to encourage States and Union Territories to establish similar mechanisms and directed the **Director General of Taxpayer Services (DGTS)** to assist in publicizing this initiative.

*For more details, members are advised to refer to the official CBIC website CBIC Instruction No. 04/2025-GST dated 2nd May 2025.*

### 3. **Instruction No. 05/2025-GST dated 2nd May 2025 : CBIC Issues Directive for Timely Submission of Records to C&AG Audit Teams**

The Central Board of Indirect Taxes and Customs (CBIC), via **Instruction No. 05/2025-GST dated 2nd May 2025**, has directed all field formations to ensure **timely and complete submission of records and information to Comptroller and Auditor General (C&AG) audit teams**.

This instruction follows concerns raised in the **C&AG Audit Report No. 7 of 2024**, highlighting delays and non-production of records during statutory audits related to GST.

#### **Key directives include:**

- a) **Strict Compliance:** Officers under the Central GST jurisdictions are to be sensitized and instructed to **promptly share all available and required records** with C&AG audit teams.
- b) **Support from Taxpayers:** Where requested documents are with taxpayers, officers must **issue formal requests to the concerned taxpayers** and conduct necessary **follow-ups** to ensure timely submission.
- c) **Constitutional Obligation:** Emphasis is placed on **Article 149 of the Constitution**, which mandates cooperation with the C&AG in discharging its audit functions.

This instruction has been issued by **CBIC** and aims to improve transparency and cooperation during audits of GST-related matters.

*For more details, members are advised to refer to the official CBIC website CBIC instruction No. 04/2025-GST dated 2nd May 2025.*

### 4. **DGFT Public Notice No. 04/2025-26 dated 6 May 2025: SCOMET Policy Update: Revised Framework for Stock & Sale Authorization**

The Directorate General of Foreign Trade (DGFT) has issued **Public Notice No. 04/2025-2026**, amending Paragraph 10.10 of the **Handbook of Procedures (HBP) 2023**, to revise the framework for **stock and sale authorization of SCOMET items** (Special Chemicals, Organisms, Materials, Equipment and Technologies).

#### **Key Highlights:**

- a) **Expanded Definition of “Stockist”:** Now includes **subsidiaries, parent companies, Indian or foreign OEMs, EMS (Electronic Manufacturing Services), and Contract Manufacturers (CMs)**.

- b) **Post-Export Obligations:** Clear guidelines have been issued for **reporting responsibilities** after export.
- c) **Structured Approval Mechanism:** A new system introduced for **bulk exports to stockists**, improving procedural clarity.
- d) **Additional Updates:**
  - a. Clarifications on **re-export applications**
  - b. Guidance for **repeat orders**
  - c. Updates relevant to **specific destination countries**

SCOMET items are sensitive due to their **dual-use nature**, with potential applications in defense and strategic sectors. The revised framework supports **greater ease of doing business**, while ensuring **compliance with international export control obligations**.

For more details, members are advised to refer to the official DGFT Website DGFT Public Notice No. 04/2025-26 dated 6<sup>th</sup> May 2025.

#### 5. **DGFT Notification No. 09/2025-26, dated 19<sup>th</sup> May 2025 : DGFT Amends Schedule-II (Export Policy), ITC (HS) 2022 to Align with Finance Act, 2025**

The **Directorate General of Foreign Trade (DGFT)** has issued **DGFT Notification No. 09/2025-26 dated 19<sup>th</sup> May 2025**, announcing amendments to **Schedule-II (Export Policy)** of the **ITC (HS) 2022** classification. These changes are made to ensure harmonization with the provisions introduced in the **Finance Act, 2025**, dated **29th March 2025**.

#### **Key Highlights:**

- a) The **list of ITC (HS) codes** that have been **introduced, deleted, amended, split, or merged** as per the Finance Act, 2025, is provided in **Annexure-I** of the notification.
- b) **Annexure-II** includes the updated **Section Notes, Chapter-wise Notes, Sub-heading Notes**, and **Supplementary Notes**.
- c) The revised ITC (HS) schedule is now available on the **DGFT website:** <https://dgft.gov.in>.

This update ensures alignment of India's export classification and policy framework with the latest legal and fiscal amendments introduced under the Finance Act, 2025.

## 6. DGFT Notification No. 10/2025-26 dated 26 May 2025: Alignment of RoDTEP Schedule with Customs Tariff Changes (Effective 1 May 2025)

The Directorate General of Foreign Trade (DGFT) has issued **Notification No. 10/2025-26** (dated 26 May 2025) to synchronize the RoDTEP (Remission of Duties and Taxes on Exported Products) schedule with amendments made in the First Schedule of the Customs Tariff Act via the Finance Act, 2025.

### Key Points:

- a) **Effective Date:** Changes to Appendix 4R (RoDTEP rates and value caps) take effect from **1 May 2025**.
- b) **Reason for Amendment:** Several HS codes and duty structures were revised under the Customs Tariff Act. To maintain consistency, corresponding RoDTEP rebate rates and caps have been updated.
- c) **Details & Access:** The revised HS codes, along with their updated RoDTEP rates and per-unit caps, are published on the DGFT portal ([www.dgft.gov.in](http://www.dgft.gov.in)) under **Regulations > RoDTEP**.

This alignment ensures that exporters continue to receive accurate RoDTEP refunds consistent with the latest tariff changes.

For further details, members are advised to refer to the official DGFT Website DGFT Notification No. 10/2025-26 dated 26<sup>th</sup> May 2025.

## 7. DPIIT notification S.O. 2232(E) dated 19th May, 2025: QCO Issued for Electrical Appliances – Effective from March 2026

The **Ministry of Commerce & Industry (DPIIT)** has notified the **Safety of Household, Commercial and Similar Electrical Appliances (Quality Control) Order, 2025**, mandating **BIS certification** for a wide range of electrical appliances under **IS 302 (Part 1): 2024** (aligned with IEC 60335-1:2020).

### ◆ Effective Date:

- General manufacturers – 19th March 2026
- Small Enterprises – 19th June 2026
- Micro Enterprises – 19th September 2026

◆ **Scope:** Covers **electrical appliances up to 250V (single-phase)** and **480V (multi-phase/DC)** for household, commercial, or similar use, including **battery-operated products**.

◆ **Key Exemptions:**

- Goods for export
- Up to 200 imported units/year for R&D use (non-commercial)
- Declared stock made before implementation date (6 months sale window with declaration to BIS)

The order supersedes the 2024 version and expands coverage to include **over 90 categories** of appliances, including dishwashers, food processors, beauty care devices, commercial ovens, battery-powered cleaners, and more.

For further details, *members are advised to refer to the official DPIIT Website* DPIIT notification S.O. 2232(E) dated 19th May, 2025.

## 8. **RBI Notification dated May 07, 2025 : RBI Issues Framework for Formulation of Regulations – A Move Towards Transparency & Stakeholder Engagement**

The **Reserve Bank of India (RBI)** has issued a comprehensive **Framework for Formulation of Regulations** aimed at bringing **transparency, consistency, and stakeholder consultation** in its regulatory processes.

◆ **Objective:** To ensure regulations are drafted transparently with public consultation and impact analysis, wherever feasible.

◆ **Scope:** Covers all RBI-issued **regulations, directions, guidelines, policies, standards, and notifications** under powers granted by Acts listed in the annex (e.g., RBI Act, Banking Regulation Act, FEMA, PML Rules, etc.).

◆ **Key Features:**

- **Public Consultation:**
  - Drafts of proposed regulations will be published on RBI's website.
  - Public comments invited for at least **21 days**.
  - RBI will publish a general response to feedback and the final regulation.
  - Revised drafts may be issued if substantial changes are made post consultation.
- **Impact Analysis:** RBI to conduct **regulatory impact analysis**, to the extent feasible, before finalising any regulation.

- **Amendments & Reviews:**
  - Significant amendments will follow the same process as new regulations.
  - RBI will periodically **review existing regulations** for relevance, global best practices, court rulings, and redundancy.
- **Exceptions:** Framework not applicable to internal/admin matters, procedural changes with no substantive impact, or entity-specific directives.
- **Transitional Provision:** Existing regulations remain valid; future amendments will follow this new framework.

This policy is a significant step in institutionalising **predictable and participative regulation-making**, enhancing trust among stakeholders.

For further details, *members are advised to refer to the official RBI Website* RBI notification dated 7<sup>th</sup> May, 2025.

### **9. *RBI Notification RBI/2025-26/36 DOR.STR.REC.19/21.07.001/2025 dated 26<sup>th</sup> May 8, 2025 : RBI Issues Digital Lending Directions, 2025 – Strengthening Trust in the Fintech Ecosystem***

In a decisive move to enhance transparency, borrower protection, and systemic stability in the digital lending space, the **Reserve Bank of India (RBI)** has issued the **Digital Lending Directions, 2025**, consolidating previous guidelines and introducing new safeguards for regulated entities (REs) and their lending service providers (LSPs).

Digital lending in India has seen exponential growth but has also raised concerns over **data privacy breaches, predatory practices, and unregulated third-party involvement**. These Directions aim to build trust, promote innovation responsibly, and prevent misuse.

#### ◆ **Effective Date:**

- The Directions come into force **immediately**.
- **Para 6** (on partnerships with multiple REs) is effective **November 1, 2025**.
- **Para 17** (on digital lending app directories) is effective **June 15, 2025**.

#### ◆ **Who is Covered:** All **Regulated Entities (REs)**, including:

- Commercial Banks
- Urban, State, and Central Co-operative Banks
- NBFCs (including HFCs)
- All-India Financial Institutions

#### ◆ **Key Definitions Introduced:**

- **Digital Lending:** Fully remote, technology-driven lending processes.
- **Digital Lending Apps (DLAs):** Apps/web platforms used for customer-facing digital lending, operated by REs or LSPs.
- **Lending Service Provider (LSP):** Outsourced agents of REs providing digital lending functions like customer acquisition, underwriting support, recovery, etc.
- **Annual Percentage Rate (APR):** As per RBI's KFS circular of April 15, 2024.
- **Default Loss Guarantee (DLG):** Any contractual/implicit guarantee to cover loan defaults on behalf of REs.

These Directions provide a **unified framework** to ensure customer protection, fair lending practices, and compliance across India's rapidly evolving fintech lending ecosystem.

*For further details, members are advised to refer to the official RBI Website RBI notification RBI Notification RBI/2025-26/36 DOR.STR.REC.19/21.07.001/2025 dated 26 May 8, 2025.*

**For any queries regarding this ELCINA Policy Capsule, please contact [policy@elcina.com](mailto:policy@elcina.com).**

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