

DEVMANTRA TIMES

NOVEMBER EDITION

Issue No.56, Dated 1st November , 2025

Dear Readers,

We welcome you to the Fifty sixth edition of DevMantra Times for the month of November 2025. This edition of our newsletter, where we bring you the latest developments shaping India's dynamic business and innovation landscape. India's financial and startup ecosystem is witnessing strong momentum across sectors. The government is considering amending the Chartered Accountants Act, 1949 to relax advertising restrictions for CA firms, aligning with ICAI's ongoing review of its Code of Ethics. In the financial sector, cross-border deals worth \$8 billion underscore rising foreign investor interest, while rural India now accounts for 80% of NBFCs' microfinance portfolios, the highest since 2011. The gold loan market is projected to touch ₹15 lakh crore by March 2026, led by banks amid rising gold prices. Meanwhile, NPCI, Razorpay, and OpenAI have launched a pilot for AI-powered UPI payments via ChatGPT, with Axis Bank, Airtel Payments Bank, and Bigbasket as partners—signaling India's leadership in fintech innovation. On the startup front, Bankbazaar reported a 34% revenue rise and turned EBITDA-positive, Curefoods secured SEBI approval for its ₹800-crore IPO, Zerodha plans to enable U.S. stock trading by early 2026, and Zepto

expanded its ESOP pool to over \$500 million following a \$450-million funding round led by CalPERS, ahead of its planned IPO.

Here's to a year filled with new milestones, shared successes, and inspiring moments. November 2025 bring health, happiness, and prosperity to you and your loved ones. Thank you for being an essential part of our community. Together, let's make this year extraordinary!

Industry & Economic Updates CAs may soon get to advertise their firms

EDITORIAL NOTE: The Government of India is reportedly considering amendments to the Chartered Accountants Act, 1949, with the objective of relaxing advertising restrictions imposed on Chartered Accountants (CAs) and their firms. The proposed reform seeks to provide greater flexibility in professional communication and visibility, enabling Indian CA firms to expand their reach and competitiveness in the global auditing and consultancy landscape. In parallel, the Institute of Chartered Accountants of India (ICAI) is also reviewing its Code of Ethics to align with the proposed changes, ensuring that the profession adapts to evolving market dynamics while

maintaining integrity and professional standards. This initiative marks a progressive step towards modernizing the regulatory framework governing the accounting profession in India.

Large cross-border deals in India's financial sector this year

EDITORIAL NOTE: The Indian financial market is currently witnessing a surge in activity, marked by a remarkable \$8 billion worth of transactions that signal growing investor confidence and strategic expansion. Foreign banks are increasingly strengthening their foothold by acquiring significant stakes in domestic lenders, reflecting India's growing appeal as a dynamic financial hub. This substantial infusion of capital not only highlights the resilience and depth of India's banking sector but also marks an important phase in the country's economic evolution, as global and local players alike pursue opportunities to expand their presence and influence within the rapidly evolving financial landscape.

NFRA to start outreach programmes from September 26 to improve audit ecosystem

EDITORIAL NOTE: Rural India now represents nearly 80% of the microfinance portfolio of non-bank lenders, marking the

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highest rural share since 2011. This pronounced shift toward rural lending has been primarily driven by stronger repayment behavior and improved credit discipline in non-urban regions, prompting lenders to recalibrate their focus away from urban and semi-urban markets. The trend is also consistent with India's demographic landscape, where around 80% of the population resides in rural areas, reflecting the growing importance of rural markets in sustaining the broader microfinance ecosystem and driving inclusive financial growth.

Organised gold loan market likely to reach Rs 15 lakh crore mark by Mar 2026: ICRA

EDITORIAL NOTE: The gold loan market in India is poised for substantial expansion, projected to reach ₹15 lakh crore by March 2026 and further climb to ₹18 lakh crore by FY2027. Banks are driving this growth momentum, steadily increasing their market share through competitive offerings and enhanced accessibility. The surge in gold prices has been a major catalyst, enabling higher loan disbursements and boosting the overall value of the market. This sustained growth trajectory underscores the robust potential of the gold loan sector, reflecting both strong consumer demand and the continued confidence of financial

institutions in this resilient asset-backed lending segment.

India rolls out pilot for e-commerce payments via ChatGPT

EDITORIAL NOTE: The National Payments Corporation of India (NPCI), in collaboration with Razorpay and OpenAI, has launched a pilot project for AI-driven payments on ChatGPT, marking a pioneering step in conversational commerce. The initiative integrates India's Unified Payments Interface (UPI) to enable users to make purchases and complete transactions directly through the AI chatbot in a seamless and interactive manner. The pilot seeks to explore the potential of secure, autonomous, and intelligent payment experiences, leveraging AI to simplify digital transactions while maintaining high standards of safety and compliance. Axis Bank, Airtel Payments Bank, and Bigbasket are among the key partners participating in this initiative, which underscores India's leadership in innovative fintech solutions and the evolving convergence of AI and digital payments.

Startup Updates

Bankbazaar's FY25 revenue up 34% led by credit card distribution, losses down to Rs 23 crore

EDITORIAL NOTE: On an adjusted EBITDA basis, the company has returned to profitability, reporting ₹4 crore in profits for the current period. The company's auditors have noted that the revenue figures for FY25 are not directly comparable with those of previous years, as the company has adopted a new accounting policy effective from this financial year. The change in accounting methodology has resulted in revised revenue recognition, impacting year-on-year comparability but aligning the company's financial reporting with updated standards and practices.

Curefoods gets Sebi nod for Rs 800-crore IPO

EDITORIAL NOTE: Curefoods has received the Securities and Exchange Board of India (SEBI)'s approval to launch its initial public offering (IPO), through which it plans to raise ₹800 crore. The offering will include a fresh issue of shares as well as an offer for sale (OFS) by existing investors looking to partially offload their holdings. The proceeds from the IPO will be utilized to expand operations, including setting up new cloud kitchens, acquiring food brands, and enhancing technological and supply chain capabilities. Curefoods currently operates over 500 cloud kitchens across India, positioning itself as

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one of the country's leading multi-brand cloud kitchen companies with a strong presence in the digital food services space.

Zerodha to allow trading in U.S. stocks by 2026, Nithin Kamath says launch coming next quarter

EDITORIAL NOTE: Zerodha, India's largest stockbroker by revenue, is preparing to enable direct investments in U.S. stocks by early 2026, according to CEO Nithin Kamath. This marks one of the company's most anticipated product launches, aimed at capitalizing on the rising demand for global investment opportunities among Indian investors. The move will allow Zerodha's users to seamlessly access and trade in leading international markets, further diversifying their portfolios. With this initiative, Zerodha seeks to strengthen its position as a comprehensive investment platform, catering to the evolving needs of a new generation of globally minded investors.

Zepto expands Esop pool by \$170 million to over \$500 million

EDITORIAL NOTE: The quick commerce startup is preparing to launch its initial public offering (IPO) in the upcoming quarters, marking a significant milestone in its growth journey. Ahead of the

planned share sale, the company has successfully raised \$450 million through a mix of primary and secondary transactions, led by the California Public Employees' Retirement System (CalPERS), one of the largest U.S.-based pension funds. This latest funding round underscores strong investor confidence in the company's business model and growth prospects as it strengthens its financial position and market presence in anticipation of the public listing.

Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax and Companies Act, Start-up Update, notification, circulars and case laws which may directly or indirectly impact our readers.

At DevMantra, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.

DevMantra was founded based on the unalterable premise of excellence, acuity, integrity and an unwavering commitment to delivery. These principles continue to form the edifice of our approach as an organization, to our clients, our professionals and

our community, and this has served us well in our journey so far. This approach has allowed DevMantra to work with and advise the very best clients, both in India and internationally. We encourage our people to strive for excellence and innovation within a meritocratic working environment and support their entrepreneurial spirit. It is our consistent endeavor with our people, to ensure that they imbibe the culture of the firm and form part of the weft and weave of the fabric of DevMantra. Our core values remain the guiding principles for everything we do, and we would like to emphasize "Knowledge" as one of the fundamental beliefs which drive the success of our operations. As we keep on reiterating, Knowledge is our number one priority. We don't count time when it comes to gain any new knowledge or to reinstate the earlier one. Our clients trust our expertise and putting countless hours in keeping ourselves up to date on the subject we are advising on, deserve their trust.

Regards & Best Wishes,
Editorial Team



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GST JUDICIAL UPDATES

CBIC issues new GST exemption notification of goods applicable from 22nd September, 2025

EDITORIAL NOTE: The Central Board of Indirect Taxes and Customs (CBIC) has issued a new notification revising the GST exemption list, thereby superseding the earlier Notification No. 02/2017-Central Tax (Rate) dated 28th June 2017. The updated exemption list provides clarity and continuity in the GST regime by specifying goods that continue to remain exempt from tax. The newly notified list includes items such as curd, lassi, and buttermilk (other than pre-packaged and labelled), fresh milk, specified fresh vegetables, fruits, and nuts, certain drugs and medicines, as well as indigenous handmade musical instruments. This revision aims to streamline classification, remove ambiguities, and ensure alignment with the current definitions and packaging norms under the GST law while maintaining relief for essential food items and traditional products.

CBIC withdraws circular on evidence requirement for reversal of ITC by the recipient in post-sale discount

EDITORIAL NOTE: The Central

Board of Indirect Taxes and Customs (CBIC) has withdrawn Circular No. 212/6/2024-GST, dated 26th June 2024, which had prescribed the procedure for furnishing compliance evidence under section 15(3)(b)(ii) of the Central Goods and Services Tax (CGST) Act, 2017, relating to the reversal of input tax credit (ITC) by the recipient in cases of post-sale discounts. The withdrawal of the circular implies that suppliers are no longer required to adhere to the earlier compliance procedure laid down for substantiating the recipient's ITC reversal while granting post-sale discounts. This move is expected to simplify compliance requirements and reduce procedural burden on taxpayers, while further clarifications on the treatment of such transactions may be issued separately, if required.

CBIC introduces risk-based mechanism to provide 90% provisional GST refunds in specified cases: Instruction

EDITORIAL NOTE: The Central Board of Indirect Taxes and Customs (CBIC) has issued a new Instruction introducing a risk-based mechanism for the provisional sanction of 90% of refund claims identified as low-risk applications. This framework is designed to expedite the refund process and

enhance efficiency in GST administration. The mechanism will primarily apply to refund claims relating to zero-rated supplies, such as exports and supplies to SEZ units or developers, and, as an interim measure, will also cover refund claims arising from inverted duty structure (IDS) filed on or after 1st October 2025. Under this system, the provisional refund shall ordinarily be granted automatically to low-risk applicants, and withholding of such refunds will be permissible only in exceptional cases, where specific and justifiable reasons are recorded in writing by the proper officer. This initiative reflects the CBIC's continued efforts to adopt technology-driven, risk-based controls to ensure faster processing of genuine refund claims while safeguarding revenue interests.

Increase in quantity or free material under scheme won't satisfy requirement of passing on benefit to consumers after GST reduction: HC

EDITORIAL NOTE: It has been held that section 171 of the Central Goods and Services Tax (CGST) Act, 2017 and rule 126 of the CGST Rules, 2017 are not unconstitutional or ultra vires the provisions of Articles 14 and 19 of the Constitution of India. Section

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171, which deals with the anti-profiteering provisions ensuring that the benefits of reduction in tax rates or input tax credits are passed on to consumers, and rule 126, which empowers the National Anti-Profiteering Authority (NAA) to determine the methodology and procedure for computation of profiteering, have been upheld as reasonable regulatory measures in the public interest. The courts have observed that these provisions neither confer arbitrary powers nor impose unreasonable restrictions on the right to carry on trade or business under Article 19(1)(g). Rather, they are intended to prevent unjust enrichment and protect consumer welfare within the framework of the GST regime. Accordingly, the constitutional validity of section 171 and rule 126 stands affirmed.

CBIC launches system-based auto-approval for IFSC code registration at multiple ports: Press Release

EDITORIAL NOTE: The Central Board of Indirect Taxes and Customs (CBIC) has introduced a system-based auto-approval mechanism for the registration of the same incentive bank account and IFSC code under an Importer Exporter Code (IEC) across multiple Customs locations. This reform eliminates the need for manual intervention in the

registration process and enables seamless validation of bank account details through the centralized system. The initiative aims to streamline the registration process, reduce procedural delays, and ensure faster credit of export incentives to exporters' designated accounts. By automating approvals and minimizing human interface, the measure is expected to enhance trade facilitation, improve operational efficiency, and further strengthen the ease of doing business in the export ecosystem.

Department is directed to recredit ITC manually due to technical issue in GST portal: HC

EDITORIAL NOTE: Where the amount adjusted towards an erroneous refund could not be re-credited to the Electronic Credit Ledger (ECL) of the assessee due to technical difficulties on the GST portal, the department was rightly directed to ensure that the said amount is re-credited within four weeks. The inability to restore the credit because of system-related glitches cannot prejudice the assessee's legitimate entitlement under the GST law. Accordingly, the authorities were instructed to take all necessary steps, including, if required, manual intervention or alternative

administrative measures, to effect the re-credit of the admissible amount to the assessee's ECL within the specified period. This direction ensures that procedural or technical shortcomings in the portal do not obstruct the substantive benefit due to the taxpayer.

GSTN clarifies no change in ITC auto-population process and GSTR-2B generation under IMS: Advisory

EDITORIAL NOTE: The Goods and Services Tax Network (GSTN) has issued a clarification stating that there is no change in the process of auto-population of Input Tax Credit (ITC) from GSTR-2B to GSTR-3B under the newly introduced Invoice Management System (IMS). The existing procedure will continue, wherein GSTR-2B will be auto-generated on the 14th of every month, reflecting eligible and ineligible ITC based on suppliers' filings. Taxpayers will continue to be able to take necessary actions in IMS—such as reviewing, reconciling, or making adjustments—until the filing of GSTR-3B. Further, from October 2025 onwards, the system will provide enhanced functionality allowing recipients to keep Credit Notes pending or to manually adjust ITC reversals as per their reconciliation requirements. This clarification

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ensures continuity, reduces confusion among taxpayers, and facilitates smoother transition to the IMS-based workflow while maintaining flexibility for accurate ITC reporting.

Confiscation under section 130 is impermissible for excess stock assessed during survey by eye estimation: HC

EDITORIAL NOTE: Where, during a survey, the excess stock found at the assessee's business premises was determined merely on the basis of eye estimation without any actual weighment or physical verification, the initiation of proceedings for confiscation and penalty under section 130 read with section 122 of the Central Goods and Services Tax (CGST) Act, 2017, was held to be impermissible in law. In the absence of any conclusive evidence of clandestine removal, transportation, or supply of goods in contravention of the provisions of the Act, such estimation could not justify penal or confiscatory action. The proper recourse available to the department in these circumstances was to initiate assessment proceedings under section 73 or section 74, to determine any tax liability arising from discrepancies, if any. Accordingly, the confiscation and penalty orders passed solely on the basis of notional estimation were found to be unsustainable

and were rightly quashed by the adjudicating authority.

GSTN enables Annual Return (GSTR-9/9C) for FY 2024-25 on GST portal: Advisory

EDITORIAL NOTE: The Goods and Services Tax Network (GSTN) has announced that the facility for filing the Annual Return (Form GSTR-9) and the Reconciliation Statement (Form GSTR-9C) for the Financial Year 2024-25 has been enabled on the GST portal effective from 12th October 2025. Taxpayers are advised to ensure that all periodic returns for the said financial year—particularly GSTR-1 (outward supplies) and GSTR-3B (summary return)—have been duly filed, as this is a prerequisite for accessing and filing the GSTR-9/9C forms on the portal. The GSTN has further encouraged taxpayers to verify data consistency across returns and reconcile input tax credits, outward supplies, and tax payments well in advance to facilitate smooth and timely filing of the annual compliance forms.

GSTAT issued User Manual providing comprehensive visual workflow for online filing before the Appellate Tribunal

EDITORIAL NOTE: The Goods and Services Tax Appellate Tribunal (GSTAT) has released the User Manual (Version 2.8) for

the GSTAT e-Filing Portal, published on 22nd September 2025. The updated manual provides a comprehensive visual workflow to guide users through the process of online filing of Appeals, Applications, Cross Objections, and Re-filings, ensuring a clear understanding of each procedural step. It also details the procedures for User Registration, Nodal Officer Login, and case management functions within the portal. Additionally, the manual outlines step-by-step instructions for uploading supporting documents and making online payments through the Bharatkosh portal. This release is aimed at enhancing user experience, promoting digital efficiency, and facilitating seamless interaction with the GSTAT's electronic filing system.

GSTN releases FAQs on GSTR-9/9C for FY 2024-25 to assist taxpayers in accurate filing

EDITORIAL NOTE: The Goods and Services Tax Network (GSTN) has released a comprehensive Frequently Asked Questions (FAQ) document on the Annual Return (Form GSTR-9) and Reconciliation Statement (Form GSTR-9C) for the Financial Year 2024-25, aimed at facilitating accurate and error-free reporting by taxpayers. The FAQs provide detailed

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clarifications on key aspects such as the auto-population of data from GSTR-1 and GSTR-3B, the revised table structures, and the treatment of Input Tax Credit (ITC), including reporting of reversals and ineligible credits. The document also elaborates on the computation of late fees, validation checks, and the procedural changes introduced to streamline the filing process. By addressing common queries and outlining best practices, the GSTN seeks to ensure seamless, compliant, and efficient filing of GSTR-9 and GSTR-9C for FY 2024-25.

Govt. issues Guidebook on Mapping of HSN Codes to boost India's manufacturing and trade ecosystem

EDITORIAL NOTE: The Government of India, through the Department for Promotion of Industry and Internal Trade (DPIIT), has released a comprehensive Guidebook that maps over 12,000 Harmonised System of Nomenclature (HSN) codes to 31 Ministries and Departments. This strategic initiative is designed to enhance manufacturing competitiveness, trade facilitation, and policy coherence across sectors. By establishing a data-driven framework linking product classifications with ministerial responsibilities, the Guidebook

will enable better coordination in policy formulation, monitoring, and implementation relating to imports, exports, and industrial development. The initiative aligns with the Government's long-term vision of Viksit Bharat@2047, aiming to promote an integrated, evidence-based approach to industrial growth and economic transformation.



INCOME TAX REGULATORY UPDATES

Delay in construction of house due to acquiring relevant permission won't disentitle assessee from sec. 54F relief: ITAT

EDITORIAL NOTE: Where the assessee sold shares and duly deposited the sale proceeds in a Capital Gain Account Scheme within the prescribed time, subsequently utilizing the funds for the purchase of land and an existing structure that was in an uninhabitable condition, the benefit under section 54F of the Income-tax Act, 1961 cannot be denied merely because the construction of the new residential house was completed

beyond the statutory period of three years. The assessee, having demolished the old structure and obtained the necessary approvals for new construction, had clearly demonstrated the intention to invest the capital gains in a residential property. The delay in completion was caused by factors such as obtaining building permissions and other regulatory approvals, which were beyond the assessee's control. Since judicial authorities have consistently held that section 54F should be interpreted liberally to promote genuine investment in residential housing, and that substantial compliance with the condition of investment is sufficient, the exemption cannot be denied on mere technical or procedural grounds.

Ad hoc disallowance of outstanding creditor balances unsustainable as confirmations and agreements verified: ITAT

EDITORIAL NOTE: Where the Assessing Officer made an ad-hoc addition of 50% of the total outstanding balance with creditors on the ground that the work allegedly executed by those parties was not carried out in the vicinity of the assessee-company's project site and, therefore, the transactions were bogus or non-genuine, such an addition cannot be sustained.

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The assessee had furnished complete copies of the accounts of the creditors, supported by corresponding bills and invoices, and also clarified that the addresses of the creditors were taken directly from the documents provided by them. In the absence of any concrete evidence brought on record by the Assessing Officer to establish that the transactions were sham or that payments were not made for genuine business purposes, the disallowance made merely on presumptions and without verification of the actual work done is unsustainable in law. Accordingly, the ad-hoc addition made by the Assessing Officer was rightly held to be unwarranted and liable to be deleted.

Books of account can't be rejected just because there was an inadvertent mistake in tax audit report: ITAT

EDITORIAL NOTE: Where the Assessing Officer rejected the books of account of the assessee-firm engaged in the real estate business on the ground that the assessee failed to demonstrate maintenance of proper stock records and could not reconcile the quantities of sales or disclosures as per the Income Computation and Disclosure Standards (ICDS), such rejection was unjustified in

the absence of a specific finding that the assessee had not regularly followed the method of accounting prescribed under section 145(1) of the Income-tax Act or that the income was not computed in accordance with recognized accounting principles. Mere inability to produce quantitative stock details or minor discrepancies in reconciliation cannot, by itself, be a valid basis for invoking section 145(3). Unless the Assessing Officer records a clear finding that the method of accounting adopted by the assessee does not reflect the true and correct profits, the rejection of books of account is not sustainable. Therefore, in the absence of any such finding, the action of the Assessing Officer in rejecting the books of account was not justified and liable to be set aside.

Business loss from trading in shares & securities can be set off against capital gains: ITAT

EDITORIAL NOTE: Where the assessee had filed the return of income within the prescribed time under section 139(1) of the Income-tax Act, 1961, claiming set-off of business loss arising from trading in shares and securities against capital gains derived from transactions in land and building, the Assessing Officer was required to allow such set-off in accordance with law.

Since the return was filed within the due date and the loss was duly disclosed and claimed in the computation, the assessee was entitled to the benefit of set-off under the relevant provisions of sections 70 and 71. In the absence of any finding that the claim was fictitious or that the loss was not genuine, there was no valid ground to disallow the set-off. Accordingly, the Assessing Officer ought to have allowed the set-off of the business loss against the capital gains as claimed by the assessee.

CBDT must extend return filing due date to maintain statutory gap if audit report deadline u/s 44AB is extended: HC

EDITORIAL NOTE: Where the Central Board of Direct Taxes (CBDT) had extended the specified date for furnishing the audit report under section 44AB of the Income-tax Act, 1961, it became incumbent upon the Board to correspondingly extend the due date for filing the return of income under section 139(1) so as to maintain the statutorily mandated gap of at least one month between the two compliance dates. The legislative intent underlying these provisions is that the audit report should precede the filing of the return, enabling the assessee to incorporate the audited figures

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and observations in the return of income. Failure to extend the return filing due date in tandem with the audit report due date would render this statutory sequencing meaningless and cause undue hardship to taxpayers. Accordingly, in the interest of equity, consistency, and adherence to the legislative framework, the CBDT was directed to extend the due date for filing the return of income for the relevant class of assessees to 30 November 2025.

Option u/s 115BAA to pay tax at lower rate must be exercised before due date of filing ITR under section 139(1): HC

EDITORIAL NOTE: Where the assessee-company had not exercised its option to avail the concessional tax regime under section 115BAA of the Income-tax Act, 1961, before the due date prescribed under section 139(1) in its original return of income, it could not subsequently revise the return or file Form 10-IC after the expiry of the due date to retrospectively claim the benefit of the lower tax rate under the said provision. The option under section 115BAA is required to be exercised in the prescribed manner and within the stipulated time, which is a mandatory and preconditioned procedural requirement for availing the benefit. Since the assessee failed

to comply with this statutory timeline, the belated filing of Form 10-IC along with a revised return could not be treated as a valid exercise of option. Accordingly, the assessee was not eligible to claim the benefit of the reduced tax rate under section 115BAA for the relevant assessment year.

Deduction u/s 43B for service tax and TDS paid in relevant year allowed as payments evidenced; balance disallowed for no proof: ITAT

EDITORIAL NOTE: Where the assessee claimed deduction under section 43B of the Income-tax Act, 1961, in respect of certain statutory liabilities that had been disallowed in the earlier year but were subsequently paid during the current year, the deduction was rightly allowable to the extent that the assessee furnished adequate documentary evidence of actual payment, such as challans or bank proofs. Accordingly, liabilities relating to service tax and TDS were to be allowed as deductions under section 43B upon submission of satisfactory payment evidence. However, in respect of the balance liabilities for which the assessee failed to produce any supporting documentation or proof of payment, the corresponding addition made by the Assessing Officer was justified and liable to be

sustained.

TDS credit to be allowed to employee as tax was deducted by employer even if not deposited to govt: ITAT

EDITORIAL NOTE: Where the employer had duly deducted tax at source (TDS) from the assessee's salary but failed to deposit the same with the Government, resulting in the absence of corresponding credit in Form 26AS, the assessee could not be denied the benefit of TDS credit merely due to the employer's default. The assessee had substantiated the claim by producing salary slips and other relevant documents evidencing deduction of tax at source. In such circumstances, as per section 205 of the Income-tax Act, 1961, once tax has been deducted from the income of the assessee, the Department is barred from demanding the same tax again from the assessee. The failure of the deductor to remit the deducted amount is a matter between the Department and the deductor, and the assessee cannot be penalized for such non-compliance. Accordingly, the TDS credit claimed by the assessee was to be allowed notwithstanding the employer's failure to deposit the tax.

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Notice u/s 148 for A.Y. 2015-16 post 1-4-2021 without jurisdiction: HC

EDITORIAL NOTE: Where the Assessing Officer issued a notice under section 148 of the Income-tax Act, 1961, to the assessee for the assessment year 2015-16 on 5-4-2022, such notice was rendered invalid in view of the categorical concession made by the Revenue before the Hon'ble Supreme Court in the case of Union of India v. Rajeev Bansal [2024] 167 taxmann.com 70 / 301 Taxman 238 / 469 ITR 46 (SC), wherein it was expressly stated that for the assessment year 2015-16, all reassessment notices issued under section 148 on or after 1-4-2021 would be dropped. In light of this binding concession recorded by the Supreme Court, the impugned notice dated 5-4-2022, being issued beyond the permissible period and contrary to the undertaking given by the Revenue, was without jurisdiction and liable to be quashed. Consequently, all proceedings, orders, and notices arising therefrom would not survive in the eyes of law.

Govt. notifies revised India-Qatar DTAA effective from FY 2026-27

EDITORIAL NOTE: The Government of India has notified the revised Double Taxation

Avoidance Agreement (DTAA) between the Government of India and the Government of the State of Qatar, incorporating several updates to align with current international tax standards. Notably, Article 11(3) of the revised DTAA provides a clarification regarding the interpretation of the term "State." It specifically stipulates that, for the purposes of the Agreement, the term "State" shall include, in the case of India, the Reserve Bank of India (RBI) and the Export-Import Bank of India (EXIM Bank), and in the case of Qatar, the Qatar Investment Authority (QIA) and Qatar Holding LLC. This clarification ensures certainty in the application of tax exemptions and benefits relating to interest and other income derived by these sovereign or state-owned entities under the treaty framework.

CBDT authorises 'CPC Bengaluru' to rectify mistakes & issue consequential demand notices in respect of all incomes

EDITORIAL NOTE: The Central Board of Direct Taxes (CBDT) has authorized the Commissioner of Income Tax, Centralized Processing Centre (CPC), Bengaluru, to issue demand notices under section 156 of the Income-tax Act, 1961, in cases where apparent mistakes or discrepancies are detected in the

records. Such cases include instances of incorrect refunds, omission or short grant of prepaid tax credits or reliefs, and errors in the computation of interest under section 244A. This authorization enables the CPC to directly raise demands arising from rectification or correction of such apparent mistakes, without the need for separate action by the Jurisdictional Assessing Officer. The authorization applies to all cases processed through the interface between the Assessing Officer and the CPC, thereby facilitating smoother coordination, timely rectification, and uniform handling of such cases across the processing system.



CORPORATE LAW UPDATES SEBI notifies Framework for 'Intraday Position Limits Monitoring for Equity Index Derivatives'

EDITORIAL NOTE: The Securities and Exchange Board of India (SEBI) has launched two key initiatives — Validated UPI Handles and SEBI Check — to enhance payment security and safeguard investor interests. Under the new

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framework, all SEBI-registered investor-facing intermediaries, including stockbrokers, mutual funds, and investment advisors, will use UPI IDs featuring the exclusive "@valid" handle issued by the National Payments Corporation of India (NPCI), along with category-specific prefixes that clearly identify the type of intermediary. This measure ensures the authenticity of payment channels and helps investors easily distinguish genuine intermediaries from fraudulent entities. Complementing this, SEBI Check is a digital verification tool that enables investors to independently verify the bank account details and UPI IDs of SEBI-registered intermediaries before making payments. These initiatives collectively aim to strengthen trust, transparency, and security in the securities market by preventing fraud and ensuring that investor funds are routed only to verified entities.

MCA substitutes Form IEPF-5 with revised claim form and updated documentation

EDITORIAL NOTE: The Ministry of Corporate Affairs (MCA) has amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, introducing significant changes to streamline and strengthen the refund

process. The amendment replaces the existing Form IEPF-5 with a revised version for claiming unpaid dividends, matured deposits, debentures, and shares transferred to the Investor Education and Protection Fund (IEPF). The new form incorporates additional fields such as details of the entitlement letter, authorised representative information, and an updated list of mandatory supporting documents, thereby enhancing transparency, traceability, and procedural clarity. This revision is aimed at simplifying the claim process for investors while ensuring greater compliance and efficiency in fund recovery from the IEPF.

Hon'ble Finance Minister launches 'Foreign Currency Settlement System' in GIFT City

EDITORIAL NOTE: Union Finance Minister Nirmala Sitharaman has launched the Foreign Currency Settlement System (FCSS) at the Gujarat International Finance Tec-City (GIFT City) during the Global Fintech Festival held in Mumbai. The FCSS is designed to facilitate real-time settlement of foreign currency transactions within the GIFT International Financial Services Centre (IFSC), marking a major step toward enhancing India's financial infrastructure. By enabling efficient, secure, and

instant settlement of trades in foreign currencies, the system is expected to significantly improve liquidity management, operational efficiency, and resilience in the financial ecosystem. Moreover, the FCSS operates in alignment with the Payment and Settlement Systems (PSS) Act, ensuring a robust regulatory framework and compliance with global best practices. This initiative further strengthens GIFT City's position as a leading international financial hub and supports India's vision of becoming a global fintech powerhouse.

SEBI revises RPT norms specifying 1% of annual consolidated turnover or Rs. 10 crore as threshold for limited disclosures

EDITORIAL NOTE: The Securities and Exchange Board of India (SEBI) has revised Section III-B of the Master Circular on compliance with the provisions of the Listing Obligations and Disclosure Requirements (LODR) Regulations, introducing changes to the disclosure framework for Related Party Transactions (RPTs). Under the amended provisions, listed entities are now required to furnish limited information to the Audit Committee and shareholders for approval of RPTs where the transaction value does not

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exceed 1% of the annual consolidated turnover or ₹10 crore, whichever is lower. Furthermore, transactions up to ₹1 crore have been exempted from disclosure altogether. This modification aims to streamline compliance requirements, reduce administrative burden, and ensure that detailed disclosures are focused on material transactions with higher potential impact on corporate governance and investor interests.

MCA extends last date for filing DIR-3 KYC and DIR-3-KYC-WEB without fee till October 31, 2025

EDITORIAL NOTE: The Ministry of Corporate Affairs (MCA) has further extended the due date for filing e-form DIR-3-KYC and web-form DIR-3-KYC-WEB without payment of additional fees. Earlier, the deadline had been extended up to 15th October 2025; however, in response to representations from various stakeholders, the Ministry has now permitted filing without late fee up to 31st October 2025. This extension provides additional time for directors to complete their KYC compliance and ensures continued access to the MCA portal without incurring penalties, thereby facilitating smoother regulatory adherence.

SEBI extends deadline for Angel Funds to disclose

Investment Allocation Methodology to January 31, 2026

EDITORIAL NOTE: The Securities and Exchange Board of India (SEBI) has extended the compliance deadline for Angel Funds registered under the Alternative Investment Funds (AIF) Regulations with respect to the disclosure of their investment allocation methodology. The timeline for compliance has been extended from October 15, 2025, to January 31, 2026, to provide additional time and ease the transition process. Consequently, any investment allocation made by existing Angel Funds after January 31, 2026, must strictly adhere to the defined allocation methodology as disclosed in their Private Placement Memorandum (PPM). This extension aims to ensure greater transparency, consistency, and regulatory alignment in the investment practices of Angel Funds, while allowing sufficient time for entities to update and formalize their internal frameworks.

MCA allows companies to file financial statements and annual returns for FY 2024-25 till 31.12.2025 without late fees

EDITORIAL NOTE: The Ministry of Corporate Affairs (MCA) has granted a relaxation allowing companies to file their financial statements and annual returns for

the financial year 2024-25 without payment of additional fees up to 31st December 2025. This relief has been provided in view of the deployment of revised e-Forms on the MCA V3 portal, to facilitate a smooth transition and ease of compliance. However, the MCA has clarified that this relaxation does not extend the statutory timeline for holding Annual General Meetings (AGMs). Companies that fail to convene their AGMs within the prescribed time limits under the Companies Act, 2013 will continue to be liable for penal action. The measure aims to balance compliance flexibility with continued enforcement of statutory corporate governance requirements.

MCA allows filing of Form CRA-4 for FY 2024-25 till 31.12.2025 without payment of additional fees

EDITORIAL NOTE: The Ministry of Corporate Affairs (MCA) has granted a relaxation from the payment of additional fees for filing Form CRA-4 (Cost Audit Report in XBRL format) for the financial year ending 31st March 2025. Owing to the deployment of the revised form on the MCA V3 portal, companies will be allowed to file Form CRA-4 without additional fees up to 31st December 2025. However, filings made after 31st December 2025

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will be subject to normal and additional fees as prescribed under the applicable rules. This measure is aimed at facilitating a smooth transition to the updated filing system and providing companies with adequate time to ensure accurate and compliant submissions.

MCA establishes 10 Regional Directorates under LLP Act to oversee LLP functions nationwide from Jan 01, 2026

EDITORIAL NOTE: The Ministry of Corporate Affairs (MCA) has announced a restructuring of its Regional Directorates (RDs) under the Limited Liability Partnership (LLP) Act, 2008, increasing their number from seven to ten to ensure more efficient administration and supervision of LLP-related matters across India. Under the revised framework, the newly established Regional Directorates will be headquartered at New Delhi, Chandigarh, Ahmedabad, Mumbai, Navi Mumbai, Chennai, Bengaluru, Kolkata, Guwahati, and Hyderabad. Each Directorate will oversee LLP-related functions within its respective jurisdiction, facilitating faster decision-making, improved compliance monitoring, and enhanced ease of doing business. The revised regional structure will come into effect from 1st January 2026, marking a significant step in strengthening institutional capacity and governance within the LLP ecosystem.

COMPLIANCE CALENDAR

Tax Compliance Calendar for November 2025

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
1st November	October 2025 to December 2025	Hold Board Meeting for quarter October to December	Section 173 provides for holding at least four board meetings in a year in such manner that not more than 120 days shall intervene between two board meetings. Regulation 17(2) of SEBI (LODR) Regulations, 2015 provides for holding at least one board meeting in a quarter with the stipulation that maximum time between two board meetings should not exceed four months.
7th November		TDS Deposit for the month of October 2025	Deposit of Tax Deducted/Collected at Source for transactions made in October 2025.
11th November		GSTR-1 (Outward supply return)	Filing of outward supply details for October 2025 by taxpayers with a turnover more than ₹5 crore or who opted for monthly filing.
13th November		ISD Return	An Input Service Distributor is required to furnish monthly return of input tax distributed for the month of October, 2025

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20th November		GSTR-3B (Summary return)	A regular taxpayer having aggregate turnover more than Rs. 5 crore in the preceding financial year is required to make payment of tax and furnish monthly return for the month of October, 2025.
22nd November		Monthly Return	A regular taxpayer having an aggregate turnover of upto Rs. 5 crore in the previous financial year, whose principal place of business is in category A States, is required to make payment of tax and furnish monthly return for the month of October, 2025
24th November		Monthly Return	A regular taxpayer having an aggregate turnover of upto Rs. 5 crore in the previous financial year, whose principal place of business is in category B States, is required to make payment of tax and furnish monthly return for the month of October, 2025
29th November		Filing of Form PAS-6	Reconciliation of Share Capital Audit Report for half year.
10th November		Filing of Tax Audit Report	Tax Audit U/s 44AB of the Income Tax Act, 1961
10th December		Filing of return of income	Following persons are required to file their income-tax return : (a) Corporate assesseees (b) Individual or HUF carrying on business or profession subject to audit (c) Firm or co-operative society or AOP/BOI subject to audit (d) Individual or HUF being partner in a firm subject to audit. (e) Spouse of partner of a firm, where firm is subject to audit and provisions of section 5A apply to such spouse

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