

# DEVMANTRA TIMES

## DECEMBER EDITION

Issue No.57, Dated 2<sup>nd</sup> December, 2025

### Dear Readers,

We welcome you to the Fifty seventh edition of DevMantra Times for the month of December 2025. This edition of our newsletter, where we bring you the latest developments shaping India's dynamic business and innovation landscape. India's business and regulatory landscape saw several notable developments this week. Zomato parent Eternal expanded Hyperpure to serve all food businesses-though the shift led to a temporary 31% YoY revenue dip-while Accel partnered with Google to provide up to \$2 million in co-investment, cloud access, and mentorship for Indian AI startups. MapmyIndia and Zoho announced a CRM integration to

deliver advanced location intelligence, and Lenskart reported a strong post-listing quarter with PAT up 19.6% and revenue up 20.8%. Consolidation among small and mid-sized law firms accelerated as they seek scale and multi-disciplinary strength ahead of expected foreign competition. The CAG initiated a nationwide audit of MSME ease-of-doing-business reforms, and UPI continued its rise with over 19 billion transactions worth ₹24.58 lakh crore in November 2025. India's gold loan sector is set for a major expansion, with 3,000 new NBFC branches planned, while SBI Ventures announced a ₹2,000 crore climate-tech fund to back frontier and AI-enabled green innovations.

Here's to a year filled with meaningful milestones, shared achievements, and inspiring moments that move us forward. May December 2025 usher in renewed energy, good health, joy, and lasting prosperity for you and your loved ones. We are deeply grateful to have you as an integral part of our community - your trust, support, and engagement continually strengthen and uplift us. As we step into the year ahead, let's continue to learn, grow, innovate, and shape new possibilities together, making the journey not only successful but truly extraordinary in every way.

### Celebrating a Milestone: CA Nidhi Tatia Honoured as Best Women Achiever by FKCCI

Today, we at AOne Dev Mantra Financial Services Private Limited are proud to celebrate a remarkable achievement. Our Founder Director, CA Nidhi Tatia, has been recognised by the Federation of Karnataka Chambers of Commerce & Industry (FKCCI) as a Best Women Achiever for her outstanding contributions to finance, strategy, entrepreneurship, and leadership. From founding N Tatia & Associates in 2005 and growing it into a trusted, peer-reviewed CA firm, to co-founding DevMantra with a focus on M&A, deal structuring, and due diligence, to launching Optymoney as a technology platform for personal finance, and mentoring entrepreneurs through the Stanford India Seed Program- she embodies dedication, clarity, compassion, and courage.

A mother of two, a mentor to many, and a leader who inspires those around her, this recognition reflects not just her achievements but her lasting impact.

We celebrate this milestone with our Dev Mantra family, clients, partners, and well-wishers.

Here's to many more milestones, lives touched, and inspiring stories ahead.



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### Industry & Economic Updates

#### Small and mid-sized law firms rush to merge for scale

**EDITORIAL NOTE:** Indian small and mid-sized law firms are increasingly opting for mergers as they work to gain scale, diversify their service offerings, and stay competitive in a rapidly evolving legal landscape. This consolidation trend is largely driven by rising client expectations, the need for deeper specialisation, and the increasing complexity of legal matters that demand multi-disciplinary capabilities. By merging, firms can pool expertise, expand operational bandwidth, and strengthen their ability to handle larger and more sophisticated mandates. The momentum is further fuelled by anticipation of eventual foreign law firm entry, prompting domestic firms to reinforce their market position. With the Indian legal market projected to grow to \$3.37 billion by 2030, firms are proactively restructuring to capture emerging opportunities and ensure long-term competitiveness.

#### CAG launches nationwide audit to assess ease of doing business for MSMEs

**EDITORIAL NOTE :** The Comptroller and Auditor General of India (CAG) has initiated an audit to evaluate the ease of doing business for micro, small,

and medium enterprises (MSMEs), focusing on how effectively government reforms have supported this crucial sector. The audit will examine the implementation, impact, and efficiency of various policy measures aimed at improving regulatory processes, reducing compliance burdens, and enabling smoother operations for MSMEs. The findings, expected to be presented in Parliament in 2026, are intended to help strengthen policymaking and enhance institutional support for MSMEs, which remain a vital engine of employment, innovation, and economic growth in the country.

#### UPI payments in India register steady growth YoY in November 2025

**EDITORIAL NOTE:** Unified Payments Interface (UPI) has witnessed yet another strong surge in adoption, recording over 19 billion transactions worth Rs 24.58 lakh crore in November 2025. This marks one of the highest monthly transaction volumes to date and reflects the continued dominance of UPI in India's digital payments landscape. The steady year-on-year rise is driven by growing merchant acceptance, increased use of UPI for recurring and high-value payments, expanded penetration into rural

areas, and seamless integration with banking and fintech apps. The rapid scale-up underscores UPI's role not just as a payment tool but as a backbone of India's digital economy-enabling everyday transactions, supporting small businesses, and reducing reliance on cash. The numbers signal strong, sustained momentum as UPI continues to reshape consumer behaviour and strengthen the country's digital financial ecosystem.

#### Gold loan boom: 3,000 new branches to open in India in 12 months

**EDITORIAL NOTE:** India's gold loan sector is poised for a major expansion, with close to 3,000 new gold-loan-focused branches expected to be opened by non-bank lenders in the coming year. This surge reflects a sharp rise in demand for secured, low-risk borrowing options amid evolving economic conditions. Gold loans—being quick to disburse, collateral-backed, and less sensitive to credit scores—have become an attractive financing choice for households and small businesses alike. Sensing this growing preference, leading NBFCs are aggressively strengthening their physical presence, especially in semi-urban and rural markets where gold holdings are substantial. The upcoming wave

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of branch expansion is set to significantly increase accessibility, intensify competition, and further solidify gold loans as a mainstream credit product within India's lending ecosystem.

### **SBI Ventures plans to launch Rs 2,000 crore climate-focussed fund in Jan-March**

**EDITORIAL NOTE:** SBI Ventures is preparing to launch a ₹2,000 crore fund in the first quarter of next year, aimed at supporting early- and growth-stage climate startups. The fund will focus on frontier climate technologies and AI-enabled climate innovations, reflecting a strategic push toward solutions that can drive decarbonisation, energy transition, and sustainable industrial growth. By targeting high-impact, tech-driven ventures, SBI Ventures seeks to catalyse green innovation while helping bridge India's substantial climate-finance gap. The initiative is expected to play a key role in accelerating the country's green growth agenda, enabling startups with transformative ideas to access the capital and ecosystem support needed to scale.



### **Startup Updates**

#### **Zomato parent Eternal extends Hyperpure to food businesses big & small**

**EDITORIAL NOTE:** Hyperpure, the B2B grocery supply arm of Zomato's parent Eternal, has broadened its operations from serving only hotels and restaurants to catering to all categories of food businesses, including cloud kitchens, caterers, and institutional buyers. This expansion is part of a wider transition in its quick-commerce and supply-chain model aimed at improving efficiency and reaching a larger customer base. However, the shift has led to short-term financial pressure, with Hyperpure reporting a 31% year-on-year decline in revenue to Rs 1,023 crore in the second quarter of FY26. The company has attributed this dip to the restructuring phase and expects revenue performance to stabilise as the new business model scales up.

#### **Accel partners with Google to back Indian AI startups with \$2 million co-investment**

**EDITORIAL NOTE:** This partnership, launched under the Google AI Futures Fund, will extend support to diaspora founders developing cutting-edge solutions for India as well as global markets. Under the cohort, selected startups will

not only receive funding but will also gain access to advanced resources across Google Cloud, Gemini and DeepMind to strengthen their technological capabilities. In addition, they will benefit from structured mentorship, strategic guidance, and ecosystem connections designed to accelerate innovation, enhance scalability, and help them bring their AI-driven products to market more efficiently.

#### **MapmyIndia Mappls, Zoho partner for location intelligence**

**EDITORIAL NOTE:** As part of the collaboration, MapmyIndia's Address Capture and Nearby Lead Finder solutions will enhance Zoho CRM with advanced, indigenous mapping intelligence to support smarter, location-aware business decisions, according to the company. Through this integration, Zoho CRM users will be able to capture and validate precise customer addresses, visualise customer locations on detailed maps, identify potential leads in surrounding areas, and optimise sales routes. Overall, the partnership aims to strengthen field operations, improve lead targeting, and boost sales efficiency for businesses using the platform.

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### Lenskart Q2 Results: Cons PAT jumps 20% YoY to Rs 102 crore, revenue up 21%

**EDITORIAL NOTE:** Lenskart Solutions released its first quarterly results after going public, delivering a strong performance marked by healthy growth across key financial metrics. The company reported a 19.6% year-on-year increase in consolidated profit after tax, reaching Rs 102.22 crore, driven by improved operational efficiencies and sustained customer demand. Revenue from operations rose by 20.8% YoY to Rs 2,096.14 crore for the quarter ended September 2025, reflecting continued expansion of its omnichannel presence, higher store productivity, and strong traction in both domestic and international markets. The robust results underline Lenskart's strengthening market position in the eyewear segment and its successful scaling strategy

p o s t - l i s t i n g .

### 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



### GST JUDICIAL UPDATES GST Registration would be granted within 3 working days; CBIC amends CGST Rules

**EDITORIAL NOTE:** The CBIC has issued a notification introducing the CGST (Fourth Amendment) Rules, 2025, bringing significant changes to the GST registration process. Under the amended rules, GST registration will now be granted within three working days from the date of submission of the application, thereby expediting the onboarding process for taxpayers. In line with this reform, corresponding amendments have also been made to the GST registration forms to align them with the new fast-track registration framework. These measures aim to streamline

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compliance and enhance the overall ease of doing business.

**Hotel meal-inclusive tariff plans taxable as composite supply; GST on food component 18% if total value exceeds Rs. 7500: AAR**

**EDITORIAL NOTE:** Where a hotel provides various meal-inclusive packages- such as plans including breakfast, half board, or full board- and quotes a single consolidated price for the entire bundle, any subsequent split of charges between room and food in the invoice is considered merely notional. In such cases, the supply is treated as a composite supply, because the services are naturally bundled and supplied together in the ordinary course of business. The principal supply in this bundle is the hotel accommodation service, and therefore the tax treatment must follow the rate applicable to accommodation alone, without carving out a separate rate for food or restaurant services. Consequently, the entire package value will be taxed at 12% if the declared tariff of the accommodation does not exceed ₹7,500, and at 18% where the tariff exceeds ₹7,500. No segregation of value for meals is permitted for rate purposes, and hotels must apply GST based solely on the accommodation tariff bracket into which the package falls.

**Recovery from Electronic Credit Ledger upheld as sec. 79(1)(a) authorises recovery of due GST where no stay exists: HC**

**EDITORIAL NOTE:** Where the petitioner did not discharge the GST demand within the permitted time and no statutory appeal or stay was in place, the department initiated recovery proceedings by debiting the Electronic Credit Ledger (ECL). The court held that such action was valid and lawful, as section 79(1)(a) of the CGST Act authorises the department to recover unpaid assessed dues from "any money owing to a taxable person," which includes balances available in the ECL. Since the petitioner had neither challenged the demand through the appellate mechanism nor obtained a stay against recovery, the department was within its statutory powers to adjust the outstanding dues from the ECL. Therefore, the recovery made from the Electronic Credit Ledger could not be considered arbitrary, perverse, or illegal.

**Educational consultancy services to foreign universities not intermediary services; refund to be granted: HC**

**EDITORIAL NOTE:** Where an assessee providing educational consultancy services in India offered counselling to Indian

students seeking admission to foreign educational institutions, raised invoices directly on those overseas institutions, and received commission in foreign exchange, its activity was held to be a supply made on its own account rather than as an intermediary. Since the assessee was not merely arranging or facilitating a supply between two parties, it did not fall within the definition of an "intermediary" under GST law. As all conditions for export of services were fulfilled-foreign recipient, payment in convertible foreign exchange, and distinct supplier-recipient relationship-the services qualified as exports, entitling the assessee to refund of GST along with statutory interest for delayed payment.

**GST revenue rises to Rs.1.96 lakh crore in October 2025: Press Release**

**EDITORIAL NOTE:** The Government has issued a Press Release announcing that GST collections for October 2025 stood at ₹1.96 lakh crore, marking a 4.6% year-on-year increase. This consistent rise in revenue has been driven by strong festive-season demand across sectors, higher import volumes contributing to IGST inflows, and sustained improvements in compliance and return filing. The Government noted that these

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trends reflect the continued resilience of India's economic activity and the effectiveness of ongoing administrative measures aimed at widening the tax base and curbing evasion. Overall, the healthy collection figures underscore stable consumption patterns and reinforce confidence in the country's growth trajectory.

### **ITC on professional and legal expenses for share buyback are disallowed: AAAR**

**EDITORIAL NOTE:** Where a company incurred professional, legal, and consultancy expenses in connection with the buyback of its own shares and claimed input tax credit (ITC) on the GST paid for such services on the ground that they were incurred "in the course or furtherance of business," the claim was rejected. Since shares are classified as securities and are neither goods nor services under GST law, any activity relating to transactions in securities is treated as an exempt supply. As a result, expenses incurred for the buyback-being directly linked to an exempt transaction-do not qualify for ITC. Accordingly, the GST paid on related professional and consultancy services was held to be inadmissible.



### **HC allows application for waiver of interest & penalty as mere delay in appeal withdrawal could not defeat claim**

**EDITORIAL NOTE:** Where the assessee paid the entire tax dues and filed an application under the waiver scheme on 30.06.2025-well within the stipulated period-its claim could not be denied merely because the withdrawal of the pending appeal took place after the prescribed cut-off date of 31.03.2025. Since the assessee had substantially complied with the essential conditions of the scheme, the minor procedural delay in withdrawing the appeal did not frustrate the purpose of the scheme. Therefore, the assessee was entitled to the benefits of the waiver scheme, and the authorities were directed to process the application accordingly.

### **Retrospective cancellation of GST registration without such a proposal in SCN to be set aside : HC**

**EDITORIAL NOTE:** Where the show cause notice (SCN) issued for cancellation of GST registration did not propose retrospective cancellation, but the authorities nevertheless cancelled the registration retrospectively without any objective basis or recorded

justification, such action was held to be unsustainable in law. The retrospective effect granted to the cancellation was beyond the scope of the original SCN, rendering the order arbitrary and invalid. Further, the inherent defect in the initial notice could not be rectified by issuing a fresh SCN, as the foundational requirement of a proper and specific proposal was absent from the outset.

### **Blocking ITC under Rule 86A cannot exceed ECL balance on order date; excess blocking quashed: HC**

**EDITORIAL NOTE:** Where the petitioner contested the blocking of input tax credit (ITC) under Rule 86A on the ground that the department had blocked an amount exceeding the actual balance available in the Electronic Credit Ledger (ECL) on the date of the blocking order, the Court held such action to be ultra vires and legally unsustainable. Rule 86A empowers authorities to block only the credit that exists contemporaneously in the ledger; it does not permit blocking of notional or future credits. Since the restriction imposed went beyond the credit actually lying in the ECL, the blocking order was deemed arbitrary and impermissible in law. Consequently, the order was

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quashed, reaffirming that ITC blockage must strictly adhere to the limits prescribed under the GST framework.

**Cancellation order alleging higher tax evasion than show cause notice held unsustainable; registration restored: HC**

**EDITORIAL NOTE:** Where the final order cancelling GST registration alleged tax evasion far in excess of the amount specified in the original show cause notice (SCN), such cancellation was held to be unjustified, as authorities cannot travel beyond the scope of the allegations expressly contained in the SCN. The assessee must be put on clear notice of the precise charges, and any adverse order founded on new or enhanced allegations violates principles of natural justice. Further, the cancellation of registration was also found unsustainable on the additional ground that the alleged non-filing of returns pertained to a period of less than six months. Since cancellation on the ground of continuous default requires a minimum six-month period of non-compliance, the order lacked statutory support. Accordingly, the cancellation order was set aside as arbitrary and contrary to GST law.

**Interest on delayed GST payment to be computed from due date of GSTR-3B till tax discharge date: HC**

**EDITORIAL NOTE:** Where the petitioner contested the levy of interest on the ground that the liability arose only upon disclosure of outward tax in GSTR-09, the Court clarified that interest under GST must be computed strictly in accordance with section 39 of the CGST Act. Accordingly, interest is chargeable from the statutory due dates for filing GSTR-3B-which is the self-assessment return for payment of tax-until the date on which tax is actually debited from the Electronic Cash Ledger or Electronic Credit Ledger. Since payment of tax is linked to GSTR-3B and not to the annual return, the period attracting interest is only the interval between the original due date of GSTR-3B and the date of actual payment, and not any subsequent disclosure made in GSTR-09.

**HC directs segregation of pre- and post-GST works; VAT/service tax to apply for pre-GST portion**

**EDITORIAL NOTE:** Where the petitioner had undertaken works contracts that straddled both the pre-GST and post-GST periods, and the agreements continued to apply pre-GST KVAT schedules even for the post-GST portion of

the work, the Court held that the petitioner was entitled to appropriate relief by properly bifurcating the tax treatment. The value of work executed up to 30 June 2017 was to be segregated and subjected to the applicable pre-GST levies such as KVAT and service tax, while the work executed on or after 1 July 2017 was to be taxed under GST. For the post-GST portion, the petitioner was entitled to discharge GST liability using available input tax credit. The Court further directed that a supplementary agreement be executed to reflect the correct tax structure and that the petitioner be reimbursed for the differential tax relating to pre-GST works that were billed or paid after the rollout of GST. This ensured proper harmonisation of the contract with the transitional tax regime and prevented undue tax burden on the contractor.

**Invoice value accepted as value of supply for related-party transactions where recipient gets full ITC: AAR**

**EDITORIAL NOTE:** Where the applicant, a registered trader dealing in cement and iron, supplied goods to unrelated wholesale and retail customers for the consideration duly recorded in the tax invoice, it was held that the statutory framework under section 15 of the CGST Act

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mandates adoption of the transaction value as the value of supply. Since the parties were not related and there was no evidence of any additional or non-monetary consideration influencing the price, none of the alternate valuation mechanisms under the GST Valuation Rules could be invoked. Accordingly, the consideration reflected in the invoice constituted the correct and applicable value for GST purposes.

### **ISD mechanism compulsory for distribution of common input service ITC from 1 April 2025; shifting credit from regular GST registration to ISD not allowed: AAR**

**EDITORIAL NOTE:** Where a manufacturer operating with a regular GST registration in Tamil Nadu and a separate Input Service Distributor (ISD) registration for its Head Office had been receiving common input service invoices in the name of its regular registration and distributing the corresponding ITC to various units in accordance with the applicable Board circular up to March 2025, the legal position has now changed pursuant to the amendments effective from 1 April 2025. Under the revised framework, common input service invoices must be issued exclusively to the ISD

registration, and only the ISD is authorised to receive and distribute such credit. Consequently, receipt of common service invoices under the regular registration and subsequent transfer of credit to the ISD is no longer permissible. Taxpayers must therefore align their procurement and invoicing processes with the amended provisions to ensure valid ITC flow and compliance from 1 April 2025 onwards.



### **INCOME TAX REGULATORY UPDATES**

#### **Govt. appoints Shri Dheeraj Bhatnagar as 'Technical Member' of the Securities Appellate Tribunal**

**EDITORIAL NOTE:** The Central Government has appointed Shri Dheeraj Bhatnagar, Retired Principal Chief Commissioner of Income Tax, Delhi, as Technical Member of the Securities Appellate Tribunal (SAT). His appointment will be for a tenure of four years, effective from the date he assumes charge, or until he attains the age of sixty-seven years, or until further orders,

whichever is earlier. Shri Bhatnagar brings with him extensive experience in direct tax administration, fiscal policy, and regulatory matters, having served in senior roles including Additional Secretary in the Ministry of Finance. His induction is expected to further strengthen the Tribunal's technical expertise and contribute to more efficient and informed adjudication of appeals relating to securities and financial regulations.

### **No penalty for not getting tax audit done if assessee's activities were governed by principle of mutuality: ITAT**

**EDITORIAL NOTE:** It was held that where the assessee was operating canteens for police personnel on the principle of mutuality and undertaking transactions exclusively with its own members, the income was not taxable and the activities did not constitute a 'business or profession' under the Income-tax Act. Accordingly, since the assessee had filed a nil return based on mutuality and was not engaged in any taxable business activity, the provisions of section 44AB requiring a tax audit were not applicable. Consequently, the penalty imposed under section 271B for failure to furnish a tax audit report was directed to be deleted.

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### **Assessee entitled to sec. 115BAA concessional rate as incorrect form filing was technical lapse rectified as per CIT(A) directions: ITAT**

**EDITORIAL NOTE:** It was held that where the assessee company had inadvertently filed Form 10-IB instead of Form 10-IC while exercising the option for the concessional tax rate under section 115BAA, and subsequently rectified the mistake by submitting the correct form electronically as well as manually pursuant to the Commissioner (Appeals)'s directions, the assessee could not be denied the benefit of the concessional rate. Since all substantive conditions prescribed under section 115BAA were duly satisfied and the error was merely technical in nature, the assessee was held to be entitled to the concessional tax rate.

### **HC slams ITAT for rejecting CO without considering mistake committed in order**

**EDITORIAL NOTE:** It was held that where the Tribunal dismissed the assessee's cross-objection under the mistaken belief that it was delayed by 8-9 months, whereas the actual delay was only 31 days, and even after issuing a corrigendum correcting this factual error the Tribunal failed to reconsider the

cross-objection, the order could not be sustained. The Tribunal's order was therefore set aside, with a direction that the assessee's cross-objection be heard and adjudicated on merits along with the Revenue's appeal.

### **CBDT notifies tolerance range for ALP determination for AY 2025-26**

**EDITORIAL NOTE:** The Central Board of Direct Taxes (CBDT) has notified that, for the Assessment Year 2025-26, the tolerance range for determining the Arm's Length Price (ALP) will remain at 1% for wholesale trading transactions and 3% for all other eligible cases. This tolerance band is applied while evaluating whether the price charged or paid in an international transaction or specified domestic transaction falls within the permissible range for transfer pricing compliance.

### **Leave encashment exemption claim remanded for reconsideration in light of revised CBDT notification: ITAT**

**EDITORIAL NOTE:** In a case where the assessee received leave encashment upon retirement and claimed full exemption under section 10(10AA)(ii), the Assessing Officer allowed only a partial exemption based on the earlier monetary ceiling. It was observed that the CBDT, through Notification No.

31/2023, had subsequently enhanced the exemption limit available to non-government employees under this provision. Given that the revised limit and relevant judicial precedents materially impacted the taxability of the assessee's claim, the matter was remanded to the Assessing Officer for a fresh examination. The authority was directed to reassess the exemption eligibility in light of the updated notification and applicable case law to ensure that the assessee received the benefit rightly due under the law.

### **AO must refund TDS if assessee furnishes valid Form 16A, even if not reflected in Form 26AS: HC**

**EDITORIAL NOTE:** Where the assessee claimed a TDS refund on the basis of Form 16A certificates but the corresponding credit was not reflected in Form 26AS, it was held that the Assessing Officer could not reject the refund claim merely on account of such a mismatch. The tax authority is duty-bound to verify the correctness of the Form 16A details submitted by the assessee and reconcile the information with the deductor, rather than denying relief outright. Accordingly, once the Form 16A certificates were duly verified and accepted, the assessee was held

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entitled to the refund of the TDS deducted.

### **CBDT notifies provisions of the protocol amending the DTAA between India and Belgium**

**EDITORIAL NOTE:** The Central Board of Direct Taxes (CBDT) has notified the Protocol amending the existing Double Taxation Avoidance Agreement (DTAA) and its Protocol between the Government of India and the Government of the Kingdom of Belgium. The amendment seeks to modernise and align the treaty provisions with contemporary international tax standards, strengthen mechanisms for preventing double taxation, and enhance cooperation between the two jurisdictions in curbing fiscal evasion. The notified Protocol also reflects updates to exchange-of-information provisions and other administrative frameworks to promote greater transparency and compliance. The amended Protocol becomes effective from 26 June 2025.

### **FTC allowable on Japan-sourced income despite sec. 10A exemption leading to nil Indian tax: ITAT**

**EDITORIAL NOTE:** It was held that where the assessee had earned export income from Japan on which taxes were duly withheld in that jurisdiction, the

assessee was entitled to full credit of such foreign taxes paid, in accordance with section 90 of the Income-tax Act read with the India-Japan Double Taxation Avoidance Agreement (DTAA). The entitlement to foreign tax credit could not be denied merely because the corresponding income was exempt under section 10A or stood neutralized against brought-forward losses in India. Since the DTAA provides for relief to avoid double taxation irrespective of the domestic tax treatment of the underlying income, the assessee was eligible for complete credit of taxes paid in Japan. The tax authorities were therefore directed to allow the foreign tax credit in full, consistent with the treaty provisions and established judicial principles.

### **Director's unproven company payments taxed as salary income: HC ruling**

**EDITORIAL NOTE:** Where the assessee, who was a director in a company, claimed that the amount received from the company represented professional or technical service fees taxable as business income, it was found that no documentary evidence was produced to substantiate the rendering of any professional or technical services in the capacity of a financial expert. In the absence of agreements, invoices, work

reports, or any material demonstrating the nature of services purportedly provided, the claim lacked credibility. Accordingly, the remuneration received was held to be attributable to the assessee's position as a director, and therefore liable to be assessed as salary income rather than business income.

### **No gift deed required when the donor is a relative; ITAT deletes addition**

**EDITORIAL NOTE:** Where the assessee received a gift from his brother-in-law (the spouse of his sister) through an NRE account, it was held that the genuineness of the transaction and the identity of the donor were not in dispute. Since the amount was received from a person who qualifies as a "relative" under the Income-tax Act for the purpose of section 56(2)(x), the gift fell within the exempt category. Accordingly, as the source of the funds was from a relative and stood duly established, the amount was not liable to be included in the total income of the assessee.

### **CBDT notifies amendment in Capital Gains Account Scheme to allow deposit of capital gain by electronic mode**

**EDITORIAL NOTE:** The Central Board of Direct Taxes (CBDT) has amended the Capital

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Account Scheme, 1988 to introduce the facility of depositing funds through electronic modes such as net banking, UPI and other digital payment channels. The amendment modernises the scheme by moving beyond traditional cheque and demand draft deposits. Further, the scope of the scheme has been expanded to allow deposits for claiming exemption under section 54GA, thereby enabling taxpayers to avail capital gains relief in cases of industrial undertakings shifted to Special Economic Zones (SEZs). These changes aim to simplify compliance and enhance ease of transactions under the scheme.

invited public comments on the draft IFSCA (Pension Fund) Regulations, 2025, which aim to establish a robust pension ecosystem within GIFT-IFSC for Non-Resident Indians (NRIs), Persons of Indian Origin (PIOs), and foreign expatriates. The proposed framework aspires to position the IFSC as a global pension hub by enabling voluntary participation, offering flexible contribution structures, providing a broad spectrum of investment choices, and facilitating integration with health insurance solutions. Stakeholders and the general public can submit their feedback on the IFSCA website until November 25, 2025.

**SEBI urges social media and search platforms to curb online investment scams and protect investors**

**EDITORIAL NOTE:** SEBI has urged major social media and search platforms to substantially strengthen their safeguards against online investment scams, aligning its efforts with IOSCO's global call to enhance digital investor protection. The regulator has recommended mandatory verification of advertisers and clear labelling of genuine, SEBI-regulated trading and investment applications to prevent impersonation and misuse by fraudulent entities. Emphasising the growing risks of

digital financial fraud, SEBI has also advised investors to exercise strict vigilance by independently verifying the credentials of financial entities, using only authorised and registered platforms, and ensuring that transactions are carried out through validated and secure UPI handles. These coordinated measures aim to create a safer digital environment for investors and curb the proliferation of misleading or deceptive investment schemes online.

**SEBI proposes expansion of the definition of 'Associated Persons' who are engaged in securities business**

**EDITORIAL NOTE:** SEBI has issued a consultation paper seeking public feedback on proposed amendments to the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007. The key proposals include a review and potential expansion of the definition of "Associated Persons," revisions to the process for obtaining certification, and the introduction of an electronic mode of participation for Continuing Professional Education (CPE) programs to enhance accessibility and compliance. Stakeholders, market participants, and the public are invited to submit their comments by November 27, 2025.



### CORPORATE LAW UPDATES

**IFSCA seeks public input on new pension fund regulations to boost GIFT-IFSC as global hub**

**EDITORIAL NOTE:** The International Financial Services Centres Authority (IFSCA) has

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### **MCA broadens the scope of term “business of financing industrial enterprises” under section 186(11)(a) of Co(s) Act, 2013**

**EDITORIAL NOTE:** The Ministry of Corporate Affairs (MCA) has notified the Companies (Meetings of Board and its Powers) Amendment Rules, 2025, introducing a significant change to Rule 11 concerning loans and investments under section 186 of the Companies Act, 2013. The amendment broadens the scope of the expression “business of financing industrial enterprises,” which was earlier limited to Non-Banking Financial Companies (NBFCs) registered with the Reserve Bank of India. Under the revised framework, finance companies registered with the International Financial Services Centres Authority (IFSCA) are now also included within this definition. This expansion aligns the regulatory framework with the growing financial ecosystem in GIFT-IFSC and facilitates greater participation of IFSCA-registered entities in financing activities governed by section 186.

### **Govt. issues Digital Personal Data Protection Rules, 2025**

**EDITORIAL NOTE:** The Ministry of Electronics and Information Technology has notified the Digital Personal Data Protection

Rules, 2025, laying down the operational framework for implementing the Digital Personal Data Protection Act. The Rules prescribe the manner in which data fiduciaries must serve notices to data principals, establish detailed norms for the registration and obligations of consent managers, and set out the conditions under which the State may process personal data for specified public purposes. They also provide clarity on the permissible grounds and safeguards for processing personal data outside India. Additionally, the Rules mandate that the head office of the Data Protection Board of India (DPBI) be located in the National Capital Region and that the Board comprise four members, thereby strengthening the institutional structure for data governance.

### **IFSCA mandates AML/CFT certification for Designated Directors and Principal Officers**

**EDITORIAL NOTE:** IFSCA has mandated that all Designated Directors and Principal Officers appointed under the IFSCA (AML, CFT and KYC) Guidelines must obtain the “NISM-IFSCA-01” certification on Anti-Money Laundering and Countering the Financing of Terrorism. The certification course, jointly developed by NISM and the IFSCA Academy, will be available

from 18 November 2025. Individuals currently holding these positions, as well as those newly appointed, are required to complete the certification within four months from the launch date or from the date of their appointment, ensuring enhanced compliance and strengthened governance standards within IFSCA-regulated entities.

### **Restoration of struck-off company ordered as business operations and assets proven despite non-filing of returns: NCLT**

**EDITORIAL NOTE:** Where the applicant company had been struck off for admittedly failing to file its annual returns and financial statements, but subsequently produced documentary evidence demonstrating that it continued to operate its business, held assets, and intended to resume commercial activities, the Tribunal held that restoration of the company's name to the register was just and equitable. Given that striking off would prejudice the company's ability to manage its assets and liabilities, and considering its genuine intent to regularise past non-compliances, restoration was permitted subject to strict conditions. These included filing all overdue statutory returns, payment of prescribed fees and

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penalties, and compliance with all regulatory requirements within specified timelines, ensuring that the company regularises its affairs before reinstatement takes full effect.

### SEBI proposes to mandate regulated entities to display registered name and number on all social media home pages

**EDITORIAL NOTE:** SEBI has proposed that all regulated entities and their authorised agents must prominently display their registered name and registration number on the home page of every social media platform they operate, ensuring clear identification and transparency for investors. Further, such entities must ensure that all social media content they publish complies with applicable laws and does not include any prohibited statements or misleading representations. SEBI has also proposed restricting references to past performance unless such disclosure is expressly permitted under SEBI regulations. These measures, aimed at strengthening investor protection and curbing misleading online communication, are to take effect immediately.

# COMPLIANCE CALENDAR

## Tax Compliance Calendar for December 2025

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
1st December	October 2025 to December 2025	Hold Board Meeting for quarter January to March	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 December		TDS Deposit for the month of November 2025	Deposit of Tax Deducted/Collected at Source for transactions made in November 2025.
11th December		GSTR-1 (Outward supply return)	Filing of outward supply details for November 2025 by taxpayers with a turnover more than ₹5 crore or who opted for monthly filing.
13th December		ISD Return	An Input Service Distributor is required to furnish monthly return of input tax distributed for the month of November, 2025
15th December		Deposit of Advance Tax for Quarter 3	Payment of third instalment of advance income-tax for the assessment year 2026-27 is required to be deposited by persons other than those covered by

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			section 44AD(1) or section 44ADA(1).
20th December		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 November, 2025.
22nd December		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 November, 2025.
24th December		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 November, 2025.
31st December		Filing of Form CSR-2	Filing of Form CSR-2 for financial year 2024-25.
		Filing of Annual Return & Reconciliation Statement	All registered regular taxpayers, including SEZ units and developers, with an aggregate annual turnover of up to ₹2 crore are required to file GSTR-9 and furnish a self-certified reconciliation statement.
		Filing of income-tax return	Filing of Revised and belated ITR Return for financial year 2024-25.
		File e-Forms AOC-4/ AOC-4 XBRL/AOC-4 CFS/ MGT-7/MGT-7A	E-Forms AOC-4/AOC-4 XBRL/AOC-4 CFS/MGT-7/ MGT-7A are required to be filed to RoC in respect of Balance Sheet & Profit and Loss account with no additional fees until December 31, 2025.
10th December		Filing of return of income for AY 2025-26	Following persons are required to file their income-tax return : (a) Corporate assessees (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

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