

Niti

*Developments in Tax Laws
October, 2025*



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

.....Bhagavad Gita



Section I – Direct Tax Laws

A. India and Qatar Sign New Double Taxation Avoidance Agreement (DTAA)

<https://incometaxindia.gov.in/communications/notification/notification-154-2025.pdf>

The Ministry of Finance, Department of Revenue, vide Notification No. 154/2025 [G.S.R. 789(E)] dated October 24, 2025, has notified the Agreement and Protocol between the Government of the Republic of India and the Government of the State of Qatar for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, under Section 90(1) of the Income-tax Act, 1961.

The Agreement was signed on February 18, 2025 and came into force from September 10, 2025. In accordance with Article 30(3) of the Agreement, its provisions shall apply in respect of income arising on or after the first day of the fiscal year immediately following the calendar year in which the Agreement enters into force, i.e., for income arising on or after April 1, 2026.

Objective and Scope:

The Agreement aims to:

- Avoid double taxation of income in both India and Qatar.
- Prevent fiscal evasion and tax avoidance, including treaty-shopping arrangements.
- Promote economic cooperation and investment flows between the two countries.
- Facilitate exchange of information and mutual assistance in tax matters, strengthening transparency and compliance.

It covers income taxes imposed by either country, including income-tax and surcharge in India and taxes on income in Qatar. It also extends to identical or substantially similar taxes that may be introduced in the future.



B. CBDT extends due date for furnishing Return of Income for the Assessment Year 2025-26 under the Income-tax Act, 1961.

<https://incometaxindia.gov.in/communications/circular/circular-15-2025.pdf>

The Central Board of Direct Taxes (CBDT) has issued Circular No. 15/2025 dated October 11, 2025 extending the due dates for filing Income Tax Returns (ITRs) and audit reports for the Assessment Year 2025-26.

The due date for furnishing the Income Tax Return for the Previous Year 2024-25 has been extended from October 31, 2025 to December 10, 2025 for assessees covered under clause (a) of Explanation 2 to sub-section (1) of Section 139 of the Income-tax Act (corporate assessees).

Consequently, the due date for furnishing the report of audit under Section 44AB of the Income-tax Act for the Previous Year 2024-25 is extended to November 10, 2025.

Originally due for furnishing the report of audit under Section 44AB was September 30, 2025 which was extended to October 31, 2025. CBDT has now decided to further extend this date from October 31, 2025 to November 10, 2025.



Section II – Indirect Tax Laws

A. Central Goods and Services Tax (Fourth Amendment) Rules, 2025

<https://taxinformation.cbic.gov.in/view-pdf/1010504/ENG/Notifications>

This notification No. 18/2025 – Central Tax, dated October 31, 2025 has been issued by the Central Board of Indirect Taxes and Customs (CBIC). Vide this notification Central Goods and Services Tax (Fourth Amendment) Rules, 2025 has been introduced, effective November 1, 2025. Below is a summary of the key changes:

1. Introduction of New Rule 9A – Grant of Registration Electronically

- Rule 9A introduces an automated, electronic system of granting GST registration with no need for manual verification or officer approval, provided the system’s risk checks are satisfied
- Applicability: Applies to persons applying under Rule 8 (regular registration), Rule 12 (TDS/ TCS registration), and Rule 17 (non-resident taxable persons).
- Mechanism:
 1. The common GST portal, using data analysis and risk parameters, identifies low-risk applications. Such applicants are granted registration automatically within three working days of submission.
 2. System-driven checks: Portal verifies PAN, Aadhaar, address, and compliance history using integrated databases before granting approval.

2. Introduction of New Rule 14A – Option for Small Taxpayers

- Provides a simplified registration option for taxpayers whose monthly output tax liability (on supplies to registered persons) does not exceed ₹2.5 lakh.
- Key features:
 - Aadhaar authentication mandatory (except for persons notified under Section 25(6D)).
 - Only one registration per State/ UT against the same PAN under this rule.
 - Registration to be granted electronically within 3 working days after Aadhaar authentication.



- Withdrawal from the scheme:
 - Application to be filed in new FORM GST REG-32.
 - Permitted only after furnishing returns for:
 - 3 months (if before 1 April 2026), or
 - 1 tax period (if on/after 1 April 2026).

Tax Period: A tax period is the time interval for which a registered person must file a GST return. Usually, this is one month (for most taxpayers) or one quarter (for small taxpayers under QRMP scheme).

- Not allowed if cancellation proceedings under Section 29 are initiated.
- Withdrawal order to be issued in Form GST REG-33.
- Once withdrawn, taxpayer can exceed the ₹2.5 lakh limit from the following month.

3. Amendments in Registration Forms

- Form GST REG-01:
 - New option added for choosing registration under Rule 14A.
 - Aadhaar OTP authentication made compulsory.
- Form GST REG-02: Updated reference to include Rule 14A.
- Form GST REG-03, REG-04, REG-05:
 - Revised to incorporate registration/ amendment/ cancellation/ withdrawal processes.
- New Forms Introduced:
 - Form GST REG-32: Application for withdrawal under Rule 14A.
 - Form GST REG-33: Order allowing withdrawal.

B. Withdrawal of Circular Related to Reversal of ITC corresponding to Discount.

<https://taxinformation.cbic.gov.in/view-pdf/1003292/ENG/Circulars>

Pursuant to Section 15(3)(b)(ii) of the Central Goods and Services Tax Act, 2017, a supplier may reduce the taxable value of supply by giving discounts after the supply has been made, provided that:



1. The discount is established by a pre-existing agreement entered into before or at the time of supply.
2. The recipient has reversed the proportionate input tax credit (ITC) attributable to the discount.

Circular No. 212/6/2024-GST dated June 26, 2024, which prescribed the mechanism for suppliers to provide evidence of compliance with Section 15(3)(b)(ii) of the CGST Act, 2017 (related to reversal of input tax credit on post-supply discounts), has been withdrawn by the CBIC vide its Circular No. 253/10/2025-GST. circular effective October 1, 2025.

C. Assignment of Proper Officers under Sections 74A, 75(2) & 122 of the CGST Act, 2017

<https://taxinformation.cbic.gov.in/view-pdf/1003295/ENG/Circulars>

The CBIC has issued this circular to designate proper officers and prescribe monetary limits for issuing show cause notices and passing orders under the newly introduced Section 74A (determination of tax for FY 2024–25 onwards), Section 75(2) (re-determination of tax where fraud not established) and Section 122 (penalties for offences).

Key Provisions and Officer Assignments

1. Section 74A – Determination of Tax (Effective FY 2024–25 onwards)

Section 74A deals with determination of tax not paid, short paid, erroneously refunded, or ITC wrongly availed or utilized for any reason, applicable from FY 2024–25. Proper officers are now assigned to initiate and conclude proceedings under this section.

To ensure fair distribution of work, monetary limits have been prescribed for issuance of SCNs and passing of orders under Section 74A, as follows:

Officer of Central Tax	Central Tax (₹)	Integrated Tax (₹)	Combined Central + Integrated Tax (₹)
Superintendent	≤ 10 lakh	≤ 20 lakh	≤ 20 lakh
Deputy/Assistant Commissioner	>10 lakh ≤1 crore	>20 lakh ≤2 crore	>20 lakh ≤2 crore
Additional/Joint Commissioner	Above 1 crore (no limit)	Above 2 crore (no limit)	Above 2 crore (no limit)



Clarifications issued:

- Where SCNs involve both Central and Integrated tax, the combined amount determines the proper officer.
- In case of multiple tax periods, the officer is determined based on the highest amount of tax demanded.
- If the total demand (after including subsequent periods) exceeds an officer's limit, the case is transferred to a higher-ranking officer through a corrigendum.
- Penalties are excluded from computation for determining jurisdictional limits.
- In audit-originated notices, subsequent proceedings shall be made answerable to the jurisdictional Commissionerate of the notice.

2. Section 75(2) – Proceedings after Appellate Orders

Where an appellate authority, tribunal, or court finds that a notice under Section 74(1) (involving fraud, wilful misstatement, or suppression) is not sustainable due to lack of such intent, the proper officer shall determine tax as if the notice were issued under Section 73(1) (non-fraud cases).

The circular clarifies that the same adjudicating authority who handled the original case shall act as the proper officer for this purpose. This ensures continuity and avoids duplication of proceedings.

3. Section 122 – Penalty for Certain Offences

Section 122 provides for penalties for specified offences, including:

- Issuing invoices without supply,
- Availing ITC without receipt of goods/ services,
- Collecting tax but failing to remit it, and
- Obstructing officers in their duties.

Monetary limits for initiation of penalty proceedings and adjudication under Section 122 have now been prescribed as below:



Officer of Central Tax	Central Tax Penalty (₹)	Integrated Tax Penalty (₹)	Combined Central + Integrated Tax Penalty (₹)
Superintendent	≤ 10 lakh	≤ 20 lakh	≤ 20 lakh
Deputy/Assistant Commissioner	>10 lakh ≤1 crore	>20 lakh ≤2 crore	>20 lakh ≤2 crore
Additional/Joint Commissioner	Above 1 crore (no limit)	Above 2 crore (no limit)	Above 2 crore (no limit)

For cases involving both Central and Integrated tax penalties, **combined penalty value** shall determine the proper officer's jurisdiction.

4. Rule 142(1A) – Pre-SCN Intimation

The circular also assigns officers to issue DRC-01A communications prior to issuance of show cause notices under Sections 73, 74, or 74A, ensuring procedural compliance before adjudication.



Section III – Some Reminders for November, 2025

Particulars		Due Date
Payment of	Tax Deducted at Source for the month of October, 2025	7 th November, 2025
	Provident Fund (includes EDLI) for the month of October, 2025	15 th November, 2025
	ESIC for the month of October, 2025	15 th November, 2025
Filing of	GSTR- 1 for October, 2025 (turnover of more than or less than Rs. 5 crores)	11 th November, 2025
	GSTR-8 for October, 2025 [return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST]	10 th November, 2025
	GSTR-7 for October, 2025 [return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST]	10 th November, 2025
	GSTR - 3B for October, 2025 (turnover of more than Rs. 5 crores)	20 th November, 2025
	GSTR - 3B for October, 2025 (turnover up to Rs. 5 crores, depending on the state)	22 nd November, 2025
	Income tax returns for the assessee to whom transfer pricing is applicable	30 th November, 2025
	Tax Audit Report with Income Tax Department	10 th November, 2025
	Income tax returns for the assessee to whom tax audit is applicable	Extended upto 10 th December, 2025
	AOC-4 – Annual Accounts	Extended upto 31 st December, 2025
	Form MGT-7 Annual Return	Extended upto 31 st December, 2025
	Filing of form PAS 6 for half yearly audit report on reconciliation of Share Capital	29 th November, 2025
	Board Meeting to approve quarterly/ half yearly limited review results by listed entities	15 th November, 2025



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Compiled by: CA Nandita Nevatia and Mr. Kiran Mankodi

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

Innergize Solutions Private Limited

A-2, 1st Floor, A Wing, Barodawala Mansion,

81, Dr. Annie Besant Road,

Worli, Mumbai 400025, India.

Tel: +91-22-6662 1393

Email: nandita.nevatia@innergize.in, kiran.mankodi@innergize.in

Or visit www.innergize.in