

NEWSLETTER

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NEWSLETTER FOR OCTOBER 25 **VOLUME 15, ISSUE 10**

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COMPLIANCE

OCTOBER 2025 DUE DATES

GST

DATE	COMPLIANCE DETAIL	APPLICABLE TO
10th	GSTR-7 (TDS return under GST)	Person required to deduct TDS under GST
	GSTR-8 (TCS return under GST)	Person required to collect TCS under GST
11th	GSTR-1 (Outward supply return)	- Taxable persons having annual turnover > Rs. 5 crore in FY 2024-25 - Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13th	GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
	GSTR-5 (Return by Non-resident)	Non-resident taxable person (NRTP)
	GSTR-1 (Outward supply return)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and opted for QRMP Scheme

18th	CMP-08 (Statement-cum challn for compositon dealer)	Composition Dealer
20th	GSTR-3B (Summary return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2024-25 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and not opted for QRMP scheme
	GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	OIDAR services provider
22nd	GSTR-3B (Summary return)	Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2024-25 and opted for QRMP scheme and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep
24th		Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2024-25 and opted for QRMP scheme and having principal place of business in any other state

INCOME TAX

DATE	COMPLIANCE DETAIL	APPLICABLE TO
7th	TDS / TCS deposit	Non-Government Deductors
15th	- Deposit of PF & ESI contribution - Form 27EQ –TCS return	- All Deductors - All Collectors
30th	TCS certificate in Form 27D	All Collectors

31st

- Income-tax Return & Tax Audit Report (where Transfer Pricing is not applicable)

- Corporates
- Non corporates (whose accounts are required to be audited)
- Partner of a firm whose accounts are required to be audited

- Transfer Pricing (TP) Report in Form 3CEB

- Taxable persons having international transaction or specified domestic transaction

- Tax Audit Report u/s 44AB of Income-tax Act (where Transfer Pricing is applicable)

- Filing of Form 29B

- Companies subject to MAT on book profits u/s 115JB

- TDS Return.

- All Deductors

CORPORATE LAW

14th

- Filing of statutory auditor's appointment in form ADT-1

- All companies in which statutory Auditors are appointed in the AGM (assumed AGM is held on 30 September 2025)

15th

- Filing of KYC details in Form DIR-3 KYC

- All directors / designated partners who have DIN

29th

- Filing of audited financial statements in form AOC-4 / AOC-4 XBRL

- All companies in which statutory Auditors are appointed in the AGM (assumed AGM is held on 30 September 2025)

30th

- Filing of Annual Accounts in Form 8

- All LLPs

- Details of MSME Trade Payables outstanding > 45 days from the date of acceptance of the goods or services.

- All Companies having MSME trade payable outstanding for more than 45 days



NOTIFICATION, CIRCULAR AND INSTRUCTION ISSUED DURING SEPTEMBER 2025 BY CBIC

- NOTIFICATION NO 13/2025- GST, DATED 17.09.2025**

Notification Category: Amendment (Rules), Valuation, Input Tax Credit, Refund Claim, Annual returns - GSTR-9/9C

Impacted Section / Rules: Rule 31A, 39, 91, 110, 110A, 111, 113, FORM GSTR-9, FORM GSTR-9C, FORM GST APL-02A, Form GST APL-04 A, Form GST APL-05, FORM GST APL-06, FORM GST APL-07

Summary:

Key provisions are tabulated as under:

Rule No.	Provision Relating to	Impact
31A	Value of supply in case of lottery, betting, gambling and horse racing	The taxable value multiplier is increased from 128 to 140, tightening tax computation for betting and similar activities. This is effective w.e.f. 22.09.2025.
39	Procedure for distribution of input tax credit by Input Service Distributor.	Distribution of ITC by ISD now covers supplies liable under CGST Act, 2017 (s.9) as well as IGST Act, 2017 (s.5(3)/(4)), expanding its applicability. This is effective retrospectively w.e.f. 01.04.2025.

91	GRANT OF PROVISIONAL REFUND	• Refund orders in FORM GST RFD-04 to be issued within 7 days, based on system-based risk evaluation. • Officers may, with recorded reasons, deny provisional refund and proceed under Rule 92. • Revalidation of RFD-04 no longer required. This is effective w.e.f. 01.10.2025.
110	Appeal to the Appellate Tribunal.	• Provisional acknowledgment for appeals will now be issued in Part A of FORM GST APL-02A (instead of the earlier FORM GST APL-02). • The provisos under sub-rule (1) and (2) have been omitted, reducing procedural hurdles for appellants. • Wherever FORM GST APL-02 appeared in sub-rule (4), it now stands substituted with Part B of FORM GST APL-02A. This shift to FORM GST APL-02A (Part A & Part B) aims to modernize and digitize the appeal filing process, cutting down on redundant provisos and aligning with the broader transition towards streamlined GST Tribunal procedures. This is effective w.e.f. 22.09.2025.
INSERTION OF FORM GST APL-02A	Provisional Acknowledgment for submission of appeal/application	KEY FEATURES OF RULE 110A – THIS IS EFFECTIVE W.E.F. 22.09.2025. • Transfer of Appeals to Single Member Bench – The President or Vice-President (if authorised) of the Tribunal may, suo motu or on application, transfer an appeal to a Single Member Bench, provided the case does not involve a question of law. • Safeguard if Legal Question Involved – If, during hearing, the Single Member Bench concludes that a question of law is involved, it must record reasons in writing and refer the matter back to the President/Vice-President.

		• Consistency Check Across Benches – While scrutinising or reconsidering, if it is found that the same taxable person had a similar issue already decided by a Division Bench (Judicial + Technical Member), then such cases must be heard only by a Division Bench, not a Single Member Bench. • ₹50 Lakh Threshold Clarified – For deciding whether a matter falls within the jurisdiction of a Single Member Bench (monetary limit: ₹50 lakh under Section 109(8)), the amount is to be reckoned on a cumulative basis — covering all issues and all tax periods in the appealed order.
111	Application to the Appellate Tribunal.	KEY CHANGES – THIS IS EFFECTIVE W.E.F. 22.09.2025. • The provisional acknowledgement will now be issued in Part A of FORM GST APL-02A (instead of the earlier FORM GST APL-02). • The provisos under sub-rule (1) and (2) have been omitted, simplifying the compliance process. • Wherever FORM GST APL-02 was mentioned in sub-rule (4), it now stands replaced with Part B of FORM GST APL-02A. In the second proviso of sub-rule (4), the expression “self-certified copy” has been substituted with “self-attested copy”, aligning the language with standard legal usage.
113	Order of Appellate Authority or Appellate Tribunal.	<u>TRIBUNAL TO ISSUE SUMMARY OF ORDER IN NEW FORM</u> APL-04A –The Appellate Tribunal must, along with its main order under Section 113(1), issue (or cause to be issued) a summary of the order in FORM GST APL-04A. This summary must clearly indicate the final amount of demand confirmed by the Tribunal. This is effective w.e.f. 22.09.2025.

**Form
GSTR 9**

**Annual Return for FY
2024-25 Onwards**

- The Central Government has introduced extensive changes in FORM GSTR-9, aligning the annual return format with the ITC amendments, time limits under Section 16(4), and recent Finance Act, 2025 provisions. A. ITC Reporting Restructured –
- New rows A1 & A2 in Table 6 introduced to separately capture:
- A1: ITC of preceding financial year availed in current FY (excluding reclaims under Rule 37/37A).
- A2: Net ITC of the current FY.
- ITC reclaimed logic revised: clear distinction between “first-time availment”, “reversal” and “reclaim” under different tables.
- Rule 37 & 37A reversals now explicitly captured under 7A1, 7A2.
- Imports – new disclosure H1: IGST Credit availed on imports in next FY.
- B. Tax Paid Disclosure (Table 9)
- Revamped table to show tax payable vs. tax paid with a new reconciliation column for differences. Segregation by mode: cash vs ITC.
- C. Next Financial Year Adjustments (Point V)
- D. Instruction Clarifications
- Paragraph 4 instructions revised for FY 2024-25 onwards: cut-off linked to Nov 30 of next FY.
- New table 6A1 created for ITC of preceding FY claimed in April–Oct returns of next FY.
- Detailed guidance given on where to report reclaimed ITC (depends on whether reversal was under Rule 37/37A or otherwise).
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**FORM
GSTR-9C**

**Annual GST
reconciliation
statement**

KEY CHANGES AS UNDER:

- Major integration of Section 9(5) supplies (i.e., cases where tax is payable by e-commerce operators) in reconciliation and reporting.
- Clarity added that payments can be through cash or ITC.
- Late fee separately reported as per section 47(2).
- Applicability extended to FY 2024-25.

Insertion of FORM GST APL-02A	Provisional Acknowledgment for submission of appeal/application	Form GST APL-02A (Provisional and Final Acknowledgment): Introduced under Rules 110 and 111, this form provides for a two-stage <i>Part A</i> – Provisional acknowledgment upon filing, with a unique provisional number. <i>Part B</i> – Final acknowledgment confirming registration of the appeal/application, or recording its rejection, withdrawal, or dismissal due to lack of jurisdiction/place of supply issues.
INSERTION OF FORM GST APL-04 A	Summary of the order and demand after issue of order by the Goods and Services Tax Appellate Tribunal	Inserted under Rule 113(2), this form standardizes the manner in which GSTAT will issue a summary of its orders. It captures: • Whether the order is confirmed, modified, rejected, or remanded. • Key particulars such as taxpayer details, order reference, demand status, quantified tax/interest/penalty/refund amounts, and jurisdictional breakup. Directions in case of remand, and structured outcomes for anti-profiteering matters.
Form GST APL-05	Appeal to the Goods and Services Tax Appellate Tribunal	
FORM GST APL-06	Cross-objections before the Appellate Tribunal under sub-section (5) of section 112	
FORM GST APL-07	Application to the Appellate Tribunal under sec section (3) of Section 112	

NOTIFICATION NO 14/2025- GST, DATED 17.09.2025

NOTIFICATION CATEGORY: REFUND CLAIM

IMPACTED SECTION / RULES: SECTION 54 OF THE CGST ACT, 2017

Summary:

The CBIC has issued Notification No. 14/2025 – Central Tax dated 17.09.2025, specifying categories of registered persons who will not be eligible for provisional refund of GST with effect from 1st October 2025. This restriction shall come into force from 1st October 2025.

IMPORTANT PROVISIONS PROVIDED:

Refund on a provisional basis will not be allowed to:

1. **Non-Aadhaar-authenticated taxpayers** – Any person who has not undergone Aadhaar authentication under rule 10B of the CGST Rules, 2017.
2. **Suppliers of specified goods, namely:**
 - Areca nuts (Chapter 0802 80)
 - Pan masala (Tariff item 2106 90 20)
 - Tobacco and manufactured tobacco substitutes (Chapter 24)
 - Essential oils (Chapter 3301)

Explanation – The classification of goods will be as per the Customs Tariff Act, 1975, including Section Notes, Chapter Notes, and General Explanatory Notes.

NOTIFICATION NO 15/2025- GST, DATED 17.09.2025

Notification Category: Annual returns - GSTR-9/9C

Impacted Section / Rules:

Section 44 of the CGST Act, 2017

Summary:

The CBIC has issued Notification No. 15/2025-Central Tax dated 17.09.2025, granting relief to small taxpayers under the GST regime by exempting from Filing GST Annual Return for FY 2024-25 Onwards.

The Notification provides that registered persons having aggregate turnover up to ₹2 crore in a financial year are exempted from filing the annual return (Form GSTR-9). The exemption applies for the financial year 2024-25 onwards. Effectively, small taxpayers will not be required to file annual returns, though they may do so voluntarily.

This measure continues the compliance relief that had been extended in earlier years through notifications, now made applicable prospectively from FY 2024-25 onwards. Taxpayers with turnover up to ₹2 crore are permanently exempted from filing GST annual return from FY 2024-25 onwards, easing compliance for small businesses.

Notification Category: Applicability (Act), Effective Date

Impacted Section / Rules: Section 2(69), 2(116A), 12, 13, 17, 34, 38, 39, 107, 112, 122B, 148A, Schedule III of the CGST Act, 2017

Summary:

Section of Finance Act, 2025	Section of CGST Act, 2017	Provision relating	Impact
Section 121 [clauses (ii)]	Section 2(69)	Amendment in Definition of “Local Authority”	• Amendment to Clause (c) of Section 2(69). In the said definition under clause (c) the word ‘fund’ shall be inserted after the word ‘municipal’ • Insertion of Explanation – An Explanation will be added under clause (c) of Section 2(69) to define the terms Local Fund and Municipal Fund explicitly. • Explanation. -- For the purposes of this sub-clause– • (a) “local fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called. • (b) “municipal fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called.

Section 121 [clauses (iii)]	Section 2(116A)	Track & Trace Mechanism	Definition of “Unique identification marking” means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and nonremovable.
Section 122	Section 12	Omission of Sections 12(4) and 13(4) of the CGST Act, 2017	To eliminate any ambiguity regarding the taxability of vouchers, it is proposed to omit the provisions related to the time of supply of vouchers under Sections 12(4) and 13(4) of the CGST Act, 2017.
Section 123	Section 13	Amendment in Section 17(5) to replace phrase “plant or machinery” with “plant and machinery”, retrospective ly, with effect from 1 July 2017	

Section 124	Section 17	Precondition relating to issuance of Credit Notes	To Replace the term “plant or machinery” with “plant and machinery” in Section 17(5) of the CGST Act, 2017. Rationale for the proposed amendment: The amendment aims to clarify the legislative intent behind Section 17(5)(d) of the CGST Act, which restricts Input Tax Credit (ITC) on certain items, including plant and machinery. The original wording, “plant or machinery,” created ambiguity about whether ITC applies to both plant and machinery together or only to one of them. To remove this confusion, the amendment replaces it with “plant and machinery,” ensuring both are treated as a single unit. Additionally, the explanation at the end of Section 17 of the CGST Act explicitly defines “plant and machinery” for legal purposes. This amendment aligns the language of Section 17(5)(d) with this definition, promoting consistency in interpretation across the Act. The amendment also seeks to insert an Explanation clarifying that it is made notwithstanding any judgment, decree, or order from any court or other.
Section 126	Section 34	Provisions relating to Invoice Management System	Pre-Condition to reverse the Input Tax Credit by the registered recipient on issuance of Credit Note: The Finance Bill 2025 proposed to amend the proviso to Section 34(2) of the CGST Act, 2017 to explicitly mandate the reversal of input tax credit (ITC) by the registered recipient, if availed, for a credit note to reduce the supplier’s tax liability. Additionally, it seeks to remove the condition requiring that the incidence of interest on the supply has not been passed on, for the purpose of reducing the supplier’s tax liability in respect of the credit note.

Section 127	Section 38	Restriction on filing return u/s 39	Invoice Management System: With the Introduction of Invoice Management System (IMS) (optional facility), the Taxpayer can accept/reject/keep pending the invoice/record on IMS after due verification from his accounts. The ITC for the rejected record will not be available to the recipient in the GSTR 2B. Further, input tax credit is being auto – populated in GSTR 3B of the taxpayer on the basis of portal-based input tax credit made available in his GSTR 2B. Thus, only the accepted invoices by the recipients would become part of their GSTR-2B as their eligible ITC, due to this manual intervention by the taxpayer such a statement cannot be said to be auto generated statement as per section 38 thus the proposed amendment in the act. Thus, the substitution in section 38 for the word “Auto Generated Statement” word “statement” is proposed to be substituted.
Section 128	Section 39	Pre-deposit for filing an appeal	To amend sub-section (1) of Section 39 to specify certain conditions and restrictions that must be followed by the registered person when filing the return.

**Section
129**

Section 107

**Penalty for
non-
compliance
of Track and
Trade
Mechanism
for certain
goods**

**Pre-deposit for filing of appeals under GST
for cases where the dispute is only
regarding penalties and not the actual tax
demand.**

The amendments are tabulated as below:

Appellate Level	Old Scenario	New Scenario
Appellate Authority (Section 107)	25% of the Penalty Amount under subsection (3) of section 129. Pre-deposit not required, if penalty is imposed under other provision i.e. other than sub-section (3) of section 129.	10% of the Penalty Amount
Appellate Tribunal (Section 112)	Law silent on the same	10% of the Penalty Amount

Section 131	Section 122B	Amendment in Schedule III with respect to activities or transactions which shall be treated neither as a supply of goods nor a supply of services	Trace Mechanism. According to this provision, failure to adhere to the Track and Trace requirements for specified goods will result in a penalty of Rs.1,00,000 or 10% of the tax payable, whichever is higher. This measure aims to enhance transparency and ensure accurate tax reporting throughout the supply chain. It's essential for businesses dealing with specified commodities to familiarize themselves with these requirements to avoid substantial penalties.
Section 132	Section 148A		The insertion of 148A for introducing "Track & Trace Mechanism." This system mandates the use of a Unique Identification Marking (UIM) on specified goods or their packaging, allowing for end-to-end monitoring across the supply chain. The UIM will include key details such as the date and location of manufacture, production shift, machine used, product description, quantity, maximum retail price, and the intended market for sale. By scanning the UIM, authorities can trace the movement of goods from the point of manufacture to the end consumer, thereby reducing instances of tax evasion and ensuring compliance with GST regulations. Furthermore, Section 2(116A) of the CGST Act, 2017, defines "Unique identification marking" means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and nonremovable. The introduction of the Unique Identification Marking under the GST framework represents a significant step towards enhancing supply chain transparency and strengthening tax compliance in India.

Section 133	Schedule III to CGST Act, 2017		Insertion of Clause (aa) in Paragraph 8 of Schedule III, effective retrospectively from July 1, 2017, clarifying that transactions involving goods warehoused in a Special Economic Zone (SEZ) or Free Trade Warehousing Zone (FTWZ) before their clearance for export or supply to the Domestic Tariff Area (DTA) will not be treated as a supply of goods or services under GST and will not attract GST. Insertion of Explanation 3 to specify that the terms “Special Economic Zone,” “Free Trade Warehousing Zone,” and “Domestic Tariff Area” will carry the same meanings as defined in Section 2 of the Special Economic Zones Act, 2005. It is also specified that no refund will be issued for any tax already collected on such transactions, which would not have been collected had Clause (aa) been in force at all relevant times. This amendment aligns the treatment of goods warehoused in SEZs or FTWZs with the existing GST provisions for goods stored in customs bonded warehouses, ensuring uniformity in tax treatment.
Section 134			No refund shall be made of all such tax which has been collected, but which would not have been so collected, had section 133 been in force at all material times.

NOTIFICATION NO 09/2025- CENTRAL TAX (RATES), DATED 17.09.2025

Impacted Section / Rules: Section 9 of the CGST Act, 2017

Summary:

The CBIC has issued Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025, to give effect to the recommendation relating changes in GST tax rates on various goods, providing relief to individuals, common man, aspirational middle class as discussed by the GST Council in its 56th GST Council meeting held on 03rd September 2025.

The notification specifies seven categories of rates as under

- 2.5% GST on essential goods under Schedule I, including milk products, honey, cereals, pulses, jaggery, edible oils, dried fruits, affordable footwear and apparel, medicines, diagnostic kits, fertilizers, agarbatti, soaps, utensils, and agricultural machinery.
- 9% GST on goods notified under Schedule II, covering processed foods, household products, and industrial inputs.
- 20% GST on luxury and sin goods listed in Schedule III.
- 1.5% GST under Schedule IV, providing relief on selected essentials.
- 0.125% GST under Schedule V for specified precious goods.
- 0.75% GST under Schedule VI for special category goods.
- 14% GST on items under Schedule VII, including certain higher-taxed categories

CHANGES RELATING RATE ON GOODS – vide NN. 09/2025 – Central Tax (Rate) w.e.f. 22nd September 2025

S. No.	Changed From	Description of items
1.	Reduction from 12% to 5%	<u>Food Items (47 items including as under)</u> Condensed milk, Butter, ghee and dairy spreads, Cheese, Dried fruits and nuts, Namkeens, bhujia, mixture, Diabetic foods, Beverages containing milk, Fruit pulp or fruit juice, Tender coconut water. 1. Health – All drugs and medicines, medical grade oxygen, Anesthetics, Surgical instruments and appliances, Diagnostic kits and reagents. <u>2. Agriculture</u> Fixed Speed Diesel Engines of power not exceeding 15HP, Harvesting or threshing machinery, Other agricultural, horticultural, forestry machinery, Composting Machines, Other hand pumps, Nozzles for drip irrigation equipment or or sprinklers, Sprinklers and drip irrigation systems including laterals, Mechanical sprayers, Agricultural machinery for soil preparation or cultivation.

	<u>Fertilizer</u> – Gibberellic acid, Various Bio-pesticides, Micronutrients covered under Fertilizer Control Order, 1985. <u>Renewable Energy</u> – Solar cookers, Solar water heater and system, Fuel Cell Motor Vehicles, Bio-gas plant. <u>Textiles</u> – Sewing thread of manmade filaments, Synthetic or artificial filament yarns, Sewing thread of manmade staple fibres, Yarn of manmade staple fibres, Wadding of textile materials, Felt and nonwovens, Rubber thread and cord, textile covered, Metallised yarn and gimped yarn, Carpets and textile floor coverings, knotted, Woven carpets and floor coverings, Tufted carpets and floor coverings, Other carpets and textile floor coverings. <u>Machinery</u> – Fuel elements (cartridges), non-irradiated, for nuclear reactors. <u>Paper and Handicrafts</u> – Carved wood products and art ware, Wooden frames for paintings, photographs, mirrors, Statuettes and ornaments of wood, Wood marquetry and inlaid work, Jewellery boxes and decorative articles, Idols of wood, stone and metals, Carved stone products and statues, Stone art ware and stone inlay work, Art ware of iron, brass, copper, and aluminum, Bells, gongs, statuettes of base metal, Dolls or toys made of wood or metal or textile material, Handmade/hand embroidered shawls, Hand-woven tapestries, Embroidery in the piece, strips or motifs, Handcrafted lamps (including panchloga lamp), Furniture of bamboo, rattan and cane, Ganjifa cards, Art ware of cork, Glass statues and art ware, Handmade Paper and Paper board, Mechanical wood pulp, chemical wood pulp, and other pulps, Paper boxes, pouches, and paper pulp moulded trays. <u>Construction material</u> – Sand lime bricks or Stone inlay work. <u>Common Man</u> – Feeding bottles and nipples, Hand bags and shopping bags of cotton and jute, Sewing machines and needles, Hurricane lanterns, Kerosene lamps, Napkins and napkin liners for babies, clinical diapers, Combs, hair-slides and similar items. <u>Sports Goods and Toys(Tricycles, playing cards, fishing rods, etc)</u> <u>Leather Sector</u> <u>Wood Sector</u> <u>Defense Sector(Two-way radio, tanks armoured fighting vehicles, etc.)</u> <u>Footwear Sector</u> – Footwear of sale value not exceeding Rs. 2,500 per pair. Miscellaneous Items such as live horses, silicon wafers, plastic beads, hand operated rubber roller, etc.
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2.	Reduction from 18% to 5%	<u>Food Items (23 Items including as under)</u> Malt, vegetable extracts, sugar confectionery, chocolates, pastries, cakes, biscuits, ice cream, and various food preparations. <u>Health –</u> Thermometers for medical, surgical, dental or veterinary usage <u>Tobacco –</u> Bidi wrapper leaves (tendu), Indian katha <u>Fertilizer –</u> Sulphuric acid, Nitric acid, Ammonia <u>Tractors and Parts –</u> Tractors (except road tractors with engine capacity >1800cc), Tractor tyres and tubes, Agricultural Diesel Engine for Tractors, Hydraulic Pumps for Tractors, Various tractor parts and components. <u>Common Items:</u> Talcum powder, Face powder, Hair oil, Shampoo, Dental floss, Toothpaste, Shaving cream, Shaving lotion, Aftershave lotion, Toilet Soap (other than industrial soap), Toothbrushes. <u>Paper Sector –</u> Paper sacks and biodegradable bags.
3.	Reduction from 28% to 18%	<u>Machinery –</u> Electric accumulators, Pumps for dispensing fuel or lubricants of the type used in filling stations or garages, Compression-ignition internal combustion piston engines <u>Construction material –</u> Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements. <u>Consumer Electronics –</u> Air-conditioning machines, motor-driven fans, dish washing machines, television sets, monitors and projectors, set top box. <u>Transportation Sector –</u> Motor vehicles for transport of goods, Chassis fitted with engines, Bodies for motor vehicles, Parts and accessories of motor vehicles, Three wheeled vehicles, Rowing boats and canoes, Seats of a kind used for motor vehicles, Small petrol/LPG/CNG cars (engine ≤1200cc, length ≤4000mm) and small diesel cars (engine ≤1500cc, length ≤4000mm). <u>Dutiable Article for personal use</u>
4.	Increase from 18% to 40%	• Other non-alcoholic beverages
5.	Increase from 5% to 18%	• Coal, lignite, and peat

6.	Increase from 28% to 40%	• Pan masala, Carbonated beverages, caffeinated drinks, and aerated waters with added sugar. • Unmanufactured tobacco; tobacco refuse [other than tobacco leaves], Cigars, cheroots, cigarillos and cigarettes, Other manufactured tobacco and substitutes, Products containing tobacco or reconstituted tobacco for inhalation without combustion, Products containing tobacco or nicotine substitutes for inhalation without combustion <u>Transportation Sector</u> – Motor cars and vehicles for transport of persons, Hybrid vehicles with engine capacity exceeding 1200cc or length exceeding 4000mm, Diesel-hybrid vehicles with engine capacity exceeding 1500cc or length exceeding 4000mm, Aircraft (for example, helicopters, aeroplanes), for personal use, Yacht and other vessels for pleasure or sports <u>Items such as revolvers, pistol, smoking pipes and cigar holder</u>
7.	Increase from 12% to 18%	• Odoriferous preparations which operate by burning (other than agarbattis, lobhan, dhoop batti, dhoop, sambhrani), Other than natural menthol • Paper Sector – Chemical wood pulp (dissolving grades), Uncoated paper and paperboard for writing/printing, Uncoated kraft paper, greaseproof papers, and glassine papers, Composite paper and paperboard • Miscellaneous Items – Such as bio diesel, other than natural menthol goods, etc.
8.	No change in GST rate of 5% but change in value	• Textiles and Clothing accessories of sale value not exceeding Rs. 2,500 per piece are taxable at 5% GST. • Textiles and Clothing accessories of sale value exceeding Rs. 2,500 per piece are taxable at 18% GST.

NOTIFICATION NO 10/2025- CGST (RATES), DATED 17.09.2025

Impacted Section / Rules: Section 11 of the CGST Act, 2017

Summary:

The CBIC has issued Notification No. 10/2025-Central Tax (Rate) dated 17.09.2025, to give effect to the recommendation relating exemption on various goods, providing relief to individuals, common man, aspirational middle class as discussed by the GST Council in its 56th GST Council meeting held on 03rd September 2025.

New Exemption on Goods – vide NN. 10/2025 – Central Tax (Rate) w.e.f. 22nd September 2025

A. Food Items (details as mentioned in the notification)

- Ultra-High Temperature (UHT) milk
- Chena or paneer, pre-packaged and labelled
- Pizza bread
- Khakhra, chapathi or roti
- Paratha, parotta and other Indian breads by any name called

B. Health Sector (details as mentioned in the notification)

- 33 specified life-saving drugs including Onasemnogene abeparvovec, Daratumumab, Risdiplam and others

C. Education Sector (details as mentioned in the notification)

- Erasers
- Pencil sharpeners, pencils, maps and educational notebooks, graph book, & laboratory notebook and notebooks.

D. Paper Sector (details as mentioned in the notification)

- Uncoated paper for exercise books, graph books, lab notebooks

In Addition to this the Notification also explained the expressions as under, –

(i) “unit container” means a package, whether large or small (for example, tin, can, box, jar, bottle, bag, or carton, drum, barrel, or canister) designed to hold a pre-determined quantity or number, which is indicated on such package;

(ii) “pre-packaged and labelled” means all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are —pre-packed as defined in clause (l) of section 2 of the Legal Metrology Act, 2009 (1 of 2010) where, the package in which the commodity is pre-packed or a label securely affixed thereto is required to bear the declarations under the provisions of the Legal Metrology Act, 2009 (1 of 2010) and the rules made thereunder;

(iii) “tariff item” “sub-heading” “heading” and “Chapter” shall mean respectively a tariff item, heading, sub-heading and Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975); —Government entity|| shall mean an authority or a board or any other body including a society, trust, corporation, which is-

- (a) set up by an Act of Parliament or State Legislature; or
- (b) established by any Government, with 90 percent or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State government, Union territory or a local authority;
- (b) the rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975 including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

NOTIFICATION NO 11/2025- CENTRAL TAX, UNION TERRITORY TAX AND INTEGRATED TAX (RATES), DATED 17.09.2025

Impacted Section / Rules: Section 11 of the CGST Act, 2017 with Notification No. 3/2017-Central Tax (Rate), dated the 28th of June, 2017.

Summary:

GST Rate on Petroleum Operation Supplies Revised to 18% from earlier 5% w.e.f. 22nd September 2025

The CBIC has issued Notification No. 11/2025- Central Tax (Rate) dated 17.09.2025 w.e.f. 22.09.2025, to amend Notification No. 3/2017-Central Tax (Rate) dated 28th June 2017, which provided a concessional GST rate of 2.5% CGST (5% total GST) for goods required for petroleum operations and coal bed methane projects, subject to strict certification and conditions.

Implication

- Supplies of drilling rigs, seismic survey equipment, vessels, well-head assemblies, oilfield chemicals, and other goods listed in the Annexure to Notification 3/2017 will now attract standard GST rate of 18%, instead of the earlier concessional 5%.
- This change significantly increases the indirect tax cost for oil & gas exploration projects and their contractors/sub-contractors, unless further relief measures are announced.

Similar Notifications have been issued under Union Territory Tax (Rate) and Integrated Tax (Rate) vide Notification No. 11/2025- Union Territory Tax (Rate) and Notification No. 11/2025- Integrated Tax (Rate) respectively.

NOTIFICATION NO 12/2025- CENTRAL TAX, UNION TERRITORY TAX AND INTEGRATED TAX (RATES), DATED 17.09.2025

Impacted Section / Rules: Section 11 of the CGST Act, 2017 with Notification No. 8/2018-Central Tax (Rate), dated the 25th January, 2018.

The CBIC has issued this notification to amend Notification No. 8/2018-Central Tax (Rate) dated 28.01.2018. The Notification provides exempts the central tax on intra-state supplies of specified goods from so much taxes specified in Schedule IV of Notification No. 1/2017 -Central Tax (Rate), as is in excess of the amount calculated at the rate specified.

In Notification No. 8/2018-Central Tax (Rate) dated 25th January 2018, the reference to “Schedule IV of Notification No. 1/2017-Central Tax (Rate)” has been substituted with “Schedule II or Schedule III of Notification No. 9/2025-Central Tax (Rate)”.

Implications

- This is primarily a technical amendment updating the cross-reference in the original Notification 8/2018.
- Any goods, services, or concessional rates previously linked to Schedule IV of Notification 1/2017 will now follow the rates and conditions as per Schedules II & III of Notification 9/2025.
- This aligns older notifications with the latest GST rate structures and schedules notified in 2025, ensuring uniformity in rate application.

Similar Notifications have been issued under Union Territory Tax (Rate) and Integrated Tax (Rate) vide Notification No. 12/2025- Union Territory Tax (Rate) and Notification No. 12/2025- Integrated Tax (Rate) respectively

NOTIFICATION NO 13/2025- CENTRAL TAX, UNION TERRITORY TAX and INTEGRATED TAX (RATES), DATED 17.09.2025

Impacted Section / Rules: Section 11 of the CGST Act, 2017 with Notification No. 21/2018-Central Tax (Rate), dated the 26th July, 2018.

Summary:

The CBIC has issued this notification dated 17.09.2025 w.e.f. 22.09.2025, to amend Notification No. 21/2018-Central Tax (Rate) dated 26.07.2018, providing concessional GST rates on various handicrafts, hand-made articles, and art ware, aiming to promote traditional artisans and cottage industries. Over time, several amendments were made, last being Notification No. 20/2021-Central Tax (Rate). The Central Government, based on GST Council recommendations, has now revised and consolidated the list of goods and applicable rates under this notification.

Key Amendments

- The entire table of goods and rates in Notification No. 21/2018 has been replaced.
- Now, 39 items/categories of handicrafts, hand-made articles, and artisanal products are specified with rates.
- Majority of goods attract 2.5% CGST. Certain items like silver filigree work and handmade imitation jewellery attract 1.5% CGST.
- Notable Categories Covered – Handcrafted candles, handbags, carved wood products, wooden frames, statuettes, mats, handmade paper, coir articles, handmade carpets, hand-embroidered articles, glassware, metal artware, handcrafted lamps, bamboo/rattan furniture, dolls and toys, worked animal/vegetable carving materials, and hand paintings.

Similar Notifications have been issued under Union Territory Tax (Rate) and Integrated Tax (Rate) vide Notification No. 13/2025- Union Territory Tax (Rate) and Notification No. 13/2025- Integrated Tax (Rate) respectively.

NOTIFICATION NO 14/2025- CENTRAL TAX, UNION TERRITORY TAX and INTEGRATED TAX (RATES), DATED 17.09.2025

Impacted Section / Rules: Section 9 of the CGST Act, 2017

Summary:

The CBIC has issued this notification dated 17.09.2025 w.e.f. 22.09.2025, to specify 6% CGST rate for certain building materials. This applies to intra-State supplies of goods listed in the appended Schedule. The objective is to standardize GST rates on building materials commonly used in construction, including fly ash bricks and earthen roofing tiles.

Rates are tabulated as under:

Tariff Item / HSN	Description of Goods	CGST Rate
6815	Fly ash bricks; Fly ash aggregates; Fly ash blocks	6%
6901 00 10	Bricks of fossil meals or similar siliceous earths	6%
6904 10 00	Building bricks	6%
6905 10 00	Earthen or roofing tiles	6%

Similar Notifications have been issued under Union Territory Tax (Rate) and Integrated Tax (Rate) vide Notification No. 14/2025- Union Territory Tax (Rate) and Notification No. 14/2025- Integrated Tax (Rate) respectively.

NOTIFICATION NO 15/2025- CENTRAL TAX, UNION TERRITORY TAX and INTEGRATED TAX (RATES), DATED 17.09.2025

Impacted Section / Rules: Section 9 of the CGST Act, 2017 and NN. 11/2017-Central Tax (Rate), dated the 28th June, 2017

S. No.	Changed from	Particulars
1.	Rate reduction from 12% to 5%	• Job-Work Sector in relation to manufacture of umbrella, printing of all goods falling under Chapter 48 or 49, bricks, goods falling under Chapter 30 (pharmaceutical products), hides, skins and leather falling under Chapter 41. • Third-party insurance of goods carriage • Admission to exhibition of cinematograph films, price of admission ticket is one hundred rupees or less. • Hotel accommodation (value less than or equal to 7,500 per day) • Services by way of treatment of effluents by a Common Effluent Treatment Plant
2.	Rate reduction from 18% to 5%	Beauty and physical well-being services
3.	Rate increase from 12% to 18%	• Construction Sector – Works contract involving predominantly earth work (>75% of value) provided to Government. • Offshore works contract relating to oil and gas exploration. • Sub-contractor services for such works. • Other professional, technical and business services and Support services to exploration, mining or drilling of petroleum crude or natural gas or both. • Supply of job-work not elsewhere covered (residual entry) • Air transport of passengers in other than economy class • Transport of goods in containers by rail (non-Indian Railways) • Transport of goods by GTA • Transportation of petroleum products through pipeline

		• Textiles and Clothing accessories of sale value exceeding Rs. 2,500 per piece • Renting of Motor Vehicle to carry passenger • Renting of goods carriage with operator • Multi-model transport of goods within India
4.	Rate increase from 28% to 40%	• Specified Actionable Claims (betting, casinos, gambling, horse racing, lottery, online money gaming) • Admission to casinos, race clubs, any place having casinos or race clubs, or sporting events like the IPL. • Leasing or rental services, without operator, of goods.

b. Also, has various terms has been defined such as ‘recognised sporting event’, ‘handicraft goods’, ‘mode of transport’, ‘multimodal transporter’,

c. Amendment in Clause (xxxvi) – Effective from 1st April 2025 – Clause (xxxvi) of paragraph 4 deals with GST provisions related to hotel accommodation services and registration requirements.

Inserted Explanations:

Explanation 1: Defines the term “premises”. A premises refers to any place from where hotel accommodation services are being provided or are intended to be provided.

Explanation 2: Expands the meaning of “a person applying for registration” under sub-clause (c). Meaning: Includes a person applying for amendment of registration to declare an additional place of business.

Similar Notifications have been issued under Union Territory Tax (Rate) and Integrated Tax (Rate) vide Notification No. 15/2025- Union Territory Tax (Rate) and Notification No. 15/2025- Integrated Tax (Rate) respectively.

Chapter / Heading / Sub- heading/ Tariff item	Description of Goods	Before	After
2202 10 10	Aerated waters	12%	Nil
2202 10 20	Lemonade	12%	Nil
2202 10 90	Others	12%	Nil
2202 99 90	Caffeinated Beverage	12%	Nil
2202	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice.	12%	Nil
2701	Coal: briquettes, ovoids and similar solid fuels manufactured from coal.	Rs.400 per tonne	Nil
2702	Lignite, whether or not agglomerated, excluding jet	Rs.400 per tonne	Nil
2703	Peat (including peat litter), whether or not Agglomerated	Rs.400 per tonne	Nil
870210, 8702 20, 8702 30, 8702 90	Motor vehicles for the transport of not more than 13 persons, including the driver, other than the vehicles of the description mentioned in S. No. 50 and 51	15%	Nil
8703 40, 8703 60,	Motor vehicles for the transport of not more than 13 persons, including the driver, other than the vehicles of the description mentioned in S. No. 50 and 51	15%	Nil
8703 50, 8703 70	Motor vehicles other than those mentioned at (a), (b) and (c) above.	15%	Nil

8702, 8703 21 or 8703 22	Petrol, Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven motor vehicles of engine capacity not exceeding 1200 cc and of length not exceeding 4000 mm.	1%	Nil
8702, 8703 31	Diesel driven motor vehicles of engine capacity not exceeding 1500 cc and of length not exceeding 4000 mm.	3%	Nil
8703	Motor vehicles of engine capacity not exceeding 1500 cc	17%	Nil
8703	Motor vehicles of engine capacity exceeding 1500 cc other than motor vehicles specified against entry at S. No 52B	20%	Nil
8703	Motor vehicles known as Utility Vehicles, by whatever name called including Sports Utility Vehicles (SUV), Multi Utility Vehicles (MUV), Multi-purpose vehicles (MPV) or Cross-Over Utility Vehicles (XUV), with engine capacity exceeding 1500cc; Length exceeding 4000 mm and Ground Clearance of 170mm and above	22%	Nil
8711	Motorcycles of engine capacity exceeding 350 cc	3%	Nil
8802 or 8806	Other aircraft (for example, helicopters, aeroplanes), for personal use.	3%	Nil
8903	Yacht and other vessels for pleasure or sports	3%	Nil

CIRCULAR NUMBER- 251/08/2025 DATED 12.09.2025

Impacted Section / Rules: Section 7 and 16 of the CGST Act, 2017.

Summary:

The Circular issued key scenarios as under:

A. ITC Reversal on Receipt of Post-Sale Discounts – Whether a dealer/recipient needs to reverse ITC if the manufacturer issues a financial/commercial credit note without tax adjustment.

Clarification – It is clarified that the recipient will not be required to reverse the Input Tax Credit attributed to the discount provided on the basis of financial/ commercial Credit notes issued by the supplier, as there is no reduction in the original transaction value of the supply and accordingly the corresponding tax liability would also not get reduced. Since the supplier's tax liability and the transaction value remain unchanged, ITC reversal is not required.

This removes uncertainty for dealers and secures their ITC entitlement, provided the supplier does not alter his tax liability.

B. Treatment of Discounts as Consideration for Dealer's Supply to End Customer – Whether a post-sale discount is effectively a payment from the manufacturer for the dealer's onward supply to the end consumer.

Clarification – In a principal-to-principal transaction, the dealer becomes the owner of the goods; the discount merely reduces purchase cost and is not an inducement for supply.

Exception: Where the manufacturer has an agreement with the end customer for supply at a concessional rate, and issues credit notes to enable the dealer to pass on such benefit, the discount will be treated as consideration/inducement.

C. Treatment of Discounts as Consideration for Promotional Services – Whether post-sale discounts represent consideration for promotional activities performed by dealers (e.g., sales drives, marketing support).

Clarification – Ordinary discounts are not linked to any independent service; they are merely a reduction in purchase price. Therefore, it is clarified that post-sale discounts offered by manufacturers to dealers in such cases shall not be treated as consideration for a separate transaction of supply of services.

Exception: where a dealer undertakes specific sales promotional activities, such as co-branding, advertisements, exhibitions, or customer support are expressly agreed with defined consideration, GST is payable on such services. In such cases, the dealer provides a distinct service to the supplier, and accordingly, GST would be chargeable.

CIRCULAR NUMBER- 252/09/2025 DATED 12.09.2025

Impacted Section / Rules: Circular No. 122/41/2019- GST dated 05th November 2019, Circular No. 128/47/2019-GST dated 23rd December 2019 and Circular No. 249/06/2025-GST dated 09th June 2025

Summary:

The CBIC has issued an Circular No. 252/09/2025 -GST dated 23.09.2025, streamlining the requirement of quoting Document Identification Number (DIN) on official communications issued to taxpayers.

The present circular addresses the case of eOffice communications. All communications issued through CBIC's eOffice application carry an automatically generated Issue Number, but previously, since no online verification mechanism existed, a separate DIN was required, leading to duplication. A new verification utility <https://verifydocument.cbic.gov.in> has now been introduced, which enables taxpayers to verify the Issue Number and confirm document authenticity. The system provides details such as file number, issue date, communication type, issuing office, and masked recipient details.

Accordingly, it has been clarified that:

- The eOffice Issue Number will be treated as DIN for all communications dispatched through the public option in the eOffice system.
- A separate DIN is not required for such communications.
- DIN will continue to be mandatory for all other communications not issued via eOffice public option or not carrying RFN from the GST common portal.
- Officers must ensure accuracy of metadata (recipient details, document type, etc.) while creating communications in eOffice.

To the above extent, Circular No. 122/41/2019- GST dated 05th November 2019, Circular No. 128/47/2019-GST dated 23rd December 2019 and Circular No. 249/06/2025-GST dated 09th June 2025 issued by the Board, stands modified.

NEWS & UPDATES

Advisory to file pending returns before expiry of three years, Dated – 09.09.2025

Impacted Section / Rules:

**Section 37 – Outward Supplies (GSTR-1 / IFF), Section 39 – Monthly/Quarterly Returns & Payment of Liability (GSTR-3B, GSTR-4, GSTR-5, GSTR-5A, etc.),
Section 44 – Annual Return (GSTR-9/9C) and Section 52 – TCS Return (GSTR-8)**

Summary:

Background

The Finance Act, 2023 (8 of 2023), effective 01.10.2023 through Notification No. 28/2023– Central Tax dated 31.07.2023, introduced a time limit of three years for furnishing returns under Section 37 – Outward Supplies (GSTR-1 / IFF), Section 39 – Monthly/Quarterly Returns & Payment of Liability (GSTR-3B, GSTR-4, GSTR-5, GSTR-5A, etc.), Section 44 – Annual Return (GSTR-9/9C) and Section 52 – TCS Return (GSTR-8) of the CGST Act, 2017.

Timeline:

As per this amendment, taxpayers cannot file returns after the lapse of three years from the due date. The restriction will be enforced on the GST portal starting September 2025 tax period. Any return with due date three years prior to September 2025 will be barred from filing w.e.f. 1st October 2025. GSTN had already issued an advisory dated 29.10.2024 cautioning taxpayers.

Returns Barred from 1st October 2025

GST Forms	Barred Period (w.e.f. 1st October, 2025)
GSTR-1/IFF	August-2022
GSTR-1 (Quarterly)	April-June 2022
GSTR-3B (Monthly)	August 2022
GSTR-3B (Quarterly)	April-June 2022
GSTR-4	FY 2021-22
GSTR-5	August 2022
GSTR-6	August 2022
GSTR-7	August 2022
GSTR-8	August 2022
GSTR-9/9C	FY 2020-21

Advisory to New changes in Invoice Management System (IMS), Dated – 23.09.2025

This is to bring to your notice that several new changes have been introduced in the Invoice Management System (IMS) to simplify the taxation system and reduce the compliance burden on the taxpayers. The following are the key updates

Pending action for specified records: Taxpayers can keep specified records pending for a limited time period. For monthly taxpayers, this period is one tax period (months), for quarterly taxpayers also it is one tax period (quarter) only. The specified records which can be kept pending in the system are mentioned below

- a. Credit notes, or upward amendment of Credit note
- b. Downward amendment of CN where original CN rejected
- c. Downward amendment of Invoice / DN only where original Invoice already accepted and 3B has been filed.
- d. ECO-Document downward amendment only where original accepted, and 3B has been filed

Declaring ITC reduction amount:

It is clarified that, in cases where the recipient has not availed Input Tax Credit (ITC) in respect of the relevant

invoice or document, no reversal of ITC shall be warranted. Further, in cases where ITC has been availed only partially, the obligation to reverse ITC shall be limited to the extent of such availment.

Therefore, In IMS a facility has been made available to taxpayers to declare the amount of ITC actually availed and, to the extent applicable, required to be reversed in respect of the selected record. The said facility permits reversal of ITC, either in full or in part, by entering the amount availed to be reversed. This facility may also be utilized in cases where the taxpayer has already effected such reversal, either wholly or partially, at an earlier point of time, or where the ITC pertaining to the relevant invoice or document was never availed. Such facility is provided for the afore-mentioned specified records.

Option to save remarks: Taxpayers can now save remarks while taking reject or pending action on records. This optional facility allows taxpayers to add remarks (will be rolled out shortly). Such remarks will be visible in GSTR-2B for future reference and to suppliers in the Outward Supplies view dashboard, to take corrective measures.

Important Dates:

The changes of keeping credit notes pending and declaring the ITC amount, as mentioned above shall be made effective on the portal from October tax period.

Due date for keeping records pending: The due date for keeping records pending is calculated based on the date/ tax period in which such documents has been communicated by the supplier.

Prospective Application:

The new changes will be available only for records filed by suppliers after the production rollout of these changes. Taxpayers are advised to carefully review these changes before taking action and filing their returns.

Advisory to Invoice-Wise Reporting Functionality in Form GSTR 7 on Portal-reg, **Dated – 26.09.2025**

Vide Notification No. 09/2025 – Central Tax dated 11.02.2025, Form GSTR-7 was amended to enable capture of invoice-wise reporting of tax deducted at source (TDS).

In this regard, it is informed that the functionality for invoice-wise reporting in GSTR-7 has now been made operational on the GSTN portal. Hence from September 2025 tax period in Form GSTR-7 invoice level reporting is required.

Accordingly, all TDS Deductors are requested to prepare the data accordingly so that they could furnish invoice-level details on which TDS has been deducted while filing FORM GSTR-7 for the September return period onwards. Due date for September tax period return filing is 10th October 2025.

For any difficulty or concerns, it is advised to raise a grievance through the Self-Service Portal available on the GST Portal, along with all relevant details, to facilitate prompt and effective resolution.

Direct tax



Due date for submission of tax audit report for Assessment Year (AY) 2025-26 extended to 31 October 2025, for companies / other categories of taxpayers who are not subject to transfer pricing regulations of India

The due date for filing tax audit report for companies / other categories of taxpayers who are not subject to transfer pricing regulations of India, was 30 September 2025 for AY 2025-26. Considering the representations from Chartered Accountants and trade bodies highlighting difficulties being faced by taxpayers and practitioners in timely completion of tax audit, the CBDT has extended the due date to 31 October 2025.

Interestingly, in the relevant Press Release issued by CBDT, the tax administration has highlighted that the extension is on account of reasons cited by the industry being disruptions caused by floods and natural calamities in certain parts of the country. CBDT has specially mentioned that the Income-tax e-filing portal has been operating smoothly and without any technical glitches and that the tax audit reports are being uploaded successfully.

As a result of the above extension, now 31 October 2025 is the due date for filing tax audit report in all cases for AY 2025-26 which are subject to tax audit u/s 44AB of the Income-tax Act, irrespective of whether transfer pricing provisions are applicable to the relevant taxpayer or not.

Levy of interest u/s 220(2) of the Income-tax Act in cases where taxpayers availed concessional rate of tax under the new tax regime & rebate u/s 87A was allowed on income taxable at special rates governed by Chapter XII of the Act

Background

Section 115BAC(1A) of the Income-tax Act prescribes the concessional rates of tax under the new tax regime for Individuals, Hindu Undivided Families, Association of Persons and Body of individuals, for Assessment Years 2024-25, 2025-26 and 2026-27. Rebate u/s 87A is duly allowable while computing income u/s 115BAC(1A) of the Act

Capital gains and other income taxable at special rates under Chapter XII of the Income-tax Act are not included while determining tax liability under the new regime. By virtue of the mechanism as per Income-tax Act, where a taxpayer has opted to be governed by the new tax regime u/s 115BAC(1A) of the Act and has income taxable at special rates under Chapter XII, rebate u/s 87A should ideally not be available on the income taxable at special rates under Chapter XII

The issue that arose

Reportedly, it has been noticed that in certain cases, tax returns had already been processed, and rebate was allowed u/s 87A on income chargeable to tax at special rates. In such cases, rectifications have to be carried out to disallow such rebate, which has been incorrectly allowed. Such rectifications would result in demands getting raised by the Central Processing Centre (CPC). If the payment of such demands raised are delayed then the same are liable for charging of interest u/s 220(2) of the Act by the Income-tax department.

Circular no.13 issued by CBDT on 19 September 2025

In order to mitigate genuine hardship caused to taxpayers, CBDT has directed that the interest payable u/s 220(2) of the Act shall be waived in such cases where the demand raised by tax department is paid by the taxpayer on or before 31 December 2025. In case taxpayer fails to pay the demand raised as a result of rectification order passed by the Central Processing Centre (CPC) on or before 31 December 2025, interest shall be charged u/s 220(2) of the Act from the day immediately following the end of the period mentioned in section 220(2) of the Act.

Tax exemption on income arising to specified Sovereign Wealth Funds (SWFs) & Pension Funds (PFs) from investments in India – Necessary alignment made in Rule 2DCA of Income-tax Rules which provides the manner of computation of minimum investment & exempt income

Section 10(23FE) of the Income-tax Act provides tax exemption to income arising to specified Sovereign Wealth Funds (SWFs) and Pension Funds (PFs) from investments made in India by 31 March 2025. Given the long-term nature of infrastructure investments and the role of foreign SWFs & PFs in financing such projects, the deadline for investment has been extended to 31 March 2030 by Finance Act 2025.

Rule 2DCA of the Income-tax Rules provides the manner of computation of minimum investment and exempt income for the purposes of tax-exemption u/s 10(23FE) of the Act. Government has made necessary amendment in Rule 2DCA to give legal effect to the extended timeline. This is likely to provide greater flexibility to foreign funds plan and increase their participation in India's infrastructure growth.

Corporate Law & Regulatory



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Extension of timeline until further orders, for companies to conduct Annual General Meeting (AGM) & Extraordinary General Meeting (EGM) through video conferencing (VC) or other audio visual means (OAVM)

Background

- Due to COVID-19, the Ministry of Corporate Affairs (MCA) vide various circulars issued from time to time, has allowed companies to conduct their AGMs / EGMs through VC or OAVM within such timelines as prescribed in those circulars. In the latest of these circulars, the MCA vide Circular no. 9/2024 dated 19 September 2024, had extended the due date for conducting AGMs (scheduled during the year 2024 or 2025) and EGMs till 30 September 2025. MCA further clarified that these extensions were limited to holding AGMs through VC or OAVM and do not provide any extension of the statutory time period for holding AGMs under the Companies Act, 2013. Thus, companies which have not adhered to the relevant timelines for holding AGMs shall remain liable to legal action under the Companies Act, 2013.

Circular no. 3 issued by MCA on 22 September 2025

In continuation of the above line of circulars, MCA has issued Circular no. 3 on 22 September 2025 allowing companies to conduct their AGMs through VC or OAVM till further orders, in accordance with the requirements laid down in Para 3 and Para 4 of Circular no. 20/2020.

Similarly, companies may conduct their EGMs through VC / OAVM or transact items through postal ballot, following the framework provided in earlier circulars such as 14/2020, 03/2022 and 11/2022. All other requirements mentioned previously continue to remain applicable and unchanged.

MCA expands classes of companies eligible for Fast-Track Merger under the Companies Act, 2013

Background

Fast-track mergers are a simplified route under the Companies Act, 2013 allowing certain mergers (compromises, arrangements, amalgamations) to occur without going through the time-consuming process of approval through the National Company Law Tribunal (NCLT). This mechanism is designed to ease corporate restructuring, reduce judicial bottlenecks and provide a more predictable regulatory environment for companies.

Notification issued by MCA on 4 September 2025

MCA vide its notification dated 4 September 2025 has amended the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, extending the classes of companies eligible for a Fast-Track Merger, by which the scope of section 233 (Merger or Amalgamation of Certain Companies) of Companies Act, 2013 has been broadened.

Criteria	Existing	New
Classes of companies eligible for Fast-Track Merger	• Small companies • A holding company and its wholly owned subsidiary • Start-up companies • A start-up company with a small company	Following additional classes of mergers covered: • Merger between unlisted companies which meet prescribed thresholds of outstanding loans, debentures or deposits • Merger of holding companies (listed or unlisted) with its subsidiary (whether listed or unlisted) • Merger of subsidiary with another subsidiary of the same holding company • Merger of a holding company incorporated outside India with its wholly owned subsidiary in India

Criteria	Existing	New
Notice to the sectoral regulator	A notice of the proposed scheme under Companies Act was required to be sent only to the Registrar of Companies and the official liquidator in Form CAA-9 for objections and suggestions	A company regulated by a sectoral regulator (such as Reserve Bank of India, Securities & Exchange Board of India, Insurance Regulatory & Development Authority of India, etc), must serve a notice for objections and suggestions to the regulator as well. The regulator is required to furnish its objections within the mandated time frame of 30 days
Filing of scheme after meetings	The transferee company was required to submit copy of the scheme and results of the meetings with the Central Government in Form CAA-11 (notice of approval of the scheme), within 7 days of the conclusion of the meeting of members or class of members or creditors	The transferee company must now submit copy of the scheme within 15 days of the conclusion of such meetings, along with: • Report of the result of each of the meetings; and • Report of the registered valuer, in Form CAA-11 as an attachment to form RD-1 (filing with Regional Director), with the prescribed fees. The objections and suggestions of the sectoral regulator, if any, must be attached



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