

A Monthly E-Newsletter

Vol 06 Issue 11
November 2025

The Bottom Line

WHAT'S INSIDE

- Direct Taxes **2**
- Indirect Taxes **3**
- Corporate & Allied Laws **4**
- CFO Watch & M&A **5-6**
- In the News **7**
- Glossary **8**
- About Us **9**

KEY METRICS

Indices

BSE SENSEX	83,939	4.57%	▲
NSE NIFTY50	25,722	4.51%	▲
NASDAQ Composite	23,725	4.70%	▲
NIKKEI 225	52,411	16.64%	▲

Currency

USD/INR	88.77	0.08%	▲
Euro/INR	102.40	1.77%	▲
GBP/INR	116.78	2.24%	▲
JPY/INR	0.58	4.01%	▲

Note: The month-on-month movement as on October 31, 2025, is represented in percentages
Source: NSE.com, BSE.com, NASDAQ.com, NIKKEI.com, Investing.com

DIRECT TAX

Circulars/Notifications

Timelines for filing ITR and Tax audit report extended in certain cases

CBDT announced an extension of important compliance deadlines for the AY 2025–26. The due date for filing income tax returns for taxpayers whose accounts are subject to audit has been extended from October 31 to December 10, 2025. Accordingly, the deadline for submitting the tax audit report has also been extended to November 10, 2025.

Circular No. 15 of 2025 dated October 29, 2025

Revised DTAA between India and Qatar effective from FY 2026-27

India and Qatar have signed a revised DTAA, effective from April 1, 2026, introducing key changes aligned with global tax standards. The treaty provides for dividend taxation at 5% (where shareholding $\geq 25\%$, earlier $\geq 10\%$) or 10% otherwise, includes a Service PE clause for services rendered beyond 90 days, and caters specifically to indirect transfer under capital gains. An 'Entitlement to Benefits' clause has also been added to curb treaty abuse and ensure benefits apply only to genuine residents.

Notification No. 154 of 2025 dated October 24, 2025

Judicial Rulings

Tribunal upholds entire claim under section 54 to the Assessee despite joint ownership of the new property

The Tribunal held that the entire deduction under Section 54 was



allowable to the assessee based on her actual investment in the new property, even though it was co-owned with her son-in-law. It observed that the assessee had contributed more than 85% of the purchase consideration, and therefore, the deduction could not be restricted to 50% merely due to joint ownership. The Assessing Officer had limited the claim without disputing the amount invested.

Neelam Shamsher Kashyap (ITAT, Mumbai)

Mere use of technology is not FTS

The Tribunal held that the receipts for services rendered could not be treated as FTS under Article 12(3) (b) of the India-Belgium DTAA, emphasizing that the mere use of technology does not make a service technical unless special skills are applied during its delivery. It noted that the services provided did not involve managerial, technical, or consultancy elements, nor was the assessee in control of the management of the Indian group entities. Referring to prior coordinate bench rulings and the OECD report, the Tribunal found

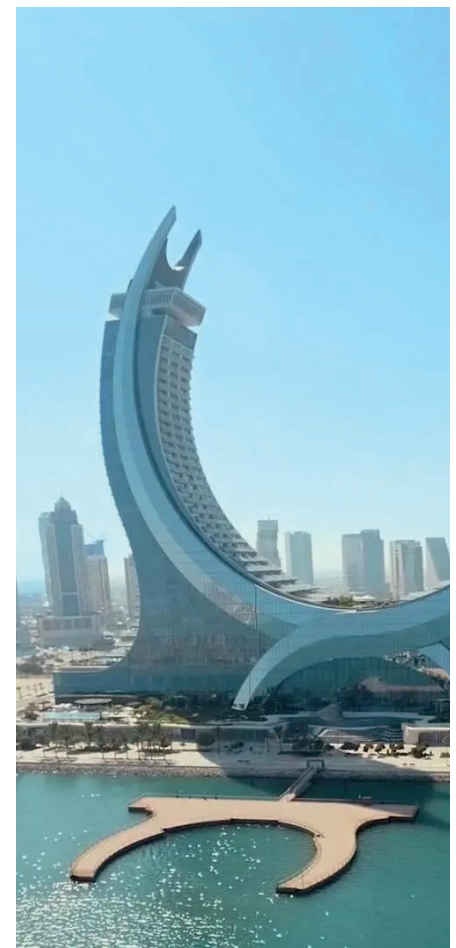
Timelines for filing ITR and Tax audit report extended in certain cases

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Mere use of technology is not FTS

the receipts to be non-technical in nature and accordingly allowed the appeal of the Assessee.

Solvay S. A. (ITAT, Mumbai)



INDIRECT TAX

Circulars / Notifications / Press Releases

Provisional sanction of refund claims

Refund applications with 'low risk' exposure filed in case of zero rated supply of goods or services and inverted duty structure, 90% of the refund claimed should be sanctioned without any scrutiny. However, where Officer is of the view that provisional refund should not be granted, reasons have to be recorded in writing.

Instruction No. 06/2025-GST dated October 03, 2025

Due date extended

The due date of filing GSTR 3B return for the month of September 2025 and for the quarter July to September 2025, extended till October 25, 2025.

Notification No. 17/2025-GST dated October 18, 2025

Simplified GST registration scheme

Based on data analysis and identification of risk parameters, registration will be granted electronically within 3 working days. Further, for small taxpayers having monthly output tax liability upto INR 2.5 lakh, registration shall be granted electronically within 3

working days subject to successful Aadhaar authentication of the primary authorized signatory and one promoter/partner.

Notification dated Oct 31, 2025

Judicial Rulings

Consolidated SCN permissible in fraudulent cases

In case of fraudulent availment of ITC, consolidated SCN for multiple financial years is permissible.

Ambika Traders (Supreme Court of India)

Notice for discrepancy in returns

The department cannot initiate proceedings or issue a SCN for discrepancies in returns without first issuing a notice in Form ASMT-10 to the taxpayer.

Pepsico India Holdings Pvt Ltd (Gauhati High India)

No denial of ITC on supplier's tax default

The Apex Court dismissed revenue appeal challenging the Delhi High Court Judgment which held that purchasers are entitled to claim ITC even where sellers failed to deposit the tax collected under Delhi VAT Act, 2004.

Shanti Kiran India Pvt Ltd. (Supreme Court of India)

Timeline for filing refund

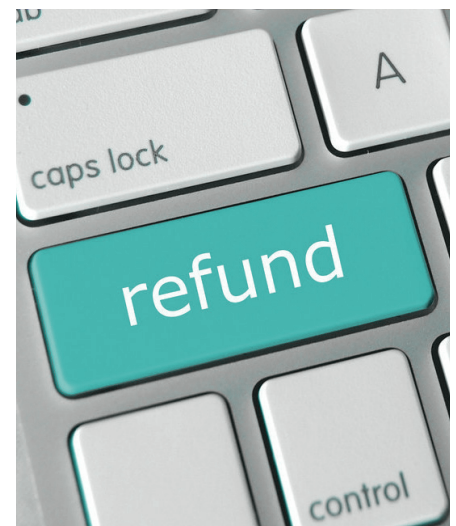
Limitation period for refund not applicable to GST wrongly collected on exempt residential rent.

Nspira Management Services Pvt Ltd (Andra Pradesh High Court)

Provisional sanction of refund claims

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Interest due to delay in sanctioning GST refund

Interest is automatically payable on expiry of 60 days from date of receipt of application for refund and not from re-application after an appeal.

Altisource Business Solutions India Pvt Ltd (Bombay High Court)

Penalty on expiry of e-way bill

Penalty cannot be imposed merely due to expiry of validity of e-way bill where there is no intent to evade tax.

Trimble Mobility Solutions India Pvt Ltd (Allahabad High Court)



CORPORATE & ALLIED LAWS

Circulars / Notifications

Additional fee waived for annual filings

New e-forms have been deployed on the MCA-21 Version 3 portal for annual filing of financial statements and annual returns. Hence, to give more time to return filers to get familiarised with the new e-forms, timeline for the aforementioned filing has been extended till December 31, 2025, for the financial 2024-25 without payment of any additional filing fee. However, the due date for holding the Annual General Meeting remains unchanged.

MCA General Circular No. 06/ 2025 dated October 17, 2025

Investment of surplus in Special Rupee Vostro Accounts

Special Rupee Vostro Accounts are opened by foreign banks with Indian banks to settle international trade in Indian Rupees. This helps Indian exporters to execute transactions in Indian Rupees thereby reducing costs and dependency on foreign exchange. No prior approval of RBI is required to open such accounts. Authorized Dealer banks will now permit investment of surplus balance in such vostro accounts in non-convertible debentures/bonds and commercial papers issued by an Indian company, in terms of guidelines and limits prescribed in addition to investment in Government Treasury Bills and Government securities.

RBI/2025-26/91 A.P. (DIR Series) Circular No. 14 dated October 3, 2025

Foreign Currency accounts by person resident in India

Any exporter in India can open, hold and maintain a foreign currency account with a bank outside India or in International Financial Services Centre, for realisation of full export value and advance remittance received by the exporter on account of export of goods or services. Fund balance in this account can be utilised for payment of imports into India or repatriated into India within a period not exceeding the end of

- three months in case of accounts maintained with banks in an International Financial Services Centre; or
- next month for all other jurisdictions.

from the date of receipt of the funds after adjusting for forward commitments, subject to provisions relating to realisation and repatriation of funds as per Foreign Exchange Management (Export of Goods and Services) Regulations, 2015.

Notification No. FEMA 10(R)(7)/2025-RB dated October 6, 2025

Timely closure of entries in EDMPS and IDMPS

To reduce burden on small exporters and importers and to facilitate timely closure of entries of value equivalent to or less than Rs 10 lakhs per entry or bill, Authorized Dealer banks have been directed to follow the below mentioned procedure.

- Entries shall be reconciled and closed based on a declaration provided by the exporter that

Investment of surplus in Special Rupee Vostro Accounts

Utilisation of balance in Foreign Currency accounts by person resident in India

Timely closure of entries in EDMPS and IDMPS

amount has been realised or that amount has been paid by the importer.

- Reductions in declared value or invoice value of the shipping bills/bills of entry will be accepted, basis declaration by the concerned exporter or importer.
- Above declarations can be provided quarterly on a consolidated basis for bulk reconciliation and closing of EDMPS/IDMPS entries.

RBI/2025-26/89 A.P. (DIR Series) Circular No.12 dated October 1, 2025



CFO WATCH

Revised SEBI requirements on minimum disclosures for RPT approvals

SEBI has revised the requirements for disclosures relating to RPTs to ease compliance for listed entities. The circular modifies Section III-B of the Master Circular to allow reduced disclosure for RPTs not exceeding 1% of annual consolidated turnover or INR 10 crore, whichever is lower, and fully exempts transactions up to INR 1 crore. For such transactions, only the minimum information prescribed in Annexure-13A must be provided to the Audit Committee and shareholders. The revision aims to streamline approval processes while maintaining transparency and alignment with LODR requirements.

New GHG intensity targets for carbon credit trading

Ministry of Environment, Forest and Climate Change has notified the GHG Emission Intensity Target Rules, 2025 under the Energy Conservation Act, 2001 and the Carbon Credit Trading Scheme, 2023. The rules introduce binding sector-specific GHG emission intensity targets for designated industries from FY 2025-26 to strengthen India's carbon market. They enable issuance and trading of carbon credits, supported by compliance requirements, penalties, and compensatory mechanisms. Designated entities must meet annual targets and register on the Indian Carbon Market Portal. Overachievement will earn carbon credits, while shortfalls will require purchase or use of banked credits.

IRDAI's new framework for insurance fraud risk management

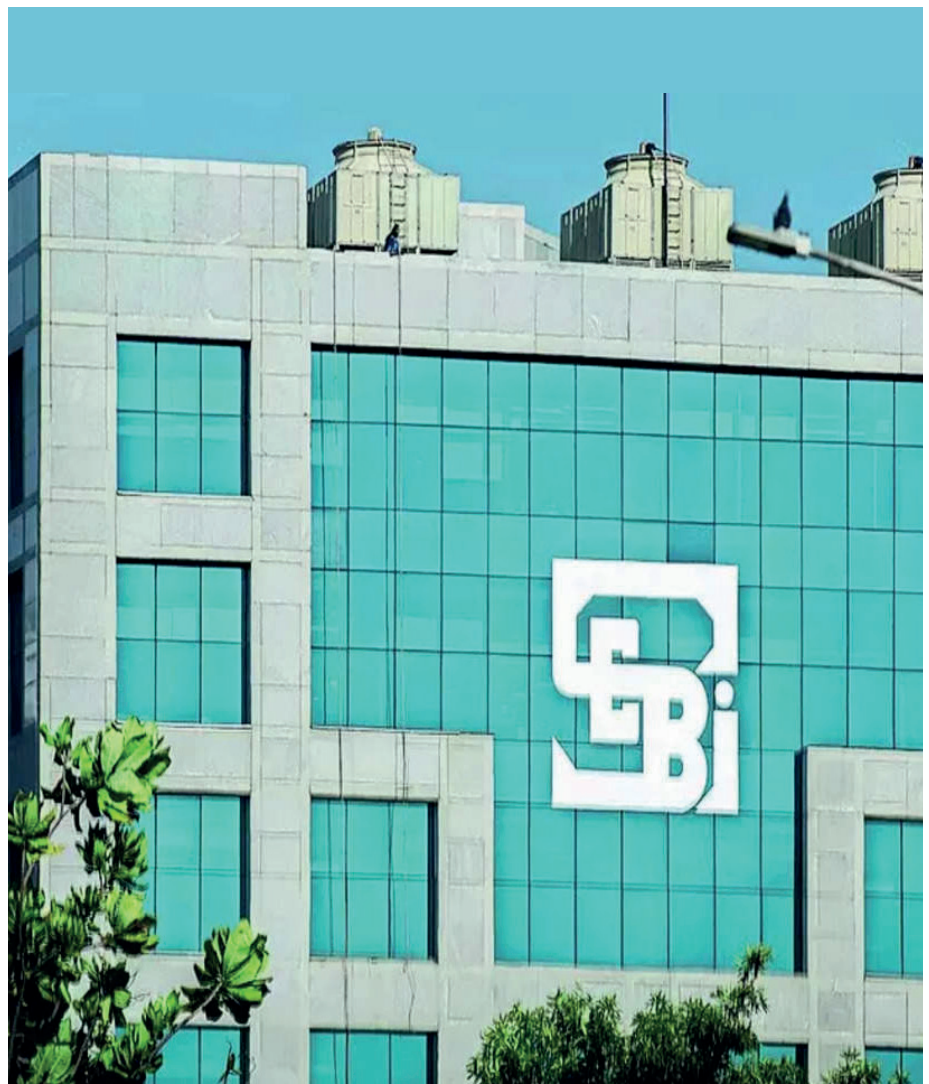
Insurance Fraud Monitoring

Framework Guidelines, 2025, effective 1 April 2026, introduces a comprehensive framework for insurers and distribution channels to prevent, detect, report and respond to insurance fraud. The guidelines mandate a fraud risk framework for all insurers, define fraud categories, prescribe zero-tolerance policies and require annual review of anti-fraud plans with Red Flag Indicators. Insurers must establish a Fraud Monitoring Committee and Fraud Monitoring Unit, strengthen cyber fraud controls and ensure timely reporting of incidents to law enforcement, the Risk Management Committee, Board of Directors and the Audit Committee.

Revised SEBI requirements on minimum disclosures for RPT approvals

New GHG intensity targets for carbon credit trading

IRDAI's new framework for insurance fraud risk management



MERGERS & ACQUISITIONS

Retail Revival: India's M&A Momentum Hits \$3.4 Billion in Festive Quarter

India's consumer and retail sector saw strong action this festive quarter, with mergers and investments touching \$3.4 billion between July and September 2025, almost four times higher than the April–June quarter. The jump reflects growing investor confidence driven by festive demand and the steady rise in e-commerce.

A total of 132 deals were recorded this quarter. Private equity and venture capital investors continued to lead

the activity, with 97 transactions worth \$1.3 billion, more than double the previous quarter. Funding largely flowed into fast-growing areas like apparel, quick-commerce, and online marketplaces. Companies such as Zepto and Jumbotail attracted major investments, while VIP Industries focused on expanding its product reach.

On the M&A front, 24 deals worth \$955 million were completed. Noteworthy deals such as Tilaknagar Industries' purchase of Imperial Blue from Pernod Ricard and Titan Company's acquisition of Damas Jewellery in

Dubai highlight Indian firms' growing focus on brand consolidation and overseas market presence.

Capital markets added further momentum, with six IPOs and five institutional placements raising over \$1.1 billion. Leading startups like Urban Company and Lenskart were among the highlights.

With festive spending touching 60,700 crore, the quarter reaffirmed retail's central role in India's growth story, one that's set to continue into 2026 as brands strengthen their presence across physical and digital channels.



IN THE NEWS

BRICS Chamber of Commerce & Industry - Global Women Leadership Programme 2025

October 27, 2025

Ajay Sethi, Baker Tilly ASA India, addressed the BRICS Chamber of Commerce & Industry - Global Women Leadership Programme 2025, where he spoke on "Financial Acumen for Leaders," sharing insights on building strategic financial capabilities for effective and future-ready leadership.

ICAI Seminar on Tax Audit

October 13, 2025

Ramaswami GN, ASA, was a speaker at the Tax Audit Seminar organised by the Southern India Regional Council of ICAI. He discussed key clauses of Form 3CD and shared practical perspectives on compliance, reporting, and evolving audit requirements.

Aerospace & Defence Meetings Chennai

October 09, 2025

Sunil Arora, ASA, Laëtitia Durand Guillot and Léa Parmentier represented Baker Tilly ASA India at the first edition of Aerospace & Defence Meetings Chennai, engaging with global aerospace and defence leaders from various countries.

CII Webinar on Basics of GST Returns and Refunds

September 30, 2025

Lakshay Chhabra, Baker Tilly ASA India, participated as a speaker in CII's session on "Basics of GST Returns and Refunds" under the series "Empowering MSMEs: Journey Through Basics." The discussion covered GST return structures, refund processes, and practical compliance insights for MSMEs.

GST Rate Rationalisation: Implications for Key Sectors

October 01, 2025

Author: Himanshu Srivastava, Subroto Bose & Mina Nagashima, Baker Tilly ASA India

India moves to a simpler two-rate system. Essentials get cheaper, compliance gets lighter, and businesses get a real chance to reset strategies for growth. The transition won't be without challenges, but the direction is clear: a fairer, simpler, and more growth-friendly GST.

Data Privacy in M&A: Navigating Compliance under India's DPDP Act

October 07, 2025

Author: Shrikrishna Dikshit & Rachit Shukla, Baker Tilly ASA India.

In this article, India's DPDP Act is examined through the lens of M&A, highlighting how data privacy, due diligence and fiduciary accountability are redefining deal strategies. It underscores the growing need for DPIAs, secure data transfers, and proactive compliance to future-proof M&A integration.

The One Truth No Audit Report Can Reveal: A forensic auditor's quiet observation from behind the numbers

October 15, 2025

Author: Bhushan Sharma & Aman Jain, Baker Tilly ASA India

In this article, the authors reflect on the unseen side of forensic audits, where evidence can uncover the act, but only intent completes the truth. They highlight that despite rigorous investigations and data trails, the full story lives only with the person behind the act.

Foreign Source Exclusion in FTS – A Litigation Prone Area

October 16, 2025

Author: Pragya Bansal & Roshni Chaurasia, ASA

In this article, the foreign source exclusion under Section 9(1)(vii)(b) of the Income Tax Act, 1961 is discussed, highlighting interpretational ambiguities, judicial inconsistencies, and the need for robust documentation and cautious tax positions to mitigate litigation risks.

GLOSSARY

AY

Assessment Year

BRICS

Brazil, Russia, India, China, and South Africa

CBDT

Central Board of Direct Taxes

DPDP

Digital Personal Data Protection

DPIA

Data Protection Impact Assessment

DTAA

Double Taxation Avoidance Agreement

EDMPS

Export Data Processing and Monitoring System

FTS

Fee for Technical Services

FY

Financial Year

GHG

Greenhouse Gas

GST

Goods & Services Tax

ICAI

Institute of Chartered Accountants of India

IDMPS

Import Data Processing and Monitoring System

IPO

Initial Public Offer

IRDAI

Insurance Regulatory and Development Authority of India

ITAT

Income Tax Appellate Tribunal

ITC

Input Tax Credit

ITR

Income Tax Return

LODR

Listing Obligations and Disclosure Requirements

M&A

Mergers & Acquisitions

MSME

Micro, Small, Medium Enterprise

OECD

Organisation for Economic Co-operation and Development

PE

Permanent Establishment

RBI

Reserve Bank of India

RPT

Related Party Transaction

SCN

Show Cause Notice

SEBI

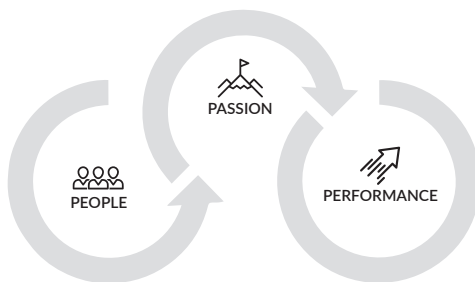
Securities and Exchange Board of India

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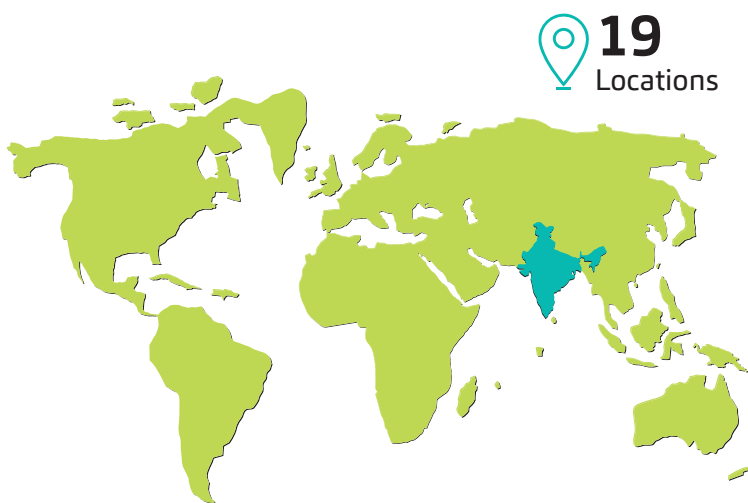
SERVICES

- Accounting and Business Support
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Well structured teams with domain specialization are guided by leaders who possess expertise and experience and are present PAN India to ensure excellent client service.

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In-house
Professionals

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Staff



700
Offices



143
Territories



\$5.6bn
Turnover



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