

NEWS LETTER

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CONTENTS

- Direct Tax Update
- Accounting Update
- Company Law Update
- IFSCA Update
- SEBI Update
- FEMA Update
- Article - Simplified GST Registration Scheme under Rule 14A – A Practical Guide for Small Taxpayers
- Due dates of various compliances falling in the month of November 2025

DIRECT TAX UPDATES

I. Circulars & Notifications

Extension of Due Date for filing of various reports of audit and Income tax Return under the Income tax Act,1961 for Financial Year 2024-25 (relevant to Assessment Year 2025-26) (C.B.D.T. Circular NO. 15/2025 dated 29.10.2025)

In continuation of the extension of due date for furnishing of report of audit under the provisions of the Income tax Act,1961 vide C.B.D.T. Circular NO. 14/2025 dated 25.09.2025 by the C.B.D.T. and as per the direction of various judicial High Courts in the matter of various writ petitions filed, the C.B.D.T. has again extended various 'due dates' for the assessee as referred in clause (a) of Explanation 2 to section 139(1) of the Act which is summarized as under. It may be noted that no extension of due dates has been granted in the case of Transfer Pricing (TP) cases :

Particulars	Revised Due Date for Non-Transfer Pricing (TP) case	Due Date for Transfer Pricing (TP) case
Furnishment of Tax Audit Report U/s 44AB	10th November,2025	31st October,2025
Furnishment of ITR U/s 139(1)	10th December ,2025	30th November,2025
Furnishment of TP Report U/s 92E	N.A.	31st October,2025
Furnishment of Audit Report in Form No.10B/10BB in case of Charitable Organisation U/s 11	10th November,2025	N.A.
Furnishment of ITR U/s 139(1) by a Charitable Organisation	10th December ,2025	N.A.

II. High Court Decision

Depreciation Not allowable U/s 32 on long-term leasehold right over infrastructural facilities and development charges but allowable U/s 37

Hinduja Foundries Ltd. v. Asst. C.I.T. [2025] 179 taxmann.com 363 (Mad)

Facts:

The assessee was engaged in the business of manufacturing grey iron and aluminium die castings for automobiles etc. The assessee had entered into a lease deed with SIPCOT, a State Government undertaking, towards the lease of a plot in the industrial park promoted by the SIPCOT at Siperumbudur. As per the lease deed, a plot had been allotted to the assessee on a long-term lease of 99 years.

As per clause 2 of the lease deed, the assessee had paid Rs. 1.80 crore towards plot deposit and also a sum of Rs. 6.20 crore towards development charges. As per clause 14 of the lease deed, in the case of resumption of the plot by the lessor or in the event of surrender, the plot deposit alone shall be refunded by the lessor and the development charges will be refunded after forfeiting an amount of 5 per cent per year.

The assessee had filed the return by including said development charges as part of the building and had claimed depreciation as a commercial right under section 32(1)(ii) on the ground that the rights acquired by the assessee on a long-term lease of 99 years by making payments towards the development charges are intangible assets and the same would fit in the words 'commercial rights of similar nature' under the provision and it amounts to partly owning the rights or partly owning the assets, which are also used for the business and as such the amount paid qualifies for depreciation.

The Assessing Officer disallowed the claim made by the assessee, as payment made towards common infrastructural facilities could not be treated as part of the building and amount paid to SIPCOT was only for purpose of land development and rights obtained by assessee was only towards land and, therefore, claim of depreciation was not allowable on building.

Decision:

The High Court rejected the claim of depreciation of the assessee holding that Section 32(i) makes it clear that to claim depreciation, the assessee has to own the intangible asset either wholly or partly, which are used for the purpose of business or profession. The assessee has to be a full owner or part owner. Even though the assessee had obtained a long-term right over the infrastructure, the long-term leasehold right cannot substitute the term 'owner'. The term 'owner' implies that a person owns that particular asset, whereas the long-term right to use does not in any manner makes the person owner thereon but only allows that person to use that asset for the specified period. When the language used in the provision is clear and unambiguous that the assessee has to own the intangible asset wholly or partly for the purpose of claiming depreciation, it cannot be read or interpreted in any other way. In the instant case, the assessee having only the long-term leasehold right over the infrastructural facilities is not an owner either wholly or partly owning the intangible asset. The assessee does not have any absolute right in the infrastructural developments for which the payment has been made and the assessee not being a part or full owner does not qualify for claim of depreciation under section 32(1)(ii).

Therefore, the claim of depreciation made by the assessee under section 32 has been rightly disallowed by the authorities and confirmed by the Tribunal.

However, the assessee is eligible to claim expenses for **infrastructural developments including roads, streets, etc., which were not owned by assessee and were developed by SIPCOT as the same facilitated running of business of assessee and are eligible to be treated as a revenue expenditure under section 37 of the Act.**

III. Tribunal Decision

Rate of Capital Gain Tax @ 22% to a Company opting for tax U/s 115BAA

Maharishi Education Corporation P. Ltd. v. ITO [2025] 179 taxmann.com 698 (Del-Tribunal)

Facts:

The assessee, a domestic company, had exercised the option to tax u/sec 115BAA for A.Y.2020-21 and subsequent years. For A.Y. 2021-22, it filed a return declaring income of about Rs.14.98 lakhs including Long Term Capital Gain of about Rs. 15.18 lakhs on sale of land and computed tax u/sec 112 at 20% on the LTCG. The AO recomputed tax on LTCG by applying a 22% rate as applicable u/s 115BAA and raised an additional demand of about Rs. 0.60 lakhs in the return processed u/s 143(1).

Decision:

The SMC Bench of Delhi Tribunal confirmed the view of Assessing Officer holding that the assessee has opted for taxation u/sec. 115BAA of the Act, hence, the rate of tax applicable in respect of total income of the assessee company is 22%.

Our Comment:

In our view, the Tribunal has not considered the provisions of section 115BAA(1) which provides that “Notwithstanding anything contained in this Act **but subject to the provisions of this Chapter**, other than those mentioned under section 115BA and section 115BAB, the income-tax payable in respect of the total income of”.

Since, section 115BAA and section 112, both are covered under Chapter XII of the Act and therefore, provisions of section 115BAA cannot override the provisions of section 112. Therefore, in our view, rate of tax @20% on LTCG as provided U/sec 112 of the Act is applicable to a company opted for tax regime U/s 115BAA.

ACCOUNTING UPDATE

EAC Opinion:

Accounting treatment of expenditure towards Special Development Plan (SDP) by the Company, under Ind AS framework

The relevant text of the Opinion is reproduced below:

The Committee notes from the above that an asset can be recognised only when there is: (a) a right; (b) potential to produce economic benefits by using that right; and (c) control over the right as a resource. In the extant case, as per the facts submitted by the querist, the Company does not own or exercise control over the assets created under SDP. Further, the Company hands over the assets created to the Government after execution of works. Therefore, it can be said that the Company does not have the ability to direct the use of the assets created or to prevent other parties from directing their use or obtaining benefits from them. Furthermore, it is also specifically stated that there is no future economic benefit from such assets to the Company. Thus, the Company neither has any right or control over the resources created nor there is any potential of future economic benefits from the expenditure incurred or the resources created in the extant case. Accordingly, the expenditure incurred towards SDP does not result into creation of any asset for the Company. Moreover, the facts submitted by the querist also do not suggest that expenditure incurred under SDP is attributable to the construction or development of another asset that may be recognised by the Company in its financial statements as per the requirements of relevant Ind AS, such as, Ind AS 16, Ind AS 38, etc. Therefore, considering the above reproduced requirements of the Conceptual Framework, the Committee is of the view that the expenditure incurred towards SDP should be recognised as an expense in the Statement of Profit and Loss.

EAC Opinion can be accessed at:

<https://resource.cdn.icai.org/89217cajournal-nov2025-31.pdf>

COMPANY LAW UPDATE



A. Amendment to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016:

The Ministry of Corporate Affairs (MCA) had, vide notification G.S.R. 733(E) dated 01st October, 2025, published in the Official Gazette of India, made certain amendments to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 by introducing Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2025.

The Form IEPF-5 has been substituted with a new Form IEPF-5 under the above-said rules.

The Notification can be accessed at:

[https://www.mca.gov.in/bin/dms/
getdocument?mds=w9Z1txvc4ZiLzPHWXVAI3w%253D%253D&type=open](https://www.mca.gov.in/bin/dms/getdocument?mds=w9Z1txvc4ZiLzPHWXVAI3w%253D%253D&type=open)

B. Relaxation in additional fees and extension of time for filing Financial Statements and Annual Returns under the Companies Act, 2013:

The Ministry of Corporate Affairs (MCA) had issued General Circular No. 06/2025, dated 17th October, 2025, offering relaxation from additional fees for filing key statutory forms under the Companies Act, 2013 namely Form AOC-4 (and its variants) and Form MGT-7/MGT-7A for the financial year 2024–25 without incurring any additional fees up to 31st December, 2025.

This circular was brought in by the MCA in light of the recent rollout of revised e-forms on the MCA-21 Version 3 portal, which has introduced significant changes in the filing process. The Ministry acknowledged the transitional challenges faced by stakeholders and extended this fee waiver to ease compliance.

However, the MCA clarified that this relaxation did not extend the deadline for holding Annual General Meetings (AGMs) and that after 31st December, 2025, filings would attract standard and additional fees as applicable with regards to the original due dates.

The Circular can be accessed at:

[https://www.mca.gov.in/bin/dms/
getdocument?mds=lZq6ZzM2uLU5k38cgrQaxw%253D%253D&type=open](https://www.mca.gov.in/bin/dms/getdocument?mds=lZq6ZzM2uLU5k38cgrQaxw%253D%253D&type=open)

C. Relaxation in additional fees in filing Form CRA-4 (Cost Auditor Report) in excel format:

In addition to relaxation granted by the MCA for filing of key statutory forms namely Form AOC-4 (and its variants) and Form MGT-7/MGT-7A for the financial year 2024–25 without incurring any additional fees up to 31st December, 2025, the Ministry has also relaxed the additional fees for filing Form CRA-4 (Cost Auditor Report) in excel format vide General Circular No. 07/2025, dated 27th October, 2025.

The Circular can be accessed at:

[https://www.mca.gov.in/bin/dms/
getdocument?mds=LYrSgX96b948Rd4i8XXv6A%253D%253D&type=open](https://www.mca.gov.in/bin/dms/getdocument?mds=LYrSgX96b948Rd4i8XXv6A%253D%253D&type=open)

D. Establishment of multiple RD's and ROC's under Companies Act, 2013 and Limited Liability Partnership Act, 2008:

The Ministry of Corporate Affairs (MCA) has vide separate notifications dated 23rd October, 2025 respectively provided for establishment of RD's (Regional Directors) and ROC's (Registrar of Companies) at several locations across India a comprehensive list of which can be looked up at the links provided below.

The notifications can be accessed at:

[https://www.mca.gov.in/bin/dms/
getdocument?mds=yAnqPocKzLxnYoerlj0xWA%253D%253D&type=open](https://www.mca.gov.in/bin/dms/getdocument?mds=yAnqPocKzLxnYoerlj0xWA%253D%253D&type=open)

[https://www.mca.gov.in/bin/dms/
getdocument?mds=5iXn9ronxr%252Fp8MHiPDd5lg%253D%253D&type=open](https://www.mca.gov.in/bin/dms/getdocument?mds=5iXn9ronxr%252Fp8MHiPDd5lg%253D%253D&type=open)

[https://www.mca.gov.in/bin/dms/
getdocument?mds=aCE86c%252FD5M6mBNrL2Pif3A%253D%253D&type=open](https://www.mca.gov.in/bin/dms/getdocument?mds=aCE86c%252FD5M6mBNrL2Pif3A%253D%253D&type=open)

[https://www.mca.gov.in/bin/dms/
getdocument?mds=EZ1JqosxVMGRDQuvn740IA%253D%253D&type=open](https://www.mca.gov.in/bin/dms/getdocument?mds=EZ1JqosxVMGRDQuvn740IA%253D%253D&type=open)

IFSCA UPDATE

A. Foreign Currency Settlement System - Notification of Bye-laws, Rules and Regulations:

The IFSCA has vide circular number E.File.no.IFSCA-FMPP0BR/6/2024-Banking dated 03rd October, 2025 issued a circular to all Financial Institutions in the International Financial Services Centres (IFSCs) with regard to Foreign Currency Settlement System.

The IFSCA has authorized CCIL IFSC Limited to operate a payment system for settlement of transactions in foreign currency to be called the 'Foreign Currency Settlement System' in GIFT IFSC.

In exercise of the powers conferred on it, the Authority has notified Bye-Laws, Rules and Regulations prepared by CIL as the regulation, guideline, instruction or direction governing the operations of the Foreign Currency Settlement System.

The Circular can be accessed at:

[https://ifsc.gov.in/CommonDirect/GetFileView?id=2a38901cd710ed10d1660d1c3010ed77&fileName=Circular\(Notification_of_Rules_Byelaws_and_Regulations_of_FCSS_20251003_0326.pdf&TitleName=Legal](https://ifsc.gov.in/CommonDirect/GetFileView?id=2a38901cd710ed10d1660d1c3010ed77&fileName=Circular(Notification_of_Rules_Byelaws_and_Regulations_of_FCSS_20251003_0326.pdf&TitleName=Legal)

B. Modifications under the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022:

The IFSCA has vide circular number F. No. IFSCA-DAC/7/2024-AMLCFT dated 31st October, 2025 issued a circular to all Regulated Entities in the International Financial Services Centres regarding Modifications under the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022.

The Circular can be accessed at:

https://ifsc.gov.in/CommonDirect/GetFileView?id=47a297ad49aae8fa365313a9138dd3a&fileName=31_10_2025_Circular_Modifications_under_the_IFSCA_AML_CTF_KYC_Guidelines_2022_20251031_0459.pdf&TitleName=Legal

SEBI UPDATE

Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions:

The Securities and Exchange Board of India (SEBI) had issued SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 dated 13th October, 2025 relating to minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions.

The SEBI Master Circular dated 11th November, 2024 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated 26th June, 2025, required listed entities to follow “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” (“RPT Industry Standards”), formulated by Industry Standards Forum (“ISF”). The ISF had submitted a representation to the SEBI, requesting relaxation from the applicability of the RPT Industry Standards pursuant to which the above-said representation was discussed with the Advisory Committee on Listing Obligations and Disclosures of SEBI.

In view of the above and after taking into considerations requisite matters, the SEBI has approved the proposal for relaxation in minimum information to be provided to the Audit Committee and shareholders for the approval of RPTs.

The Circular can be accessed at:

https://www.sebi.gov.in/legal/circulars/oct-2025/minimum-information-to-be-provided-to-the-audit-committee-and-shareholders-for-approval-of-related-party-transactions_97281.html

FEMA UPDATE

EXPORT DATA PROCESSING AND MONITORING SYSTEM (EDPMS) & IMPORT DATA PROCESSING AND MONITORING SYSTEM (IDPMS) – RECONCILIATION OF EXPORT/IMPORT ENTRIES

- The Reserve Bank of India (RBI) has issued updated guidelines for timely closure of entries in EDPMS and IDPMS to streamline export-import data reporting and reconciliation.
- AD banks shall adopt the following procedure while closing entries (including outstanding entries) in EDPMS & IDPMS of value equivalent to Rs. 10 lakh per entry/bill or less as follows:
 - AD Banks (Authorized Dealer Banks) must ensure prompt closure of entries in both systems once export proceeds are realized or import payments are made.
 - Supporting documents like shipping bills, bills of entry, or regulatory approvals must be verified and matched before closure.
 - Old pending entries can now be closed based on consolidated certificates issued by AD Banks confirming realization or settlement.
- Accordingly, AD banks shall also review the charges levied for handling these small-value export and import transactions, keeping in view the revised procedure/relaxations mentioned above and ensure that the same are commensurate with the services rendered. AD banks shall not levy any penal charges (penalty) for delays in adherence to any regulatory guidelines.
- These above instructions shall come into force with immediate effect.

Notification Link:

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/12APDIR8DD0C87C83074E37B5DADB8B8F72E935.PDF>

RBI extends time for foreign exchange outlay in Merchanting Trade Transactions from four to six months

- The Reserve Bank of India (RBI) has revised the guidelines relating to Merchanting Trade Transactions (MTT).
- On review, it has been decided to extend the permissible time period for outlay of foreign exchange from four months to six months.
- All other provisions of Circular dated January 23, 2020 remain unchanged.
- The revised instructions are effective immediately.

Notification Link:

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/APDIR11E01102025611C3BABE67B442186CD5852D572142B.PDF>

RBI allows PROIs holding Special Rupee Vostro Accounts to invest surplus balances in NCDs and commercial papers

- The Reserve Bank of India (RBI) has issued a circular permitting persons resident outside India (PROI) to invest in corporate debt securities through balances held in Special Rupee Vostro Accounts (SRVA).
- Earlier, the use of SRVA balances for investment was restricted to Government securities and Treasury Bills. This amendment marks a significant liberalization, aimed at broadening the rupee settlement framework and enhancing the use of SRVA accounts for legitimate investment purposes.
- The circular amends the Master Direction – Investment by Persons Resident Outside India, to align with the Foreign Exchange Management (Debt Instruments) Regulations, 2019 and related frameworks.
- The Master Direction now refers to the latest FEMA (Debt Instruments) Regulations, 2019, ensuring consistency with current regulatory provisions.
- The Master Direction dated January 4, 2018, stands amended through this circular. The instructions are applicable with immediate effect to all Authorised Dealer (AD) Category-I banks maintaining SRVA accounts.
- Previously, balances held in SRVA accounts could be used only for investments in Government securities, including Treasury Bills. The amendment now permits investment in corporate debt instruments such as bonds, debentures, and commercial papers issued by Indian companies.
- The expression “Central Government securities including Treasury Bills” has been replaced with “eligible instruments” throughout the relevant paragraphs. This change broadens the definition of permissible investments and aligns the wording with the newly expanded scope.
- A new paragraph has been inserted to explicitly clarify that investments from SRVA balances may also be made in corporate debt instruments issued by Indian companies. This insertion brings transparency and regulatory certainty for authorised dealers and investors.
- The instructions apply to all AD Category-I banks handling SRVA accounts, allowing them to facilitate such investments for eligible foreign entities maintaining SRVA balances.
- Key Highlights are as follows :
 - Eligible investors: Persons resident outside India maintaining SRVA accounts with AD Category-I banks.
 - Eligible instruments: Corporate bonds, debentures, commercial papers, and other INR-denominated corporate debt securities.
 - Investment route: Through SRVA balances maintained as per RBI's framework for international trade settlement in Indian Rupees.
 - Regulatory framework: Governed by the Foreign Exchange Management (Debt Instruments) Regulations, 2019 and the Master Direction – Investment by Persons Resident Outside India, as amended from time to time.
 - The provisions of this circular are effective immediately.

Notification Link:

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NT904BF7631A474C40B9AFA2F6395726A3CE.PDF>

RBI permits AD banks to lend in INR to residents of Bhutan, Nepal and Sri Lanka for cross-border trade transactions

- The RBI has notified the Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2025.
- An amendment has been made to Regulation 7 relating to ‘Lending in Indian Rupees by a Person Resident in India’.
- A new clause has been inserted which states that an AD bank may lend in Indian Rupees to a person resident outside India being a resident in Bhutan, Nepal, or Sri Lanka, including a bank in these jurisdictions, for cross-border trade transactions.

Notification Link:

[https://rbidocs.rbi.org.in/rdocs/notification/PDFs/
FEMA3\(R\)06102025F10F8B8EE9B1E43178BB46F3DE22060F8.PDF](https://rbidocs.rbi.org.in/rdocs/notification/PDFs/FEMA3(R)06102025F10F8B8EE9B1E43178BB46F3DE22060F8.PDF)

RBI relaxes repatriation norms for exporters maintaining foreign currency accounts held in IFSCs

- RBI has notified Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Seventh Amendment) Regulations, 2025.
- The RBI has revised the repatriation timeline for funds held by exporters in foreign currency accounts maintained outside India.
- Exporters with accounts maintained at banks in IFSCs can retain funds for up to 3 months (instead of previous 1 month) from the date of receipt.
- For accounts in other jurisdictions, the existing 1-month limit remains unchanged.

Notification Link:

[https://rbidocs.rbi.org.in/rdocs/notification/PDFs/
FEMA10R061020254CCE809F5B8E40A6A3C150BD8DE38125.PDF](https://rbidocs.rbi.org.in/rdocs/notification/PDFs/FEMA10R061020254CCE809F5B8E40A6A3C150BD8DE38125.PDF)

ARTICLE

- Simplified GST Registration Scheme under Rule 14A – A Practical Guide for Small Taxpayers



From 1 November 2025, the Government has put in place a new Simplified GST Registration Scheme by inserting Rule 14A into the CGST Rules, 2017. The scheme is designed to make GST registration faster and simpler for small, low-risk taxpayers, without changing the basic tax rates or return obligations.

This article explains, in practical terms, who should consider this scheme, how it works on the GST portal, the conditions for withdrawal, and the key dos and don'ts which you, as a business owner or finance head, should keep in mind.

1. What is the Simplified GST Registration Scheme?

Rule 14A of the CGST Rules provides an optional route for GST registration for small taxpayers whose monthly output tax liability on supplies to registered persons (B2B) is limited. The idea is simple:

- If your expected monthly GST liability (including CGST, SGST/UTGST, IGST and Compensation Cess on supplies to registered persons) does not exceed ₹2.5 lakh, you may opt to register under this simplified route.
- The scheme focuses on speed and automation: registration is granted electronically within three working days of ARN generation, subject to Aadhaar authentication.
- It is important to note that this is not a concessional tax-rate scheme like composition. Your tax liability and returns remain as for any normal registered person. What changes is the manner and ease of obtaining registration, plus some structured rules for exit.

2. Legal Background and Effective Date

Rule 14A has been notified through Notification No. 18/2025 – Central Tax, effective 1 November 2025.

The GSTN has simultaneously issued an Advisory dated 01.11.2025 explaining how this scheme is operationalized on the portal, including the additional options in FORM GST REG-01 and the Aadhaar authentication requirements.

For taxpayers, this means the scheme is already live on the GST portal and can be opted at the time of applying for new registration.

3. Who is Eligible to Opt for Rule 14A?

Broadly, four conditions need to be satisfied if you wish to register under this scheme:

1. Application Route

- You apply for registration under the normal Rule 8 process (i.e., standard GST registration flow via REG-01).

2. Output Tax Liability Threshold – ₹2.5 lakh per month

- On your own assessment, you determine that your total monthly output tax liability on supplies made to registered persons (B2B) will not exceed ₹2.5 lakh, including all components of GST and cess.

- This is an ex-ante, self-assessed estimate; the law specifically trusts the taxpayer's own assessment.

3. Aadhaar Authentication

- Mandatory Aadhaar authentication is required for:
 - the Primary Authorized Signatory, and
 - at least one Promoter/Partner of the entity.

4. One Rule 14A Registration per State/UT per PAN

- If you are already registered under Rule 14A in a particular State/UT, you cannot obtain another registration under the same Rule in that State/UT on the same PAN. Regular registrations under other rules are distinct, but duplicate Rule 14A registrations are barred.

A Simple Illustration

Suppose you are a small consultancy firm providing services only to registered clients.

- Your expected taxable value per month: ₹10 lakh.
- Output tax at 18%: ₹1.8 lakh per month.

Since your monthly output tax liability on B2B supplies is below ₹2.5 lakh, you may consider Rule 14A, subject to other conditions.

4. How to Opt for the Scheme on the GST Portal

The portal changes are simple and embedded within the existing REG-01 form:

1. Start Form GST REG-01 as per normal registration.

2. In the relevant part of REG-01, you will see a field:

“Option for registration under Rule 14A – Yes / No”

3. Select “Yes” if you wish to come under the Simplified Registration Scheme.

4. Complete OTP-based Aadhaar authentication for:

- Primary Authorized Signatory, and
- at least one Promoter/Partner.

5. Once Aadhaar authentication is successful, registration shall be granted electronically within three working days from the date of ARN.

For genuine, low-risk applicants, this reduces departmental interface and cuts down the time to get a GSTIN, thereby improving ease of doing business.

5. Conditions and Process for Withdrawal from Rule 14A

The Advisory also prescribes a structured exit framework for taxpayers who may later wish to withdraw from the scheme.

If you are registered under Rule 14A and wish to withdraw from the Scheme, the following conditions must be satisfied:

1. All Returns Up to Withdrawal Date Must Be Filed

- Every return due from the effective date of registration under Rule 14A till the date of filing the withdrawal application must be filed. No gaps are permitted.

2. Minimum Period of Return Filing

- If you apply for withdrawal before 1 April 2026:
 - You must have filed returns for at least three months.
- If you apply for withdrawal on or after 1 April 2026:
 - You must have filed returns for at least one tax period.

3. No Pending Amendment or Cancellation Application

- There should be no pending application for:
 - amendment of registration, or

→ cancellation of the same Rule 14A registration.

4. No Proceedings under Section 29

- There must be no proceedings initiated or pending under Section 29 (cancellation of registration) for Rule 14A registration.

The portal will support this through new forms (such as REG-32 for withdrawal application and REG-33 for order on withdrawal) as noted in some commentaries.

6. Practical Implications – Who Should Consider This Scheme?

From a business and advisory perspective, Rule 14A is likely to be most relevant for:

- Small service providers (consultants, professionals, agencies) who work mainly with registered clients and have modest B2B turnover.
- New start-ups that expect to remain within a limited B2B tax outflow in the initial years, but need quick GST registration to raise tax invoices and pass on ITC.
- Distributors or small B2B traders operating at lower turnover levels, where monthly GST on outward supplies is well within ₹2.5 lakh.

In contrast, the scheme may be less suitable where:

- You foresee rapid growth in turnover and expect monthly output tax to cross ₹2.5 lakh soon. In such cases, entering Rule 14A and shortly withdrawing may not be practical.

Remember, Rule 14A does not change:

- your tax rates,
- your eligibility to claim input tax credit, or
- your obligation to file periodic returns (GSTR-1, GSTR-3B, etc.).

It is essentially a fast-track entry mechanism into the GST system, not a concessional regime.

7. Key Points of Caution

When advising or deciding internally, the following risk and caution points are important:

1. Self-Assessment of ₹2.5 lakh Threshold

- The law places the onus on the taxpayer to self-assess that the monthly output tax liability on B2B supplies will not exceed ₹2.5 lakh.
- Over-optimistic or incorrect projections may later invite query or scrutiny, especially if actual liability consistently exceeds this limit.

2. Continuous Monitoring

- Even after registration, you should monitor monthly tax liability.
- If your business expands and you start approaching or crossing the threshold, you may need to re-evaluate continued suitability of Rule 14A and plan for withdrawal.

3. Data Consistency and Aadhaar Authentication

- As Aadhaar authentication is mandatory for key persons, ensure that PAN–Aadhaar linkage, KYC details and contact information are correct and updated to avoid delays.

4. No Escape from Compliance

- The perception that “simplified registration” means “lighter compliance” can be misleading.
- You still remain a normal registered person for all practical purposes – liable for accurate invoicing, timely return filing, payment of tax, e-invoicing and e-way bills (where applicable), maintenance of books, and responding to departmental notices.

5. Exit Strategy

- If you foresee a change in business model (for example, moving from a small consultancy to large contracts), plan your exit from Rule 14A in advance to avoid getting stuck due to unfiled returns or pending amendment/cancellation applications.

8. Difference from Composition Scheme – At a Glance

Many small taxpayers may instinctively compare Rule 14A with the composition scheme. Conceptually, they serve different purposes:

- Composition Scheme
 - Lower tax rate, but no ITC to recipient, limited turnover, restrictions on inter-State supplies and B2B services in many cases.
- Rule 14A Simplified Registration
 - No change in tax rate, full ITC flow to recipient (since you are a normal taxpayer).
 - Focus is on faster, Aadhaar-based e-registration for small, low-risk B2B taxpayers.

Therefore, for businesses with B2B clientele who value input tax credit, Rule 14A may be more attractive than composition, provided the ₹2.5 lakh monthly tax liability condition is comfortably met.

9. Conclusion

The Simplified GST Registration Scheme under Rule 14A is a targeted reform aimed at improving ease of doing business for genuine small taxpayers whose monthly B2B GST outflow remains modest. By combining:

- fast, Aadhaar-based electronic registration within three working days, and
- a clear framework for eligibility and withdrawal,

the Government is signalling trust in compliant small businesses while using data and risk-based checks in the background.

For each business, however, the decision to opt for Rule 14A should be carefully evaluated in light of:

- expected growth,
- nature of supplies (B2B vs B2C), and

the need for a stable, long-term compliance framework

DUE DATES



MON	TUE	WED
3	4	5
10	11	12
17	18	19
24	25	26
31		

Due dates of various compliances falling in the month of November 2025

Due Date	Act/Authority	Compliance Description
07-11-25	Income Tax	Deposit of Tax Deducted at Source (TDS) / Tax Collected at source (TCS) during the month of October - 2025
10-11-25	GST	GSTR-7 for the month of October - 2025 for persons required to deduct TDS
10-11-25	GST	GSTR-8 for the month of October - 2025 for e-commerce operator required to Collect TCS
10-11-25	Income Tax	Extended Due date for filing of audit report under section 44AB for the assessment year 2025-2026 in the case of a corporate-assessee or non-corporate assessee other than assessee who is also required to submit a report pertaining to International or specified domestic transactions under section 92E
10-11-25	Income tax	Extended due date for filing of Audit Report in form 10B/10BB for the assessment year 2025-2026 by a fund or trust or institution or any university or other educational institution or any hospital or other medical institution
11-11-25	GST	GSTR-1 for the month of October - 2025 for taxpayers having turnover more than Rs. 5 crores or opted to file Monthly Return
13-11-25	GST	GSTR-5 by Non-resident taxable person carrying out business in India for the month of October - 2025
13-11-25	GST	GSTR-6 for the month of October - 2025 for Input Service Distributor
15-11-25	PF/ESIC	Payment of PF / ESIC for the month of October - 2025
20-11-25	GST	Payment of GST & Filling of GSTR-3B for the month of October - 2025, for taxpayers having turnover of more than Rs.5 Crore in preceding financial Year
20-11-25	GST	GSTR-5A by Non-resident taxable OIDAR Service Provider for the month of October - 2025
25-11-25	GST	PMT-06 Monthly tax payment for the month of October - 2025 under QRMP Scheme

29-11-25	MCA	Filing of PAS-6 -Reconciliation of Share Capital Audit Report for the half year ended on September 30, 2025
30-11-25	Income Tax	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA,194-IB,194M and 194S in the month of October, 2025
30-11-25	Income Tax	Return of income for the Assessment Year 2025 -2026 in the case of an assessee that is required to submit a report under section 92E pertaining to international or specified domestic transaction(s)
30-11-25	Income Tax	Report in Form No. 3CEAA by a constituent entity of an international group for the accounting year 2024-25

“
THE ONLY PERSON YOU ARE
DESTINED TO BECOME IS THE
PERSON YOU DECIDE TO BE

”

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