

October 2025

NEWSLETTER

TAX

- Income Tax
- Goods and Services Tax



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Income Tax			
1. India–Qatar DTAA Agreement			
			CBDT Notification No. 154 /2025 date 24.10.2025
Vide this notification, CBDT has replaced old 1999 Treaty between India and Qatar for Avoidance of Double Taxation and Prevention of Fiscal Evasion with the New Treaty. The Treaty is applicable in both countries for income arising on or after 01 April 2026, A Double Tax Avoidance Agreement (DTAA) is a treaty between two countries designed to ensure that the same income is not taxed twice — once in the country where it is earned and again in the country where the taxpayer resides. Under DTAA, a person can either: • Avoid double taxation altogether (by being taxed in only one of the two countries), or • Claim a credit (known as <i>Foreign Tax Credit</i> or FTC) for the tax already paid in one country while calculating tax liability in the other.			
Key Highlights of the India–Qatar DTAA			
1. Scope and Coverage			
➤ Applies to residents of both countries. ➤ Covers income taxes in both nations: • India: Income-tax including surcharge. • Qatar: Taxes on income.			
2. Defines Resident and includes provision for Dual Residency			
➤ A “resident” is one liable to tax by reason of domicile, residence, or place of management. ➤ If individual is resident of both contracting countries, then his status will be determined as follows: • he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests); • if the State in which he has his centre of vital interests cannot be determined, he shall be deemed to be a resident only of the State in which he has a habitual abode; • if he has a habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national; • if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.			
3. Permanent Establishment (PE)			
➤ Permanent Establishment is a fixed place of business through which business is carried on, includes an office, branch, factory, workshop, etc. ➤ Construction projects qualify if they last more than 6 months. ➤ Service PE applies if services are rendered for over 90 days in a 12-month period. ➤ PE rules include anti-fragmentation and dependent agent provisions if they hold more than 50% ownership and control.			
4. Taxation of Income Categories			
Nature of Income	Taxable In	Maximum Rate	Key Conditions & Remarks
Business Profits	Resident Country, unless there is a	As per Domestic Law	Taxable in resident country only to the extent attributable

	Permanent Establishment (PE) in the other country		to PE. Expenses incurred for PE are deductible.
Income from Immovable Property	Where property is located	As per domestic law	Includes rent, agriculture, forestry, or use of property.
Dividends	Both Countries	5% – if beneficial owner is a company holding $\geq 25\%$ shares of payer; 10% – in all other cases	Dividends paid to Government, political subdivision, or local authority of the other country are fully exempt .
Interest	Both Countries	10% of gross amount (withholding cap)	Exemption if paid to the other country or its agencies (defined under Protocol).
Royalties / Fees for Technical Services (FTS)	Both Countries	10% of gross amount (withholding cap)	Excludes income effectively connected to PE.
Capital Gains	Depends on asset type	As per domestic law	• Immovable property – taxed in resident country. • Movable property of PE – taxed in resident country. • Ships/aircraft – taxed in resident country. • Shares deriving $>50\%$ value from immovable property – taxed in resident country. • Other shares – taxed in company's residence State. • All other assets – taxed in resident country.
Employment	Generally, residence country	As per domestic law	Taxable in resident country if: • Stay >183 days, or • Employer is resident in resident country, or • Pay borne by resident PE.
Directors' Fees	Country where company is resident	As per domestic law	Applies to fees paid to board members.
Other Income	Residence State	As per domestic law	Unless connected to PE or fixed base in other country.

2. Delegation of Concurrent Powers to CPC, Bengaluru

CBDT

Notification No. 155 /2025 dated 27.10.2025

Vide this notification, CBDT has **delegated concurrent powers** to the **Commissioner of Income-tax (CIT) - Centralized Processing Centre (CPC), Bengaluru** for rectification of mistakes apparent from record and related matters for cases processed through CPC.

Key Directions:

(a) Powers Granted to CIT (CPC), Bengaluru

The Commissioner of Income Tax, CPC, Bengaluru is empowered to:

1. Rectify Mistakes (Section 154):

- Errors apparent from record in any order passed under the Income-tax Act.
- Includes mistakes relating to:
 - Refunds issued earlier.
 - Non-consideration of prepaid tax credit (like TDS/TCS/advance tax).
 - Non-consideration of eligible reliefs.
 - Incorrect calculation of interest under section 244A.
 - Any error in computation of tax, refund, or demand.

2. Issue Demand Notice (Section 156):

- Authorized to issue notice of demand in connection with rectifications made.

(b) Delegation to Subordinate Officers

- The CIT (CPC) is authorized to issue written orders empowering Additional Commissioners or Joint Commissioners of Income-tax (under him) to exercise these functions for specified cases or persons.

(c) Further Delegation

- The Additional/Joint Commissioners can, in turn, issue written orders authorizing Assessing Officers (AOs) under them to exercise these powers for specified cases or areas.

[Notification No 155](#)

3. Extension of Timeline for filing Tax Audit reports and Income Tax Return (ITR).

CBDT

Circular No. 15/2025 dated 29.10.2025

Vide this circular, CBDT has **extended due dates for filing Tax Audit Report and ITRs** for certain classes of taxpayers.

Tax Audit Extension

Original Due Date: 30 September 2025

Earlier Extended Date: 31 October 2025

Now Extended Date: 10 November 2025.

Reports Covered by the Extension:

- Tax Audit Report (Form 3CA/3CB–3CD) under section 44AB

Reports not Covered by the Extension:

- Form 10/Form 10BB- Audit Report filed by Charitable & Educational Institutions
- Form 3CEB – Transfer Pricing Report

ITR Date Extension

Original Due Date: 31 October 2025

Extended Date: 10 December 2025

Taxpayers covered by the Extension:

- Company
- LLP/ Firms or Individual requiring Audit under Income Tax Act or any other law
- Partner of LLP/Firm requiring Audit

[Circular No. 15](#)

Goods and Service Tax

1. Withdrawal of circular No. 212/6/2024 dated 26 June 2024.

CBIC

Notification No. 17 /2025 dated 01.10.2025

Vide this notification CBIC has withdrawn circular no 212/6/2024 dated 26th June 2024 which require documentary evidence, undertaking and CA Certificate (Whether the purchaser has reduced ITC) to be submitted by the taxpayers if the tax payer wants to reduce its liability for issue of credit note.

Background

Section 15(3)(b)(ii) provides that value of the supply shall not include any discount that is given after the supply has been affected, provided that —

- The **discount** is established as per prior agreement, and
- The **recipient reverses ITC** corresponding to such discount.

Circular No. 212/6/2024 provided that:

- Suppliers giving **post-supply discounts** had to **prove** that the **recipient had reversed the corresponding ITC**.
- It prescribed a specific procedure to provide “evidence of compliance” under Section 15(3)(b)(ii).

The required evidence included:

- A **certificate** or **declaration** from the buyer confirming reversal of ITC related to the discount.
- Proper **documentary evidence** such as debit/credit notes issued under Section 34.
- Optionally, **chartered accountant certification** for large-value cases.
- Retention of such evidence by the supplier to show to tax authorities, if required.

CBIC has **withdrawn circular no 212/6/2024**, which has effectively:

- Removed the need for procedural proof mechanisms.
- Simplified compliance — suppliers no longer need to submit detailed evidence beyond regular records.
- Restored flexibility in claiming post-supply discounts.

[Circular No 253](#)

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.
Instead, it is only a listing of some of the circulars/notifications that we considered important.



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