

LUNAWAT BULLETIN

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LUNAWAT & CO

MARKET WATCH

Sensex : 31/12/2025: **85219.74**
28/11/2025: **85694.96**

Nifty : 31/12/2025: **26136.35**
28/11/2025: **26204.85**

AROUND THE GLOBE

HDFC AMC ENTERS PRIVATE CREDIT MARKET; LAUNCHES RS 2,500-CRORE FUND

HDFC Asset Management Company enters the private credit market with its new Structured Credit Fund-I. The fund aims to provide alternative debt financing to mid-market companies. The International Finance Corporation will invest up to Rs 220 crore as an anchor investor.

SHRIRAM FINANCE CONFIRMS SELLING 20% STAKE TO JAPAN'S MUFG IN ₹39,617-CR DEAL; SHARES SOAR

Shriram Finance is set to receive a significant investment of Rs 39,617 crore from Japan's MUFG Bank. This preferential issue will grant MUFG a 20% stake in the company. The deal requires shareholder and regulatory approvals. Shriram Finance's board has also approved minority protection rights for MUFG and a non-compete fee payment.

BANK LOAN-TO-DEPOSIT RATIOS AT ALL-TIME HIGHS RAISE CONCERN

Banking system's loan-to-deposit ratios hit an all-time high of 81% in December quarter, signaling a widening gap between credit growth and deposit mobilization. Major lenders like HDFC Bank saw their LDRs approach 100%, prompting concerns about potential deposit rate hikes or limited scope for passing on RBI rate cuts.

CRDA APPROVES OVER RS 1,300 CRORE TO DEVELOP LAYOUTS IN AMARAVATI

The Capital Region Development Authority (CRDA) meeting, chaired by CM N Chandrababu Naidu, approved over Rs 1,300 crore for layout development and a Rs 444-crore flood pumping system. Decisions also included establishing a quantum computing research center and enhancing facilities for AIS officers, alongside plans for an advanced cultural center reflecting state traditions.



COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
07.01.2026 (Wednesday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> • Deposit tax collected (TCS) and tax deducted (TDS) for the month of December 2025. • Submission of declaration in Form-27C for no TCS as obtained from manufacturer to the CIT/ CCIT
07.01.2026 (Wednesday)	FEMA	<ul style="list-style-type: none"> • Report actual ECB transactions through Form ECB-2 return.
10.01.2026 (Saturday)	GST	<ul style="list-style-type: none"> • GSTR -7 by TDS Deductor for the period of December 2025 • GSTR -8 by TCS Collector (E Commerce Operator) for the period of December 2025
11.01.2026 (Sunday)	GST	<ul style="list-style-type: none"> • GSTR -1 (Statement for furnishing details of outward supplies) for December 2025 by taxpayers whose aggregate turnover exceeds Rs. 5 crores in the previous FY or those who have not opted for QRMP.
13.01.2026 (Tuesday)	GST	<ul style="list-style-type: none"> • GSTR-5 by Non-Resident Taxpayers (13th of the next month or within 7 days after the expiry of the registration, whichever is earlier) • GSTR-6 by Input Service Distributor for December 2025. • GSTR-1 by taxpayers who opted for QRMP scheme for the period of October 2025 to December 2025

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
14.01.2026 (Wednesday)	Income Tax	<ul style="list-style-type: none"> Issue TDS Certificate for tax deducted u/s. 194-IA, 194-IB, 194S and 194M in the month of November 2025
15.01.2026 (Thursday)	Income Tax	<ul style="list-style-type: none"> Quarterly statement of TCS for the quarter ending December 31, 2025 Furnish of Form 15G/15H declarations received during the quarter ending December, 2025
15.01.2026 (Thursday)	PF/ESI	<ul style="list-style-type: none"> Filing of ECR & challan deposit of ESI & PF collected during December 2025.
18.01.2026 (Sunday)	GST	<ul style="list-style-type: none"> CMP-08 by Composition scheme person for the quarter ending December 31, 2025
20.01.2026 (Tuesday)	GST	<ul style="list-style-type: none"> GSTR-3B for December 2025 by taxpayers whose aggregate turnover exceeds Rs. 5 Crore in the previous FY or those who have not opted for QRMP. GSTR-5A by OIDAR services provider for December 2025. GSTR-1A: To add or amend particulars, other than GSTIN, furnished in GSTR-1 of the same tax period. <i>(It can be filed after filing GSTR 1 & till the filing of GSTR-3B of the same tax period)</i>
22.01.2026 (Thursday)	GST	<ul style="list-style-type: none"> GSTR -3B for taxpayers who has opted for Quarterly filing (QRMP) for the period October 25 - December 25 for specified states*.
24.01.2026 (Saturday)	GST	<ul style="list-style-type: none"> GSTR -3B for taxpayers who has opted for Quarterly filing (QRMP) for the period October 25 - December 25 for specified states**.
30.01.2026 (Friday)	Income Tax	<ul style="list-style-type: none"> Furnish Challan cum Statement for tax deducted u/s 194-IA, 194-IB, 194 -S, 194-M in December 2025. Quarterly TCS certificate in respect of quarter ending December 31, 2025

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
31.01.,2026 (Saturday)	MCA	<ul style="list-style-type: none"> Extended due date for filing MGT-7, MGT-7A, AOC-4, AOC-4 CFS, AOC-4 NBFC (Ind AS), AOC-4 CFS NBFC (Ind AS), and AOC-4 (XBRL) for FY 2024-25.
31.01.,2026 (Saturday)	Income Tax	<ul style="list-style-type: none"> Quarterly statement of TDS for the quarter ending December 31, 2025 Return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending December 31, 2025 Intimation by Sovereign Wealth Fund in respect of investment made in India for quarter ending December, 2025

*Specified States: - Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, UTs of Daman, Diu and Dadra & Nagar Haveli, Puducherry, Andaman & Nicobar Islands & Lakshadweep.

**Specified States: - Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, J & K, Delhi UTs of Ladakh and Chandigarh

INCOME TAX

SECTION 80G DEDUCTION ALLOWED FOR TEMPLE RENOVATION ON ACCOUNT OF HISTORIC IMPORTANCE

The Central Government, has notified the "Shree Balakrishna Lalji & Other Deities Temple" at Bhuleshwar, Mumbai, managed by Mota Mandir Trust, as a place of historic importance and public worship u/s 80G(2)(b) of the Income-tax Act, 1961, enabling donors to claim deductions for contributions made exclusively towards its renovation or repair. The approval is capped at an aggregate donation limit of ₹50 crore and shall remain effective until the sanctioned amount is fully collected or up to 31 March 2030, whichever is earlier, thereby ensuring regulated and purpose-specific tax-deductible funding for preservation of the temple's heritage.

CBDT REALLOCATED THE APPELLATE JURISDICTION IN SEARCH/SURVEY CASES

The CBDT has reallocated the appellate jurisdiction in search, requisition and survey-related cases by authorising specified Commissioners of Income-tax (Appeals) across designated locations to hear appeals arising from assessments pursuant to searches u/s 132, requisitions u/s 132A and surveys u/s 133A, including cases involving additions based on seized or impounded material and related penalty orders; the notification applies to appeals u/s 246A and 248, covers cases handled by specified Principal Commissioners / Commissioners of Income-tax including Exemptions, and aims to streamline appellate proceedings through specialised handling of complex matters, with effect from the date of publication in the Official Gazette.

CBDT APPROVAL TO CMC VELLORE ASSOCIATION AND IISER PUNE, U/S 35(1)(II)

The CBDT has granted approval to The Christian Medical College Vellore Association (Tamil Nadu) and the Indian Institute of Science Education and Research, Pune, as eligible institutions for scientific research u/s 35(1)(ii) of the Income-tax Act, 1961, read with Rules 5C and 5E of the Income-tax Rules, 1962, under the category of "University, college or other institution."

The approval shall take effect from the date of publication in the Official Gazette and shall be valid for Assessment Years 2026-27 to 2030-31. The accompanying Explanatory Memorandum clarifies that the notification does not operate to the detriment of any person, notwithstanding its retrospective reference.

GOODS & SERVICES TAX

GST RATE RATIONALISATION FOR TOBACCO AND RELATED PRODUCTS

While the GST rates for most tobacco-related products were already high and remained unchanged, the notification specifically classified biris and prescribed a GST rate of 9%, thereby resolving long-standing classification disputes. Earlier, biris were subject to varying interpretations, leading to litigation and inconsistent tax treatment. By clearly placing them under a defined schedule, the notification aims to ensure uniform taxation and reduced disputes. The revised rate structure was notified in December 2025 but made effective from 1 February 2026, allowing sufficient transition time for businesses.

VALUATION OF SPECIFIED GOODS BASED ON RETAIL SALE PRICE (RSP)

Through this notification, the Government introduced a Retail Sale Price (RSP)-based valuation mechanism for certain specified goods, mainly pan masala, gutkha, chewing tobacco and cigarettes. Under this system, GST is required to be calculated on the declared RSP rather than on the transaction value shown on the invoice. This change was brought in to prevent undervaluation and tax evasion, which were commonly observed in these high-risk sectors. The notification strengthens revenue protection by ensuring that tax is paid on the actual consumer-facing price. Like the rate rationalisation notification, this valuation change was notified in December 2025 and made effective from 1 February 2026.

PERMANENT BLOCKING OF OLD RETURNS

Effective from December 1, 2025, the GST portal permanently barred taxpayers from filing any GST return (GSTR-1, GSTR-3B, GSTR-9, etc.) that was more than three years past its original due date.

GOODS & SERVICES TAX

GST ADVISORIES

Auto-Population and Locking of Table 3.2 of GSTR-3B

This advisory clarified that Table 3.2 of GSTR-3B, which reports inter-State supplies made to unregistered persons, composition taxpayers, and UIN holders, will be fully auto-populated by the GST system. The auto-population is based on data furnished in GSTR-1, GSTR-1A, and the Invoice Furnishing Facility (IFF). From the relevant tax period, taxpayers are not allowed to manually edit the figures appearing in this table while filing GSTR-3B. If any correction is required, it must be made through GSTR-1A of the same tax period, which will automatically update the figures in GSTR-3B. This advisory was issued to ensure consistency between outward supply returns and tax payment returns and to reduce mismatches and errors.

AUTOMATIC SUSPENSION OF GST REGISTRATION FOR NON-FURNISHING OF BANK DETAILS (RULE 10A)

Through this advisory, GSTN implemented the system-driven suspension of GST registrations for taxpayers who fail to furnish bank account details as required under Rule 10A of the CGST Rules. Taxpayers (other than TDS, TCS, and suo-moto registrants) must provide their operative bank account details within 30 days of registration or before filing their first outward-supply return, whichever is earlier. If this requirement is not met, the GST portal will automatically suspend the registration, restricting the taxpayer from filing returns or issuing invoices. The advisory also explained that once bank details are furnished through a non-core amendment, the suspension will be revoked automatically or can be dropped through the portal. This measure strengthens verification and compliance discipline in the GST registration process.

COMPANY LAW

GOVT. AMENDS RULES ON REMOVAL OF COMPANY NAMES

The Central Government has amended the rules governing the removal of company names from the Register of Companies through Notification No. GSR 940(E), dated 31 December 2025. The amendment introduces a specific procedural requirement for Government Companies and their subsidiaries.

The Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2025, notified by India's Ministry of Corporate Affairs (MCA) on December 31, 2025, introduce key changes, notably a new procedural requirement for Government Companies and their subsidiaries, mandating an indemnity bond (Form STK-3A) signed by an authorized official from the relevant government department (Under Secretary or equivalent) instead of company directors, to ease their closure process under Section 248(2) of the Companies Act, 2013.

DIRECTOR KYC RULES OVERHAULED WITH TRIENNIAL FILING REQUIREMENT

The Ministry of Corporate Affairs notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2025 on 31 December 2025, with effect from 31 March 2026, introducing key procedural changes to director identification and KYC compliance. The amendments revise Rule 11 to update references to the competent Regional Director authority and streamline the KYC filing mechanism by mandating exclusive use of Form DIR-3 KYC-Web, discontinuing parallel references to e-forms and web services. A substituted Rule 12A now requires every individual holding a Director Identification Number (DIN) as on 31 March of a financial year to file KYC intimation once every third consecutive financial year by 30 June, rather than annually. Additionally, any change in a director's mobile number, email address, or residential address must be reported through DIR-3 KYC-Web within 30 days, with prescribed fees. The amendments aim to simplify compliance, enhance data accuracy, and strengthen regulatory oversight of director credentials.

COMPANY LAW

COMPANIES (SPECIFICATION OF DEFINITION DETAILS) AMENDMENT RULES

2018-EXPANSION OF THRESHOLD LIMIT FOR SMALL COMPANIES

The Companies (Specification of definition details) Amendment Rules, 2025, issued by India's Ministry of Corporate Affairs (MCA) on December 1, 2025 significantly raised the financial thresholds for a company to be classified as a "Small Company" under the Companies Act, 2013, increasing paid-up capital from ₹4 Cr to ₹10 Cr and turnover from ₹40 Cr to ₹100 Cr, effective immediately, to ease compliance for more businesses.

Key Changes in the Amendment:

- **Revised Small Company Definition:** A company now qualifies as small if its paid-up capital is up to ₹10 Crore and its turnover falls upto ₹100 Crore.
- **Effective Date:** The changes were effective from December 1, 2025.
- **Purpose:** To provide relief and reduce compliance burden for more companies, allowing them to avail advantages under the liberalized regime.

LUNAWAT UPDATE

Articles & Presentations

During December 2025 , CA Pramod Jain gave following presentations:

- PPT on Certificates and Reports by CAs made at ICAI - Kannur Branch (SIRC)
- PPT on Schedule III for Pvt. Ltd. companies, Small Companies & s. 185 made at ICAI - Udaipur Branch (CIRC)
- PPT on Overview of IT Act 2025 made at :-
 - ICAI - Rohini CPE Study Circle (NIRC)
 - ICAI - Nagpur Branch (WIRC)
 - ICAI - Patel Nagar CPE Study Circle (NIRC)

During December 2025 , CA Rajesh Saluja gave following presentations:

- Training for Financial Acumen at MSIL Gurgaon
- Training for Fintax programme at Escorts Kubota, Faridabad



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CONTACT US

Paschim Vihar, New Delhi

313-315, 2nd Floor, Local Shopping Complex (LSC), A-6, Paschim Vihar, New Delhi - 110 063

Tel: +91 11 45733511 +91 11 45733512 + 91 11 45581264

Email: pvoffice@lunawat.com

Keshopur, New Delhi

WZ-339, 2nd Floor, Street No. 19, Santgarh, Keshopur, Outer Ring Road, New Delhi - 110 018

Mob: 91 9311116054 , Fax:+ 91 11 28331602

Email: manojasardae@lunawat.com

Gurugram, Haryana

W-2/3A, First Floor, DLF Phase-III, Gurugram, Haryana-122 001

Tel: + 91 9953508197

Email: rkb@lunawat.com

Mumbai

03/2, The New Sion Chs. Ltd. Road:24, 4B/3, Sindhi Colony, Sion (W) Mumbai - 400 022

Tel: + 91 98193 81614

Email: shreyanagdae@lunawat.com

We also have ASSOCIATES at major cities of India.

Website: www.lunawat.com

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Editorial Team: CA Vikas Yadav, CA Payal Gupta, , CS Divya Khurana, Adv. Mukul Gupta, Anshika Gupta