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Total no. of page: 91

**....From the Desk of Editors**

Respected Seniors and Dear Friends,

As we step into the month of April of the new financial year 2024-2025, it gives us great pleasure to look back on the remarkable achievements of the previous financial year and share exciting updates about what lies ahead for our association. Inside the issue, you will find diversified area of updates on various statutes which we are hopeful that our readers will find useful.

The month of March 2025 saw our highly successful Residential Conclave held at the historic cities of Lucknow and Ayodhya. The event was an outstanding opportunity for members to come together, share insights, and engage in productive discussions on the New Income Tax Bill 2025 as also on recent judgements in the area of Goods & Service Tax (GST). The enriching sessions and networking opportunities left us all with valuable takeaways, and we thank all of you who participated for making this event such a success.

On March 29, 2025, we hosted the CA CPE Study Circle Programme on Bank Branch Audit at our DTPA Conference Hall. This program was attended by around 60 enthusiastic participants who came together to learn, discuss and update themselves about the critical aspects of bank audits in today's fast-evolving regulatory environment. It was a great session that showcased the strength of our community in fostering professional development and knowledge sharing.

Looking ahead, we are excited to announce our International Tour to Phuket and Krabi Island, scheduled for the first week of June 2025, the details whereof you will find inside this Issue. This promises to be a wonderful blend of leisure and professional networking, offering members the chance to experience the beauty and culture of Thailand's renowned destinations while forging deeper connections with fellow professionals. We are confident that this trip will offer both personal enrichment and professional growth, and we encourage all members to seize this opportunity for a memorable and rewarding experience.

The GST Network (GSTN) released the March 2025 GST collection report on April 1, 2025. According to the advisory, the total GST collected for the month was Rs.1,96,141 crore, up from Rs.1,83,646 crore in February 2025. This indicates about healthy and positive development in our economic growth,

In the area of Income Tax, we feel proud to share that the number of Income Tax Returns filed online during financial year 2024-25 was 9,18,92,914 as against 8,52,38,142 during financial year 2023-2024, registering a growth of 7.81% which is a good development for We Professionals.

As we move into April 2025, we continue to focus on delivering value to our members through various programs, seminars, and events. We remain committed to providing opportunities that will help all of us stay ahead in our fields, engage in meaningful discussions, and build long-lasting relationships within the DTPA community.

We extend our sincere gratitude to our editorial team and contributors for their dedication in curating this edition. The DTPA Journal Committee warmly invites accomplished fellow professionals to embrace opportunity to devote their valuable time to craft enlightening articles, enrich the discourse within our esteemed profession and pen down wonderful articles in their areas of expertise as also provide an opportunity to speak on the DTPA Platform.

To quote "Mahatma Gandhi"- "A person willingly paying taxes for the welfare of others shows the strength of a civilized society."

As we move into a new financial year 2025-26, let us reaffirm our commitment to excellence, integrity, ethics, updated knowledge and service. Wishing you all a productive month ahead!

Jai Hind!! Jai DTPA!!

With Best Regards

Yours truly,  
**Giridhar Dhelia**  
Chairman  
Journal Sub-Committee, DTPA

**Mohan Lal Gupta**  
Co-Chairman  
Journal Sub-Committee, DTPA

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*....From the desk of President*

Dear Esteemed Members,

As we step into April and embrace the beginning of a new financial year, I extend my warmest greetings to each one of you. The past month has been a vibrant and enriching chapter for our Association, filled with meaningful engagement and remarkable accomplishments. It is with great pleasure that I reflect on these milestones and offer a glimpse into the promising activities ahead.

**March Milestones: A Celebration of Knowledge and Community**

March was marked by robust participation and professional growth. One of the highlights was our flagship seminar **“ACCOMTECH 4.0”**, hosted at The Park Hotel, Kolkata. Focused on the transformative role of **Artificial Intelligence and Technology in our profession**, the event drew over 150 enthusiastic participants. The parallel hands-on sessions and insightful panel discussions sparked dynamic conversations and practical takeaways.

Equally impactful was the **Deep Dive Analysis of the Proposed Income Tax Bill 2025**, a three-day knowledge series held at our DTPA Conference Hall. The sessions were met with overwhelming participation and highly positive feedback for their in-depth and pragmatic approach.

We also successfully hosted a focused **Study Circle Meeting on Bank Audit**, where members engaged in enriching discussions and received valuable expert insights on audit challenges and evolving best practices.

A special mention must be made of the grand success of our **DTPA Residential Conclave 2025**, held across the culturally rich cities of **Lucknow and Ayodhya**. The event welcomed members, along with their families and friends, for a unique blend of professional learning and personal bonding. Expert-led sessions, warm camaraderie, and spiritually fulfilling experiences made this conclave truly memorable. A heartfelt thank you to everyone who contributed to its success.

In the spirit of celebration and community, we extend our sincere appreciation to the **EIRC of ICAI** and all associated **Study Circles** for organizing a delightful **Holi Get-Together at Ganpati Banquets, Kolkata**. The event was a colorful expression of unity and festivity, bringing together members and their families in joyous celebration. From lively performances to meaningful interactions, every moment was a testament to the strength and warmth of our fraternity.

**Looking Ahead: Governance, Integrity, and Continued Engagement**

As we look to the future, one of the critical issues shaping our professional and civic life is the importance of good governance and ethical leadership. In today's fast-changing regulatory environment, combating corruption is not merely a statutory requirement, but a moral obligation. Transparent systems and accountable practices are the foundations of public trust—both in government and in the private sector.

To explore this vital theme, we will be hosting a focused session on **“Anti-Corruption and Governance”** at the DTPA Conference Hall. This session will provide valuable perspectives and actionable insights for professionals committed to fostering an ecosystem where **integrity is not optional—but essential**.

DTPA presents an unforgettable 6-day getaway to the mesmerizing tropical paradise of Phuket and Krabi from 1st to 6th June 2025. This trip promises a perfect mix of scenic beaches, island hopping, thrilling water activities, vibrant nightlife, and authentic Thai experiences. Whether you're looking to relax, explore, or have some fun in the sun, this holiday has something for everyone.

The DTPA remains steadfast in its mission to empower tax professionals through knowledge-sharing, advocacy, and a dynamic professional network. I urge all members to continue participating actively, sharing their expertise, and supporting one another in upholding the highest standards in our field.

Wishing you and your families a successful, meaningful, and fulfilling year ahead.

Warm regards,

**CA Barkha Agrawal**

President

10<sup>th</sup> April, 2025



## Glimpses of Accountech 4.0 on 01.03.2025 at The Park Hotel, Kolkata









## Glimpses of 1st Day of Deep Dive Analysis of Proposed Income Tax Bill 2025 on 03.03.2025 at DTPA Conference Hall





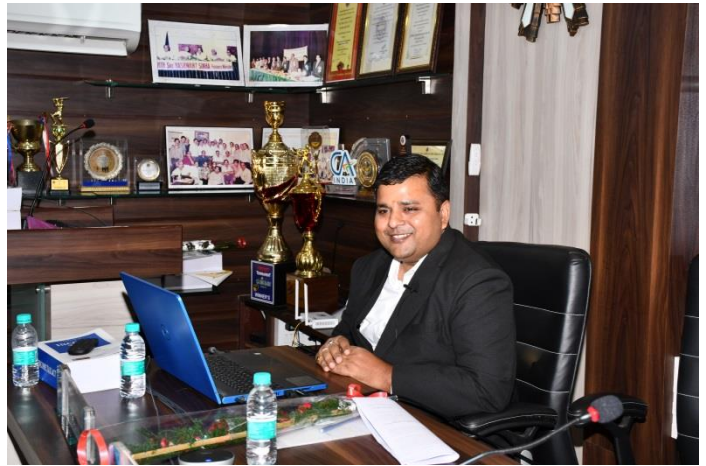




## Glimpses of 2nd Day of Deep Dive Analysis of Proposed Income Tax Bill 2025 on 04.03.2025 at DTPA Conference Hall









## Glimpses of 3rd Day of Deep Dive Analysis of Proposed Income Tax Bill 2025 on 05.03.2025 at DTPA Conference Hall









## Glimpses of Meeting with the Members of the Hon'ble Bench of Income Tax Appellate Tribunal, Kolkata on 08.03.2025 at The Tollygunge Club









## Glimpses of Holi Celebrations of EIRC of ICAI along with CA CPE Study Circles on 15.03.2025 at Ganpati Banquets, Kolkata





## Glimpses of DTPA Residential Conclave'2025 from 20.03.2025 to 23.03.2025 at Lucknow and Ayodhya









## Glimpses of Study Circle Meeting on Bank Audit with CA Dipankar Chatterjee and CA Suman Chaudhary on 29.03.2025 at DTPA Conference Hall





## Forthcoming Programs of Direct Taxes Professionals' Association



Direct Taxes Professionals' Association

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# ANTI CORRUPTION AND GOVERNANCE

16th April 2025, Wednesday

Venue : DTPA Conference Hall

Time : 4 PM - 6 PM



### SPEAKER

**SRI RAKESH GUPTA, IPS**

FORMER DIRECTOR GENERAL OF  
POLICE, ANTI CORRUPTION  
BRANCH, GOVERNMENT OF WEST  
BENGAL, RETIRED IN 2021

**CA Barkha Agarwal**  
President

**CA Shyam Agarwal**  
Gen Secretary



## Compliance Calendar for April, 2025

Statute	Due dates	Compliance Period	Details	
Income Tax Act, 1961	07th April 2025	Mar-25	Securities Transaction Tax - Due date for deposit of tax collected for the month of March, 2025	
	07th April 2025	Mar-25	Commodities Transaction Tax - Due date for deposit of tax collected for the month of March, 2025	
	07th April 2025	Mar-25	Declaration under sub-section (1A) of section 206C of the Income-tax Act, 1961 to be made by a buyer for obtaining goods without collection of tax for declarations received in the month of March, 2025	
	07th April 2025	Mar-25	Collection and recovery of equalisation levy on specified services in the month of March, 2025	
	07th April 2025	Mar-25	Due date for deposit of Tax deducted/collected by an office of the government for the month of March, 2025. However, all sum deducted by an office of the government shall be paid to the credit of the CG on the same day where tax is paid without production of an Income-tax Challan	
	14th April 2025	Mar-25	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M and 194S in the month of February, 2025.	
	15th April 2025	Mar-25	Due date for furnishing statement in Form No. 3BB by a stock exchange in respect of transactions in which client codes have been modified after registering in the system for the month of March, 2025	
	15th April 2025	Mar-25	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for the quarter ending March 2025.	
	30th April 2025	Mar-25	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 March 2025.	
	30th April 2025	Mar-25	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March 2025 has been paid without the production of a challan.	
	30th April 2025	Mar-25	Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March 2025.	
	30th April 2025	Mar-25	Due date for deposit of TDS for the period January 2025 to March 2025 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H	
	30th April 2025	Mar-25	Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March 2025.	
	30th April 2025	Mar-25	Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2024, to March 31, 2025.	
Statute	Due dates	Compliance Period	Return	Turnover/Complying Taxpayer
GST	10th April 2025	Mar-25	GSTR-7	Monthly Return by Tax Deductor for March 2025
	10th April 2025	Mar-25	GSTR-8	Monthly Return by E-Commerce Operators for March 2025
	11th April 2025	Mar-25	GSTR-1	1. Summary of Outward Supplies where turnover exceeds Rs. 5 Crore during preceding year or who have not chosen QRMP scheme  2. Registered person, with aggregate turnover of less than INR 5 Crore during preceding year, opted for monthly filing of return under QRMP.
	13th April 2025	Mar-25	GSTR-5	Summary of Outward taxable supplies and tax payable by a non-resident taxable person
	13th April 2025	Mar-25	GSTR-6	Details of ITC received and distributed by an ISD
	18 <sup>th</sup> April 2025	Jan'25 to Mar'25	CMP-08	Details or Summary of Self-assessed tax which is payable for a given quarter by taxpayers who are registered as Composition Taxable Person or taxpayer who have opted for composition levy.
	20th April 2025	Mar-25	GSTR-5A	Summary of outward taxable Supplies and tax payable by a Person supplying OIDAR services
	20th April 2025	Mar-25	GSTR-3B	Due Date for filling GSTR – 3B return for the month of March 2025 for the taxpayer with Aggregate turnover exceeding INR 5 crores during previous year
	20th April 2025	Mar-25	GSTR-3B	Due Date for filling GSTR – 3B return for the month of March 2025 for the taxpayer with Aggregate turnover less than INR 5 crores during previous year and not opted for QRMP Scheme.



Statute	Due dates	Compliance Period	Details
Prof. Tax on Salaries	30th April 2025	Mar-25	Payment of Professional Tax (PT) on Salaries for March 2025
	30th April 2025	FY 24-25	Filing of Return of Professional Tax (PT) on Salaries for FY 24-25
ESI & PF	15th April 2025	Mar-25	Provident Fund (PF) & ESI Returns and Payment for March 2025

**Feedback and suggestions are Invited:**

*We are hopeful that you will like the approach and appreciate the efforts of the DTPA Journal Committee. A one liner feedback at [dtpejournal@gmail.com](mailto:dtpejournal@gmail.com) from you will guide us to move further and motivate in touching new heights in professional excellence.*



## Compliance Calendar for May, 2025

Statute	Due dates	Compliance Period	Details	
<b>Income Tax Act, 1961</b>	07th May 2025	Apr-25	Securities Transaction Tax - Due date for deposit of tax collected for the month of April, 2025	
	07th May 2025	Apr-25	Commodities Transaction Tax - Due date for deposit of tax collected for the month of April, 2025	
	07th May 2025	Apr-25	Declaration under sub-section (1A) of section 206C of the Income-tax Act, 1961 to be made by a buyer for obtaining goods without collection of tax for declarations received in the month of April, 2025	
	07th May 2025	Apr-25	Collection and recovery of equalisation levy on specified services in the month of April, 2025	
	07th May 2025	Apr-25	Due date for deposit of Tax deducted/collected for the month of April 2025. However, all the sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income tax Challan	
	14th May 2025	Apr-25	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M and 194S in the month of March, 2025.	
	15th May 2025	Apr-25	Due date for furnishing statement in Form No. 3BB by a stock exchange in respect of transactions in which client codes have been modified after registering in the system for the month of April, 2025	
	15th May 2025	Apr-25	Due date for furnishing statement in Form No. 3BC by a recognised association in respect of transactions in which client codes have been modified after registering in the system for the month of April, 2025	
	15th May 2025	Apr-25	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of April 2025 has been paid without the production of a challan.	
	15th May 2025	Jan-Mar-25	Quarterly TCS certificate (Tax Collected At Sources) for the quarter ending March 31, 2025.	
	31st May 2025	Jan-Mar-25	Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending March 31, 2025.	
	31st May 2025	Jan-Mar 25	Quarterly TDS Return for the quarter ending 31st March 2025 in Form 24Q, 26Q and 27Q	
Statute	Due dates	Compliance Period	Return	Turnover/Complying Taxpayer
<b>GST</b>	10th May 2025	Apr-25	GSTR-7	Monthly Return by Tax Deductor for April 2025
	10th May 2025	Apr-25	GSTR-8	Monthly Return by E-Commerce Operators for April 2025
	11th May 2025	Apr-25	GSTR-1	1. Summary of Outward Supplies where turnover exceeds Rs. 5 Crore during preceding year or who have not chosen QRMP scheme  2. Registered person, with aggregate turnover of less than INR 5 Crore during preceding year, opted for monthly filing of return under QRMP.
	13th May 2025	Apr-25	GSTR-5	Summary of Outward taxable supplies and tax payable by a non-resident taxable person
	13th May 2025	Apr-25	GSTR-6	Details of ITC received and distributed by an ISD
	20th May 2025	Apr-25	GSTR-5A	Summary of outward taxable Supplies and tax payable by a Person supplying OIDAR services
	20th May 2025	Apr-25	GSTR-3B	Due Date for filling GSTR – 3B return for the month of April 2025 for the taxpayer with Aggregate turnover exceeding INR 5 crores during previous year
	20th May 2025	Apr-25	GSTR-3B	Due Date for filling GSTR – 3B return for the month of April 2025 for the taxpayer with Aggregate turnover less than INR 5 crores during previous year and not opted for QRMP Scheme.
Statute	Due dates	Compliance Period	Details	
<b>Prof. Tax on Salaries</b>	10th May 2025	Apr-25	Professional Tax (PT) on Salaries for April 2025	
<b>ESI &amp; PF</b>	15th May 2025	Apr-25	Provident Fund (PF) & ESI Returns and Payment for April 2025	





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## Speaking Opportunity at DTPA Platform

As a part of our commitment in the last AGM, DTPA will provide its members an opportunity to speak at the DTPA platform on any topics of professional interest. The opportunity may be through group discussions, webinars, workshops, Student Training Program and so on.

If you stay outside Kolkata, you may do it through webinars.

So, if you are looking for such an opportunity, then please keep in touch at the office of DTPA to help us find your interest area and take the things forward.

Regards,

**CA Barkha Agrawal**  
President-DTPA

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## Request for Article in DTPA Journal

Dear Sir/Madam,

Direct Taxes Professionals' Association, popularly known as 'DTPA', established in the year 1982 is a Kolkata based Association consisting of Chartered Accountants, Advocates, Company Secretaries, Cost Accountants and Tax Practitioners.

We invite you to contribute articles **for the Journal on the given below topics which will be considered for publication in the upcoming edition of the E-Journal, subject to approval by the Editorial Board.**

Topics:

- |                           |   |
|---------------------------|---|
| ● Direct Taxes            | <input type="checkbox"/> International Taxation     |
| ● GST & Indirect Taxes    | <input type="checkbox"/> Accountancy and Audit      |
| ● Corporate & Allied Laws | <input type="checkbox"/> Insolvency and Bankruptcy  |
| ● Information Technology  | <input type="checkbox"/> Emerging areas of Practice |

The articles sent for publication in the newsletter should confirm to the following parameters:

- The article should be original and contents are owned by Author himself.
- The article should help in development of the profession and highlight matters of current interests/ challenges to the professionals/ emerging professional areas of relevance.
- The length of the article should be 2000-2500 words and should preferably be accompanied with an executive summary of around 100 words.
- The tables and graphs should be properly numbered with headlines and referred with their numbers in the text.
- The authors must provide the list of references at the end of article.
- A brief profile of the author, e-mail ID, postal address and contact number along with his passport size photograph and declaration confirming the originality of the article as mentioned above should be enclosed along with the article.
- **The article can be sent by e-mail at [dtpejournal@gmail.com](mailto:dtpejournal@gmail.com)**
- Please note that Journal Committee has the sole discretion to accept, reject, modify, amend and edit the article before publication in the Journal.

For further details, please contact us at: [dtpejournal@gmail.com](mailto:dtpejournal@gmail.com) and at Mob: 9830255500 / 9831016678

Thanks and Regards,

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## DIRECT TAXES

### 1. STATUTORY UPDATES

- 1.1** CBDT notifies 'Delhi Building and Other Construction Workers Welfare Board ' for Sec. 10(46) exemption - **NOTIFICATION S.O. 1099(E) [NO. 18 /2025 F. NO. 196/46/2012-ITA-I], DATED 06-03-2025**

**Editorial Note :** The Central Board of Direct Taxes (CBDT) has notified 'Delhi Building and Other Construction Workers Welfare Board', for the purposes of clause (46) of section 10 of the Income-tax Act, 1961

- 1.2** CBDT notifies 'Ten Year Zero Coupon Bond of Power Finance Corporation Ltd' under sec. 2(48) - **NOTIFICATION S.O. 1120(E) [NO. 19 /2025 F.NO. 300164/1/2024-ITA-1], DATED 11-03-2025**

**Editorial Note :** The Central Board of Direct Taxes (CBDT) has notified 'Ten Year Zero Coupon Bond of Power Finance Corporation Ltd' as a zero coupon bond for the purposes of section 2(48) of the Income-tax Act.

- 1.3** CBDT issues clarification on PPT's circular; GAAR/SAAR continue to operate independently - **PRESS RELEASE, DATED 15-03-2025**

**Editorial Note :** The CBDT has clarified that Circular 01/2025 applies only to the PPT provision in Indian DTAA's, without affecting other tax provisions or domestic anti-abuse rules like GAAR, SAAR, and JAAR, which remain independent.

- 1.4** CBDT issued FAQs on revised guidelines for compounding of offences under Income-tax Act - **CIRCULAR NO. 4/2025 [F. NO. 285/08/2014-IT (INV. V)/281], DATED 17-03-2025**

**Editorial Note :** CBDT issued revised guidelines for compounding offences under the Income-tax Act, 1961, on 17.10.2024, superseding all previous guidelines. These apply to pending and new applications from the date of issuance. To enhance stakeholder awareness, the board has issued clarifications via a Circular in the form of FAQs.

- 1.5** CBDT seeks inputs from stakeholders on income-tax rules & related forms on provisions of Income Tax Bill 2025 - **PRESS RELEASE, DATED 18-03-2025**

**Editorial Note :** CBDT has invited stakeholders to submit inputs on Income-tax rules and forms under the Income Tax Bill, 2025. A utility on the e-filing portal allows submissions via OTP-based validation. Inputs should specify relevant provisions and focus on simplification, reducing litigation and compliance burdens, and identifying obsolete rules.

- 1.6** Central Govt. designates Additional Chief Secretary (IT) of Delhi to access taxpayer Info. for social welfare schemes - **NOTIFICATION S.O. 1241(E) [NO. 20/2025/F.NO. 225/33/2025/ITA-II], DATED 18-03-2025**

**Editorial Note :** The Central Government has designated the Additional Chief Secretary (IT), Department of Information & Technology, Government of the National Capital Territory (NCT) of Delhi, as the authorised authority under Section 138 of the Income Tax Act. This allows the Delhi Government to access taxpayer information to identify eligible beneficiaries for its social welfare schemes.

- 1.7** CBDT amends TP safe harbour rules, increasing threshold and adding lithium-ion batteries for EVs as 'core auto components' - **NOTIFICATION NO. G.S.R. 193(E) [NO. 21/2025/F.NO. 370142/6/2025-TPL], DATED 25-03-2025**

**Editorial Note :** The Central Board of Direct Taxes (CBDT) has amended the Income-tax Rules, 1962, to expand the scope of safe harbour provisions under transfer pricing. The changes include an **increase** in the turnover threshold for eligible taxpayers from Rs. 200 crore to Rs. 300 crore, introducing lithium-ion batteries for electric and hybrid vehicles into the definition of 'core auto components', etc.

- 1.8** Income Tax Offices to remain open on 29th, 30th and 31st March 2025: CBDT - **ORDER F. NO. 225/53/2024-ITA-II, DATED 26-03-2025**

**Editorial Note :** Income Tax Offices across India will remain open on March 29, 30, and 31, 2025, despite holidays, to complete pending work, as directed by the CBDT under Section 119 of the Income-tax Act, 1961.

- 1.9** CBDT notifies amendment in Form 26Q & 27Q to include TDS on payment of salary, remuneration, etc. to partner - **NOTIFICATION NO. 22/2025, DATED 27-03-2025**

**Editorial Note :** The Central Board of Direct Taxes (CBDT) has amended Form 26Q and Form 27Q to include the furnishing of details of TDS on the payment of salary, remuneration, commission, bonus, or interest to a partner of a firm under section 194T

- 1.10** CBDT directs CCIT to reduce/waive interest charged due to technical glitches beyond control of deductor/collector - **CIRCULAR NO. 5/2025, DATED 28-03-2025**

**Editorial Note :** The CBDT received representations about technical glitches in TDS/TCS payments, causing delays in crediting the Central Government despite timely debits. Taxpayers have received interest notices under sections 201(1A)(ii)/206C(7). The board has directed CCIT to reduce or waive such interest.



- 1.11 CBDT notifies 'Karnataka Urban Water Supply & Drainage Board, Bangalore' for exemption under Sec. 10(46) - **NOTIFICATION NO. 24 /2025, DATED 28-03-2025**

**Editorial Note :** For the purpose of section 10(46), the Central Government has notified 'Karnataka Urban Water Supply & Drainage Board, Bangalore, a trust established by the State Government, in respect of the specified income.

- 1.12 Small Savings Scheme rates remain unchanged for Q1 FY 2025-26: FinMin - **NOTIFICATION F.NO. 1/4/2019-NS, DATED 28-03-2025**

**Editorial Note :** The government has announced the interest rates for Small Savings Schemes for Q1 of FY 2025-26 (April 1, 2025, to June 30, 2025), keeping them unchanged from the rates notified for Q4 of FY 2024-25 (January 1, 2025, to March 31, 2025).

- 1.13 Govt. amends Form 3CD; new clause 36B inserted to report sum received for buyback of shares - **NOTIFICATION NO. 23/2025, DATED 28-03-2025**

**Editorial Note :** CBDT has notified a revised Form 3CD, effective from April 1, 2025, through the Income-tax (8th Amendment) Rules, 2025. The form introduces Clause 36B to disclose buyback receipts under Section 2(22)(f). Further, clauses 28 and 29 have been removed, and Clause 31 now requires reporting loan or deposit details along with their nature codes.

- 1.14 Govt. releases FAQs on changes introduced in the Finance Bill 2025, as passed by Lok Sabha

**Editorial Note :** The Lok Sabha passed the Finance Bill 2025 on March 25, 2025, incorporating over 30 modifications to the original bill introduced on February 1, 2025. The government has released FAQs on the changes made to the Finance Bill 2025 as passed by the Lok Sabha.

- 1.15 Lok Sabha passes Finance Bill 2025 with amendments; abolishes the equalisation levy

**Editorial Note :** The Lok Sabha has passed the Finance Bill 2025, incorporating over 30 modifications to the original bill introduced on February 01, 2025. The Finance Bill 2025, as passed by Lok Sabha, has abolished the provisions related to equalisation levy.

- 1.16 President gives assent to the Finance Act, 2025

**Editorial Note :** The Finance Act, 2025 has received the assent of the President, on March 29, 2025. Most of the provisions of the Finance Act, 2025 are applicable from Financial Year 2025-26

## 2. SUPREME COURT

### SECTION 9 OF THE INCOME-TAX ACT, 1961 - INCOME - DEEMED TO ACCRUE OR ARISE IN INDIA

- 2.1 SLP dismissed against order of High Court that where Assessing Officer made additions by attributing 10 per cent of gross receipts to assessee's PE in India by invoking section 40A(2), however he failed to justify invocation of section 40A(2)(b) and all material particulars had been duly placed before DRP and Assessing Officer Tribunal was justified in holding that expenses claimed by assessee with respect to related parties were not excessive and disallowance of assessee's claim was unsustainable - **Commissioner of Income-tax v. Technip Energies Italy S.P.A. - [2025] 172 taxmann.com 434 (SC)**

### SECTION 68 OF THE INCOME-TAX ACT, 1961 - CASH CREDIT

- 2.2 SLP dismissed against order of High Court that where assessee had held shares in question for two and half years and same were sold through recognized stock exchange after paying STT, claim of assessee for exemption of LTCG under section 10(38) could not be held to be bogus in absence of any contrary evidence brought on record by revenue - **Principal Commissioner of Income-tax v. Divyaben Prafulchandra Parmar - [2025] 172 taxmann.com 572 (SC)**

### SECTION 92B OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - INTERNATIONAL TRANSACTION, MEANING OF

- 2.3 SLP dismissed against order of High Court that where Assessing Officer made TP addition on account of alleged guarantee fee connected with issuance of bonds by subsidiary in assessee's hands by holding it to be an international transaction as per section 92B, since only TPO could have undertaken said exercise, matter was to be remanded to Assessing Officer with clarification that remit was to be confined to examining whether undertaking of obligation in question amounted to an international transaction and once same was affirmed, consider transmitting matter to TPO - **New Delhi Television Ltd. v. Assistant Commissioner of Income-tax - [2025] 172 taxmann.com 384 (SC)**

### SECTION 153C OF THE INCOME-TAX ACT, 1961 - SEARCH AND SEIZURE - ASSESSMENT OF ANY OTHER PERSON

- 2.4 SLP dismissed against order of High Court that unless Assessing Officer is satisfied that material gathered could potentially impact determination of total income, it would be unjustified in mechanically reopening or assessing all over again all ten AYs' that could possibly form part of block of ten years - **Assistant Commissioner of Income-tax v. Satya Pal Arya - [2025] 172 taxmann.com 345 (SC)**

### SECTION 276CC OF THE INCOME-TAX ACT, 1961 - OFFENCE AND PROSECUTION -FAILURE TO FURNISH RETURN OF INCOME



- 2.5 SLP dismissed against order of High Court that where Tribunal in adjudicating proceeding declared assessment orders as null and void merely on ground of limitation and merits raised in complaint with regard to non-filing of return, non-payment of advance tax, non-payment of tax demanded, suppression of true and correct income were not considered, criminal prosecution initiated against petitioner for committing offences under sections 276CC and 276 could not be quashed - **S.J. Suryah v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 342 (SC)

### 3. HIGH COURT

#### SECTION 2(47) OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - TRANSFER

- 3.1 Where assessee was allotted an office unit by a letter of allotment dated 1-8-2006 and after allotment, entire sale consideration was paid, since a direct interest on property stood created in favour of assessee as and when letter of allotment was issued, date of acquisition of subject property should be reckoned as 1-8-2006 and not 18-3-2008 when agreement for sale was executed and registered - **Anuj Agarwal v. Principal Commissioner of Income-tax** - [2025] 172 taxmann.com 536 (Calcutta)

#### SECTION 4 OF THE INCOME-TAX ACT, 1961 - INCOME - CHARGEABLE AS

- 3.2 Excise duty exemption received by assessee-company in terms of policy decision of Ministry of Commerce and Industry, Government of India, was to be treated as capital receipt and not as revenue receipt - **Principal Commissioner of Income-tax v. Greenply Industries Ltd.** - [2025] 172 taxmann.com 294 (Gauhati)

#### SECTION 9 OF THE INCOME-TAX ACT, 1961 - INCOME - DEEMED TO ACCRUE OR ARISE IN INDIA

- 3.3 Where Assessing Officer issued reopening notice against assessee, a foreign company, on ground that a survey was conducted on a company in June, 2019 which revealed that assessee had fixed place and dependent agent PE in India and, thus, it was liable to pay tax in India, since revenue had woefully failed to establish that formation of opinion was based on any independent inquiry or material that Assessing Officer might had collated for purposes of forming an opinion as to whether income in relevant AYs had escaped assessment, impugned reassessment notice was to be set aside - **GE Grid (Switzerland) GMBH v. Assistant Commissioner of Income-tax** - [2025] 172 taxmann.com 227 (Delhi)

#### SECTION 10(26AAA) OF THE INCOME-TAX ACT, 1961 - INCOMES NOT INCLUDED IN TOTAL INCOME

- 3.4 Amendment to definition of 'Sikkimese' by inclusion of Explanation (v) to clause (26AAA) of section 10 vide Finance Act, 2023 was only for purpose of Income-tax

Act, 1961, and not for any other purpose, thus, said explanation did not touch upon sanctity of rights and privileges reserved for genuine indigenous Sikkimese which were carefully preserved and protected under Article 371F(k) of Constitution of India - **Dr. Doma T. Bhutia v. Union of India** - [2025] 172 taxmann.com 293 (SIKKIM)

#### SECTION 10A OF THE INCOME-TAX ACT, 1961 - FREE TRADE ZONE

- 3.5 Where Assessing Officer issued reopening notice after period of 4 years on ground that while computing section 10A deduction, assessee allocated certain amount solely on one unit, thereby reducing taxable income and boosting profit of other units, since reasons did not indicate failure of assessee to disclose any information or that he had not disclosed true and full material facts, it was a case of mere change of opinion and, thus, such reopening was not permissible - **Google India (P.) Ltd. v. Assistant Commissioner of Income-tax** - [2025] 172 taxmann.com 378 (Karnataka)

#### SECTION 32 OF THE INCOME-TAX ACT, 1961 - DEPRECIATION - ALLOWANCE/RATE OF

- 3.6 Where a reopening notice was issued on ground that assessee had claimed depreciation on plant where only trial production had started, since Assessing Officer had considered issue of depreciation in detail on basis of information provided by assessee as well as considering fact that assessee had disclosed truly and fully all facts necessary for assessment during original assessment proceedings, matter was to be remanded back to Tribunal to pass a fresh order - **Deepak Nitrite Ltd. v. Joint Commissioner of Income-tax** - [2025] 172 taxmann.com 464 (Gujarat)
- 3.7 Where assessee claimed depreciation on goodwill for assessment years 2015-16 and 2016-17, which Tribunal disallowed solely based on Fifth Proviso to section 32(1); since, said Proviso applies only to year of succession (assessment year 2014-15) and could have had no bearing on issue of depreciation claimed by assessee in assessment years 2015-16 or 2016-17, Tribunal's order was to be set aside and matter remitted back for consideration afresh - **PMV Maltings (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 229 (Delhi)

#### SECTION 36(1)(iii) OF THE INCOME-TAX ACT, 1961 - INTEREST ON BORROWED CAPITAL

- 3.8 Where assessee-company engaged in providing telecommunication services, had claimed deduction of interest paid in respect of capital borrowed for installation of new cell site towers, since identifiable line between borrowed capital and utilisation of interest free funds which were available in hands of assessee became blurred, matter would be liable to be remitted for consideration of Assessing Officer - **Vodafone Mobile Services Ltd. v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 368 (Delhi)

#### SECTION 36(1)(vii) OF THE INCOME-TAX ACT, 1961 - BAD DEBTS



- 3.9 Where assessee company, stood as a guarantor for a loan availed by its group company and in view of a settlement agreement assessee wrote off certain amount in its profit and loss account and claimed same as deduction u/s. 36(1)(vii), since assessee had not initiated any legal proceedings for recovery of amount due from its group company and said company had during same financial year made a donation of huge amount, impugned bad debt claimed by assessee was not allowable as an expense u/s. 36(1)(vii) r.w.s. 36(2)(i) - **PCIT v. WGF Financial Services (P.) Ltd.** - [2025] 172 taxmann.com 125 (Delhi)

#### SECTION 37 OF THE INCOME-TAX ACT, 1961 - GENERAL

- 3.10 Where assessee was involved in illegal mining without statutory clearances, revenue would be able to apply Explanation 1 to section 37(1) if, in future, activity of assessee was declared to be illegal, penalty was imposed and claimed by assessee as an expenditure in its relevant return. - **PCIT (Central) v. Tarini Minerals (P.) Ltd.** - [2025] 172 taxmann.com 569 (Orissa)

#### SECTION 37(1) OF THE INCOME-TAX ACT, 1961 - BUSINESS EXPENDITURE - ALLOWABILITY OF

- 3.11 Where assessee-company, engaged in providing telecommunication services, had capitalized certain sums on account of asset reconstruction cost (ARC) obligation, which represented estimated cost likely to be incurred in order to restore cell sites to their original condition at end of lease period, since ARC obligation clearly met test of a positive obligation flowing from a past event, being a conceivable probability as well as being measurable, assessee was justified in claiming same as business expenditure - **Vodafone Mobile Services Ltd. v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 368 (Delhi)

#### SECTION 68 OF THE INCOME-TAX ACT, 1961 - CASH CREDIT

- 3.12 Where Tribunal held that reassessment was unjustified relying on Supreme Court's decision in a criminal case, Tribunal erred in applying the principles enunciated by the SC in a criminal case where the discharge of burden of proof is beyond reasonable doubt, to the principle of "reason to believe" as provided in section 148 - **Pr. Commissioner of Income-tax-1 v. East Delhi Leasing (P.) Ltd.** - [2025] 172 taxmann.com 615 (Delhi)
- 3.13 Where assessee-company was engaged in providing accommodation entries and Assessing Officer made an addition under section 68 to income of assessee on ground that credits appearing in disclosed and undisclosed bank accounts of assessee were unexplained, since details of credits in disclosed and undisclosed bank accounts of assessee had not been explained, there was no fault in action of Assessing Officer in making addition - **Principal Commissioner of Income-tax v. Buniyad Chemicals Ltd.** - [2025] 172 taxmann.com 462 (Bombay)

#### SECTION 69 OF THE INCOME-TAX ACT, 1961 - UNEXPLAINED INVESTMENTS

- 3.14 Where Assessing Officer had duly examined issue of unaccounted cash sales during assessment proceedings PCIT was not justified in invoking section 263, arguing that Assessing Officer failed to verify cash transactions and ordered reassessment as section 263 could not be invoked merely for a differing view. - **Principal Commissioner of Income-tax 1 v. Asiatic Bearing Co.** - [2025] 172 taxmann.com 646 (Gujarat)

#### SECTION 69C OF THE INCOME-TAX ACT, 1961 - UNEXPLAINED EXPENDITURE

- 3.15 Addition of entire amount of bogus purchases from hawala operators in hands of assessee was justified due to failure of assessee to prove said purchases - **PCIT-5 v. Kanak Impex (India) Ltd.** - [2025] 172 taxmann.com 283 (Bombay)
- 3.16 Where AO made additions to income of assessee on account of alleged bogus purchases from various parties, since Commissioner (Appeals) and Tribunal with respect to all suppliers except two suppliers gave a concurrent finding of fact that assessee had proved purchases made from these suppliers by furnishing all details available, addition was to be restricted to extent of those two suppliers only - **PCIT v. Ganesh Developers** - [2025] 172 taxmann.com 542 (Bombay)

#### SECTION 72A OF THE INCOME-TAX ACT, 1961 - LOSSES - AMALGAMATION/DEMERGER CARRY FORWARD AND SET OFF OF

- 3.17 Where petitioner company amalgamated with four other companies and filed an application seeking relaxation of condition prescribed under rule 9C r.w.s. 72A(2)(b)(iii) i.e., achieving production equivalent to at least 50 percent of installed capacity of undertaking of amalgamating company so as to claim set off and carry forward of losses of amalgamated companies, since abovesaid condition was not satisfied even if extended time for satisfying same was taken into account, petitioner was not entitled to benefit of carry forward of unabsorbed losses, therefore, application was to be dismissed - **Cargill India (P.) Ltd. v. CBDT** - [2025] 172 taxmann.com 338 (Delhi)

#### SECTION 72A OF THE INCOME-TAX ACT, 1961 - LOSSES - CARRY FORWARD AND SET OFF OF ACCUMULATED LOSS, ETC., IN CASE OF AMALGAMATION

- 3.18 Where petitioner company amalgamated with four other companies and filed an application seeking relaxation of condition prescribed under rule 9C r.w.s. 72A(2)(b)(iii) i.e., achieving production equivalent to at least 50 percent of installed capacity of undertaking of amalgamating company so as to claim set off and carry forward of losses of amalgamated companies, since abovesaid condition was not satisfied even if extended time for satisfying same was taken into account, petitioner was not entitled to benefit of carry forward of unabsorbed losses, therefore, application was to be dismissed - **Cargill India (P.) Ltd. v. CBDT** - [2025] 172 taxmann.com 338 (Delhi)



**SECTION 92B OF THE INCOME-TAX ACT, 1961 -  
TRANSFER PRICING - INTERNATIONAL  
TRANSACTION, MEANING OF**

**3.19** Before embarking upon a benchmarking analysis, revenue needs to demonstrate on basis of tangible material or evidence that there exists an international transaction for provisions of brand building services between assessee and AE - **PCIT-1, New Delhi v. Beam Global Spirits & Wine (India) (P.) Ltd. - [2025] 172 taxmann.com 292 (Delhi)**

**3.20** Where assessee incurred high AMP expenditure for marketing products using brands owned by and licensed to it by its AE, merely because of high level of expenditure, it could not be presumed that an international transaction had come into being - **PCIT-1, New Delhi v. Beam Global Spirits & Wine (India) (P.) Ltd. - [2025] 172 taxmann.com 292 (Delhi)**

**SECTION 92C OF THE INCOME-TAX ACT, 1961 -  
TRANSFER PRICING - COMPUTATION OF ARM'S  
LENGTH PRICE**

**3.21** While determining ALP of international transactions, benchmarking should be done only on associated enterprise or related party transactions and not with respect to entire turnover - **PCIT v. Terex India (P.) Ltd. - [2025] 172 taxmann.com 291 (Bombay)**

**3.22** Where AO issued a reopening notice on ground that guarantee fee claimed by assessee pertaining to FY 2013-14 but booked in FY 2015-16 was not allowable in AY 2014-15, since reasons recorded for reopening did not allege any failure on part of assessee to disclose fully and truly all material facts anywhere in assessment, reassessment proceedings initiated after period of four years were to be quashed - **Tata Communications Ltd. v. DCIT - [2025] 172 taxmann.com 656 (Bombay)**

**SECTION 115BAA OF THE INCOME-TAX ACT, 1961 -  
CERTAIN DOMESTIC COMPANIES, TAX ON**

**3.23** Where assessee-company opted for taxation under section 115BAA but failed to file Form 10IC along with return within extended period, consequently Assessing Officer rejected assessee's claim, since delay in filing Form 10IC was due to certain difficulties faced by assessee in uploading form in Income tax portal during Covid, matter was to be restored to Assessing Officer to permit assessee to file Form 10IC - **Principal Commissioner of Income-tax v. Fastner Commodore (P.) Ltd. - [2025] 172 taxmann.com 573 (Calcutta)**

**SECTION 115JB OF THE INCOME-TAX ACT, 1961 -  
MINIMUM ALTERNATE TAX - PAYMENT OF**

**3.24** Excise duty exemption being purely a capital receipt, not chargeable to tax under normal provisions of Act not to be included in book profit computation under section 115JB - **Principal Commissioner of Income-tax v. Greenply Industries Ltd. - [2025] 172 taxmann.com 294 (Gauhati)**

**SECTION 132 OF THE INCOME-TAX ACT, 1961 - SEARCH  
AND SEIZURE - GENERAL**

**3.25** Where petitioners contended that its gold and jewellery seized at Bhubaneswar Airport was illegal and ultra vires given provisions of section 132(1)(iii) proviso, however, in clarification submitted by petitioners regarding statement recorded under section 131(1-A), no specific plea was raised regards seizure being ultra vires nor any demand of return of gold and jewellery was made, petitioner were to be given an opportunity to make such demand by giving full particulars - **H. K. Jewels (P.) Ltd. v. Assistant Director of Income-tax Investigation - [2025] 172 taxmann.com 616 (Bombay)**

**SECTION 144B OF THE INCOME-TAX ACT, 1961 -  
FACELESS ASSESSMENT**

**3.26** Where assessee was given only three days' time to reply to show cause notice-cum-draft assessment order, it was apparent that Assessing Officer had acted contrary to SOP under section 144B violating principles of natural justice, qua assessee, causing grave prejudice to her and therefore, impugned assessment order passed without jurisdiction was to be set aside - **Madhuri Sameer Gokhale v. Addl. Joint/Deputy/Asst. Commissioner of Income-tax/ Income-tax Officer, National Faceless Assessment Centre - [2025] 172 taxmann.com 696 (Bombay)**

**SECTION 147 OF THE INCOME-TAX ACT, 1961 - INCOME  
ESCAPING ASSESSMENT - GENERAL**

**3.27** Where amount that formed part of re-opening of assessment of assessee was already brought to tax in earlier assessment year and there was no fresh tangible material on record shown by Assessing Officer to justify such re-opening of assessee's assessment, decision of Assessing Officer to reopen assessment beyond 4 years period would fall foul to first proviso to section 147 - **Madhuri Sameer Gokhale v. Addl./ Joint/Dy/Asst. CIT/ ITO, NeFAC - [2025] 172 taxmann.com 696 (Bombay)**

**3.28** Where AO in reasons recorded for reopening had admitted that issue for which reopening was sought had either been disclosed in profit and loss account or in balance-sheet and further admitted that issue with respect to sale promotion was already disallowed in original assessment and that of export incentives, security deposit and expenses of rationalisation initiatives were not disallowed during original assessment, thus, impugned reopening notice issued based on aforesaid reasons was to be quashed - **Glaxo SmithKline Pharmaceuticals Ltd. v. ACIT - [2025] 172 taxmann.com 574 (Bombay)**

**SECTION 148 OF THE INCOME-TAX ACT, 1961 - INCOME  
ESCAPING ASSESSMENT - ISSUE OF NOTICE FOR**

**3.29** Where assessee received a SCN u/s. 148A(b) but did not respond to it, arguing that it lacked jurisdiction and thereafter reopening notice was issued, given assessee's attitude of not responding to notices, no case was made to exercise HC's extraordinary jurisdiction and interdict further assessment proceedings - **Akash Jagdish Issrani v. ITO - [2025] 172 taxmann.com 535 (Bombay)**



**SECTION 148A OF THE INCOME-TAX ACT, 1961 - INCOME ESCAPING ASSESSMENT - CONDUCTING INQUIRY, PROVIDING OPPORTUNITY BEFORE ISSUE OF NOTICE UNDER SECTION 148**

- 3.30** Where AO issued SCN under section 148A(b) on ground that there was substantial amount of credit entry and debit entry in assessee's bank account, however name of bank in which account was maintained was not mentioned in reasons annexed with notice and Assessing Officer failed to put evidence to even prima-facie show that bank account mentioned in notice belonged to assessee, impugned order passed under section 148A(d) was to be quashed - **Prateek Bulls and Bears (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 511 (Rajasthan)

**SECTION 153C OF THE INCOME-TAX ACT, 1961 - SEARCH AND SEIZURE - ASSESSMENT OF ANY OTHER PERSON**

- 3.31** Period of limitation of ten years for issuance of notice under section 153C was required to be reckoned from end of assessment year relevant to financial year in which decision to take action for reopening assessments was initiated - **Synod Farms and Infra Developers (P.) Ltd. v. Chief Commissioner of Income-tax Central, Delhi** - [2025] 172 taxmann.com 723 (Delhi)

**SECTION 194J OF THE INCOME-TAX ACT, 1961 - DEDUCTION OF TAX AT SOURCE - FEES FOR PROFESSIONAL OR TECHNICAL SERVICES**

- 3.32** Where assessee availed call centre services from IGST, but Assessing Officer treated payments as professional/technical fees requiring TDS under section 194J; however, Commissioner (Appeals) and Tribunal ruled in favour of assessee stating that agreement did not involve professional, managerial, or technical expertise and that taxes had already been paid by service providers, since these findings were based on factual evidence and not perverse, no substantial question of law arose and accordingly, appeal was to be dismissed - **Commissioner of Income-tax v. Vodafone Essar Ltd.** - [2025] 172 taxmann.com 472 (Bombay)

**SECTION 220 OF THE INCOME-TAX ACT, 1961 - COLLECTION AND RECOVERY OF TAX - WHEN TAX PAYABLE AND WHEN ASSESSEE DEEMED IN DEFAULT**

- 3.33** Where outstanding demand for assessment year 2011-12 was adjusted against refund for relevant year, since assessee had filed application for stay of demand and already complied with payment of 15 per cent and was further ready to pay additional 5 percent of demand, adjustment of refund was to be restricted only to 5 per cent of demand for assessment year 2011-12 and balance amount being refund for relevant assessment year would be refunded to assessee - **D G Exports v. Assistant Commissioner of Income-tax** - [2025] 172 taxmann.com 647 (Bombay)

**SECTION 222 OF THE INCOME-TAX ACT, 1961 - COLLECTION AND RECOVERY OF TAX - CERTIFICATE PROCEEDINGS**

- 3.34** Where a secured creditor exercises its rights over hypothecated assets to recover outstanding dues, such rights would take precedence over government tax claims unless otherwise provided by law and mere attachment of property by tax authorities without subsequent recovery action could not indefinitely obstruct creditor's enforcement rights - **Fasttrack Tieup (P.) Ltd. v. Union of India** - [2025] 172 taxmann.com 541 (Delhi)

**SECTION 260A OF THE INCOME-TAX ACT, 1961 - HIGH COURT - APPEAL TO**

- 3.35** A cross-objection is not maintainable in an appeal under section 260A - **Principal Commissioner of Income-tax v. Nagar Dairy (P.) Ltd.** - [2025] 172 taxmann.com 111 (Delhi)

**SECTION 271(1)(c) OF THE INCOME-TAX ACT, 1961 - PENALTY - FOR CONCEALMENT OF INCOME**

- 3.36** Where show-cause notice was issued on 24-10-2019, fixing date of hearing for 8-11-2019, however, penalty order was passed on same day i.e. 24-10-2019, since there was gross violation of principles of natural justice, impugned penalty order was to be set aside - **Sri Budnar Jayakar Shetty v. Commissioner of Income-tax** - [2025] 172 taxmann.com 503 (Karnataka)
- 3.37** Where assessee a charitable trust made application for obtaining registration certificate under section 12A and was under bonafide belief that registration certificate would be granted from date of its existence and it was on basis of that bona fide belief that it made claim for exemption under section 11, no case was made out for concealment of income or furnishing of inaccurate particulars of income, therefore, there was no justification for imposing penalty under section 271(1)(c) - **Bhagwan Shri. Hamsa Trust v. Income-tax Officer** - [2025] 172 taxmann.com 612 (Bombay)

## 4. TRIBUNAL

**SECTION 6 OF THE INCOME-TAX ACT, 1961 - RESIDENTIAL STATUS**

- 4.1** Assessee who went to US partially for employment and partially in search of employment and stayed in India for a period less than 182 days in preceding year, was entitled to claim exemption qua income earned out of India being non-resident of India during that year, as per Explanation 1 to section 6 - **Mitesh Vijay Gulati v. Income-tax Officer** - [2025] 172 taxmann.com 382 (Mumbai - Trib.)

**SECTION 9 OF THE INCOME-TAX ACT, 1961 - INCOME - DEEMED TO ACCRUE OR ARISE IN INDIA**

- 4.2** Commission paid to non-residents for services rendered outside India was not chargeable to tax in India and, therefore, assessee was not liable to deduct TDS u/s. 195, and consequently, no disallowance u/s. 40(a)(ia) warranted - **United India Insurance Company Ltd. v. DCIT** - [2025] 172 taxmann.com 580 (Chennai - Trib.)



**4.3** Reinsurance premium ceded to non-resident reinsurers (NRRs), is not taxable in India under Act or under DTAA between India and respective countries, where NRRs are tax residents, and thus, reinsurance premium cannot be disallowed u/s. 40(a)(i) for non deduction of TDS u/s. 195 - **United India Insurance Company Ltd. v. DCIT - [2025] 172 taxmann.com 580 (Chennai - Trib.)**

**4.4** Where assessee had paid survey fees to non-resident surveyors for services rendered outside India, assessee was not liable to deduct TDS and, consequently, disallowance made u/s. 40(a)(i) for non-deduction of TDS was rightly deleted by Commissioner (Appeals) - **United India Insurance Company Ltd. v. DCIT - [2025] 172 taxmann.com 580 (Chennai - Trib.)**

**4.5** Where assessee-company made foreign payments to its parent company in USA under head 'testing charges' without deducting tax at source under section 195, since it was not coming out clearly as to whether expenses were subcontracting charges or testing charges from orders of authorities below and legal meaning of both these terms carried out different meaning, matter was to be remanded back to Assessing Officer for examination afresh - **UL LLC v. ACIT (International Taxation) Circle-2(2) - [2025] 172 taxmann.com 122 (Bangalore - Trib.)**

**4.6** Where assessee, US company, provided centralized IT related services to its Indian sister concern, since such services did not make available any technical knowledge, experience, skills, etc., to recipient, receipt did not fall within ambit of fee for included services - **Visteon Corporation v. DCIT - [2025] 172 taxmann.com 583 (Chennai - Trib.)**

**4.7** Where assessee-LLP made payment to UK based company for providing assistance in implementing brand strategy for use of network of members and also providing member firms with common training, policies and guidance related to brands, since such services could not be reckoned as use of or right to use any copyright of literary, artistic or scientific work, such payment did not fall within scope and definition of royalty under article 13(3) of India UK DTAA - **Deputy Commissioner of Income-tax v. Deloitte Touche Tohmatsu India LLP - [2025] 172 taxmann.com 571 (Mumbai - Trib.)**

#### **SECTION 10 OF THE INCOME-TAX ACT, 1961 - INCOMES NOT INCLUDED IN TOTAL INCOME**

**4.8** Where assessee, an educational institution, claimed exemption under section 10(23C)(iiia) only after it received approval under section 10(23C)(i) read with section 10(23C)(vi) for relevant year, it was entitled for claiming exemption under section 10(23C) even it was not registered under section 12A - **Smt. Ashrafi Devi Shiksha Samiti v. Income-tax Officer (Exemption) - [2025] 172 taxmann.com 568 (Delhi - Trib.)**

#### **SECTION 10(23C) OF THE INCOME-TAX ACT, 1961 - INCOMES NOT INCLUDED IN TOTAL INCOME**

**4.9** Where income returned by assessee-trust pursuant to reopening notice and accepted by AO was below basic limit upto which incomes of AOPs were not subject to tax, assessee was not required to file any return as per section 139(4C) and, thus, denial of claim of exemption u/s. 10(23C)(iiia) for reason that original return had not been filed by assessee was not justified - **Sanjivani Charitable Trust v. ITO - [2025] 172 taxmann.com 653 (Ahmedabad - Trib.)**

#### **SECTION 12A OF THE INCOME-TAX ACT, 1961 - CHARITABLE OR RELIGIOUS TRUST - REGISTRATION OF**

**4.10** Where Commissioner (Exemption) rejected application for grant of registration u/s. 12A on ground that assessee did not respond to second SCN issued by him, since assessee submitted that it was in a position to substantiate its case by filing requisite details to satisfaction of Commissioner (Exemption), matter was to be restored to Commissioner (Exemption) to grant one final opportunity to assessee to substantiate its case - **Datar Kulmandal v. CIT(E) - [2025] 172 taxmann.com 570 (Pune - Trib.)**

**4.11** Where Commissioner (Exemption) rejected assessee-trust's application for final registration and also cancelled provisional registration citing non-compliance, since he failed to address evidence already on record before rejecting application, order was to be set aside and matter was to be restored for fresh consideration - **Vardhman Charitable Trust v. CIT(E) - [2025] 172 taxmann.com 548 (Ahmedabad - Trib.)**

#### **SECTION 12AB OF THE INCOME-TAX ACT, 1961 - CHARITABLE OR RELIGIOUS TRUST - PROCEDURE FOR FRESH REGISTRATION**

**4.12** Where Commissioner (Exemption) rejected application for registration u/s. 12AB on ground that assessee had not furnished any explanation in response to second notice seeking further information, since assessee made compliance to initial notice, matter was to be remanded back to Commissioner (Exemption) with direction to give one more opportunity to assessee to file requisite details and decide application for registration afresh - **Kai Pai Vishwanathrao Bhegade Pratishthan v. CIT - [2025] 172 taxmann.com 506 (Pune - Trib.)**

#### **SECTION 28(i) OF THE INCOME-TAX ACT, 1961 - BUSINESS INCOME - CHARGEABLE AS**

**4.13** Where assessee derived income from capital gain on share transactions of listed securities, however, Assessing Officer noted that assessee had entered into large volume of transactions of sale and purchase and thus, amount shown as capital gain was treated as business income and Commissioner (Appeals) dismissed appeal on ground that assessee was negligent and non-cooperative and failed to produce anything in support of his contention, since both orders were almost ex-parte, matter was to be remanded back to Commissioner (Appeals) for fresh adjudication - **Khilan N. Patel (HUF) v. DCIT - [2025] 172 taxmann.com 116 (Surat-Trib.)**



**SECTION 32 OF THE INCOME-TAX ACT, 1961 -  
DEPRECIATION - ALLOWANCE/RATE OF**

- 4.14** Where assessee had claimed additional depreciation on 'plant and machinery' put to use for a period of less than 180 days during preceding year and balance additional depreciation was carried forward to be claimed in year under consideration, there was no error in depreciation claimed by assessee and, hence, no case of order being erroneous in as much as prejudicial to interest of revenue could be made out - **Suzuki Motor Gujarat (P.) Ltd. v. PCIT** - [2025] 172 taxmann.com 469 (Ahmedabad - Trib.)

**SECTION 36(1)(iii) OF THE INCOME-TAX ACT, 1961 -  
INTEREST ON BORROWED CAPITAL**

- 4.15** Where AO disallowed interest paid on loans taken by assessee holding that assessee had further given loans to some group concerns against which no interest was charged, since assessee had taken interest bearing loans for specific business purposes which could be verified from record, and further, assessee submitted details and documents that it had enough interest free funds available for giving interest free advances, impugned disallowance of interest was unjustified - **DCIT v. Kandla Exports Corporation** - [2025] 172 taxmann.com 543 (Rajkot - Trib.)

**SECTION 37(1) OF THE INCOME-TAX ACT, 1961 -  
BUSINESS EXPENDITURE - ALLOWABILITY OF**

- 4.16** Amortization of premium paid on securities was not an allowable expenditure - **United India Insurance Company Ltd. v. DCIT** - [2025] 172 taxmann.com 580 (Chennai - Trib.)
- 4.17** IBNR and IBNER provisions created by assessee, insurance company, in accordance with regulatory requirements of Insurance Regulatory and Development Authority of India (IRDAI) are ascertained contingent liabilities and hence allowable deduction under section 37(1) - **United India Insurance Company Ltd. v. DCIT** - [2025] 172 taxmann.com 580 (Chennai - Trib.)
- 4.18** Where assessee, a Government Corporation, claimed interest expenditure on loan taken from State Government, since revenue had not brought anything on record to demonstrate that either nature of said interest-bearing loan had been changed by lender or assessee was not required to pay any interest on said loan, impugned disallowance of interest paid on loan by assessee was not justified - **Kumaon Mandal Vikash Nigam Ltd. v. ACIT** - [2025] 172 taxmann.com 544 (Dehradun - Trib.)
- 4.19** Where assessee claimed handling/spillage/wastage loss from salt trading, since stock of salt was kept in open and there could be spillages and wastages on account of loading, unloading wind, washing, rain and even inaccuracy in quantification of purchase and sale, impugned disallowance of loss claimed by assessee was unjustified - **DCIT v. Kandla Exports Corporation** - [2025] 172 taxmann.com 543 (Rajkot - Trib.)

- 4.20** Where assessee claimed deduction of payments made to its AE on account of shared services and royalty for use of technology IP and trademark IP and Assessing Officer disallowed said payment, since assessee had filed a petition for admission of additional evidences in support of its claim, additional evidences were to be taken on record and matter was to be restored to Assessing Officer for him to examine these aspects and come to conclusion whether payments claimed as deduction were for purpose of business of assessee and were allowable as deduction - **Buckman Laboratories (India) (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 540 (Chennai - Trib.)

- 4.21** Where assessee bank made provision for depreciation on AFS (available for securities) securities and charged same to profit and loss account, same was to be allowed as deduction - **ACIT v. Karad Urban Co. Op. GBank Ltd.** - [2025] 172 taxmann.com 435 (Pune - Trib.)

- 4.22** Where assessee had given advances to MTNL and BTPS as security deposit for obtaining tenders and later wrote off these advances as irrecoverable, in view of smallness of amount vis-a-vis income of assessee, assessee's claim for disallowance to be allowed as business loss - **T.K. Elevators India (P.) Ltd. v. DCIT** - [2025] 172 taxmann.com 547 (Delhi - Trib.)

- 4.23** Where assessee-trust, which was established to provide guarantee cover to lenders (Banks/NBFCs/Financial Intermediaries) giving loans and advances to eligible Micro Units, created provision for claim payout on basis of actuarial report furnished by an independent actuary, since provision for claim payout created during relevant previous year was an ascertained liability, AO was to be directed to grant deduction for provision for claim payout created during relevant previous year - **Credit Guarantee Fund For Micro Units v. NFAC (DCIT)** - [2025] 172 taxmann.com 603 (Mumbai - Trib.)

**SECTION 43B OF THE INCOME-TAX ACT, 1961 -  
BUSINESS DISALLOWANCE - CERTAIN DEDUCTIONS TO  
BE ALLOWED ONLY ON ACTUAL PAYMENT**

- 4.24** Where claim of assessee on account of payment of bonus was disallowed by CPC in intimation order u/s. 143(1) and adjustment made u/s. 143(1) was incorporated in assessment framed u/s. 143(3) without taking into cognizance of adjustment made by CPC in intimation, in interest of justice and fair play, issue was to be set aside to file of AO for fresh adjudication as per provisions of law - **Ariba Technologies India (P.) Ltd. v. DCIT** - [2025] 172 taxmann.com 304 (Bangalore - Trib.)

**SECTION 45 OF THE INCOME-TAX ACT, 1961 - CAPITAL  
GAINS - CHARGEABLE AS**

- 4.25** Business income and capital gains from JDA was taxable only from AY 2012-13 when sale deeds had commenced, and taxing same in year under consideration i.e. AY 2011-12 would result in double taxation - **DCIT v. Chaitanya Properties (P.) Ltd.** - [2025] 172 taxmann.com 613 (Bangalore - Trib.)

- 4.26** Where assessee along with his brother sold a property, since assessee's brother had paid entire purchase consideration for said property and was in actual possession and had 100 per cent rights over said property and declared sale consideration in his return, consideration received on sale of said property could not be added in hands of assessee as LTCG - **Vinod Nihalchand Jain Ltd. v. ITO** - [2025] 172 taxmann.com 581 (Mumbai - Trib.)

#### SECTION 50C OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - SPECIAL PROVISION FOR COMPUTATION OF FULL VALUE CONSIDERATION

- 4.27** Where assessee had shown income from house property which was actually required to be offered as capital gain u/s. 45 on sale of land and sale consideration declared by assessee was less than stamp duty value of land by 9.02 per cent which was more than tolerance limit of 5 per cent for subject assessment year, addition of amount of difference was to be made to income of assessee under section 50C - **Engineering Professional Co. (P.) Ltd. v. PCIT - 1** - [2025] 172 taxmann.com 505 (Surat-Trib.)

#### SECTION 56 OF THE INCOME-TAX ACT, 1961 - INCOME FROM OTHER SOURCES - CHARGEABLE AS

- 4.28** Where assessee sold an immovable property and AO made addition u/s. 56(2)(x) on account of difference between sale consideration and stamp duty value, since assessee was seller and said provisions were applicable to purchaser, matter was to be remanded back to AO - **Latika Sakharam Patil v. ITO** - [2025] 172 taxmann.com 622 (Pune - Trib.)

#### SECTION 68 OF THE INCOME-TAX ACT, 1961 - CASH CREDIT

- 4.29** Where AO made addition u/s. 68 on account of cash deposited in bank account and Commissioner (Appeals) dismissed appeal on ground that assessee had been totally non-cooperative, since both orders were almost ex-parte, principles of natural justice would call for giving another opportunity of hearing to assessee - **Khilan N. Patel (HUF) v. DCIT** - [2025] 172 taxmann.com 116 (Surat-Trib.)
- 4.30** Where pursuant to information received from investigation wing that penny stock companies provided fictitious LTCG/LTCL entries to many beneficiaries including assessee, AO disallowed assessee's claim of exemption u/s. 10(38) with respect to LTCG earned on sale of S company's shares, since said company had weak financial fundamentals and conducted no business for 5 years and further, assessee did not get such huge profit in any other scrip over a period of 5 years, transactions of issuing and getting cheques, obtaining brokers contract notes, transaction through stock exchange and demat account done by assessee were colourable devices to bring their unaccounted money into their books of account, and thus, impugned addition was to be upheld - **ITO v. Kailash Chandra Gupta HUF** - [2025] 172 taxmann.com 774 (Mumbai - Trib.)

#### SECTION 69 OF THE INCOME-TAX ACT, 1961 - UNEXPLAINED INVESTMENTS

- 4.31** Where assessee had purchased a shop for consideration of Rs. 8.09 lakhs, however, market value of same was Rs. 22.06 lakhs and Assessing Officer made addition under section 69 as unexplained source of income, since relevant documents had been filed and facts and circumstances and resources of investment had also been demonstrated by assessee before authorities below, impugned addition made by Assessing Officer was to be deleted - **Bharat Mithalal Jain v. ITO** - [2025] 172 taxmann.com 501 (Mumbai - Trib.)

#### SECTION 69A OF THE INCOME-TAX ACT, 1961 - UNEXPLAINED MONEYS

- 4.32** Where during search, a diary was seized from premises of assessee in which certain amount was noted and Director of assessee also made a statement that said amount was received by assessee, since revenue was unable to substantiate figure of revenue as noted in diary nor supported by Director's statement with corroborative evidence, impugned addition to income of assessee was to be restricted to extent of Rs. 10 lacs out of Rs. 1.35 crores - **Kaizen Enterprises (P.) Ltd. v. ACIT** - [2025] 172 taxmann.com 621 (Jaipur - Trib.)

- 4.33** Where due to failure of assessee to comply with various notices, Assessing Officer passed best assessment order treating cash deposit and credit entries appearing in bank account as undisclosed money under section 69A, since assessee before Tribunal submitted paper book containing cash book, bank book, books of account, profit and loss account and balance sheet, copy of Form 26AS and computation of income, one more opportunity should be given to assessee to plead his case before the Assessing Officer - **Sai Majur & Kamgaroni Sahkari Mandli Ltd. v. Income-tax Officer** - [2025] 172 taxmann.com 120 (Surat-Trib.)

#### SECTION 69C OF THE INCOME-TAX ACT, 1961 - UNEXPLAINED EXPENDITURE

- 4.34** Where assessee was under cloud of obtaining bogus purchase bills, Assessing Officer should primarily first verify, whether purchase quantity corresponding to bogus purchase bills was entered in day to day stock register; if not, then 100 per cent amount of bogus bills was liable for disallowance, however, if purchase quantity was entered, then Assessing Officer should verify whether sales corresponding to bogus purchases were genuine; wherever, sales by an assessee corresponding to bogus purchases were verified, then only presumption was that assessee must have purchased goods in cash from grey market, in such situation, availability of unexplained cash in hands of assessee need to be examined and wherever no cash was available with assessee for such purchase, addition for unexplained cash purchases need to be considered - **Income-tax Officer v. Satguru Gems** - [2025] 172 taxmann.com 468 (Mumbai - Trib.)
- 4.35** Where Assessing Officer held that assessee claimed bogus long-term capital gains from sale of penny stocks and such transactions could not be accommodated without payment of



commission of minimum of 3 per cent to entry operators, accordingly he made additions under section 69C, since sale transaction was not genuine and only make-believe agreement, payment of commission was corollary and impugned addition was to be upheld - **Income-tax Officer v. Kailash Chandra Gupta HUF** - [2025] 172 taxmann.com 774 (Mumbai - Trib.)

#### SECTION 70 OF THE INCOME-TAX ACT, 1961 - LOSSES - SET OFF OF FROM ONE SOURCE AGAINST INCOME FROM ANOTHER SOURCES UNDER SAME HEAD OF INCOME

- 4.36 Where assessee, a fund organized as company in Ireland, was a tax resident of Ireland and FPI registered with SEBI, derived short-term capital gain on sale of rights entitlement, capital loss incurred under provisions of Act, read with article 13(5) of India-Ireland DTAA could not be set off against such short-term capital gain because gain was not subjected to tax in India as per article 13(6) of DTAA - **Vanguard Emerging Markets Stock Index Fund v. Assistant Commissioner of Income-tax (International Tax)** - [2025] 172 taxmann.com 515 (Mumbai - Trib.)

#### SECTION 80A OF THE INCOME-TAX ACT, 1961 - DEDUCTIONS - GENERAL

- 4.37 Assessee is entitled to get statutory deductions under Chapter VI-A as per limit prescribed and cannot be denied benefit of same simply on reason that earlier in original return of income, assessee had claimed lower amount than amount claimed in subsequent return of income filed in response to notice under section 148, especially when subsequent return had been accepted - **Bharat Mithalal Jain v. ITO** - [2025] 172 taxmann.com 501 (Mumbai - Trib.)

#### SECTION 80G OF THE INCOME-TAX ACT, 1961 - DEDUCTIONS - DONATION TO CERTAIN FUNDS, CHARITABLE INSTITUTIONS

- 4.38 Where assessee-trust was already an approved trust and claimed that it had wrongly applied for provisional registration under new regime, application for renewal of registration was to be made under clause (ii) of first proviso to section 80G(5) and grant of provisional approval could not be sole basis for rejecting same - **Sheth Vijilal Laxmidas Tribvondas v. CIT (Exemptions)** - [2025] 172 taxmann.com 514 (Mumbai - Trib.)
- 4.39 Where assessee-trust, provisionally approved under section 80G, filed an application for approval under clause (ii) of first proviso to section 80G(5) instead of clause (iii), since error committed was merely inadvertent and clerical, matter was to be remanded to Commissioner (Exemption) to grant an opportunity to assessee to file revised application under clause (iii) of first proviso to section 80G(5) - **Subharma Charitable Trust v. Commissioner of Income-tax (Exemptions)** - [2025] 172 taxmann.com 431 (Mumbai - Trib.)

- 4.40 Where object clause of assessee-trust included grants of scholarships to deserving student studying in India or abroad, medical help and treatment to poor and deserving people in India and abroad, since object of trust left room for any potential future endeavour which might be undertaken by assessee resulting in expenditure outside India, assessee could not be granted final registration under section 80G unless relevant clause was modified or amended - **Hemlata Charities v. CIT Exem** - [2025] 172 taxmann.com 649 (Mumbai - Trib.)

#### SECTION 80P OF THE INCOME-TAX ACT, 1961 - DEDUCTIONS - INCOME OF CO-OPERATIVE SOCIETIES

- 4.41 Where assessee, cooperative society, claimed deduction under section 80P, however PAN was mistakenly obtained in name of firm and thereafter, specifically brought to notice of Assessing Officer that it had obtained new PAN and requested to allow it to file return as cooperative society, since requirement of making a claim in return under section 80A(5) was directory in nature, claim of assessee under section 80P was to be allowed - **Pishaver Vividh Karyakari Seva Sahkari Mandali Ltd. v. Income-tax Officer** - [2025] 172 taxmann.com 347 (Surat-Trib.)

#### SECTION 90 OF THE INCOME-TAX ACT, 1961 - DOUBLE TAXATION RELIEF - WHERE AGREEMENT EXISTS

- 4.42 Where Assessing Officer initiated reassessment and disallowed relief under section 90 on ground that routing of artiste remuneration to assessee by RECPL, India through UK based production company had caused revenue loss to India, since part relief u/s. 90 was granted under original assessment and there was not even mention of any new or tangible material which formed basis to believe that income chargeable to tax had escaped assessment, reassessment order was to be quashed - **Shah Rukh Khan v. DCIT, Central** - [2025] 172 taxmann.com 142 (Mumbai - Trib.)

- 4.43 Where assessee, a fund organized as company in Ireland, was a tax resident of Ireland and FPI registered with SEBI, derived short-term capital gain on sale of rights entitlement, rights entitlement would be covered under provisions of article 13(6) of India-Ireland DTAA and in that case it would not be subjected to tax in India but it would be taxable in resident state, i.e., Ireland - **Vanguard Emerging Markets Stock Index Fund v. ACIT (International Tax)** - [2025] 172 taxmann.com 515 (Mumbai - Trib.)

#### SECTION 92B OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - INTERNATIONAL TRANSACTION, MEANING OF

- 4.44 Interest on outstanding receivables is an international transaction, and it certainly requires separate benchmarking - **Ariba Technologies India (P.) Ltd. v. DCIT** - [2025] 172 taxmann.com 304 (Bangalore - Trib.)
- 4.45 In absence of any understanding, arrangement or action in concert, AMP expense could not be held as an international transaction as per section 92B r.w.s. 92F(v) - **Tupperware India (P.) Ltd. v. ACIT** - [2025] 172 taxmann.com 392 (Delhi - Trib.)

**4.46** AMP expenses incurred by assessee in course of carrying out its business could not be regarded as international transaction under section 92B as revenue failed to bring on record any contract or arrangement between assessee and its AE for making AMP expenses for promotion of brand of its AE - **Reckitt Benckiser (India) (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 512 (Kolkata - Trib.)

#### SECTION 92C OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - COMPUTATION OF ARM'S LENGTH PRICE

**4.47** Where assessee-company, had entered into international transactions of sale/exports of goods with its AE, TNMM as adopted by assessee was to be accepted as most appropriate method for benchmarking said international transactions as accepted in earlier years on similar fact situation - **Omni Active Health Technologies Ltd. v. Assessment Unit, Income-tax Department** - [2025] 172 taxmann.com 509 (Mumbai - Trib.)

**4.48** Where comparables agreements selected by assessee were rejected by TPO on account of different geographical reasons, since comparable agreements selected by assessee and TPO belonged to same industry, rejection of comparable companies selected by assessee on account of different geographical location was unjustified - **Tupperware India (P.) Ltd. v. ACIT** - [2025] 172 taxmann.com 392 (Delhi - Trib.)

**4.49** Where Commissioner (Appeals)-NFAC summarily dismissed appeal of assessee without giving any findings on merits of case, since core issue in appeal pertained to transfer pricing adjustments, matter was to be restored for fresh adjudication on merits - **Hanning Motors India (P.) Ltd. v. Dy.CIT Circle-1(1)(1)** - [2025] 172 taxmann.com 379 (Ahmedabad - Trib.)

**4.50** Where assessee had paid royalty for goods which had been imported by it and TPO took royalty as nil by holding that with imported goods, payment of royalty was embedded and thus, an upward adjustment was made, since Customs Authorities had given a categorical finding that royalty was not included in invoice value of goods imported by assessee, upward adjustment in respect of payment of royalty was to be deleted - **Reckitt Benckiser (India) (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 512 (Kolkata - Trib.)

**4.51** Where assessee rendered IT support services but TPO took said services as KPO services, since for making a correct comparability analysis, it was important to capture correct functionality of comparables, matter was to be remanded back to TPO to undertake fresh comparability test based on correct functionality of comparables - **Reckitt Benckiser (India) (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 512 (Kolkata - Trib.)

**4.52** Where assessee received reimbursement of software allocation cost from AE, since said reimbursement was at cost, it did not require any mark-up and thus, adjustment made by TPO was to be deleted - **SRF Ltd. v. NeAC, New Delhi** - [2025] 172 taxmann.com 546 (Delhi - Trib.)

**4.53** Where segmental margin of Technical Textile Business (TTB) segment computed by TPO at rate of 6.28 per cent was incorrect as segmental margin from segmental results of assessee was 12.14 per cent, TPO was to be directed to delete adjustment in respect of inter-unit transfer of TTB Division - **SRF Ltd. v. NeAC, New Delhi** - [2025] 172 taxmann.com 546 (Delhi - Trib.)

**4.54** Where TPO computed segmental margin of Chemical and Polymer Business (CPB) segment at (-) 1.37 per cent and made adjustment whereas segmental margin from segmental results of assessee was reported at 33.34 per cent, TPO was to be directed to determine ALP on basis of CUP method - **SRF Ltd. v. NeAC, New Delhi** - [2025] 172 taxmann.com 546 (Delhi - Trib.)

**4.55** Where TPO/DRP had rejected valid comparable data obtained by assessee in form of quotation received from HDFC bank without assigning any cogent reason, TPO was not justified in making adjustment in respect of corporate guarantee fee - **SRF Ltd. v. NeAC, New Delhi** - [2025] 172 taxmann.com 546 (Delhi - Trib.)

**4.56** Where assessee-company paid a sum to its AEs for intra-group services, similar issue was considered by coordinate Bench in assessee's own case for AYs 2018-19 and 2019-20 wherein it was noted that receipts of assessee on account of provision of information technology and other administrative services to its affiliate in India were not in nature of Fees for Technical Services simply because of incidental advantage to recipient of services, following same, impugned order of TPO treating total payment as ALP adjustment and determining ALP at nil was to be set aside - **Bio-Red Laboratories (India) P. Ltd. v. DCIT** - [2025] 172 taxmann.com 539 (Delhi - Trib.)

**4.57** Where assessee-company purchased fixed assets from its AEs and TPO made adjustment to arm's length price, since a part of capital assets were used for demonstration purposes and depreciation on these assets was charged to profit and loss account and margins were arrived at after considering impact of depreciation on such assets, TPO was to be directed to verify cost of assets utilised for demonstration purposes and redo ALP adjustment - **Bio-Red Laboratories (India) P. Ltd. v. DCIT** - [2025] 172 taxmann.com 539 (Delhi - Trib.)

**4.58** Where assessee-company entered into international transaction with AEs and TPO erred in not including foreign exchange fluctuation as integral part of operating profit/loss and furthermore, selected 7 comparable with dissimilar functions/assets/risk without confronting assessee, same was gross violation of principle of natural justice - **T.K. Elevators India (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 172 taxmann.com 547 (Delhi - Trib.)



- 4.59** Where TPO carried assessment with benchmarking of all international transactions carried by assessee combining payment of fees for various IGS services received by assessee as well as receipt of IGS services by assessee, since benchmarking of payment and receipt of revenue cannot be combined to benchmark transactions adopting same OP/OC or OP/OR, matter was to be remanded back - **McCann Erickson India (P.) Ltd. v. DCIT - [2025] 172 taxmann.com 507 (Delhi - Trib.)**
- 4.60** Where assessee availed intra-group services from its AE and TPO computed ALP of intra-group services at nil on ground that assessee had failed to prove need test and benefit test, since assessee had furnished voluminous evidences, which demonstrated that assessee had received said services and said services had benefited assessee, TPO could not have determined ALP at nil - **Denso Haryana (P.) Ltd. v. Dy. CIT - [2025] 172 taxmann.com 765 (Delhi - Trib.)**
- 4.61** Where assessee had aggregated transaction of payment of royalty with other closely linked transactions and benchmarked them under TNMM, TPO could not segregate some transaction out of aggregated whole and reduce their ALP to nil under CUP method - **Denso Haryana (P.) Ltd. v. DCIT - [2025] 172 taxmann.com 765 (Delhi - Trib.)**
- 4.62** Where assessee had entered into various international transactions with its AE during year and assessee had aggregated all transactions but Assessing Officer had accepted assessee's benchmarking in respect of all transactions except three of transactions, approach adopted by TPO to segregate said transactions was unsustainable, particularly when TPO had not entirely disbelieved assessee's claim that transactions were closely linked transactions - **Denso Haryana (P.) Ltd. v. DCIT - [2025] 172 taxmann.com 765 (Delhi - Trib.)**
- 4.63** Where assessee had purchased certain capital goods and TPO had determined ALP at cost of goods purchased while disallowing mark-up, since TPO had not benchmarked transaction under any one of available methods, approach adopted by TPO was purely ad hoc in nature - **Denso Haryana (P.) Ltd. v. DCIT - [2025] 172 taxmann.com 765 (Delhi - Trib.)**
- 4.64** Where assessee company was a BPO service provider and it was also providing services to customers of its holding company abroad, since entire turnover of a comparable company selected by assessee was attributed to exports, it was to be included in set of comparables - **Cvent India (P.) Ltd. v. ITO - [2025] 172 taxmann.com 771 (Delhi - Trib.)**
- 4.65** Where assessee company was a BPO service provider in relation to online event registration/other support services to its AEs, a comparable company, engaged in business of providing back office transaction processing and email response services to its clients which were

similar to BPO services provided by assessee, therefore, same was functionally comparable to assessee, Commissioner (Appeals) rightly directed inclusion of said company in list of final comparables - **Cvent India (P.) Ltd. v. ITO - [2025] 172 taxmann.com 771 (Delhi - Trib.)**

- 4.66** Where assessee company was a BPO service provider to domestic as well as its customers abroad, a company which earned revenue from BPO only from domestic operations and, thus, it failed TPO's own filter of having at least 75 percent export sales, same could not be accepted as valid comparable - **Cvent India (P.) Ltd. v. ITO - [2025] 172 taxmann.com 771 (Delhi - Trib.)**
- 4.67** Where assessee company was a BPO service provider, a company which earned revenue from two business segments i.e. "transaction processing" and "technical services" which included software testing, verification and validation of software and data centre management activities and whose segmental information of ITeS/BPO and software development services was not available could not be accepted as valid comparable - **Cvent India (P.) Ltd. v. ITO - [2025] 172 taxmann.com 771 (Delhi - Trib.)**
- 4.68** Where assessee company was a low risk-bearing contract BPO service provider, a company, engaged in provision of high-end KPO services such as end to end financial transaction support, strategic and process consulting services, product database management and catalogue audit, being functionally not comparable to assessee was to be excluded from final list of comparables - **Cvent India (P.) Ltd. v. ITO - [2025] 172 taxmann.com 771 (Delhi - Trib.)**
- 4.69** Where assessee earned foreign exchange gain directly from consideration received from rendering ITES to AE, such foreign exchange fluctuation gain should not be considered as non-operating and same was to be treated as operating income of assessee - **Cvent India (P.) Ltd. v. ITO - [2025] 172 taxmann.com 771 (Delhi - Trib.)**

#### SECTION 92D OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - MAINTENANCE AND KEEPING OF INFORMATION AND DOCUMENT BY PERSONS ENTERING INTO AN INTERNATIONAL TRANSACTION

- 4.70** No penalty u/s. 271G if no notice u/s. 92D(3) is issued requiring assessee to furnish information or document in respect of international transaction not disclosed by assessee - **DCIT v. Siemens Aktiengesellschaft - [2025] 172 taxmann.com 655 (Mumbai - Trib.)**

#### SECTION 144C OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING- DISPUTE RESOLUTION PANEL

- 4.71** Where DRP passed rectification order in pursuance of which TPO in revised giving effect order reduced TP adjustment towards software development and IT-enabled services to nil, AO was bound to give effect to revised directions of DRP, and therefore, AO was to be directed to consider rectified direction of DRP and corresponding revised giving-effect order of TPO and delete entire TP adjustment made in respect of software development and IT-enabled services - **Ariba Technologies India (P.) Ltd. v. DCIT - [2025] 172 taxmann.com 304 (Bangalore - Trib.)**

**SECTION 145 OF THE INCOME-TAX ACT, 1961 -  
METHOD OF ACCOUNTING - SYSTEM OF  
ACCOUNTING**

- 4.72** Where AO made addition on account of under-valuation of closing stock of rapeseeds DOC, since assessee's submission was to effect that valuation method was consistently followed and moreover, AO had also not based his decision of making addition by changing valuation of closing stock on fundamental accounting principle of 'valuation of stock to be at lower of cost or market price, whichever is lower, and to be consistently followed', impugned addition was to be deleted - **DCIT v. Kandla Exports Corporation - [2025] 172 taxmann.com 543 (Rajkot - Trib.)**

**SECTION 148 OF THE INCOME-TAX ACT, 1961 -  
INCOME ESCAPING ASSESSMENT - ISSUE OF  
NOTICE FOR**

- 4.73** Where notice u/s. 143(2) was issued beyond prescribed time limit, reassessment order u/s. 147 r.w.s. 144B, dehors a valid notice u/s. 143(2), was to be quashed - **DCIT v. Peyusha Shukla - [2025] 172 taxmann.com 510 (Raipur - Trib.)**

**SECTION 194A OF THE INCOME-TAX ACT, 1961 -  
DEDUCTION OF TAX AT SOURCE - INTEREST  
OTHER THAN INTEREST ON SECURITIES**

- 4.74** By virtue of provisions of section 194A(3)(v), a cooperative bank is not required to deduct tax at source on interest paid to another cooperative society - **HP State Cooperative Bank Ltd. v. ITO - [2025] 172 taxmann.com 470 (Chandigarh - Trib.)**

**SECTION 194C OF THE INCOME-TAX ACT, 1961 -  
DEDUCTION OF TAX AT SOURCE -  
CONTRACTORS/ SUB-CONTRACTORS, PAYMENTS  
TO**

- 4.75** Where assessee claimed deduction on account of daily wage payments and labour charges, since assessee had submitted TDS returns and other documents to prove that it had complied with provisions of sections 194C, 194J and 192, impugned expenses were to be allowed without disallowance of 30 per cent of such expenses under section 40(a)(ia) - **Engineering Professional Co. (P.) Ltd. v. PCIT - 1 - [2025] 172 taxmann.com 505 (Surat-Trib.)**

**SECTION 199 OF THE INCOME-TAX ACT, 1961 -  
DEDUCTION OF TAX AT SOURCE - CREDIT FOR  
TAX DEDUCTED**

- 4.76** Department grants credit for TDS only if said amount appears in Form No. 26AS of relevant assessee - **Jamshed R Bilimoria v. ITO - [2025] 172 taxmann.com 618 (Mumbai - Trib.)**

**SECTION 201 OF THE INCOME-TAX ACT, 1961 -  
DEDUCTION OF TAX AT SOURCE - CONSEQUENCE OF  
FAILURE TO DEDUCT OR PAY**

- 4.77** Where assessee, engaged in travel services, used Computerized Reservation System (CRS) for air ticket bookings but did not own, operate, or manage CRS platform, section 194-O was not applicable making assessee not liable to deduct TDS and not 'an assessee in default' under section 201(1) and 201(1A) - **Asst. Commissioner of Income-tax (TDS) v. Riya Travel and Tours (India) (P.) Ltd. - [2025] 172 taxmann.com 652 (Mumbai - Trib.)**

**SECTION 270A OF THE INCOME-TAX ACT, 1961 -  
PENALTY FOR UNDER-REPORTING AND  
MISREPORTING OF INCOME**

- 4.78** Where assessee made suo moto disallowance under section 14A and later offered an additional disallowance under section 14A and Assessing Officer without pointing out any mistake in original claim accepted additional disallowance, however penalty proceedings under section 270A were initiated for under reporting of income, since Commissioner (Appeals) accepted penalty order without dealing with grounds regarding levying of penalty under section 270A, matter was to be remanded back for fresh consideration - **Max Ventures Investment Holdings (P.) Ltd. v. Income-tax Officer - [2025] 172 taxmann.com 545 (Delhi - Trib.)**

## 5. SAFEMA

**SECTION 2(8) OF THE PROHIBITION OF BENAMI  
PROPERTY TRANSACTIONS ACT, 1988 - DEFINITIONS**

- 5.1** Where respondents had failed to prove that property of abettors was benami property as defined under Act, attachment of their properties was to be set aside for reason that attached property could not be proved to be benami property however they were not excluded for their role in benami transaction with consequence of section 53 - **Sanjay M. Soni v. Initiating Officer, DCIT (BPU-1) - [2025] 172 taxmann.com 701 (SAFEMA - New Delhi)**

**SECTION 26 OF THE PROHIBITION OF BENAMI  
PROPERTY TRANSACTIONS ACT, 1988 - ADJUDICATION  
OF BENAMI PROPERTY**

- 5.2** Adjudicating Authority has power to drop a party improperly joined or add a party whose presence may be necessary; it can even attach property left out by Initiating Officer; hence, second show cause notice to transpose beneficial owner to be abettors and abettors to be beneficial owners was permissible under Act of 1988 - **Sanjay M. Soni v. Initiating Officer, DCIT (BPU-1) - [2025] 172 taxmann.com 701 (SAFEMA - New Delhi)**



## **Assessment of third party on seizure of documents in search under section 132 of the Income Tax Act, 1961**



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Under Section 132 of the Income Tax Act, it is often observed during a search (raid) that documents or electronic data belonging to third parties are also found on the premises. If such documents or data contain details or records related to undisclosed income, the department seizes them. The discovered documents may be in any form, paper form, electronic devices (like Tally data, emails, WhatsApp chats), etc. Nowadays, lot of details and information is found on whatsapp.

When further proceedings are undertaken on these documents, based on the findings, the department may initiate assessment proceedings against such third parties under Sections 153D, 147, 153C, 158BD, 144, etc., and issue notices accordingly. In this entire process, the following points must be given special attention:

1. Assessment proceedings may be initiated under section 148, or under Section 153C, or 158BD. We should check the provisions for initiation of proceedings and should challenge if it has been initiated under wrong provision.
2. The Assessing Officer (AO) has reasons to believe that income has escaped assessment. If reasons are not properly recorded, we must challenge the reasons.
3. The AO must record valid reasons for taking action and prepare a satisfaction note demonstrating why the third party's income is considered undisclosed. He is required to obtain the necessary approval and prepare the satisfaction note properly. If not so, we must challenge it.

4. Legal provisions require that notices under Sections 148, 153C, etc., be issued within specific timelines. If the notice is beyond this period, the assessment might be quashed on technical grounds.
5. Are the suspicious noting recorded in the books of accounts, diaries, or loose papers prima facie evidence? This depends on facts of each case. If the document relates to regular books of accounts, we should furnish evidence of the same. Merely entries in a diary without additional supporting evidence may not be sufficient proof of actual transactions. Reference is drawn in the case of Hon'ble Prime Minister Shri Narendra Modi the Hon'ble Supreme Court in the case of **Common Cause vs/ UOI (Sahara Diaries) Writ Petition (Civil) No. 505m of 2015** in which it was held that entries in loose papers are irrelevant and inadmissible as evidence. The Hon'ble Supreme Court in **C.B.I vs. Shukla 1998 (3) SCC 410** has made the same observation.
6. Are the noting clear and detailed, or are they vague and incomplete? We can argue that these are dumb documents. Clear, detailed noting (especially with signatures, amounts, or references to known transactions) tend to carry more evidentiary weight.
7. Along with the noting, if any additional pieces of evidence been seized, such as a signed agreement, a promissory note, cash payment receipt, correspondence, etc, the case of the assessee becomes weak.
8. Are the noting in paper documents, or in electronic media such as WhatsApp, email, etc.? If it is on Whatsapp or electronic media, we should see that these were obtained by the tax authorities as per provisions of section 65 of Evidence Act. Courts often require proof that such digital communications are genuine and have not been tampered with. Whatsapp message without any supporting evidence may not lead to addition. Reference may be made in the case of **Commissioner of Income tax vs. Reis Magos Estates (P.) Ltd [2013] 40 taxmann.com 324(Bombay)**
9. Has the statement of any person been recorded in the context of the documents found during the search? If so, we should ask for copy of such statement. In the case of **KALRA GLASS FACTORY VS SALES TAX TRIBUNAL – SUPREME COURT 167 ITR 488 OF 1987**, it has been held that the elementary principle of natural justice as applied to Income Tax proceedings, is that the assessee should have the knowledge of the material that is going to be based against him so that he may be able to meet it where for instance the statement of a person is recorded



behind the back of the assessee, but not tested by cross examination, such a statement cannot be allowed to be used.

10. Has the investigating officer issued a notice to the third party for verification of the documents? If yes, what was their response, and was any statement recorded? Copies of such statements must be carefully examined. If the third party denies the transaction and there is insufficient evidence to prove otherwise, the case against them may be weak.
11. Has the person searched (the one on whose premises the raid was conducted) accepted the transactions related to the third party? If accepted, was there any subsequent retraction? The retraction petition should be filed during the course of assessment proceedings.
12. What is the nature of the transaction? (Lending or borrowing of money, on-money transaction in the purchase of property, sales etc.) The addition much depends on nature of transaction found in seized documents.
13. Apart from the amount noted in the document, is there any other supporting evidence? Without corroborative evidence, addition cannot be made. Therefore, it is important to see whether any corroborative evidence was found during search action. The Hon'ble Supreme Court in the case of **Dhakeswari Cotton Mills Ltd vs. CIT 1955 AIR 65** has held as under:
 

*“In this case we are of the opinion that the Tribunal violated certain fundamental rules of justice in reaching its conclusions. Firstly, it did not disclose to the assessee what information had been supplied to it by the departmental representative. Next, it did not give any opportunity to the company to rebut the material furnished to it by him, and, lastly, it declined to take all the material that the assessee wanted to produce in support of its case. The result is that the assessee had not had a fair hearing.... In the result we allow this appeal, set aside the order of the Tribunal”*
14. If the document has been seized in the premises of the third party, the presumption u/s 292C cannot be drawn against the third party. The Hon'ble Supreme Court in **CIT vs. Sunita Dhaddha SLP(Civil) No 9432/2018 dtd 28/03/2018(SC)** has held that presumption cannot be made u/s 292C in respect of documents seized during search of other party.
15. In such a case, can a Writ Petition be filed? Yes, in various points mentioned above, writ petition can be filed. A writ petition in the High Court may be possible in cases where there is a procedural or jurisdictional lapse (e.g., improper sanction, no valid reason recorded, violation of

principles of natural justice). This is often an option when immediate relief is sought before an assessment order is finalized or if fundamental rights are violated in the process.

Many assessee's succeed at the appellate level because the department fails to provide substantial corroborative evidence. Therefore, raising legal issues and highlighting evidentiary gaps during the assessment stage itself can significantly strengthen the case on appeal.

If there is no corroborative evidence (besides suspicious notings) against the third party, then the income tax claim against them becomes weak. Merely the statement of the person in whose premises the raid took place is not considered sufficient. The cross-examination of the person giving the statement must be conducted. In this regard, there are several Supreme Court rulings in favour of the assessee as under: -

The Supreme Court in **Kishan Chand Chellaram v. CIT (1980) 125 ITR 713 (SC) and Andaman Timber Industries v. CCE (2015) 281 CTR 241 (Bom)(HC)** held that evidence which is used against the assessee must be provided to the assessee and also an opportunity to confront the same should be given permitting cross-examination.

In the case of **LAXMANBHAI S. PATEL V. CIT ITR NO. 41 OF 1997** the Hon'ble High Court of Gujarat held that the legal effect of the statement recorded behind the back of the assessee without furnishing the copy thereof to the assessee or without giving an opportunity of cross-examination, if the addition is made, the same is required to be deleted on the ground of violation of the principles of natural justice.

It has been held in **CIT Vs. Eastern Commercial Enterprises 210 ITR 103 (Cal)** that if the A.O. is relying on the testimony of a witness the assessee is to be afforded an opportunity to cross examine the same.

At the appellate level, if there is a lack of corroborative evidence, the assessee usually succeeds. Therefore, during the assessment proceedings, efforts should be made to strongly highlight any deficiency in evidence and raise other legal points, so that relief may be obtained at the appellate stage.



**Summary:**

During an Income Tax search (Section 132), if documents/information related to another person (third party) show undisclosed income, the Income Tax Department may proceed against that third party under Sections 153C, 147, 158BD, etc. However, due process— recording of reasons, proper approvals, issuance of notices within time, and corroborative evidence—is critical. Vague or unsupported entries may not hold up legally, and cross- examination rights are vital. Often, the assessee prevails in appeal if the Revenue cannot substantiate its claims with solid evidence. It is advisable to raise all procedural and factual defences early to strengthen one's position if the matter proceeds to appeal. The assessee should keep patience and should not spoil his case by losing patience. In such cases, the third party gets relief at higher stage provided the assessment proceeding is handled carefully and properly.

# GST & INDIRECT TAXES

## 1. STATUTORY UPDATES

- 1.1** GST jurisdictional boundaries across multiple districts in Rajasthan and Tamil Nadu redefined to enhance tax administration and compliance: Notification - **NOTIFICATION NO. 10/2025- CENTRAL TAX [G.S.R. 174/F.NO. CBIC-20016/8/82025- GST, DATED 13-03-2025]**

**Editorial Note :** The CBIC has issued notification to revise GST jurisdictional boundaries in Rajasthan and Tamil Nadu. The changes expand tax administration areas for districts such as Alwar, Jaipur, Jodhpur, Udaipur, Chennai Outer, Madurai, and Tiruchirappalli, ensuring efficient tax collection, compliance monitoring, and dispute resolution.

- 1.2** Rule 164 amended to streamline partial appeal withdrawal u/s 128A: Notification - **NOTIFICATION NO. 11/2025-CENTRAL TAX, DATED 27-03-2025**

**Editorial Note :** CBIC has amended Rule 164 to support implementation of Section 128A, allowing taxpayers to partially withdraw appeals for the eligible period (1 July 2017 to 31 March 2020) by simply intimating the appellate authority.

- 1.3** Benefit under Section 128A is allowed even if payment made through GSTR-3B before 1st November 2024: Circular - **CIRCULAR NO. 248/05/2025-GST, DATED 28-03-2025**

**Editorial Note :** The CBIC has issued a circular clarifying key procedural aspects for availing waiver of interest and penalty under Section 128A of the CGST Act, confirming that payments made through GSTR-3B before 1st November 2024 will be treated as valid for the purpose of claiming the benefit. For notices covering both eligible and non-eligible periods, taxpayers can partially withdraw appeals for the eligible period, with adjudication continuing for the rest.

- 1.4** GSTN issued advisory for several issues in filing applications (SPL-01/SPL-02) under waiver scheme

**Editorial Note :** The GSTN has issued an update to inform that various grievances faced by taxpayers have come to the notice of GSTN and team is working to resolve the issues at the earliest. It is also clarified that there is a misconception among the trade that the last date to file waiver application is 31.03.2025 but the taxpayers can file waiver applications in SPL 01/02 till 30.06.2025.

- 1.5** CBIC issued FAQs to explain criteria, procedures, and GST implications for restaurant services supplied at specified premises

**Editorial Note :** The CBIC has issued FAQs to clarify the criteria for designating "specified premises" for restaurant services under GST, effective from 1 April 2025. The FAQs cover the definition of specified premises, eligibility criteria, applicable GST rates, and procedures for filing declarations. It also explains the 'opt-in' and 'opt-out' provisions, deadlines, and the GST treatment for services provided at specified and non-specified premises.

## 2. SUPREME COURT

### SECTION 39 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - RETURNS - FURNISHING OF

- 2.1** Where assessee had made bonafide error in filing return in GSTR-1 and application to rectify same was rejected, however on petition filed by assessee, High Court allowed assessee to rectify return, On SLP filed by revenue, matter was to be listed and an Amicus Curiae was to be appointed - **Union of India v. Brij Systems Ltd. - [2025] 172 taxmann.com 722 (SC)**

- 2.2** Where assessee's request to rectify return was denied by revenue and High Court allowed assessee to rectify same as there was no revenue loss to department, SLP filed by department against order of High Court was to be dismissed as right to correct mistakes in nature of clerical or arithmetical error is a right that flows from right to do business and could not be denied unless there was a good justification - **Central Board of Indirect Taxes and Customs v. Aberdare Technologies (P.) Ltd. - [2025] 172 taxmann.com 724 (SC)**

### SECTION 69 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SEARCH, SEIZURE, ETC. - POWER TO ARREST

- 2.3** Where bail granted to appellant by Trial Court was cancelled by high court, considering that appellant was only a manager in company and revenue submitted that appropriate order could be passed with direction to appellant to cooperate in investigation, case for grant of bail was made out, accordingly, order of Trial Court granting bail was to be restored - **Gautam Garg v. Union of India - [2025] 172 taxmann.com 477 (SC)**

### SECTION 140 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - TRANSITIONAL PROVISIONS - INPUT TAX CREDIT - TRANSITIONAL ARRANGEMENT FOR

- 2.4** Where respondent-bank headquartered in Mumbai having branch in Telangana entitled to credit, could not file TRAN-1 return in GST portal of Maharashtra due to a technical glitch and filed it in GST portal of Telangana and transferred credit on same day to GST portal of Maharashtra, and demand confirmed against respondent was set aside by High Court on ground that revenue did not suffer any loss from said action, SLP dismissed against said order of High Court - **Principal Commissioner of Central Tax v. Standard Chartered Bank - [2025] 172 taxmann.com 177 (SC)**



### 3. HIGH COURT

#### SECTION 2 OF THE CUSTOMS TARIFF ACT, 1975 - DUTIES SPECIFIED IN THE SCHEDULES TO BE LEVIED.

- 3.1 If department intends to classify goods under a particular heading or sub-heading different from that claimed by assessee, department has to adduce proper evidence and discharge burden of proof - **X'SS Beverage Co. v. State of Assam - [2025] 172 taxmann.com 184 (Gauhati)**
- 3.2 Reclassification notifications being issued subsequent to filing of writ on classification in dispute, such notification would apply prospectively - **X'SS Beverage Co. v. State of Assam - [2025] 172 taxmann.com 184 (Gauhati)**
- 3.3 Test done under Food Safety and Standards (Food Products Standards and Food Additives) Regulation, 2011 is reliable for classification of products - **X'SS Beverage Co. v. State of Assam - [2025] 172 taxmann.com 184 (Gauhati)**

#### SECTION 5 OF THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 - LEVY AND COLLECTION OF TAX

- 3.4 Levy of an additional duty even after the transaction (reimport of aircraft part) has been subjected to the imposition of a tax treating it to be a supply of service would be clearly unconstitutional and cannot be sustained - **Interglobe Aviation Ltd. v. Pr. Comm. of Customs Acc (Import) New Custom House New Delhi - [2025] 172 taxmann.com 147 (Delhi)**

#### SECTION 6 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - GST AUTHORITIES AND ADMINISTRATION - STATE/UNION TERRITORY TAX OFFICERS, AUTHORIZATION OF

- 3.5 Impugned demand order u/s. 74 was passed by Central GST Authorities subject matter of which was scrutiny u/s. 61 of CGST Act, for relevant periods, State authorities had already conducted audit and final audit report was disclosed, show cause notice issued by Central revenue was after commencement of audit and subject matter of both proceeding were same, impugned order was to be set aside - **Bipin Kumar Agrawal v. Commissioner CGST and Central Excise - [2025] 172 taxmann.com 262 (Orissa)**
- 3.6 Where assessee challenged impugned order in original on ground that jurisdictional state officer had already adjudicated matter on same subject thus impugned order passed by central authority was against legislative mandate, since assessee had appellate remedy u/s. 107, writ petition was to be disposed of with liberty to assessee to approach Appellate Authority - **D. Justin Kumar v. Asst. Comm. of CGST and C.Excise - [2025] 172 taxmann.com 355 (Madras)**

#### SECTION 7 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SUPPLY - SCOPE OF

- 3.7 Where issue involved in petition was whether GST can be levied on assignment of leasehold rights of a plot of land allotted on lease by MIDC, and buildings constructed thereon by lessee to a third party, on payment of a lump sum consideration, in writ petition No.14434 of 2023 Court had stayed adjudication of show cause notice, show cause notice not adjudicated, adjudication was to remain stayed and in case of adjudication orders passed, orders were to remain stayed - **Chambers of Small Industries Association v. State of Maharashtra - [2025] 172 taxmann.com 475 (Bombay)**

#### SECTION 9 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - LEVY & COLLECTION OF TAX

- 3.8 Where petitioner, a joint venture formed for executing railway projects, was assigned a works contract by RVNL for various railway infrastructure developments and it paid GST at 12% under Serial No.3(v)(a) of Notification No.11/2017, but was later issued a demand for an 18% tax rate by revenue, expression "pertaining to" in said notification has a wide import, petitioner's contract clearly relates to railway development and expression "pertaining to" ensures that infrastructure projects aiding railway operations—even if carried out by a subsidiary like RVNL—are covered under concessional rate, thereby impugned order was to be quashed - **STS-KEC(JV) v. State Tax Officer - [2025] 171 taxmann.com 825 (Madras)**
- 3.9 Assignment by sale and transfer of leasehold rights of land allotted by GIDC, in favour of third party-assignee for a consideration, shall be assignment/sale/transfer of benefits arising out of "immovable property" by lessee-assignor, provisions of section 7(1)(a) of GST Act read with clause 5(b) of Schedule II and Clause 5 of Schedule III would not be applicable to such transaction and not be subject to levy of GST under section 9 of GST Act - **Alfa Tools (P.) Ltd. v. Union of India - [2025] 172 taxmann.com 587 (Gujarat)**
- 3.10 Levy of cess under Assam Agricultural Produce Market Act, 1972 by respondent authorities, after Notification No.12/2017-Central Government (Rate), dated 28-6-2017 and Notification No.FTX.56/2017/25, dated 29-6-2017 had come into effect, was unconstitutional as well as ultra vires provision of CGST Act and AGST Act - **Bajrang Bali Roller Flour Mills v. State of Assam - [2025] 172 taxmann.com 588 (Gauhati)**
- 3.11 Orange, lemon, cola, mango drinks and nimboo pani is classifiable under Tariff Heading 2202 99 20 and not Tariff Heading 2202 10 10 as chemical examination of sample products revealed that total soluble solids was more than 10 per cent and food juice content was also present and in most of products, sugar was also found to be more than 10 per cent - **X'SS Beverage Co. v. State of Assam - [2025] 172 taxmann.com 184 (Gauhati)**

#### SECTION 16 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - INPUT TAX CREDIT - ELIGIBILITY AND CONDITIONS FOR TAKING CREDIT

**3.12** Where show cause notice and final order imposing liability was passed against a deceased person, same was to be set aside and matter was to be remanded for passing a fresh comprehensive order - **Anil Kumar v. State of Punjab** - [2025] 172 taxmann.com 394 (Punjab & Haryana)

**3.13** Where assessee challenged constitutional validity of Rule 36(4) on ground that same was enacted drawing power from section 43A(4), which was inserted by amendment in 2018, however effective date of implementation of section 43A was never notified as same was omitted from 1-10-2022, since rule 36 was relatable to section 16 and it was framed as per objects of CGST Act falling within scope of general power conferred by section 164(2), there was no merit in challenge to Rule 36, thus, writ petition was to be dismissed - **High Tech Ecogreen Contractors LLP v. Joint Director, Directorate General of GST Intelligence** - [2025] 172 taxmann.com 110 (Gauhati)

**3.14** Where while hearing appeal u/s. 107 against an order passed u/s. 74, Appellate Authority did not appropriately take note of provisions of section 16(2) and section 16(5) and also failed to take note of returns filed by assessee in respect of period in dispute, though same had been filed within extended period, matter was to be remanded with direction to Appellate Authority to reconsider appeal in light of GSTR-2A - **GJK Shellex India (P.) Ltd. v. State of WB** - [2025] 172 taxmann.com 659 (Calcutta)

**3.15** Where impugned order was issued creating demand against assessee for excess claim of input tax credit, invoices raised by a supplier for purchases of products inadvertently reflected Bombay address and Bombay GSTN of assessee instead of Delhi GSTN number, impugned order was to be set aside - **B Braun Medical India (P.) Ltd. v. Union of India** - [2025] 172 taxmann.com 534 (Delhi)

#### SECTION 17 OF THE KERALA GENERAL SALES TAX ACT, 1963 - PROCEDURE TO BE FOLLOWED BY THE ASSESSING AUTHORITY

**3.16** Where revenue authorities fail to communicate extension order to assessee before expiry of original limitation period, assessment completed beyond limitation period prescribed u/s. 17(6) of Kerala General Sales Tax Act is time-barred despite extension granted u/s. 17(7) - **State of Kerala v. South Asian Hotels Ltd** - [2025] 172 taxmann.com 250 (Kerala)

#### SECTION 29 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - REGISTRATION - CANCELLATION OF

**3.17** Where application for voluntary cancellation of GST registration was rejected, retrospective cancellation of supplier registrations alone is not valid grounds if assessee proves suppliers were registered during transactions and had discharged tax liabilities - **Pankaj Mittal v. Commissioner of CGST (CGST)** - [2025] 172 taxmann.com 559 (Delhi)

**3.18** Where a SCN was issued suspending registration of assessee and thereafter final order of cancellation was passed citing violation of certain rules, in absence of any factual reason for cancellation, SCN as well as final order were to be set aside - **A1 Adil Traders v. Deputy State Tax Officer** - [2025] 172 taxmann.com 436 (TELANGANA)

**3.19** Where assessee's registration was cancelled with retrospective date, neither SCN nor final order alluded to or rests upon any material on basis of which respondent would have formed opinion that section 29(2)(e) of CGST Act was violated, intent of a proposed retrospective cancellation of registration was also not embodied, impugned order insofar as it proceeded to cancel registration from a retrospective date was to be set aside - **JSD Traders LLP v. Additional Commissioner, CGST** - [2025] 172 taxmann.com 551 (Delhi)

**3.20** Where show cause notices did not specifically state reasons as to why Proper Officer was of opinion that registration of assessee was required to be cancelled, there was no mention of period when returns had not been filed, show cause notices issued to assessee were vague, orders of cancellation of registration were to be set aside - **Motaleb Bhuyan v. State of Assam** - [2025] 172 taxmann.com 554 (Gauhati)

**3.21** Where registration of assessee was cancelled retrospectively and appeal of assessee was rejected without considering contention of assessee that all dues were paid, and cogent grounds of delay in filing appeal, such orders were to be set aside and matter was to be remanded - **Aadesh Enterprise v. State of Gujarat** - [2025] 172 taxmann.com 586 (Gujarat)

#### SECTION 39 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - RETURNS - FURNISHING OF

**3.22** Where assessee had made bonafide error in filing return in GSTR-1 and application to rectify same was rejected on ground that time to do same was over, since there would have been no loss to exchequer, assessee was to be permitted to rectify return in GSTR-1 - **Brij Systems Ltd. v. Union of India** - [2025] 172 taxmann.com 721 (Bombay)

#### SECTION 47 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - RETURNS - LATE FEE

**3.23** Where a taxpayer filed belated GST returns before an Amnesty Scheme's introduction, benefit of late fee waiver exceeding Rs.10,000/- cannot be denied merely because returns were filed before scheme came into effect, as such differential treatment contradicts scheme's spirit - **Thiruvalla Glass & Plywoods v. Superintendent Office of the CGST and Central Excise** - [2025] 172 taxmann.com 360 (Kerala)

#### SECTION 49 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - PAYMENT OF TAX - INTEREST, PENALTY AND OTHER AMOUNTS

**3.24** Where contractor fails to supply materials within stipulated timelines despite multiple purchase orders, and proper SCNs with opportunity to explain are provided before blacklisting, such blacklisting action cannot be faulted when explanations have been duly considered - **S. G. Print-N-Pack Industries (P.) Ltd. v. State of Jharkhand** - [2025] 172 taxmann.com 596 (Jharkhand)



**SECTION 54 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - REFUND - TAX, REFUND OF**

- 3.25** Petitioner, engaged in edible oil manufacturing and sales, applied for a refund for Feb-Mar 2021 under Section 54(3) due to higher input tax., though initially challenged due to a prior demand, refund was granted after clarification but later, revenue issued a notice under Section 73, claiming refund was erroneously granted, since notification No. 9/2022, effective from 18.07.2022, was prospective and did not apply to past periods refund claim, order demanding for recovery was to be set aside. - **Patanjali Foods Ltd. v. Union of India** - [2025] 172 taxmann.com 133 (Gujarat)
- 3.26** Where assessee's refund of Rs. 2,02,94,956/- for additional IGST paid due to post-export price revisions was rejected due to data transmission glitches; Circular No. 40/2018-Customs, allows exporters to submit a Revised Refund Request (RRR) for manual processing of refunds and following judicial precedents stating that exports should not be taxed, order passed by learned Single Judge to refund additional IGST amount paid by assessee to tune of Rs. 2,20,94,956/- did not suffer from any irregularity or illegality warranting interference at appellate stage, instant appeal was to be dismissed - **Commissioner of Customs v. Vedanta Ltd.** - [2025] 172 taxmann.com 403 (Madras)
- 3.27** Where construction company overpaid GST at 18% instead of applicable 12% rate, government entity directed to reimburse 6% difference with interest at 6% if delayed - **Natvar Construction Co. v. State of Madhya Pradesh** - [2025] 172 taxmann.com 525 (Madhya Pradesh)
- 3.28** Where refund claims were filed by assessee within period of two years from relevant date and same were returned for certain defects and thereafter upon re-presentation of same, refund claims were rejected on grounds of limitation calculating limitation from date of re-presentation, refund claim was to be considered within time and order affirming rejection of refund could not be sustained - **Gillette Diversified Operations (P.) Ltd. v. Joint Commissioner of GST and Central Excise (Appeals-II)** - [2025] 172 taxmann.com 550 (Madras)

**SECTION 61 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ASSESSMENT - SCRUTINY OF RETURNS**

- 3.29** Where a show cause notice was issued to assessee to which assessee did not file any reply and impugned order of assessment was passed without assigning any reasons and only on ground that assessee had failed to submit response, same could not be sustained as Assessing Officer was obliged in law to assign reason for finalizing assessment - **Vijay Gaur v. Delhi State Goods and Service Tax** - [2025] 172 taxmann.com 404 (Delhi)

**SECTION 62 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ASSESSMENT - NON-FILERS OF RETURNS**

- 3.30** Where petitioner-assessee challenged assessment order passed by respondent no.1-department on ground that impugned order did not contain a DIN number, further, in various precedents and Circular No.128/47/2019-GST dated 23.12.2019, it was held that an order which did not contain a DIN number would be non-est and invalid, consequently, impugned order was to be set aside - **Srivari Enterprises v. Assistant Commissioner of State Tax** - [2025] 172 taxmann.com 562 (Andhra Pradesh)

**SECTION 67 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SEARCH, SEIZURE ETC. - POWER OF INSPECTION, SEARCH AND SEIZURE**

- 3.31** Where search was conducted as shop and residence of assessee and certain gold were seized and proceedings under section 130 were initiated, same could not be said without jurisdiction as allegation against assessee was that assessee had sold gold worth 47 crore without GST registration - **Ashok Parasuram Uthale v. Intelligence Officer Intelligence Unit-II** - [2025] 172 taxmann.com 352 (Kerala)
- 3.32** Where pursuant to passing of seizure order, retention of goods were continued even after six months without giving any notice to assessee, same amounted to unilateral act of respondent by which assessee stood deprived of its statutory entitlement of goods, therefore, release of goods was to be directed on payment by assessee as per valuation - **Kashish Optics Ltd. v. Commissioner, CGST Delhi West** - [2025] 172 taxmann.com 519 (Delhi)

**SECTION 73 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEMANDS AND RECOVERY - TAX OR INPUT TAX CREDIT DUE NOT INVOLVING FRAUD, MISSTATEMENT, OR SUPPRESSION**

- 3.33** Where petitioner-assessee was unaware of show cause notices issued under section 73 by respondent-department as same were uploaded on 'Additional Notices and Orders' tab of GST Portal instead of 'Notices and Orders' tab, further, in various judgments, it was held that portal's design was confusing which resulted in modifications of portal by adding clearer instructions, however, impugned notices were issued before aforementioned improvements leading to lack of proper service of notices, therefore, impugned order was to be quashed and matter was to be remanded - **Ramanattu Motor Corp. v. State of Kerala** - [2025] 172 taxmann.com 478 (Kerala)
- 3.34** Where no proper and prior show cause notice prescribed under section 73(1) of AGST Act was issued, only attachment to determination of tax under section 73(3) and a summary of show cause notice in Form GST DRC-01 were issued, same were not in compliance with section 73(1) of AGST Act and Rule 142(1) of AGST Rules, impugned order issued under section 73 of AGST Act was to be set aside - **Maverick Technologies v. State of Assam** - [2025] 172 taxmann.com 522 (Gauhati)

- 3.35** Where pursuant to issuance of SCN alleging difference in turnover reflected in GSTR-1 and GSTR-3B, impugned order was passed u/s. 73 without considering reply of assessee and without affording an opportunity of hearing to assessee, same could not be sustained and matter was to be remanded for fresh consideration - **Aditya Birla Fashion and Retail Ltd. v. Government of NCT of Delhi** - [2025] 172 *taxmann.com* 393 (Delhi)
- 3.36** Notices and orders issued by revenue were to be set aside as they did not contain either physical or digital signatures of Proper Officer, and since prescribed Forms as per Rule 142 need signature, such requirement must be held to be mandatory, in absence of signature, said notice/order could not be held to be a valid notice/order - **Bigleap Technologies and Solutions (P.) Ltd. v. State of Telangana** - [2025] 172 *taxmann.com* 354 (Telangana)
- 3.37** Where assessee's claim of ITC was denied on ground of same being not reflected in portal, during hearing of instant appeal, respondent submitted, ITC claim as per GSTR-3B and ITC auto populated as per GSTR-2A for March 2018 were lately displayed in portal, case was to be remanded to AO to pass revised order based on available records and "Tax Liabilities and Comparison Statement" for year 2017-18 - **Ashok Trading Company v. State Tax Officer** - [2025] 172 *taxmann.com* 474 (Madras)
- 3.38** Where assessee challenged GST Asst. Order and filed appeal, appellate authority directed to decide appeal within three months while assessment proceedings kept in abeyance during pendency of appeal - **Madurai Radha Travels v. Assistant Commissioner (ST) (FAC)** - [2025] 172 *taxmann.com* 442 (Madras)
- 3.39** Where impugned order in original was passed against assessee on grounds of difference in GSTR-1 and GSTR-3B, however before passing same, reply of assessee was not considered, such order was to be set aside and matter was to be remanded - **Shreeji Developers v. State of Gujarat** - [2025] 172 *taxmann.com* 359 (Gujarat)
- 3.40** Where assessee approached writ court against order u/s. 74(9) of CGST Act, single judge, took view that principles of natural justice had been violated as authorities had denied assessee right to cross-examine persons, who had given statements against assessee, single judge, took view that principles of natural justice had been violated, judgment of single judge was not to be interfered with - **Joint Commissioner v. Nishad K.U.** - [2025] 172 *taxmann.com* 557 (Kerala)
- 3.41** Where SCN was issued u/s. 73, raising demand as per TRAN-1 filed after regime change, while jurisdiction of authority to conduct TRAN-1 investigation was challenged by appellants contending that there had been TRAN-1 verification conducted by department

since 2018 but no demand was raised in any of verification, mere availability of alternate remedy of statutory appeal provided under CGST Act would not operate as a restriction on HC to decide upon jurisdiction of authorities to issue impugned SCN under CGST Act - **Kunjai Synergies (P.) Ltd. v. Assistant Commissioner of CGST & CX** - [2025] 172 *taxmann.com* 371 (Calcutta)

- 3.42** Where impugned order in original was passed by competent authority without noticing reply submitted by assessee and proceeding on premise that no response was filed by assessee, even though same was filed by assessee, such order could not be sustained - **Bawa Toys v. Additional Commissioner of GST** - [2025] 172 *taxmann.com* 589 (Delhi)
- 3.43** Where two firms of assessee, i.e. Jindal Communication and Jindal Marketing Company were registered through same PAN number and assessee had filed all returns in relation to Jindal Marketing Company based on identical turnover as reflected in SCN for Jindal Communication, respondent seeking same turnover and tax over it, impugned SCN and demand order were to be set aside - **Jindal Communication v. State of Uttar Pradesh** - [2025] 172 *taxmann.com* 660 (Allahabad)

#### SECTION 74 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEMANDS AND RECOVERY - TAX OR INPUT TAX CREDIT INVOLVING FRAUD, MISSTATEMENT, OR SUPPRESSION

- 3.44** Where petitioners-assessee challenged SCN u/s. 74 on multiple grounds, including that it was issued in non-compliance with Rule 142, however, despite pending legal proceedings, respondent no.2-tax officer passed a final order dated 21.01.2025 against petitioners-assessee, therefore, in view of above facts, prima facie merit was found in petitioners'-assessee's claim, consequently, aforementioned final order was stayed and WP was listed for final hearing - **Panjon Ltd. v. Commissioner CGST and Central Excise** - [2025] 172 *taxmann.com* 443 (Madhya Pradesh)
- 3.45** Where GST Council circulars regarding HSN 9021 are binding on tax authorities, such circulars must be considered when confirming demands u/s. 74 of GST Act - **Shri Krishna Pharmaceutical and Surgicals Agencies v. Pr. Comm. CGST and Central Excise** - [2025] 172 *taxmann.com* 521 (Allahabad)
- 3.46** Where no opportunity of personal hearing was given to assessee before passing orders u/s. 74, in view of provisions of sections 75(4) and 75(5) of JGST Act, wherein sufficient opportunity of personal hearing was required to be granted to assessee, orders impugned including summary of demand were to be set aside - **Limra Traders v. State of Jharkhand** - [2025] 172 *taxmann.com* 630 (Jharkhand)
- 3.47** Where returns which were furnished by petitioner were on basis of classification made by petitioner and revenue knew all along about these returns and Tariff Head classification, same would not amount to deliberate and wilful suppression or non-disclosure of facts; penal provisions of section 74 would not be attracted - **X'SS Beverage Co. v. State of Assam** - [2025] 172 *taxmann.com* 184 (Gauhati)



### SECTION 77 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEMANDS AND RECOVERY - TAX WRONGFULLY COLLECTED AND PAID TO THE CENTRAL OR A STATE GOVERNMENT

- 3.48** Where educational institution provided exempted services under Finance Act, 1994 in 2016-17, penalty imposed under subsequently enacted CGST Act was set aside - **Pawan Kumar Upmanyu v. Union of India** - [2025] 172 taxmann.com 560 (Patna)

### SECTION 83 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEMANDS AND RECOVERY - PROVISIONAL ATTACHMENT

- 3.49** Where assessee challenged order of provisional attachment on ground that same was passed without initiating any other proceedings and Commissioner must form an opinion that it was necessary to provisionally attach property including bank account, no interference was warranted as there was no requirement that material on basis of which Commissioner formed an opinion must be included in order and that same must be communicated to taxpayer without taxpayer asking for same - **Om Prakash Gupta v. Pr. Additional Director General DGGI** - [2025] 172 taxmann.com 591 (Delhi)

- 3.50** Where assessee impugned attachment order passed u/s. 83 of GST Act, order passed around two years back had expired after 12 months, impugned order was not to be enforced any further - **JL Enterprises v. Assistant Commissioner, State Tax, Ballygunge** - [2025] 172 taxmann.com 266 (Calcutta)

### SECTION 107 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - APPELLATE AUTHORITY - APPEALS TO

- 3.51** Where assessee had filed an appeal against order in original and appellate authority without bringing to notice of assessee to show cause as to why appeal should not be dismissed, rejected appeal of assessee on grounds of limitation, such order in appeal was to be set aside and matter was to be remanded - **Ihsedu Agrochem (P.) Ltd. v. Union of India** - [2025] 170 taxmann.com 61 (Bombay)
- 3.52** Where technical portal issues prevent timely online filing of GST appeal despite assessee's attempts, and manual appeal was filed within limitation period followed by prompt online filing after receiving deficiency memo, delay is justifiably condonable - **Mobis India Ltd. v. Joint Commissioner (ST) - GST Appeals** - [2025] 172 taxmann.com 523 (Madras)
- 3.53** Where appellate authority provided three statutory opportunities for hearing and examined all grounds raised as per Section 107(9) and 107(12) of GST Act, compliance with principles of natural justice was established, rendering challenge to non-speaking order without merit - **Madhusudan Banik v. State of West Bengal** - [2025] 172 taxmann.com 441 (Calcutta)

- 3.54** Where authorities issue Form GST DRC-07 required for filing statutory appeal during pendency of writ petition seeking such issuance, petition becomes infructuous - **Pankaj Foam House v. State of U.P.** - [2025] 172 taxmann.com 558 (Allahabad)

- 3.55** Where assessee filed appeal through offline mode as order in original passed on 22-9-2022 and served upon assessee on 30-9-2022, was not uploaded on portal, deposited Rs.82,000 in his Electronic Cash Ledger and also filed appeal online on 22-1-2022 after uploading of order and deposited pre-deposit of 10% through GST APL-01 on 13-4-2023, assessee did not commit any error in submitting appeal offline, impugned Appellate order was to be set aside - **Laxman Das Jaisinghani v. Union of India** - [2025] 172 taxmann.com 552 (Madhya Pradesh)

- 3.56** Where petitioner-assessee challenged punishment order and appellate order confirming impugned punishment order on ground that petitioner-assessee was not negligent as she relied on master file to verify canceled E-way bills before deciding appeal, further, in various judgments, it was held that quasi-judicial officer could not be penalized for mere errors of law, unless, there was evidence of extraneous influence or corrupt motives, additionally, neither respondent no.1-appellate authority nor respondent no.2-disciplinary authority had arrived at any finding that cancelled E-way bills were not found in master file, moreover, there was no allegation of extraneous consideration in passing order by petitioner-assessee, therefore, disciplinary proceedings and punishment order were to be set aside - **Y. Kayalvizhi v. Secretary, Commercial Taxes and Registration Department** - [2025] 172 taxmann.com 638 (Madras)

- 3.57** Where assessee filed belated appeal to take advantage of Amnesty Scheme notified vide Notification No. 53/2023-Central Tax, dated 2-11-2023, assessee fulfilled all other precondition for maintaining appeal and entire amount of demand on account of WBGST was recovered, same constituted 50% of entire demand, pre-deposit amount of 2.5% of disputed tax in respect of WBGST by debiting electronic cash ledger was not required - **Dipankar Biswas v. Dy Commissioner of State Tax** - [2025] 172 taxmann.com 476 (Calcutta)

- 3.58** Where assessee had filed appeal against an order passed u/s. 73 on 90th day and Appellate Authority without considering application for condonation of delay, dismissed same vide impugned order on grounds of delay of 2 days, such order was to be set aside and appeal of assessee was to be heard on merits - **S K Takappa v. Assistant Commissioner of Commercial Taxes** - [2025] 172 taxmann.com 216 (Karnataka)

### SECTION 112 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - APPELLATE TRIBUNAL - APPEALS TO

- 3.59** Where an order was passed confirming demand alleging delayed payment of tax and avilment of ineligible ITC, and appeal filed against same was also dismissed, assessee having alternate remedy of appeal u/s. 112, writ petition challenging said order could not be entertained - **High Tech Ecogreen Contractors LLP v. Joint Director, Directorate General of GST Intelligence** - [2025] 172 taxmann.com 110 (Gauhati)

- 3.60** Where assessee impugned order issued u/s. 73 of CGST Act and also appellate order, since appellate tribunal was not constituted, assessee was to be given liberty to prefer appeal to Tribunal within 30 days of its constitution, further proceedings for recovery pursuant to impugned orders was deferred till disposed of appeal by Tribunal, subject to assessee depositing 10% amount as contemplated under section 112(8)(b) of CGST Act - **Joji Mathai Cherian v. State Tax Officer - [2025] 172 taxmann.com 397 (Kerala)**

#### **SECTION 127 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - PENALTY - POWER TO IMPOSE PENALTY IN CERTAIN CASES**

- 3.61** Where SCN issued u/s. 127 of GST Act alleging that petitioner had issued fake invoices without supply of goods using GST registration of another entity to arrange fake ITC, was challenged by petitioner, reasons stated by petitioner were all matters which could be agitated before adjudicating authority, petitioner was to be relegated to pursue other remedies available under law by filing an objection and inviting an order of adjudication - **Falcon Synergy Engineering (P.) Ltd. v. Assistant State Tax Officer - [2025] 172 taxmann.com 517 (Kerala)**

#### **SECTION 128A OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - WAIVER OF INTEREST OR PENALTY OR BOTH RELATING TO DEMANDS RAISED UNDER SECTION 73, FOR CERTAIN TAX PERIODS**

- 3.62** Where assessee impugned order issued u/s. 73 but sought liberty to withdraw petition to take benefit of waiver of interest and penalty pertaining to period 1-7-2017 to 31-3-2020, as introduced by section 128(A) of CGST Act, instant WP was to be dismissed as withdrawn - **Chamong Tee Exports (P.) Ltd. v. Dy Commissioner of State Tax - [2025] 172 taxmann.com 395 (Calcutta)**

#### **SECTION 129 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DETENTION, SEIZURE AND RELEASE OF GOODS AND CONVEYANCES IN TRANSIT**

- 3.63** Where petitioner's goods were seized u/s. 129(3) and since in original proceeding or in summary proceeding, primary burden is to be discharged by assessee by bringing on record cogent material, however petitioner had utterly failed to bring on record any cogent material for transporting goods from West Bengal/Assam to Delhi via Kanpur, instant writ petition was dismissed for lack of merit. - **Jaya Traders v. Additional Commissioner - [2025] 172 taxmann.com 128 (Allahabad)**
- 3.64** Where petitioner's goods were seized u/s. 129(3) for undervaluation, since petitioner had intentionally undervalued goods to take wrong advantage of Rule 138, which dispenses requirement of an e-way bill accompanying goods, thus, no interference was called for by instant Court in impugned seizure order and instant WP was to be dismissed - **Jaya Traders v. Additional Commissioner - [2025] 172 taxmann.com 128 (Allahabad)**

- 3.65** Where petitioner-assessee challenged penalty order and appellate order confirming said penalty order, on ground that aforementioned orders were unjustified as e-way bill had expired due to driver's unforeseen personal emergency and not due to any intent of petitioner-assessee to evade tax, further, in various judgments, it was held that if there was no intent to evade tax, then seizure and penalty under Section 129 were unjustified, therefore, in view of above facts and precedents, impugned orders were to be set aside - **Saahaj Milk Producer Company Ltd. v. State of U.P. - [2025] 172 taxmann.com 479 (Allahabad)**

- 3.66** Where goods of assessee were detained during transit and an order was passed under section 129, since goods of assessee were not accompanied with e-way bill and also goods declared by assessee were different from ones detained, no case was made out for interference and writ petition was to be dismissed - **Gurunanak Arecanut Traders v. Commercial Tax - [2025] 172 taxmann.com 438 (Allahabad)**

- 3.67** Where assessee's goods were found at different destination from destination mentioned in accompanying documents, after physical verification and detention of goods, stand was taken by assessee that goods were sent for job work, various descriptions as required under Rule 55 of CGST Rules were not mentioned on challan and same was incomplete, no interference was called for in impugned order issued under section 129(3) - **Famus India v. State of U.P. - [2025] 172 taxmann.com 437 (Allahabad)**

#### **SECTION 151 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - STATISTIC - POWER TO COLLECT**

- 3.68** Where assessee impugned show-cause notice calling upon assessee to show cause as to why an action may not be taken against it under provision of JKGST Act or rules made thereunder, respondent-Commissioner had given elaborate reasons for invoking provisions of GST Acts to initiate action, assessee was within its right to reply to show cause notice and to take objection with regard to jurisdiction of Commissioner to issue a show-cause notice - **Jammu and Kashmir Bank Ltd. v. UOI - [2025] 172 taxmann.com 396 (Jammu & Kashmir and Ladakh)**

#### **SECTION 160 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ASSESSMENT - NOT TO BE INVALID ON CERTAIN GROUNDS**

- 3.69** Where assessment order under GST Act lacks signature of assessing officer and DIN number, such order is non-est and invalid - **Venkata Durga Malleswara Traders v. State of Andhra Pradesh - [2025] 172 taxmann.com 637 (Andhra Pradesh)**

#### **SECTION 168A OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - POWER OF GOVERNMENT TO EXTEND TIME LIMIT IN SPECIAL CIRCUMSTANCES**

- 3.70** Where order in original passed under section 73(9) was challenged by petitioner-assessee on ground that it was passed beyond legally prescribed time limit and vires of Notification No. 56/2023-CT dated 28.12.2023 and Notification



No. 56/2023-State Tax dated 16.01.2024 were also challenged on ground that impugned notifications were not issued on recommendation of GST Council, making them ultra vires, however, it was observed that issues raised in present petition was also subject matter of proceedings pending before Hon'ble Supreme Court, therefore, interim relief was granted preventing coercive action against petitioner-assessee, furthermore, petitioner-assessee was granted liberty to apply for further directions upon Supreme Court's decision - ***Precaution Properties (P.) Ltd. v. State of Maharashtra*** - [2025] 172 taxmann.com 592 (Bombay)

- 3.71 Where assessee challenged a garnishee order and notifications issued under section 168A, in view of fact that issues were pending in other writ petitions, case of assessee was to be tagged with those pending petitions and interim relief was to be extended to assessee against any coercive actions - ***NTT Data Business Solutions (P.) Ltd. v. Union of India*** - [2025] 172 taxmann.com 631 (Bombay)

#### SECTION 174 OF CENTRAL GOODS AND SERVICES TAX ACT, 2017 - REPEAL AND SAVING

- 3.72 Where assessee had filed writ for quashing of ex-parte demand order declaring that assessee was liable to pay Service Tax under section 73(1) of Finance Act read with section 174 of CGST Act, petition filed by assessee in year 2010 against show cause notice issued in 2009 was disposed off granting liberty to assessee to take recourse to alternative remedies

available in accordance with law, assessee was to be relegated to statutory remedy of appeal - ***The Freyssinet Prestressed Concrete Co. Ltd. v. Union of India*** - [2025] 172 taxmann.com 242 (Patna)

## 4. Authority for Advance Ruling

### SECTION 9 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - LEVY & COLLECTION OF TAX

- 4.1 Hand-held multi-tools used for replacing batteries in two-wheeler vehicles are classifiable under Heading No. 8204 and attract GST at rate of 18 per cent - ***FOREFRONT BHARAT (P.) LTD., In re*** - [2025] 172 taxmann.com 169 (AAR - RAJASTHAN)

## 5. Appellate Authority for Advance Ruling

### CLASSIFICATION OF GOODS

- 5.1 ***Instant mix flours for pizza, gota, handvo, khaman*** : Instant mix flours for pizza, gota, handvo, khaman which require consumer to follow certain food preparation processes before consumption are classifiable under Heading No. 2106 90 as 'Food preparations not elsewhere specified or included' attracting 18 per cent GST - ***Ramdev Food Products (P.) Ltd., In re v.*** - [2025] 172 taxmann.com 267 (AAAR-GUJARAT)

## Invoice Management System (IMS)



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### Introduction –

The Invoice Management System or IMS is a new functionality/facility developed on GST portal which allows the taxpayers to efficiently address invoice corrections/amendments with their suppliers through the portal. It a communication process being brought at portal enabling recipient taxpayers to accept, reject, or keep invoices pending when they are saved or filed by their supplier taxpayers. The IMS will also facilitate taxpayer in matching of their records/invoices vis a vis issued by their suppliers for availing the correct Input Tax Credit (ITC). **This facility is available to the taxpayer from 14th October on the GST portal.**

### Key Features of IMS –

1. **A new communication process:** It is a new communication process between the supplier and the recipient. It enables the recipients to accept/reject / kept pending supplier's invoices on IMS dashboard, which can be availed later.
2. **Automated invoice processing:** The IMS automates the capture and processing of invoices, significantly reducing manual errors and enhancing efficiency in data entry, which is essential for accurate GST compliance.
3. **Real-time Tracking and Reporting:** Users can track invoice status in real-time, allowing for immediate updates and reporting capabilities that facilitate timely decision-making and compliance with GST regulations.
4. **Invoice Verification & Amendment:** It enables taxpayers to verify, correct, and amend invoices before claiming Input Tax Credit (ITC).
5. **Compliance with GST Regulations:** IMS enhances GST compliance by ensuring accurate reporting and preventing fraudulent ITC claims.
6. **Seamless Integration Capabilities:** The system integrates effortlessly with existing accounting software and GST return filing systems, ensuring a smooth flow of information and minimizing disruptions in business operations.



**How does the IMS work?**

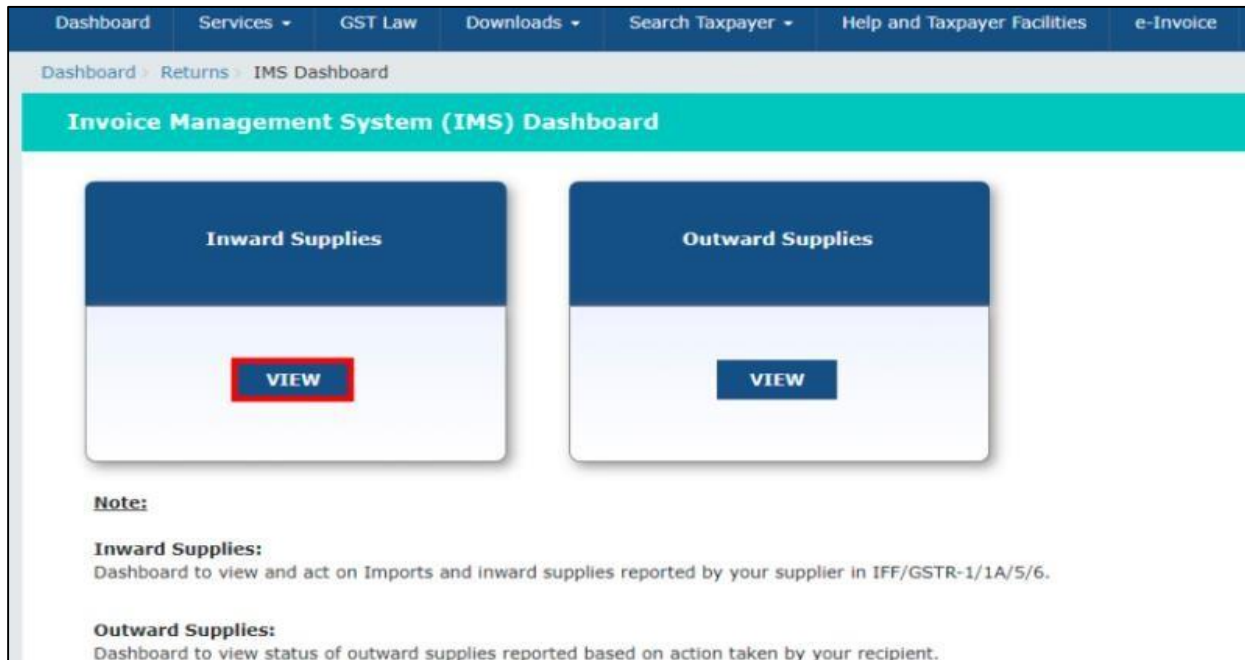
- All the outward supplies reported by the supplier in its GSTR 1/IFF/GSTR 1A shall auto populate in the IMS dashboard of the recipient for taking following actions –
  - **Accept** - Accepted records will become part of '**ITC Available**' section of respective GSTR 2B and it will become part of ITC in Form GSTR-3B.
  - **Reject** - Rejected records will become part of '**ITC Rejected**' section of respective GSTR 2B and it will not be a part of ITC in GSTR 3B.
  - **Pending** - Pending records will not become part of GSTR 2B and GSTR 3B. Such records will remain on IMS dashboard till the time same is accepted or rejected.
- If **no action** is taken on any record on the IMS dashboard that record will be treated as **deemed accepted** and it will become part of Form GSTR-2B.
- If the supplier **amends an accepted or pending invoice**, the amended invoice will replace the old invoice. The recipient must act on the newly updated invoice.
- When suppliers make **amendments in Form GSTR-1 through Form GSTR-1A**, the updated information flows through IMS to the recipient's GSTR-2B, but only in the subsequent month.
- The **pending invoices** can be availed of in any **future months** subject to a maximum limit as per section 16(4) of the CGST Act 2017.
- All the accepted/ deemed accepted/ rejected records will **move out of IMS dashboard** after filing of respective GSTR 3B.
- The supplier will also be able to see **the recipient's action** on invoices in IMS.
- Based on the actions taken in the IMS dashboard a **draft Form GSTR-2B** will be generated on the **14th of every month**. If a recipient taxpayers have taken an action on any invoice after 14th of the month, then he would be required to **recompute** their GSTR-2B.

**How to access IMS dashboard on GST portal?**

Login to the GST portal. Go to Services > Returns > click on 'Invoice Management System (IMS)'.



There are two view for IMS – Supplier view and Recipient view.

**IMS Dashboard – Inward Supplies –**

- By default, all invoices will come under “No action” column.
- The taxpayers are also provided with a reset button for resetting all the actions taken by them.
- IMS details can also be downloaded in the excel format.
- Taxpayer can click on hyperlink under the heading column to view the saved records.



Dashboard Services GST Law Downloads Search Taxpayer Help and Taxpayer Facilities e-Invoice News and Updates

Dashboard Returns IMS Dashboard Inward Supplies English

**Invoice Management System (IMS) Dashboard – Inward Supplies** VIEW ADVISORY HELP

GSTIN – 32UATPY9011N1ZD Legal Name – UATPCO Trade Name – GSTN

All other ITC Inward Supplies from ISD Import of Goods

All other ITC – Total 111 Records

S.No.	Heading	Number of Records			
		No Action	Accepted	Rejected	Pending
I	<b>B2B – Invoices</b>	2	5	5	4
II	B2B – Invoices (Amendments)	1	0	3	7
III	B2B – Debit Notes	4	8	4	0
IV	B2B – Debit Notes (Amendments)	6	0	4	1
V	B2B – Credit Notes	4	0	16	0
VI	B2B – Credit Notes (Amendments)	1	4	4	0
VII	Eco [9(2)] Invoices	4	4	4	4
VIII	Eco [9(5)] Invoices (Amendments)	2	3	3	4

BACK TO DASHBOARD DOWNLOAD IMS DETAILS (EXCEL) COMPUTE GSTR-2B (DEC 2023)

- The taxpayer can make multiple selection or take bulk action by using the check boxes provided in the header.

Dashboard Services GST Law Downloads Search Taxpayer Help and Taxpayer Facilities e-Invoice News and Updates

Dashboard Returns IMS Dashboard Inward Supplies English

**IMS Dashboard (Inward Supplies) – B2B Invoices (with all status)** VIEW ADVISORY HELP

GSTIN – 32UATPY9011N1ZD Legal Name – UATPCO Trade Name – GSTN

Records Per Page: 10 Display/Hide Columns: CL Search Filter

S.No.	GSTIN of Supplier	Trader/ Legal Name	Invoice Number	Invoice Type	Accept	Reject	Pending	Status
1	32UATPY9011N1ZD	GSTN	M1b1	Regular	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
2	32UATPY9011N1ZD	GSTN	M1b2	Regular	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
3	32UATPY9011N1ZD	GSTN	M1b3	Regular	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
4	32UATPY9011N1ZD	GSTN	M1b4	Regular	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
5	32UATPY9011N1ZD	GSTN	M2b1	Deemed Export	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
6	32UATPY9011N1ZD	GSTN	M2b2	Regular	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
7	32UATPY9011N1ZD	GSTN	M2b3	Regular	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
8	32UATPY9011N1ZD	GSTN	M2b4	Deemed Export	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
9	32UATPY9011N1ZD	GSTN	M3b1	Regular	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
10	32UATPY9011N1ZD	GSTN	M3b2	Deemed Export	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept

BACK TO SUMMARY DOWNLOAD EXCEL RESET SAVE

- After taking action on IMS dashboard, a taxpayer can compute Form GSTR 2B by clicking on “Compute GSTR 2B” tab.

### IMS Dashboard – Onward Supplies –

- Taxpayers need to click on **VIEW** button on outward supplies tile to view status of outward supplies reported based on action taken by the recipient.

Dashboard Services GST Law Downloads Search Taxpayer Help and Taxpayer Facilities e-Invoice News and Updates

Dashboard Returns IMS Dashboard English

**Invoice Management System (IMS) Dashboard**

**Inward Supplies**

VIEW

**Outward Supplies**

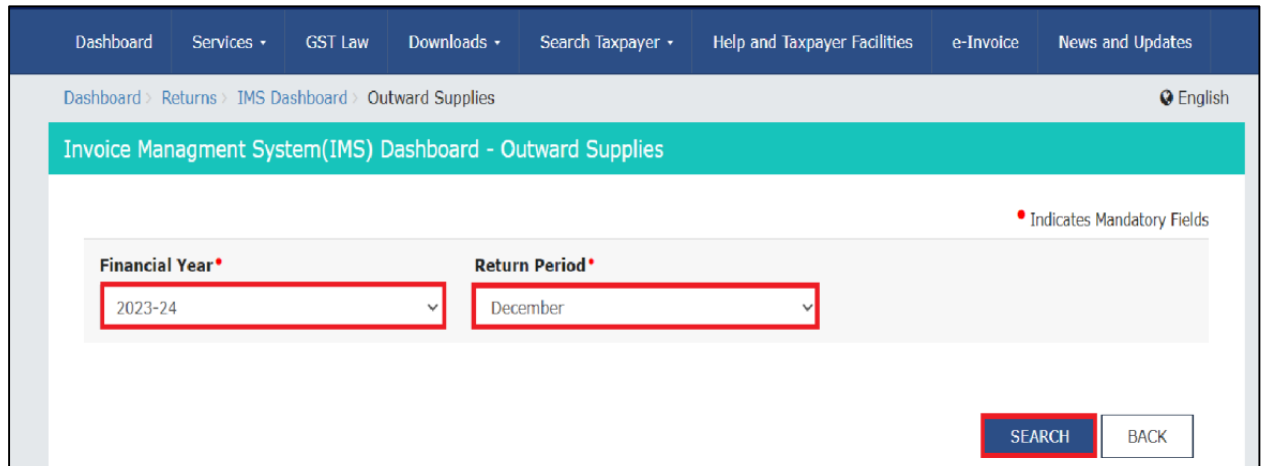
VIEW

**Note:**

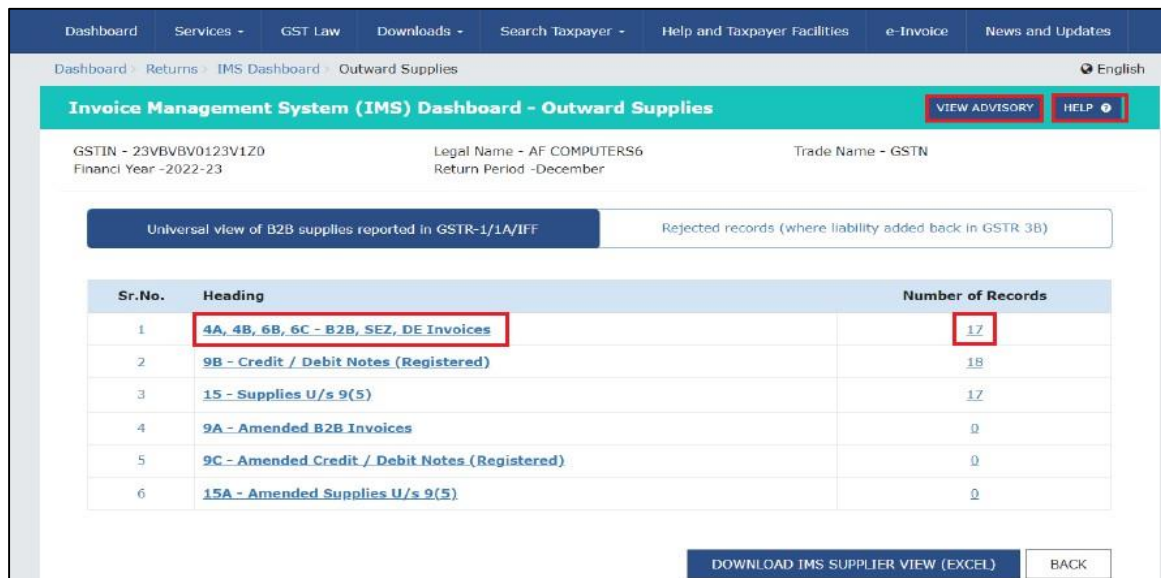
**Inward Supplies:**  
Dashboard to view and act on Imports and inward supplies reported by your supplier in IFF/GSTR-1/1A/5/6.

**Outward Supplies:**  
Dashboard to view status of outward supplies reported based on action taken by your recipient.

- Outward Supplies page will be displayed on the screen. Select Financial Year and Return Period from the respective dropdown list.



- Taxpayer can view different types of B2B supplies on clicking on the **hyperlink** provided in the dashboard.
- All the actions taken by the recipient can be seen in the dashboard.



Sr.No.	Heading	Number of Records
1	4A, 4B, 6B, 6C - B2B, SEZ, DE Invoices	17
2	9B - Credit / Debit Notes (Registered)	18
3	15 - Supplies U/s 9(5)	17
4	9A - Amended B2B Invoices	0
5	9C - Amended Credit / Debit Notes (Registered)	0
6	15A - Amended Supplies U/s 9(5)	0

- Taxpayer can filter the list by clicking on Filter field or by entering keywords in **Search** field.
- Taxpayer can download the details in excel format by clicking on **DOWNLOAD EXCEL** button and can navigate to summary page by clicking on **BACK TO SUMMARY** button.



Dashboard Services GST Law Downloads Search Taxpayer Help and Taxpayer Facilities e-Invoice News and Updates

Dashboard > Returns > IMS Dashboard > Outward Supplies

English

### Invoice Management System (IMS) Dashboard - Outward Supplies

VIEW ADVISORY HELP

GSTIN - 23VBVBV0123V1Z0 Legal Name - AF COMPUTERS6 Trade Name - GSTN  
Financial Year - 2022-23 Return Period - December

4A, 4B, 6B, 6C - B2B, SEZ, DE Invoices

Records Per Page: 10 Filter Search

Recipient GSTIN	Trade/Legal Name	Invoice Number	Invoice Date	Invoice Type	Total Invoice Value (₹)	Total Taxable Value (₹)	Integrated Tax (₹)
24VBVBV0124V1ZX	GSTN	In16	27/12/2022	Regular	45,000.43	4,569.00	68.54
24VBVBV0124V1ZX	GSTN	In17	16/12/2022	Regular	2,345.65	322.00	24.15
24VBVBV0124V1ZX	GSTN	In20	27/12/2022	Regular	54,875.00	3,233.00	96.99
24VBVBV0124V1ZX	GSTN	Inv1	31/12/2022	Regular	12,00,000.00	12,000.22	120.01
24VBVBV0124V1ZX	GSTN	Inv11	19/12/2022	Regular	23,000.54	23,000.00	345.00
24VBVBV0124V1ZX	GSTN	Inv12	21/12/2022	Regular	23,452.00	12,345.00	30.86
24VBVBV0124V1ZX	GSTN			Regular	5,678.00	3,459.00	8.65
24VBVBV0124V1ZX	GSTN			Regular	124.65	12.00	0.03
24VBVBV0124V1ZX	GSTN			Deemed Export	23,456.00	2,345.00	35.18
24VBVBV0124V1ZX	GSTN			Regular	2,345.00	234.00	3.51

1 2

DOWNLOAD EXCEL BACK TO SUMMARY

- Taxpayer can view and download the invoice details for all other tables as well as mentioned above.

### Generation of Form GSTR 2B on GST Portal -

- All accepted and deemed accepted records will become part of Form GSTR 2B and it will appear in "ITC available" section of respective Form GSTR 2B. This will also auto populate in GSTR-3B as eligible ITC.
- Rejected records will become part of 'ITC Rejected' section of respective GSTR-2B. ITC of the rejected records will not auto-populate in GSTR-3B.
- Pending records will not become part of GSTR-2B and GSTR-3B. Such records will remain on IMS till the time same is accepted or rejected.
- In case of any change in action already taken, it is important to re-compute the Form GSTR-2B to get the updated records.
- Only the filed invoices by the supplier in its Form GSTR 1 will get auto populated in Form GSTR 2B.
- Now onwards GSTR 2B will only be generated if the recipient has filed its GSTR 3B of previous month.
- Records filed by QRMP suppliers will also become part of monthly Form GSTR 2B. It may be noted that GSTR 2B for a QRMP taxpayer will be generated on quarterly basis only.

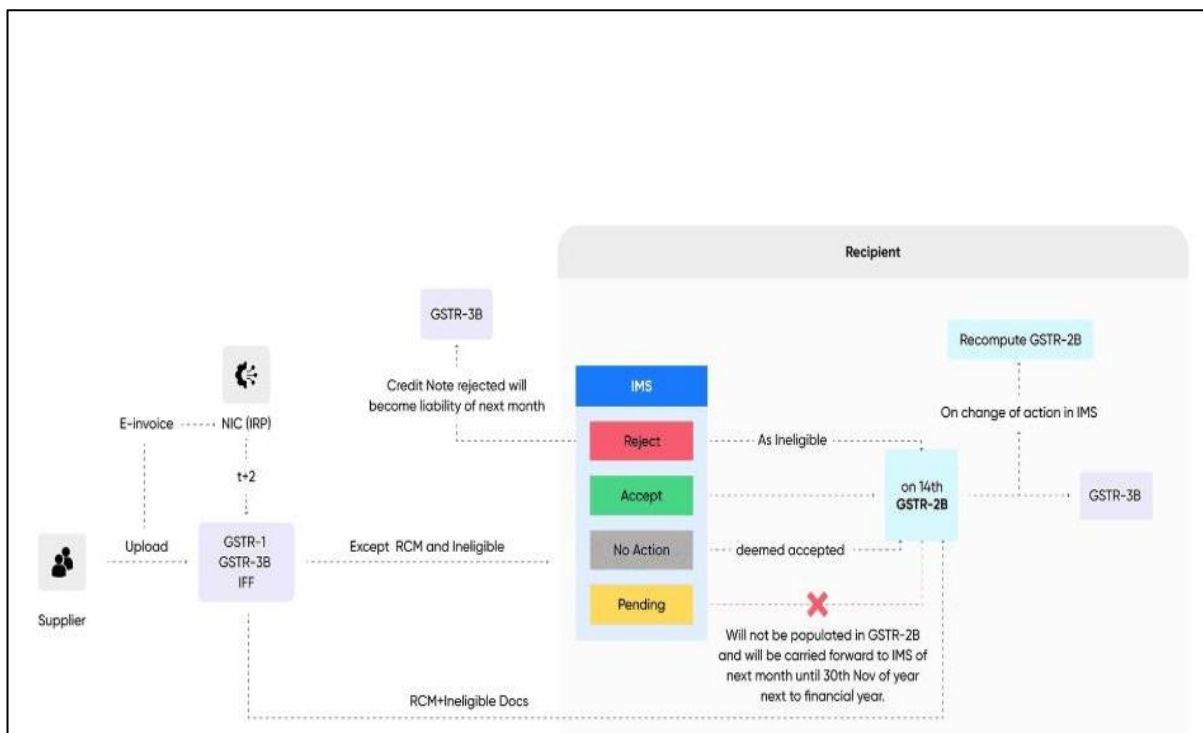
- ITC corresponding to the amendment of records in Form GSTR 1A by the supplier will flow in GSTR 2B of the recipient generated for the subsequent month only.
- Lastly, following supplies will not go to IMS and will be directly populated in the Form GSTR 2B and GSTR-3B:
  - a) Inward RCM supplies where supplier has reported in the Table 4B of IFF /GSTR-1 or GSTR-1A and
  - b) ICEGATE documents
  - c) Document flowing from the following forms:
    - GSTR 5: Return filed by Non-resident taxable person.
    - GSTR 6: Return filed by Input Service Distributor.
  - d) Supplies where ITC is not eligible due to section 16(4) of CGST Act or on account of POS rule.
  - e) Documents where ITC to be reversed on account of Rule 37A

### **Invoices/Records where pending action is not allowed in IMS -**

Pending action is not allowed for below mentioned records in the IMS dashboard:

- Original credit note
- Upward amendment of the credit note, notwithstanding the action taken by recipient on the original credit note
- Downward amendment of the credit note if original credit note was rejected by the recipient
- Downward amendment of invoice / debit note, where original invoice/ debit note was accepted by recipient and respective GSTR 3B has been filed.

### **Flow of Invoice under GST with the introduction of IMS -**





**Scenarios impacting supplier's liability –**

The liability of supplier will be increased in GSTR 3B for the subsequent tax period, for the invoices/records which have been rejected by the recipient in the IMS for the following transactions

- a) Original Credit note rejected by the recipient
- b) Upward amendment of the credit note rejected by the recipient irrespective of the action taken by recipient on the original credit note
- c) Downward amendment of the credit note rejected by the recipient if original credit note was rejected by him,
- d) Downward amendment of Invoice/ Debit note rejected by the recipient where original Invoice/ Debit note was accepted by him and respective GSTR 3B has also been filed.

**Key points related to IMS-**

- GSTR 2B will be sequential now. i.e. system will generate GSTR 2B of a return period only if GSTR 3B of previous return period is filed.
- Action can be taken by the recipient multiple times on an invoice/record before filling of GSTR 3B. In case of multiple actions on a record, latest action will overwrite the previous action. However, the action taken will be frozen at the time of filing the corresponding GSTR-3B by the recipient.
- The supplier can also amend an Invoice from Forward Charge Mechanism (FCM) to Reverse Charge Mechanism (RCM) subject to the time limit as per GST law. The system shall reduce the ITC of the amended FCM Invoice in case the said invoice was accepted by the recipient. Further, the RCM invoice shall flow to GSTR 2B of the recipient.
- Taxpayers registered as normal taxpayers (including SEZ unit/Developer) and casual taxpayers will be able to access IMS functionality.
- Currently taking action on IMS dashboard is optional. However, with features like automatic 'deemed accepted' status for unresponded invoices, it becomes mandatory for recipient taxpayers to check and take the required actions because failing to do so can lead the incorrect invoices be a part of their GSTR-2B and eventually in their GSTR-3B.

**Conclusions-**

*By allowing taxpayers to verify, accept, reject, or amend invoices, IMS reduces errors and discrepancies, ultimately leading to more efficient input tax management. However, taxpayers may face initial difficulties in adapting to the new process and potential technical issues or system downtimes could delay invoice reconciliation. Additionally, the need for continuous coordination between suppliers and recipients may increase compliance burden. It is crucial for taxpayers to exercise caution before taking any action in IMS as once the Form GSTR 3B is filed these actions taken become irreversible. Notably, invoices that are not reflected in GSTR 2B cannot be claimed in subsequent Form GSTR 3B filings.*

*To ensure seamless integration of this requirement, taxpayers must receive appropriate training as IMS will have a direct impact on input tax credit availability.*

## **Specified Premises vs. Declared Tariff: A New Era in GST for the Hotel Industry**



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### **Introduction**

The start of 2025 has brought significant GST changes for the hotel and restaurant industry. On 16th January 2025, the government issued two important Central Tax (Rate) notifications – Notification No. 05/2025-CT (Rate) and Notification No. 08/2025-CT (Rate) – introducing amendments that will affect how hotels and their in-house restaurants are taxed under GST. In this article, we will explore the latest GST amendments specific to hotels, including the amendment of meaning of the “specified premises” concept and the removal of the “declared tariff” basis for taxation.

### **Overview of Amendments**

What changed on 16-01-2025? In a nutshell, the GST Council and CBIC have reshaped how GST rate applicability is determined for restaurant services in hotels. The twin notifications (05/2025-CT(R) and 08/2025-CT(R)) brought in the following key changes:

- Omission of “Declared Tariff” – the concept of “declared tariff” (the published room rate without discounts) has been officially removed from the GST rate provisions for hotels and related services. Taxability will now hinge on transaction values (actual charges) rather than advertised rates.
- Revised GST Rate Criteria for Restaurants in Hotels – Starting April 1, 2025, restaurants located in hotels will charge either 5% or 18% GST depending on whether the hotel is classified as a specified premises which now will depend on the actual value of supply and not declared tariff.
- New Declaration System (Opt-in/Opt-out) – Hotels are given flexibility to opt into or out of specified premises status on an annual basis. This is facilitated through prescribed declarations (Annexure VII, VIII, IX) to be filed with GST authorities between 1st January and 31st March preceding the financial year.



**Definition and Criteria for Specified Premises**

Effective 1st April 2025, specified premises is defined in the GST rate notification as follows:

- A premises from where the supplier has provided in the preceding financial year, hotel accommodation service having the value of supply of any unit of accommodation above ₹ 7500 per unit per day or equivalent; or
- A premises for which a registered person supplying hotel accommodation service has filed a declaration on or after 1st January and not later than 31st of March of the preceding financial year, declaring the said premises to be a specified premises
- A premises for which a person applying for registration has filed a declaration within 15 days of obtaining acknowledgement for the registration application, declaring the said premises to be a specified premises.

To summarize the above in a concise way, a “specified premises” for a financial year is essentially a hotel that either (a) had at least one room rented above ₹7,500 in the last year, or (b) has proactively chosen to be treated as such via declaration.

**How “Specified Premises” Affects GST Rates**

The whole point of classifying a hotel as a specified premises is to determine the GST rate on restaurant services provided at that hotel. From a compliance perspective, once a hotel is categorized as specified for a year (whether by mandate or choice), all its restaurant sales in that year must be billed at 18% GST with ITC. Conversely, a non-specified hotel must bill its restaurant sales at 5% and cannot suddenly charge 18% claiming ITC in the middle of the year unless it had opted appropriately. The classification is effectively locked in for the year.

**Opt-In and Opt-Out Mechanism (Annual Declaration)**

The GST amendments introduce a formal mechanism for hotels to opt in or out of specified premises status each year, which did not exist before. The rules for this mechanism are:

- **Opting In:** A registered hotel that wants to be treated as specified (despite not meeting the automatic criterion) must file Annexure VII (for existing registration) with their jurisdictional GST authority between Jan 1 and Mar 31 of the preceding financial. This one-time annual declaration will make the premises “specified” for the next financial year (effective from April 1). Once opted in, the choice is binding for the whole year – you cannot revert mid-year. Once done, remains valid for subsequent years automatically unless you choose to opt out later. So a hotel doesn’t need to re-declare every year; the specified status will carry forward.
- **Opting Out:** If a hotel that is currently treated as a specified premises wishes to step down to the 5% scheme from next year (perhaps because it no longer finds 18% with ITC beneficial or its room prices have dropped), it can file Annexure IX (Opt-Out Declaration) in the same

Jan 1–Mar 31 window. By doing so, the premises will not be considered specified for the upcoming year (provided it's not mandatorily qualified by the sales test).

This new flexibility is a welcome measure giving hoteliers a degree of control over their GST rate structure. They can choose the scheme that best suits their commercial reality – for instance, opt for 5% if they have low tariffs and don't mind foregoing ITC, or opt for 18% if they have higher tariffs or significant input credits (say, from outsourced catering, luxury renovations, etc.).

### **Omission of the “Declared Tariff” Concept**

To understand the importance of this change, let's briefly recall what declared tariff meant and why it was contentious.

### **What was “Declared Tariff” and How Did it Work?**

Under the GST law (until now), declared tariff referred to the published room rate for a unit of accommodation, without considering any discounts offered on that rate. It was essentially the declared price of a hotel room (say listed on the hotel website or reception), even if the customer actually paid a lower amount. This concept was inherited from pre-GST luxury tax laws where tax was based on declared room rent rather than actual paid

However, in practice, “declared tariff” proved to be a bane for the hotel industry. The hospitality sector increasingly uses dynamic pricing – room rates fluctuate based on demand, season, events, and occupancy levels. Many hotels no longer keep a single “rack rate” on display; online travel agencies often show inflated base rates and then apply discounts. The GST law's reliance on declared tariff created confusion and hardship:

- **Uncertainty and Disputes:** GST authorities often took a hard-line interpretation by treating any instance of a room being sold at or above ₹7,500 as evidence that the hotel's “declared tariff” was ₹7,500+, thus triggering the 18% restaurant tax for the period. This was true even if the hotel generally charged much less and had only a few peak days with high rates. For example, if in a given year a hotel mostly sold rooms at ₹5,000 but on New Year's Eve one suite sold for ₹8,000, the tax officers would contend the declared tariff is ₹8,000 and demand 18% GST on all restaurant sales for that year, instead of 5%. Businesses were facing surprise tax demands for a “differential 13%” (the gap between 18 and 5) on their restaurant revenue due to one-off price surges. This not only caused tax uncertainty but often meant hotels had under-collected tax from customers and had to pay the difference out of pocket.
- **Bundled Services Complexity:** There were cases where a room's base rate was below ₹7,500 but additional services (like breakfast, airport pickup, etc.) bundled in the bill pushed the total above ₹7,500, leading officials to argue the declared tariff condition was met. Also, on travel websites, if a high price was shown and then discounted (e.g., show ₹10,000 minus 50% discount = ₹5,000 paid), some officers still treated ₹10,000 as the declared tariff because it was “displayed” as such.



- No Clear Regulation of Tariff Declaration: Unlike the old luxury tax regime, GST laws did not require hotels to officially file or fix their tariffs with the government. Thus, the term “declared tariff” lacked a clear practical basis – it was anywhere and everywhere (websites, brochures, etc.), making it ripe for interpretational differences.

### **Suggestions for adapting to the Changes**

Here are some suggestions for industry stakeholders to smoothly adapt to these amendments:

- Review FY 2024-25 tariffs to determine specified premises status; use data annually for strategic tax planning and compliance assessment.
- Evaluate 5% vs 18% GST on F&B; consider input credit loss, pricing strategy, and customer sensitivity before deciding.
- File GST declarations by March 31 or within 15 days post-registration for new hotels.
- Reconfigure billing software and update menus with applicable GST rates; ensure guests are informed of rate differences transparently.
- Inform OTAs and delivery apps of your GST status; verify aggregator dashboards to avoid incorrect tax application.
- Train staff on GST choices and reasons; ensure front desk and finance teams can explain rate differences to customers.

### **Conclusion**

In summary, the GST amendments via Notification 05/2025-CT(R) and 08/2025-CT(R) mark a pivotal update for the hospitality sector. The “specified premises” concept has been introduced to bring predictability and fairness in taxing hotel restaurants, effectively replacing the anachronistic “declared tariff” basis with a more logical system based on actual transaction. Hotels are now empowered with an annual option to choose their GST regime for restaurant services – a flexibility that can be aligned with their business needs. The removal of declared tariff eliminates a major source of confusion and dispute, something that practitioners and industry veterans have long advocated.

# COMPANY AND SEBI LAWS UPDATES

## 1. STATUTORY UPDATES

- 1.1** SEBI mandates listed entities to follow industry standards for disclosure of 'Key Performance Indicators' in offer documents - **CIRCULAR NO. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28, DATED 28-02-2025**

**Editorial Note :** SEBI has mandated all listed entities to follow Industry Standards to effectively implement the requirement to disclose Key Performance Indicators (KPIs) in the draft offer document and offer document as per SEBI (ICDR) Regulations, 2018. Issuer Companies and Merchant Banks must follow industry standards to ensure compliance with KPI disclosure requirement in draft offer documents. The circular shall apply to all draft offer documents filed with SEBI/Stock Exchanges on or after 01.04.2025.

- 1.2** SEBI modifies nomination guidelines to simplify nomination and transmission process for demat accounts and MF folios - **CIRCULAR NO. SEBI/HO/OIAE/OIAE\_IAD-3/P/ON/2025/0027, DATED 28-02-2025**

**Editorial Note :** SEBI has modified guidelines and issued necessary clarifications on nomination facilities in the securities market to simplify the transmission and nomination process for demat accounts and MF folios. SEBI clarified that an investor with a single holding/account/folio can opt out of nomination, either online or offline. Also, surviving joint holders must have the option to update their residential addresses, mobile numbers, and bank account details either at the time of transmission or later.

- 1.3** ACB Court allows plea against SEBI Chairperson, WTMs & BSE officials over alleged irregularities in 1994 listing approval - **PRESS RELEASE NO. 11/2025, DATED 02-03-2025**

**Editorial Note:** A Miscellaneous Application before ACB Court, Mumbai, sought FIR registration against former SEBI Chairperson, three current Whole Time Members of SEBI and two officials of the BSE over alleged irregularities granting listing permission to a Company on the Bombay Stock Exchange in 1994. Despite these officials not holding office at the time, the court allowed the application without notice or hearing SEBI's position. The applicant is known for frivolous filings.

- 1.4** SEBI extends AIFs deadline for reporting differential rights issuance from Feb 28, 2025, to March 31, 2025 - **CIRCULAR NO. SEBI/HO/AFD/AFD-POD-1/P/CIR/2025/29, DATED 03-03-2025**

**Editorial Note :** SEBI has extended the deadline for AIFs to report differential rights issuance from February 28, 2025, to March 31, 2025. This follows industry representations seeking additional time for compliance. The reporting requirement applies to AIFs whose PPMs were filed on or after March 1, 2020, and have issued differential rights outside the Standard Setting Forum's implementation standards. This circular shall come into force with immediate effect.

- 1.5** SEBI mandates the applicability of ICDR Norms to all rights issues by listed issuers, removing the Rs. 50 crore threshold - **NOTIFICATION F. NO. SEBI/LAD-NRO/GN/2025/233, DATED 03-03-2025**

**Editorial Note :** SEBI has notified amendment in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. As per the amended norms, the applicability of ICDR Regulations will now extend to all rights issues by listed issuers, not just those with an issue value of Rs. 50 crore or more. Also, issuer shall now also ensure that any proposed pre-IPO placement disclosed in the draft offer document shall be reported to the exchange(s), within 24 hours of such pre-IPO transactions (in part or in entirety).

- 1.6** SEBI & NISM launch AML & CFT certification exam to enhance compliance awareness in the securities market - **PRESS RELEASE NO. 12/2025, DATED 10-03-2025**

**Editorial Note :** SEBI, in collaboration with NISM, has introduced the AML & CFT Provisions in Securities Market Certification Examination. This initiative aims to establish a common knowledge benchmark for employees & associated persons of securities market intermediaries on AML and CFT concepts, PMLA provisions, SEBI Act, and Companies Act offences. The 1 hour exam consists of 50 questions, & successful candidates will receive a certification. Details pertaining to the course are provided on the NISM website.

- 1.7** SEBI revises Rights Issue timelines, ensuring completion within 23 days of board approval for a streamlined process - **CIRCULAR NO. SEBI/HO/CFD/CFD-POD-1/P/CIR/2025/31, DATED 11-03-2025**

**Editorial Note :** Earlier, SEBI has introduced a streamlined Rights Issue process under amended ICDR Regulations, 2025, ensuring completion within 23 days from Board approval. Accordingly, board has now notified the revised timelines for completion of the various activities involved in Rights Issue process from the date of Board of Directors of the Issuer approving the Rights Issue till the date of closure of Rights Issue.

- 1.8** SEBI amends PIT Regulations, expands scope of 'Unpublished Price Sensitive Information' - **NOTIFICATION F. NO. SEBI/LAD-NRO/GN/2025/235, DATED 11-03-2025**



**Editorial Note :** SEBI has amended the SEBI (Prohibition of Insider Trading) Regulations, 2015, expanding the definition of 'Unpublished Price Sensitive Information' (UPSI). The revised definition now includes changes in ratings (excluding ESG ratings), proposed fund-raising, agreements impacting management or control, fraud or defaults, resolution plans, restructuring, or one-time settlements related to loans/borrowings from banks/financial institutions, among others.

- 1.9** ICSI issues FAQs on MCA-21 V3 login and registration process - **FAQs, DATED 18-03-2025**

**Editorial Note :** The Institute of Company Secretaries of India (ICSI) has released FAQs on MCA-21 V3, detailing the login and registration process. It explains user types, including Registered and Business Users, and their access rights. It also addresses common issues and solutions, such as handling login errors, DSC registration, and updating user details.

- 1.10** SEBI proposes harnessing DigiLocker to reduce unclaimed assets in Indian Securities Market - **CIRCULAR NO. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2025/32, DATED 19-03-2025**

**Editorial Note :** SEBI has proposed harnessing DigiLocker to reduce unclaimed assets in Indian Securities Market. DigiLocker is digital document wallet of the Government of India (GoI), facilitating citizens in obtaining & storing documents like Aadhaar, PAN, Driving Licence, Death Certificate, etc. Also, DigiLocker provides a nomination facility to its users. While specifying the nominee, the user must provide the nominee's mobile number and e-mail address. The circular shall be effective from April 01, 2025.

- 1.11** SEBI lowers minimum application size for subscribing to 'Zero Coupon Zero Principal' Instruments on SSEs to Rs 1,000 - **CIRCULAR NO. SEBI/HO/CFD/PoD-1/P/CIR/2025/33, DATED 19-03-2025**

**Editorial Note :** SEBI has reduced the minimum application size for subscribing to Zero Coupon Zero Principal Instruments issued by Non-Profit Organizations on the Social Stock Exchange (SSE) from Rs. 10,000 to Rs. 1,000. This decision is based on recommendations from the Social Stock Exchange Advisory Committee and public feedback on the Consultation paper dated March 07, 2025. This aims to enhance retail participation and improve access to social impact investments.

- 1.12** SEBI partners with 'DigiLocker' to minimize unclaimed financial assets - **PRESS RELEASE NO. 13/2025, DATED 19-03-2025**

**Editorial Note :** SEBI has collaborated with the 'DigiLocker' to reduce unclaimed financial assets by enabling investors to store and access their demat and mutual fund holdings digitally. The key highlights of the initiative are access to securities holdings, nomination facility for seamless access, automated notification to nominees, and role of KYC registration agencies.

- 1.13** SEBI amends shareholding pattern disclosure norms, effective from June 30, 2025 - **CIRCULAR NO. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/35, DATED 20-03-2025**

**Editorial Note :** SEBI has modified the shareholding pattern disclosure norms under Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, which prescribes formats for the disclosure of holding of specified securities and shareholding pattern. The changes include disclosing Non-Disclosure Undertaking (NDU) and other encumbrances, clarifying that outstanding convertible securities include ESOPs, and adding a column for fully diluted shares. This shall be applicable from 30.06.2025.

- 1.14** SEBI introduces an online system for filing reports under Regulation 10(7) of Takeover Regulations via SI Portal - **CIRCULAR NO. SEBI/HO/CFD/DCR1/CIR/P/2025/0034, DATED 20-03-2025**

**Editorial Note :** SEBI has introduced an online system for filing reports under Regulation 10(7) of SEBI (Takeover Regulations) via SEBI Intermediary Portal. Under Regulation 10(7), acquirers benefiting from exemptions specified in Regulation 10 must submit a report to the SEBI. Currently, these reports are submitted via email to SEBI's designated address. However, from May 15, 2025, submission via SI Portal will be the sole accepted method for filing reports under Regulation 10(7) for specified exemptions.

- 1.15** SEBI permits CRAs to operate as 'Past Risk and Return Verification Agencies' with Board's approval - **NOTIFICATION NO. F. NO. SEBI/LAD-NRO/GN/2025/236, DATED 20-03-2025**

**Editorial Note :** SEBI has notified an amendment to the SEBI (Credit Rating Agencies) Regulations, 1999. A new chapter on 'Past Risk and Return Verification Agency' has been inserted. The chapter allows Credit Rating Agencies (CRAs) to operate as Past Risk and Return Verification Agencies with the Board's approval. Further, CRAs can engage a recognized stock exchange as a Past Risk and Return Verification Agency Data Centre for verification activities as per the terms and conditions specified by the Board.

- 1.16** SEBI mandates intermediaries to verify past risk-return metrics through CRAs and claim verified performance data - **NOTIFICATION F. NO. SEBI/LAD-NRO/GN/2025/237, DATED 20-03-2025**

**Editorial Note :** SEBI has notified the SEBI (Intermediaries) (Second Amendment) Regulations, 2025. A new chapter on 'Verification of Past Risk and Return Metrics' has been inserted. The chapter allows Investment Advisers, Research Analysts, Algo Providers, and other permitted intermediaries to verify past risk-return metrics through Credit Rating Agencies (CRAs). Further, any claim in the form of verified risk or return metrics must be made in the manner specified by the Board.

- 1.17** SEBI allows recognised stock exchanges to function as 'Past Risk and Return Verification Agency Data Centres' - **NOTIFICATION F. No. SEBI/LAD-NRO/GN/2025/238, DATED 20-03-2025**

**Editorial Note :** SEBI has notified an amendment to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. A new chapter on 'Verification of risk-return metrics' has been inserted. The chapter allows recognized stock exchanges to act as 'Past Risk and Return Verification Agency Data Centres'. Further, the verification must be subject to the approval of the Board and on such terms and conditions as may be specified.

- 1.18** Govt. revises investment and turnover criteria for classifying enterprises as MSMEs - **NOTIFICATION S.O. 1364(E) [F. NO. P-11/3/2023-POLICY-DCMSME], DATED 21-03-2025**

**Editorial Note :** Govt. has revised classification criteria for micro, small, and medium enterprises (MSMEs). The investment limit for micro-enterprises has been raised from Rs 1 crore to Rs 2.5 crore, and turnover from Rs 5 crore to Rs 10 crore. For small enterprises, investment limit has increased from Rs 10 crore to Rs 25 crore & turnover from Rs 50 crore to Rs 100 crore. For medium enterprises, investment limit has been revised from Rs 50 crore to Rs 125 crore & turnover from Rs 250 crore to Rs 500 crore.

- 1.19** SEBI proposes allowing stock brokers to undertake securities market-related activities in GIFT-IFSC under SBU - **DRAFT CIRCULAR, DATED 21-03-2025**

**Editorial Note :** As per extant policy, SEBI-registered stock brokers must obtain approval from SEBI in form of NOC to float subsidiaries or enter into joint ventures to undertake securities-related activities in Gujarat International Finance Tech-city - International Financial Services Centre (GIFT-IFSC). Now, SEBI has proposed allowing stock brokers to undertake such activities under a Separate Business Unit (SBU) on an arms-length basis. Thus, requirement to obtain approval in form of NOC may be removed.

- 1.20** SEBI mandates registered intermediaries to verify contact details for ads on social media platforms by 30.04.2025 - **PRESS RELEASE NO. 14/2025, DATED 21-03-2025**

**Editorial Note :** SEBI has mandated all registered intermediaries uploading ads on social media platforms providers (SMPPs) like Google and Meta to verify their contact details by 30.04.2025. These SMPPs will thereafter carry out advertiser verification of SEBI Registered Intermediaries after which, intermediaries will be permitted to upload/ publish advertisements on these platforms. All Intermediaries interested in publishing advertisements are now advised to update their contact details on the SEBI SI Portal.

- 1.21** SEBI mandates MFs to disclose aggregate compensation invested in units for designated employees on website of stock exchanges - **CIRCULAR NO. SEBI/HO/IMD/IMD-POD-1/P/CIR/2025/36, DATED 21-03-2025**

**Editorial Note :** SEBI has notified amendments to the Master Circular for Mutual Funds dated June 27, 2024, to facilitate ease of doing business relating to the framework on 'Alignment of interest of the Designated Employees of the AMC with the interest of the unitholders'. As per the amended norms, every scheme must now disclose the 'compensation, in aggregate, mandatorily invested in units for the Designated Employees' on the website of Stock Exchanges. Earlier, this disclosure was made on the website of AMCs

- 1.22** SEBI extends suspension of trading in Derivative Contracts in 7 Agro Commodities to January 31, 2026 - **PR No. 16/2025, DATED 24-03-2025**

**Editorial Note :** Earlier, SEBI issued directions to stock exchanges with a commodity derivatives segment to suspend trading in derivative contracts for 7 agro commodities for a period of one year. Subsequently, the suspension was extended for an additional year until December 20, 2023, and then again until December 20, 2024. The suspension was again extended until January 31, 2025, and then for two months until March 2025. Now, SEBI has extended the suspension of trading in these contracts to January 31, 2026.

- 1.23** SEBI Board approves increase in FPI Disclosure Threshold from Rs 25,000 crore to Rs 50,000 crore - **PR No. 15/2025, DATED 24-03-2025**

**Editorial Note :** SEBI, in its 209th Board Meeting, approved a series of amendments. The key highlights include (a) an increase in the FPI disclosure threshold to Rs 50,000 crore, (b) a review of provisions related to the appointment of Public Interest Directors (PIDs), a cooling-off period for KMPs and Directors, and the appointment process for specific KMPs in MIIs, and (c) the charging of advance fees by Investment Advisers and Research Analysts.

- 1.24** Govt. directs all companies to submit half-yearly MCA return for delayed MSE payments exceeding 45 days - **NOTIFICATION S.O. 1376(E) [F.NO. 16/8/2018/E-P&G/POLICY], DATED 25-03-2025**



**Editorial Note :** The Central Govt. has directed all Companies receiving goods or services from micro and small enterprises to submit a half-yearly return to the MCA if payments exceed 45 days from the acceptance or deemed acceptance date. The return must include (a) the outstanding payment amounts and (b) reasons for the delay.

- 1.25** SEBI amends LODR Regulations, 2015; raises threshold for 'High-Value Debt Listed Entities' to Rs 1,000 crore - **NOTIFICATION NO. F. NO. SEBI/LAD-NRO/GN/2025/239, DATED 27-03-2025**

**Editorial Note :** SEBI has amended the LODR Regulations, 2015, introducing stricter compliance norms for High-value debt-listed entities (HVDLEs). The threshold for HVDLEs has been raised from Rs. 500 crores to Rs. 1,000 crores. Entities crossing this limit are required to comply with these norms within six months. The other amendments include provisions relating to BODs, Audit Committee, Nomination and Remuneration Committee, RPTs, and Secretarial Audit and Secretarial Compliance Report.

- 1.26** SEBI extends timeline for Portfolio Managers to submit offsite inspection data from April 1, 2023 - **CIRCULAR NO. SEBI/HO/IMD/IMD-POD-1/P/CIR/2025/39, DATED 28-03-2025**

**Editorial Note :** In order enhance ease of doing business, the timeline for submitting offsite inspection data by Portfolio Managers has been extended. Portfolio Managers must submit quarterly data for all clients within 15 calendar days from the quarter's end. Additionally, day-wise data must be provided for "Client Folio AUM" and "Client Holding Master." The submission requirement is effective from April 1, 2023, for all clients.

- 1.27** SEBI extends the timeline for regulated entities to adopt and implement 'Cybersecurity & Cyber Resilience Framework' - **CIRCULAR NO. SEBI/HO/ITD-1/ITD\_CSC\_EXT/P/CIR/2025/45, DATED 28-03-2025**

**Editorial Note :** SEBI had received multiple requests for an extension of the Cybersecurity and Cyber Resilience Framework (CSCRF) compliance timelines to ensure ease of compliance for them. Therefore, SEBI has extended the compliance timeline by three months, i.e., till June 30, 2025, for all Regulated Entities (REs). However, this extension does not apply to Market Infrastructure Institutions (MIIs), KYC Registration Agencies (KRAs), and Qualified Registrars to an Issue and Share Transfer Agents (QRTAs).

- 1.28** SEBI seeks public comments on proposal to extend use of 'Expected Loss-based Rating Scale' for Municipal Bonds - **CONSULTATION PAPER, DATED 28-03-2025**

**Editorial Note :** SEBI believes that Expected Loss (EL) Ratings, when combined with a standardised rating scale or Probability of Default (PD) Rating, can more accurately reflect the recovery prospects of municipal bonds. Further, Urban Local Bodies (ULBs) and Municipalities issue bonds primarily for the creation or development of infrastructure. Therefore, SEBI proposes to extend the use of the EL-based Rating Scale for rating municipal bonds in addition to the standardised rating scale.

- 1.29** SEBI amends Master Circular for REITs and InvITs; align quantum of locked-in units for IPO and preferential issue - **CIRCULAR: SEBI/HO/DDHS/DDHS-POD-2/P/CIR/2025/43 & 44, DATED 28-03-2025**

**Editorial Note :** SEBI has received various representations from industry associations to align the quantum of units required to be locked in under the preferential issue of units for REITs and InvITs with the quantum applicable at the time of the initial public offering. Accordingly, SEBI has aligned the same. Additionally, to promote ease of doing business and based on representations received from industry associations, the guidelines for the public issue of REIT units and InvIT units have been modified.

- 1.30** SEBI introduces disclosure requirements for 'Green Credits' under Business Responsibility and Sustainability Reporting - **CIRCULAR NO. SEBI/HO/CFD/CFD-POD-1/P/CIR/2025/42, DATED 28-03-2025**

**Editorial Note :** SEBI has introduced measures to facilitate ease of doing business by revising various provisions on ESG disclosure for the value chain, providing an option to undertake 'assessment' or 'assurance' for BRSR Core, and introducing disclosure on green credits. Accordingly, disclosures for the value chain must be made by listed companies as per the BRSR Core, as part of their Annual Report. Also, SEBI requires listed companies to disclose their green credit programs under the BRSR framework.

- 1.31** SEBI extends timeline for mutual funds to submit offsite inspection data to 15 calendar days - **CIRCULAR NO. SEBI/HO/IMD/IMD-POD-1/P/CIR/2025/38, DATED 28-03-2025**

**Editorial Note :** SEBI has extended the timeline for mutual funds to submit offsite inspection data to facilitate ease of doing business. Under the existing norms, mutual funds are required to submit the daily data in a monthly file as per the specified format on a quarterly basis within 10 calendar days from the end of the quarter. The timeline has now been extended to 15 calendar days. Further, RTAs must submit the data on an ongoing basis. The circular shall come into force with immediate effect.

- 1.32** SEBI mandates intraday monitoring of index derivative position limits starting from April 01, 2025 - **CIRCULAR NO. SEBI/HO/MRD/TPD-1/P/CIR/2025/41, DATED 28-03-2025**

**Editorial Note :** SEBI has mandated intraday monitoring of existing position limits for index derivatives from April 1, 2025. However, there shall be no penalty for a breach of existing position limits intraday, and such intraday breaches shall not be considered violations. Further, Exchanges must prepare a joint Standard Operating Procedure (SOP) to inform market participants about modalities for monitoring existing position limits intraday and notify such breaches to clients/trading members.

- 1.33** Transferee Co. can't undertake QIP within 1 year of listing under SEBI (ICDR) norms if all transferor Co(s) are not listed

**Editorial Note :** A public ltd. co. that entered into a scheme of arrangement, plans to raise funds via Qualified Institutions Placement (QIP) post-listing. The company sought informal guidance from SEBI on whether it can undertake a QIP within 1 year of listing its shares. SEBI clarified that a listed issuer is eligible to conduct QIP if it fulfills conditions laid under Reg. 172 of ICDR norms. Also, SEBI stated that all transferor co(s) must be listed. Since only one co. is listed, a co. cannot undertake QIP.

- 1.34** SEBI proposes to reduce the minimum application size for Zero Coupon Zero Principal instruments on the SSEs

**Editorial Note :** SEBI, after reviewing the minimum application size for Zero Coupon Zero Principal (ZCZP) instruments issued by Non-Profit Organizations on the Social Stock Exchange (SSE), currently set at Rs. 10,000, has proposed reducing it to Rs. 5,000 or a smaller amount to enhance retail participation in ZCZP issuances by NPOs on SSE. Public comments are invited until March 14, 2025, via SEBI's website or email at <mailto:consultationcfd@sebi.gov.in>.

- 1.35** PIT Regulations do not mandate DPs to share details of financially and socially independent relatives: SEBI Informal Guidance

**Editorial Note :** A company sought SEBI's guidance on relatives of DPs refusing to share PAN and other details under amended PIT Regulations. SEBI clarified that as per Clause 14 of Schedule B read with Regulation 9, DPs must disclose details of immediate relatives who are financially dependent or consult them on securities trading. However, DPs are not obligated to disclose details of relatives who are financially, situationally, and socially independent of them under PIT Regulations.

- 1.36** Angel Funds' investments via pre-emptive rights in non-startup portfolio companies breach AIF Regulations: SEBI

**Editorial Note :** An Angel Fund sought informal guidance from SEBI that they invested in a startup which ceased to be startup over a period of time.

Whether Fund can exercise its pre-emptive right/rights issue/Renounced rights issue of shares against convertible securities as per Shareholders Agreement executed at the time of the original investment. SEBI clarified that Angel Funds' investments via pre-emptive rights in non-startup portfolio companies breach the AIF Regulations.

- 1.37** SEBI proposes making 'Electronic Book Provider' platform mandatory for private placements with issue size above Rs 20 crore

**Editorial Note :** SEBI has released a consultation paper on reviewing provisions w.r.t Electronic Book Provider (EBP) platform and Request for Quote (RFQ) Platform. SEBI has proposed making EBP mandatory for all private placements of debt securities with issue sizes above Rs 20 crore, from existing limit of Rs 50 crore. Also, SEBI has proposed extending EBP platform to cover InvITs & REITs. For private placement of units of InvITs & REITs above Rs 1000 crore, issuer has to access EBP platform for issuances.

- 1.38** SEBI proposes a review of minimum holding period for equity shares to be eligible for 'Offer for Sale' in public issue

**Editorial Note :** SEBI has released a consultation paper on amendments to the SEBI (ICDR) Regulations, 2018, and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The objective is to streamline public issue requirements while clarifying existing Employee Stock Options (ESOPs) provisions. SEBI has proposed reviewing the minimum holding period for equity shares to be eligible for Offer for Sale in public issues. Comments may be submitted by April 10, 2025.

- 1.39** SEBI proposes to limit the expiries of all equity derivatives contracts of exchange to either Tuesday or Thursday

**Editorial Note :** SEBI has proposed limiting the expiries of all equity derivatives contracts on an exchange to one of either Tuesday or Thursday. This is aimed at providing optimal spacing between expiries across exchanges, while avoiding the choice of either the first day of the week or the last day as an expiry day. Further, every exchange will continue to be allowed one weekly benchmark index options contract on their chosen day, i.e. Tuesday or Thursday. Comments may be invited by April 17, 2025.

- 1.40** SEBI Amends LODR Regulations, 2015: Comprehensive Analysis of Key Changes

**Editorial Note :** On March 27, 2025, the Securities and Exchange Board of India introduced significant amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These changes aim to strengthen corporate governance, enhance transparency, and enforce stricter compliance norms, with a special focus on High-value debt-listed entities (HVDLEs). The key amendments are designed to address the evolving regulatory needs and promote better governance in entities



## 2. SUPREME COURT

### SECTION 2(1)(h) OF THE ARBITRATION AND CONCILIATION ACT, 1996 - PARTY

- 2.1 Only because contractor directly paid certain amount to sub-contractor, it could not be said that sub-contractor became a beneficiary under contract in which arbitration clause was provided. - **NBCC (India) Ltd. v. Micro Small and Medium Enterprises Facilitation Council** - [2025] 172 *taxmann.com* 275 (SC)

### SECTION 11 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 - PROCUREMENT PREFERENCE POLICY

- 2.2 Procurement Order 2012 has force of law and is enforceable; though there is no mandatory minimum procurement 'right' for an individual MSE, there is certainly a statutorily recognized obligation on authorities and bodies under Act and Procurement Order 2012 to implement mandate which is subject to judicial review - **Lifecare Innovations (P.) Ltd. v. Union of India** - [2025] 171 *taxmann.com* 868 (SC)

### SECTION 421 OF THE COMPANIES ACT, 2013 - TRIBUNAL AND APPELLATE TRIBUNAL - APPEAL FROM ORDERS OF

- 2.3 Where NCLAT remanded matter to NCLT without examining facts and without analysing extent of application of relevant Supreme Court decision in *Tata Consultancy Services Ltd. v. Cyrus Investments (P.) Ltd.* [2021] 9 SCC 449 to facts at hand, same would amount to abdication of appellate jurisdiction of NCLAT - **Hitesh Chhaganlal Ambalia v. Ashwin Khushaldas Banker** - [2025] 172 *taxmann.com* 321 (SC)

## 3. HIGH COURT

### SECTION 3 OF THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 - PRIOR REGISTRATION OF REAL ESTATE PROJECT WITH REAL ESTATE REGULATORY AUTHORITY

- 3.1 For marketing, booking, selling or offering for sale, or inviting persons to purchase in any manner any real estate project or part of it, prior registration of real estate project with Real Estate Regulatory Authority (RERA) is mandatory and absence of required license does not restrict right of home buyers, to access remedies as contemplated under RERA Act - **Ramprastha Developers (P.) Ltd. v. State of Haryana** - [2025] 171 *taxmann.com* 787 (Punjab & Haryana)

### SECTION 15T OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 - APPEAL TO THE SECURITIES APPELLATE TRIBUNAL

- 3.2 Where company was penalized for operating schemes in nature of Collective Investment Scheme without obtaining prior registration from SEBI and Recovery Officer issued notices of attachment of bank and demat accounts of petitioner company and its directors, in view of fact that an alternate statutory remedy of appeal under section 15T of SEBI Act was available to petitioner, High Court was not inclined to entertain writ petition for removal of attachment - **Peers Allied Corporation Ltd. v. Securities and Exchange Board of India** - [2025] 172 *taxmann.com* 406 (Delhi)

### SECTION 15Z OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 - 2[APPEAL TO SUPREME COURT

- 3.3 When an effective alternate remedy is available under section 15Z to aggrieved person, High Court should not entertain a challenge under Article 226 when aggrieved person can avail an effective alternate remedy in manner prescribed by law - **Bikash Kumar Jain v. Securities and Exchange Board of India** - [2025] 172 *taxmann.com* 640 (Delhi)

### SECTION 18 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 - REFERENCE TO MICRO AND SMALL ENTERPRISES FACILITATION COUNCIL

- 3.4 Section 18 of MSMED Act, 2006 is not akin to Section 11(6) of Arbitration and Conciliation Act, 1996; issue of lack of inherent jurisdiction can be decided by Arbitral Tribunal appointed under MSMED Act and, therefore, decision of Arbitral Tribunal on issue of jurisdiction would be amendable to challenge under section 34 of Arbitration and Conciliation Act, 1996 - **NBCC (India) Ltd. v. Micro Small and Medium Enterprises Facilitation Council** - [2025] 172 *taxmann.com* 220 (Delhi)

### SECTION 197 OF THE COMPANIES ACT, 2013 - MANAGERIAL REMUNERATION

- 3.5 Substitution of section 197(15) under Companies (Amendment) Act, 2019 w.e.f. 2-11-2018, relates back to date of original provision of year 2013 and, thus, where alleged offences were said to have been committed in year 2016, amended provision of section 197(15) would not apply - **Air Asia (India) (P.) Ltd. v. Registrar of Companies** - [2025] 171 *taxmann.com* 865 (Karnataka)

### SECTION 335 OF THE COMPANIES ACT, 2013 - WINDING UP - CERTAIN ATTACHMENTS, EXECUTIONS, ETC., IN WINDING UP BY TRIBUNAL TO BE VOID

- 3.6 Where petitioners had filed winding up petition against respondent company and respondent company deposited claimed amount however, petitioners had failed to comply with necessary formalities and had waived their rights in lieu of placing a claim before Official Liquidator, thus, amount deposited in winding up petition should be utilised for satisfying claims of secured creditors - **Smt. Usha Jain v. Vigneshwara Developwell (P.) Ltd.** - [2025] 172 *taxmann.com* 367 (Delhi)

**SECTION 436 OF THE COMPANIES ACT, 2013 -  
SPECIAL COURTS - OFFENCES TRIABLE BY**

- 3.7 Where Single Judge in a writ petition directed RBI to intervene in wrongly managed affairs of company ECL, director of company questioned its maintainability but Single Judge held that there was no legal ground to challenge maintainability, since while adjudicating on issue of maintainability Single Judge was well within its power to give directions, therefore, findings of Single Judge on maintainability of writ petition was to be upheld - **Johnson Ka v. Emaan Holdings (P.) Ltd.** - [2025] 171 taxmann.com 828 (Delhi)

**SECTION 446 OF THE COMPANIES ACT, 1956 -  
SUITS STAYED ON WINDING UP ORDER**

- 3.8 Where Official Liquidator of company in liquidation had not made effort of explaining why flats of applicants in possession of Official Liquidator were required for storing books and records or how much area was reasonably required for said purpose, and continued possession in said premises would mount liability of monthly rent unnecessarily, no purpose would be served by placing burden of monthly rent in context of said premises on company in liquidation - **Jaikishan Narang, HUF v. Surendra Engineering Corporation Ltd.** - [2025] 172 taxmann.com 564 (Bombay)

**4. Security Appellate Tribunal****SECTION 15HB OF THE SECURITIES AND  
EXCHANGE BOARD OF INDIA ACT, 1992 -  
PENALTY FOR CONTRAVENTION WHERE NO  
SEPARATE PENALTY HAS BEEN PROVIDED**

- 4.1 Where appellant, investment advisory firm had indulged in multiple and repeated violations of SEBI (Investment Advisers) Regulations, 2013 which could have had serious impact on integrity of securities market and adversely affected interest of investors, penalty of Rs. 70 lakhs was to be imposed on appellant - **CapitalVia Global Research Ltd. v. Securities & Exchange Board of India** - [2025] 172 taxmann.com 487 (SAT - Mumbai)

**5. NCLAT****SECTION 212 OF THE COMPANIES ACT, 2013 -  
SERIOUS FRAUD INVESTIGATION OFFICE -  
INVESTIGATION BY**

- 5.1 When legislature specifically permits initiation of proceedings under section 212(14A) on basis of SFIO report as well as the compilation of documents and submission could not be accepted that said report was irrelevant or inadmissible for very proceeding for which statutory scheme contemplated under section 212(14A) - **Deloitte Haskins & Sells LLP v. Union of India** - [2025] 172 taxmann.com 716 (NCLAT- New Delhi)

**6. SEBI****REGULATION 3 OF THE SEBI (PROHIBITION OF  
FRAUDULENT AND UNFAIR TRADE PRACTICE  
RELATING TO SECURITIES MARKET)  
REGULATIONS, 2003 - PROHIBITION OF CERTAIN  
DEALINGS IN SECURITIES**

- 6.1 Where news anchor HG at CNBC had huge following on social media and recommendations made by him influenced investment decisions made by his viewers and impacted price and volume of recommended scrips, however, he unfairly used this privilege to his own advantage, his family members, in whose accounts trades were placed by him, HG and his family were to be restrained from accessing securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with securities market in any manner, for a period of five years - **Hemant Ghai, In re v.** - [2025] 172 taxmann.com 600 (SEBI)

**7. NCLT****SECTION 59 OF THE COMPANIES ACT, 2013 -  
REGISTER OF MEMBERS - RECTIFICATION OF**

- 7.1 Where shareholding of deceased got removed from register of members of respondent company consequent upon sale of shares in dematerialised form lying in demat account in her own name opened by imposters, name of current shareholder could not be struck off and, therefore, respondent company could not be directed to pay damages for alleged fraudulent transfer - **Darius Soli Framroze v. Hindustan Unilever Ltd.** - [2025] 172 taxmann.com 32 (NCLT - Mum.)



## COMPETITION LAW

### 1. STATUTORY UPDATES

- 1.1 CCI seeks comments on draft CCI (Conduct) Rules, 2025 to strengthen the regulatory framework governing the vigilance administration in CCI

**Editorial Note:** The Competition Commission of India (CCI) has invited stakeholder feedback on the draft CCI (Conduct) Rules, 2025, to strengthen confidentiality and ethical standards in handling commercially sensitive information, among the employees. Stakeholders are requested to submit written comments within 30 days, from March 7, 2025, to April 6, 2025.

### 2. NCLT

#### SECTION 3 OF THE COMPETITION ACT, 2002 - ANTI-COMPETITIVE AGREEMENTS

- 2.1 Where appellant concealed that grievance was already redressed prior to filing information under Competition Act, and evidence showed business decisions were based on legitimate commercial factors rather than anti-competitive conduct, information was rightly dismissed - **Sri Balaji Traders v. Competition Commission of India** - [2025] 172 taxmann.com 409 (NCLAT- New Delhi)

### 3. CCI

#### SECTION 3 OF THE COMPETITION ACT, 2002 - ANTI-COMPETITIVE AGREEMENTS

- 3.1 Where informant alleged that OP1 and OP2 were acting collusively in tender process conducted by OP4 on behalf of OP3 for procurement of toolkits under Pradhan Mantri Vishwakarma Yojana, however, no evidence of any relationship between two companies, or any evidence of collusion between them, having been found in information or annexures filed therewith, no prima facie case of contravention of provisions of section 3 could be made out against OPs - **Kuldeepsinh Mahendrasinh Jadeja, In re** - [2025] 172 taxmann.com 364 (CCI)
- 3.2 Where informant filed information against OP hospital alleging contravention of provisions of sections 3 and 4 on ground that OP was deliberately misrepresenting qualification of its surgeon and engaging in false advertising, there was no prima-facie case of contravention of provisions of Act warranting an investigation into matter. - **Moses Pinto, In re** - [2025] 172 taxmann.com 675 (CCI)

#### SECTION 4 OF THE COMPETITION ACT, 2002 - ABUSE OF DOMINANT POSITION

- 3.3 Where informant alleged that Microsoft had illegally hindered development and market access of rival security software developers by tying and bundling its own security software, Microsoft Defender with Windows Operating System, in view of fact that there were many developers of antivirus software, and each of these providers routinely introduced new features and enhanced their offerings to provide better services to customers, there existed no prima facie case of contravention of provisions of section 4 - **Microsoft Corporation (India) (P.) Ltd., In re v.** - [2025] 172 taxmann.com 141 (CCI)
- 3.4 Where Informant alleged that OP1, an autonomous body under Ministry of Education and, OP2, a PSU abused their dominant position in market by not following a fair and transparent process in selection of OP2 for a work order under PM SHRI scheme, since there was no supporting evidence to show that OP1's conduct in appointing OP2 as Project Management Consultant (PMC) or OP2's issuance of a faulty RFP violated section 4 of competition law, no prima facie case of contravention of section 3 or section 4 was established against OP1 and OP2. - **XYZ (Confidential), In re v.** - [2025] 172 taxmann.com 450 (CCI)
- 3.5 Where OP3, a division of Public Works Department, invited tender for constructing a swimming pool, since OP3 had given all opportunities to prospective bidders to compete and had not favoured a single company and, there was no material available on record to substantiate allegations of informant of anti-competitive conduct by OP3 or abuse of dominance in contravention of section 4, information against OP3 was to be closed forthwith - **Vinish Khanna, In re v.** - [2025] 172 taxmann.com 720 (CCI)
- 3.6 Where opposite party (OP) was restricting market access by only selling a few beer brands, like 'SNJ 10000' and 'British Empire', produced by specific distilleries, which impeded competitiveness of other beer brands in market and discouraged competition in business, OP was abusing its dominant position by limiting market access to certain brands of beer in State of Tamil Nadu, same was in contravention of section 4(2)(c) and thus, DG was directed to cause an investigation into matter - **Chakra R Prabakaran, In re** - [2025] 172 taxmann.com 801 (CCI)

# FEMA BANKING AND INSURANCE LAWS

## 1. STATUTORY UPDATES

- 1.1 Govt. fixes April 10, 2025 as the date for closure of Residual Transactions of Banks for March 2025: RBI - **CIRCULAR NO. CO.DGBA.GBD. NO.S954/42-01-029/2024-25, DATED 28-02-2025**

**Editorial Note :** The Government has decided that the date for closure of residual transactions for March 2025 be fixed as April 10, 2025. The Nodal/Focal Point branches must ensure that the accounts for all transactions (revenues/tax collections/payments) are effected at the receiving branches up to March 31, 2025 in the accounts for the current financial year itself and are not mixed up with the transactions of April 2025.

- 1.2 MHA mandates recording of Non-Cognizable Offence Information Report u/s 174 of BNSS in the Crime Tracking System - **NOTIFICATION NO. F. NO. 1/2/2025/HP-I/ESTT./436 TO 444, DATED 28-02-2025**

**Editorial Note :** The Ministry of Home Affairs (MHA) has notified Non-Cognizable Offences Report Rules, 2025. As per the rules, every information received u/s 174 of the Bharatiya Nagarika Suraksha Sanhita, 2023, must be converted to a Non-Cognizable Offence Information report (NCR) on Crime & Criminal Tracking Network and Systems (CCTNS). A printout of a report recorded must be downloaded/printed and kept in Police Station records. Also, the recorded information must be forwarded to the Magistrate without fail.

- 1.3 MHA notifies Delhi BNSS (Arrest Information) Rules; mandates police officers to give arrest information to nominated persons - **NOTIFICATION NO. F. NO. 1/4/2024/HP-I/ESTT./464 TO 472, DATED 28-02-2025**

**Editorial Note:** The Ministry of Home Affairs (MHA) has notified the Delhi BNSS (Arrest Information) Rules, 2025. As per the rules, every police officer or person making an arrest under BNSS must give information about the arrest and the place to any of his relatives, friends or such other persons as may be disclosed or nominated by arrested person and also to a designated police officer in the district. Further, every police station must maintain a register to record details of arrested persons.

- 1.4 RBI to conduct Open Market Operation (OMO) purchase auctions & USD/INR swap to inject liquidity - **PRESS RELEASE NO. 2024-25/2305, DATED 05-03-2025**

**Editorial Note:** RBI has announced liquidity measures, including Open Market Operation (OMO) purchase auctions of Rs. 1 Lakh Crores in two tranches on March 12 & 18, 2025, and a USD/INR Buy/Sell Swap of USD 10 Billion for 36 months on March 24, 2025. Detailed instructions will be issued separately. The RBI will continue to monitor evolving liquidity and market conditions and take measures as appropriate to ensure orderly liquidity conditions.

- 1.5 Clearing Corporation's contribution to 'Settlement Guarantee Fund' must form part of its net worth, IFSCA clarifies - **CIRCULAR NO. IFSCA/CMD-DMIT/SGF/2024-25/001, DATED 07-03-2025**

**Editorial Note :** Reg. 31 of MII Regulations specifies that the Settlement Guarantee Fund (SGF) of a Clearing Corporation (CC) may have contributions from CC, Stock Exchange and Clearing Members. IFSCA has now clarified that the contribution of a Clearing Corporation to its SGF must be considered part of its net worth. Further, interest on cash contributions to the SGF must accrue to the SGF and pro-rata be attributed to the contributors in proportion to their contributions.

- 1.6 IFSCA revises fee structure for 'International Trade Finance Service' Operators in IFSCs - **CIRCULAR NO. IFSCA-FCR0FCR/3/2023-BANKING/2024-25/002, DATED 07-03-2025**

**Editorial Note :** The IFSCA has announced a revised fee structure for International Trade Finance Service (ITFS) operators and applicants looking to establish ITFS platforms in IFSCs. The updated fee structure includes application, registration, recurring, activity-based and processing fees, which vary based on the annual turnover of transactions on the ITFS platform. The registration fee is set at USD 10,000 while recurring fees range from USD 3,000 to USD 15,000 depending on turnover.

- 1.7 IFSCA issue guidelines on 'Cyber Security and Cyber Resilience' for Regulated Entities in IFSCs - **CIRCULAR NO. IFSCA-CSDOMSC/13/2025-DCS, DATED 10-03-2025**

**Editorial Note :** IFSCA has issued guidelines on Cyber Security and Cyber Resilience' for Regulated Entities in IFSCs. The guidelines intend to lay down IFSCA's broad expectations from its REs. For these guidelines, REs must include any entity which is licensed, recognised, registered or authorised by IFSCA. The key components of the guidelines are categorised into (a) Governance, (b) Cyber security and cyber resilience framework, (c) Third party risk management, (d) Communication and (e) Audit.



- 1.8** IRDAI appoints five new members to the reconstituted Insurance Advisory Committee - **NOTIFICATION F. NO. IRDAI/IAC/7/214/2025, DATED 13-03-2025**

**Editorial Note :** The Insurance Regulatory and Development Authority of India (IRDAI) has reconstituted its Insurance Advisory Committee by appointing five new members: Shri M. R. Kumar, Shri Dinesh Kumar Khara, Ms. Vishakha Mulye, Shri Nilesh Shah, and Ms. Alice Geevarghese Vaidyan.

- 1.9** RBI permits settlement of Indo-Maldives trade in INR and MVR, alongside the existing ACU mechanism - **A.P. (DIR SERIES 2024-25) CIRCULAR NO. 22, DATED 17-03-2025**

**Editorial Note :** In the wake of signing of Memorandum of Understanding (MoU) between RBI and Maldives Monetary Authority in November 2024, the Reserve Bank of India (RBI) has now allowed bilateral trade transactions between India and Maldives to be settled in Indian Rupees (INR) and Maldivian Rufiyaa (MVR) in addition to the existing Asian Clearing Union (ACU) mechanism. These instructions shall come into force with immediate effect.

- 1.10** All agency banks dealing with Govt. Transactions to remain open for over-the-counter transactions on Monday, March 31, 2025: RBI - **CIRCULAR NO. CO.DGBA.GBD.NO.S1003/42-01-029/2024-25, DATED 17-03-2025**

**Editorial Note :** The Govt. of India has requested to keep all branches of the banks dealing with Government receipts and payments open for over-the-counter transactions on March 31, 2025 (i.e. Monday) to account for all the Government transactions relating to receipts and payments in the FY 2024-25 itself. Accordingly, the RBI has advised all agency banks to keep all their branches dealing with government business open for March 31, 2025.

- 1.11** RRBs to implement Pension Scheme from 01.11.1993 with a 5-year amortisation option for additional pension liability: RBI - **CIRCULAR NO. DOR.ACC.REC.NO.67/21.04.018/2024-25, DATED 20-03-2025**

**Editorial Note :** Earlier, RRBs were allowed to amortize pension liability under RRB (Employees') Pension Scheme, 2018, over five years, starting from FY and ending 31.03.2019. Now, they must implement the scheme from 01.11.1993. To ease the financial burden, they may recognise pension liability per applicable accounting standards & amortise expenditure over up to five years from FY ending 31.03.2025, ensuring a minimum of 20% of total pension liability is expensed annually if not fully charged in FY 2024-25.

- 1.12** RBI issues clarifications on 'Financial Statements Presentation and Disclosures Directions, 2021' - **CIRCULAR NO. DOR.ACC.REC.NO.66/21.04.018/2024-25, DATED 20-03-2025**

**Editorial Note :** The RBI has issued clarifications on the Financial Statements (Presentation and Disclosures) Directions, 2021, based on queries from banks and the Indian Banks' Association (IBA). These clarifications address disclosures in the notes to accounts to financial statements and instructions for the balance sheet compilation. The instructions apply to all commercial and cooperative banks for preparing financial statements for the FY ending March 31, 2025, and onwards.

- 1.13** REs are not required to deduct Right-of-Use assets under Ind AS 116 from Owned Funds if a leased asset is tangible: RBI clarifies - **CIRCULAR NO. DOR.CAP.REC.NO.68/21.01.002/2024-25, DATED 21-03-2025**

**Editorial Note :** RBI has clarified that regulated entities shall not be required to deduct an ROU asset (created in terms of Ind AS 116-Leases) from Owned Fund/ CET 1 capital/ Tier 1 capital, provided the underlying asset being taken on lease is a tangible asset. Also, the ROU asset must be risk-weighted at 100%, consistent with risk weight applied historically to owned tangible assets. The circular applies immediately to all NBFCs and ARCs implementing Companies (Indian Accounting Standards) Rules, 2015.

- 1.14** RBI issues revised guidelines on 'Priority Sector Lending' for Urban Cooperative Banks to boost credit access - **CIRCULAR NO. RBI/2024-25/130 DOR.CRE.REC. 69/07.10.002/2024-25, DATED 24-03-2025**

**Editorial Note :** RBI has issued revised guidelines on Priority Sector Lending (PSL) for urban cooperative banks (UCBs) to boost credit access. As per the revised guidelines, the PSL target for UCBs has been revised to 60% of Adjusted Net Bank Credit (ANBC) or the credit equivalent of Off-Balance Sheet Exposures (CEOBSE), whichever is higher. Further, the revised norms expand the list of eligible borrowers under the 'Weaker Sections' category. The revised guidelines are effective from 01.04.2025.

- 1.15** RBI expands scope of Priority Sector Lending Certificates to strengthen credit flow to weaker sections sub-target - **CIRCULAR NO. RBI/2024-25/131 FIDD.CO.PSD.BC.NO. 12/04.09.001/2024-25, DATED 24-03-2025**

**Editorial Note :** RBI has expanded the scope of Priority Sector Lending Certificates (PSLCs) to include weaker sections sub-target, in addition to the existing targets for small and marginal farmers, agriculture target, and overall priority sector lending target. This move aims to strengthen credit flow to weaker sections by incentivizing banks to lend more to this category and trade PSLCs to meet their priority sector lending obligations.

- 1.16** RBI directs all 'Currency Chest Holding banks' dealing with Govt. transactions to remain open on Monday, March 31, 2025 - **CIRCULAR NO. DCM (CC) NO.S3811/03.51.001/2024-25, DATED 24-03-2025**

**Editorial Note :** The Govt. of India has advised all branches of banks dealing with Government receipts and payments to remain open for transactions on March 31, 2025 (i.e. Monday) to account for all Government transactions relating to receipts and payments in FY 2024-25 itself. Accordingly, the RBI has directed currency chest (CC) holding banks to keep their CC operations open on March 31, 2025 as a normal working day.

- 1.17** Govt. discontinues Medium & Long-Term Gold Deposits under Gold Monetization Scheme from 26-03-2025 - **CIRCULAR NO. DoR.AUT.REC.71/23.67.001/2024-25, DATED 25-03-2025**

**Editorial Note :** The Government of India, via press release ID 2115009 on March 25, 2025, announced the discontinuation of the Medium and Long-Term Government Deposit (MLTGD) components under the Gold Monetization Scheme (GMS) from March 26, 2025. Gold deposits for MLTGD will not be accepted after March 25, 2025. However, banks may continue offering Short-Term Bank Deposits (STBD) at their discretion. Existing MLTGD deposits will remain valid until redemption as per the guidelines.

- 1.18** RBI issues Master Direction consolidating prudential norms on capital adequacy for Regional Rural Banks - **MASTER DIRECTION NO. DOR.CAP.REC.No.70/21.06.201/2024-25, DATED 25-03-2025**

**Editorial Note :** The Reserve Bank of India (RBI), under Section 35A of the Banking Regulation Act, 1949, has issued a Master Direction consolidating and updating guidelines for Regional Rural Banks (RRBs). It outlines prudential norms for capital adequacy, risk management, and permissible transactions. The Direction ensures all instructions are in one place, with modifications for clarity and compliance, and future activities will align with RBI regulations and guidelines.

- 1.19** Government introduces General Notification for Sale & Issue of Gov Securities (including T-Bills & Cash Management Bills) - **CIRCULAR NO. RBI/2024-25/133 REF.NO.IDMD.2320/08.01.01/2024-25, DATED 27-03-2025**

**Editorial Note :** The Government of India has issued a General Notification (F.No.4(2)-B(W&M)/2018) dated March 26, 2025, for the sale and issue of Government of India Securities, including Treasury Bills and Cash Management Bills. This notification supersedes the previous ones dated March 27, 2018.

- 1.20** Govt. extends the validity of FCRA Registration Certificates up to June 30, 2025 - **PUBLIC NOTICE NO. II/21022/23(22)/2020-FCRA-II, DATED 28-03-2025**

**Editorial Note :** The Govt. has decided to extend the validity of FCRA registration certificates. The validity of registration certificates of entities whose validity was extended till 31.03.2025 and whose renewal is pending, will stand extended till 30.06.2025 or till the date of disposal of renewal application, whichever is earlier. Similarly, the validity of FCRA entities whose 5-year validity period is expiring from 01.04.2025 to 30.06.2025 will stand extended up to 30.06.2025.

- 1.21** RBI directs all banks to conduct special clearing operations under 'Cheque Truncation System' on March 31, 2025 - **CIRCULAR NO. RBI/2024-25/133 CO.DPSS.RPPD.NO.S1278/03-01-002/2024-25, DATED 28-03-2025**

**Editorial Note :** The RBI has directed all banks to conduct special clearing operations under the Cheque Truncation System (CTS) exclusively for Government cheques on Monday, March 31, 2025, to ensure the smooth accounting of all Government transactions for the current financial year, 2024-25. Under the special clearing operations conducted under CTS, the presentation time will be from 17:00 hours to 17:30 hours, and the return session will be from 19:00 hours to 19:30 hours.

- 1.22** RBI revises norms for valuation and prudential treatment of Government Guaranteed Security Receipts (SRs) - **CIRCULAR NO. RBI/DOR/2024-25/135 DOR.STR.REC.72/21.04.048/2024-25, DATED 29-03-2025**

**Editorial Note :** The RBI has introduced revised norms for Government Guaranteed Security Receipts (SRs). If a loan is transferred to an ARC for a value higher than the net book value (NBV), excess provision can be reversed to P&L if the sale involves cash and guaranteed SRs. However, non-cash SRs will be deducted from CET 1 capital, and no dividends shall be paid out of this component. These norms apply immediately to all existing and future guaranteed SRs.

## 2. SUPREME COURT

### SECTION 3 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - OFFENCE OF MONEY-LAUNDERING

- 2.1** Act of money laundering is not a one-time occurrence but rather a process that continues so long as benefits derived from criminal activity remain in circulation within financial system or are being actively utilized by accused. - **Pradeep Nirankarnath Sharma v. Directorate of Enforcement - [2025] 172 taxmann.com 489 (SC)**



### SECTION 138 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881 - DISHONOUR OF CHEQUE FOR INSUFFICIENCY, ETC., OF FUNDS IN THE ACCOUNT

- 2.2 Where appellant-accused leased a flat to respondent-complainant, receiving Rs. 9 lakhs as a security deposit and upon lease expiry, he issued four post-dated cheques for refund of security deposit which were dishonoured on presentation, since respondent-complainant continued to occupy subject flat, for a period of nearly 5 years beyond last date of rent agreement without paying any rent or maintenance amount, appellant-accused was not liable to refund entire security deposit amount covered by post-dated cheques to respondent-complainant - **M.S. Nagabhushan v. D.S. Nagaraja** - [2025] 172 taxmann.com 146 (SC)
- 2.3 Where respondent co-operative credit society filed complaint against appellant alleging offence punishable under section 138 of Negotiable Instruments Act, since respondent had suppressed material facts and documents while filing complaint and recording statement on oath in support of complaint, respondent could not have been allowed to set criminal law in motion based on complaint and, therefore, complaint pending in court of Judicial Magistrate was to be quashed and set aside - **Rekha Sharad Ushir v. Saptashrunji Mahila Nagari Sahkari Patsansta Ltd.** - [2025] 172 taxmann.com 803 (SC)

### SECTION 141 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881 - 32[OFFENCES BY COMPANIES

- 2.4 Where appellant non-executive directors of accused company were neither signatories to dishonoured cheques nor had any role in their execution and their involvement in company's affairs was purely non-executive confined to governance oversight, they could not be held vicariously liable under section 141. - **K. S. Mehta v. Morgan Securities and Credits (P.) Ltd.** - [2025] 172 taxmann.com 181 (SC)

### SECTION 142 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881 - 32[COGNISANCE OF OFFENCES

- 2.5 Section 142 of Negotiable Instruments Act, 1881 provides complainant with right to lodge complaint, before a court, within whose jurisdiction, branch of bank where cheque is delivered for collection is situated and thus, complainant can file complaint in court where collection branch of bank falls, hence, where petitioner had availed loan from respondent bank at Coimbatore and respondent bank had collection branch in Chandigarh, transfer petition seeking transfer of complaint filed under section 138 pending in Chandigarh to Coimbatore was to be dismissed - **Sendhur Agro & oil Industries v. Kotak Mahindra Bank Ltd.** - [2025] 172 taxmann.com 255 (SC)

## 3. HIGH COURT

### SECTION 2(1)(m)(iv) OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 - FINANCIAL INSTITUTION

- 3.1 Where asset size of 3rd respondent which had given financial assistance to petitioner was less than Rs. 100 crore, 3rd respondent was non-banking financial company and was not a financial institution in terms of section 2(1)(m)(iv) of SARFAESI Act and, hence, it could not be a secured creditor so as to invoke provisions of section for assistance in taking possession of secured asset. - **Pyramid Developers v. Union of India** - [2025] 172 taxmann.com 276 (Bombay)

### SECTION 3 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - OFFENCE OF MONEY-LAUNDERING

- 3.2 Where Chhattisgarh State police registered FIR against applicant IAS officer and others for collecting commissions and supplying unaccounted liquor to government liquor shops resulting in an approximate loss of Rs. 2161 crores to government and applicant had a key role in liquor syndicate and was involved in money laundering and proceeds of crime along with other co-accused and applicant was unable to satisfy twin conditions for grant of bail under section 45 of PMLA, thus, his prayer for bail was to be rejected - **Anil Tuteja v. Directorate Of Enforcement** - [2025] 172 taxmann.com 138 (Chhattisgarh)
- 3.3 Where applicant was orchestrator of entire liquor scam in State of Chhattisgarh and there were substantial material indicating a strong nexus between applicant and other accused persons in commission of crime and applicant was unable to satisfy twin conditions for grant of bail under section 45, entitlement of applicant to get bail under PMLA, 2002, was not acceptable and it was not a fit case for grant of bail to applicant - **Anwar Dhebar v. Directorate of Enforcement** - [2025] 172 taxmann.com 639 (Chhattisgarh)

### SECTION 5 OF THE FOREIGN TRADE (DEVELOPMENT & REGULATION) ACT, 1992 - FOREIGN TRADE POLICY

- 3.4 Where petitioner had submitted applications for Advance Authorisation for export of Calcined Pet Coke (CPC) to SEZ Units and was aggrieved by rejection of application seeking Advance Authorisation, in view of fact that petitioner had its registered office at Hyderabad, and impugned rejection letter was served upon petitioner at Hyderabad by Regional Authority exercising jurisdiction over area within which city of Hyderabad was located, Delhi High Court neither would have requisite territorial jurisdiction to entertain writ petition nor would it be 'forum conveniens' to decide lis - **Rain CII Carbon Vizag Ltd. v. Union of India** - [2025] 172 taxmann.com 407 (Delhi)

### SECTION 13 OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 - ENFORCEMENT OF SECURITY INTEREST

- 3.5 Where appellant had no right to approach Tribunal u/s. 17 before any measure was taken by bank u/s. 13(4), such an approach would be premature and, hence, suit and prayer for injunction were maintainable before Civil Court - **Sandeep Goenka v. Yes Bank Ltd.** - [2025] 172 taxmann.com 71 (Calcutta)
- 3.6 Where plaintiff, mortgagee sought an interim injunction declaring its exclusive first charge on mortgaged properties, asserting that second mortgages created by defendant, debtor were void and illegal, plaintiff established that Impugned Mortgages were created contrary to terms of mortgage which defeated exclusive rights of plaintiff, thus, interim reliefs were to be granted - **J. C. Flowers Asset Reconstruction (P.) Ltd. v. Piramal Capital and Housing Finance Ltd.** - [2025] 172 taxmann.com 274 (Bombay)

### SECTION 14 OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 - CHIEF METROPOLITAN MAGISTRATE OR DISTRICT MAGISTRATE TO ASSIST SECURED CREDITOR IN TAKING POSSESSION OF SECURED ASSET

- 3.7 DM/Chief Metropolitan Magistrate does not become functus officio if steps under section 14 cannot be conclusively taken within stipulated time period of thirty days or extended time period of sixty days. - **State Bank of India v. State of West Bengal** - [2025] 172 taxmann.com 451 (Calcutta)

### SECTION 20 OF THE RECOVERY OF DEBTS AND BANKRUPTCY ACT, 1993 - APPEAL TO THE APPELLATE TRIBUNAL

- 3.8 Where DRAT in an appeal, remanded case to DRT without providing sufficient reasoning and, failed to fulfill its duty as an Appellate Authority to decide issue whether plaintiff's claim constituted a 'debt' and jurisdictional issue raised before it since, DRAT was not justified in remanding matter to DRT, appeal was ordered to be restored to DRAT - **HDFC Bank Ltd. v. Bank of Bahrain & Kuwait BSC** - [2025] 172 taxmann.com 448 (Bombay)

### SECTION 34 OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 - CIVIL COURT NOT TO HAVE JURISDICTION

- 3.9 Where plaintiff, mortgagee raised an issue regarding legality of mortgages created by mortgagor and not priority of charge over mortgaged property, which fell under HC's jurisdiction, consequently, interim application filed by plaintiff seeking interim reliefs was to be allowed - **J. C. Flowers Asset Reconstruction (P.) Ltd. v. Piramal Capital and Housing Finance Ltd.** - [2025] 172 taxmann.com 274 (Bombay)

### SECTION 39 OF THE INSURANCE ACT, 1938 - NOMINATION BY POLICYHOLDER

- 3.10 Section 39 of the Insurance Act, 1938 does not override provisions of Hindu Succession Act, 1956 - **Smt. Neelavva @ Neelamma v. Smt. Chandravva @ Chandrakala @ Hema** - [2025] 172 taxmann.com 107 (Karnataka)

### SECTION 45 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - OFFENCES TO BE COGNIZABLE AND NON-BAILABLE

- 3.11 Where applicant was accused of being a middleman who had facilitated bribes to Indian officials to secure a deal for supply of VVIP helicopters and had been in custody for more than six years for offence punishable u/s. 4 of PMLA, but trial in case had not even begun, and there was no possibility of trial concluding within remaining duration of maximum prescribed sentence u/s. 4 of PMLA, applicant was to be enlarged on bail - **Christian James Michel v. Directorate of Enforcement** - [2025] 172 taxmann.com 563 (Delhi)

### SECTION 45-IE OF THE RESERVE BANK OF INDIA ACT, 1934 - SUPERSESSION OF BOARD OF DIRECTORS OF NON-BANKING FINANCIAL COMPANY (OTHER THAN GOVERNMENT COMPANY)

- 3.12 Where a regulatory authority like RBI finds a wrongdoing on part of an entity, it is duty bound to act and take corrective measures; where RBI had noted wrongdoings on part of ECL, an NBFC, but had chosen not to act, it was a clear case of failure to exercise its public duty and, therefore, direction was rightly issued by Single Judge to RBI to act on complaints against management of ECL - **Satya Prakash Bagla v. Evaan Holdings (P.) Ltd** - [2025] 172 taxmann.com 254 (Delhi)
- 3.13 Once a regulatory authority finds a wrong doing on part of an entity, it is duty bound to act and take corrective measures; where RBI, despite noting wrongdoings of a company, had chosen not to act, Single Judge was justified in issuing directions to RBI to intervene in matter and to ensure enforcement of binding regulations provided under RBI Act - **Achal Kumar Jindal v. Evaan Holdings (P.) Ltd.** - [2025] 171 taxmann.com 827 (Delhi)

### SECTION 138 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881 - DISHONOUR OF CHEQUE FOR INSUFFICIENCY, ETC., OF FUNDS IN THE ACCOUNT

- 3.14 Where complainant filed complaint against accused for offence u/s. 138, but complainant failed to prove that goods were supplied against which cheques were issued, Trial Court had rightly acquitted Accused - **Vijay Power Generators Ltd. v. Tarun Engineering Syndicate** - [2025] 171 taxmann.com 788 (Delhi)
- 3.15 Merely because appellant opted not to initiate proceedings u/s. 138, his right to claim recovery of money through summary suit could not get defeated - **Rohit Singh v. Anil Kumar Poddar** - [2025] 172 taxmann.com 322 (Delhi)



3.16 When CIRP of corporate debtor is underway, corporate debtor would be covered by moratorium provision contained in section 14 of IBC, which interdicted continuation or initiation of proceedings u/s. 138/141 of NI, act against corporate debtor during corporate insolvency resolution process - **Carnival Films (P.) Ltd. v. State of Kerala - [2025] 172 taxmann.com 139 (Kerala)**

3.17 Where complainant alleged that accused had taken friendly loan of Rs. 2 lakhs from him and in discharge of his liability, accused issued a cheque which was dishonoured on presentation for reason 'fund insufficient', however, there was no evidence to establish legally enforceable liability for which impugned cheque could have been issued, accused could not be convicted u/s. 138 of Negotiable Instruments Act. - **Shankar Lal Aggarwal v. Bhairon Ghosh - [2025] 172 taxmann.com 408 (Delhi)**

3.18 Where complaint was filed against accused company and its directors for offence u/s. 138, since petitioners were not signatory to subject cheque and they were not in charge of and responsible for conduct of business of company, proceedings emanating from complaint for offence u/s. 138 r.w.s. 141 qua petitioners were to be quashed - **Adarsh Saran v. Central Bank of India - [2025] 172 taxmann.com 218 (Delhi)**

#### SECTION 142 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881 - 32[COGNISANCE OF OFFENCES

3.19 Where Trial Court issued process against petitioner-director of accused company, in a complaint filed u/s. 138 of Negotiable Instrument Act 1881, however, Trial Court failed to make an inquiry to find out whether there were sufficient grounds to proceed against petitioner, since order of issuance of process did not comply with either chapter XV or chapter XVI of Code of Criminal Procedure, process issued by Trial Court against petitioner was deemed legally unsustainable and same was to be set aside - **Anil Bhutoria v. State of West Bengal - [2025] 172 taxmann.com 179 (Calcutta)**

## 4. SAFEMA

#### SECTION 3 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - OFFENCE OF MONEY-LAUNDERING

4.1 Where appellant - accused of money laundering challenged its attachment of properties of appellant arguing that alleged offences were not part of schedule at time they were committed, since money laundering is a continuing offence, and act of money laundering is determined by when laundering actions occurred not when predicate offence took place, instant appeal filed by appellant was to be dismissed - **Neeraj Jain v. Deputy Director Directorate of Enforcement - [2025] 171 taxmann.com 831 (SAFEMA - New Delhi)**

#### SECTION 3 OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 - DEALING IN FOREIGN EXCHANGE, ETC

4.2 Where appellant, Custom Clearance Agent, was not involved in any transaction that would constitute a case u/s. 3(b) and 3(d) and, there was no material to prove contravention of sections 3(b) and 3(d) by appellant, impugned order imposing penalty on appellant was to be set aside - **Manoj Arjun Gore v. Special Director Directorate of Enforcement - [2025] 172 taxmann.com 566 (SAFEMA - New Delhi)**

4.3 Where appellant, Custom Clearance Agent, was not involved in any transaction that would constitute a case u/s. 3(b) and 3(d) and, there was no material to prove contravention of sections 3(b) and 3(d) by appellant, impugned order imposing penalty on appellant was to be set aside - **Manoj Arjun Gore v. Special Director Directorate of Enforcement - [2025] 172 taxmann.com 531 (SAFEMA - New Delhi)**

4.4 Where penalty was imposed on appellant, Custom Clearance Agent for contravention of sections 3(b) and 3(d) of FEMA, amount received for process of the export documents could not make out a case for contravention of Section 3(b) and 3(d) and in absence of material to implicate and prove a case for contravention of section 3(b) and 3(d), no penalty could be imposed on appellant - **Manoj Arjun Gore v. Special Director Directorate of Enforcement - [2025] 172 taxmann.com 674 (SAFEMA - New Delhi)**

#### SECTION 5 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - ATTACHMENT OF PROPERTY INVOLVED IN MONEY LAUNDERING

4.5 Where properties in joint name of main accused of money laundering and appellant was attached by ED and same was challenged by appellant on grounds that she was complete stranger to proceedings initiated by ED, however, broad objective of PMLA was to reach proceeds of crime in whosoever's name they are kept or held, therefore, appeal filed by appellant raising such an issue was to be dismissed - **Neeraj Jain v. Deputy Director Directorate of Enforcement - [2025] 171 taxmann.com 831 (SAFEMA - New Delhi)**

4.6 Where vehicles relating to appellant company were attached vide impugned order alleging that in guise of said company, accused persons of money laundering had carried out all illegal activities, since vehicles were no more in existence, attachment became infructuous and order of attachment would not operate in relation to said property, therefore, instant appeal filed by appellant company was to be dismissed - **Neeraj Jain v. Deputy Director Directorate of Enforcement - [2025] 171 taxmann.com 831 (SAFEMA - New Delhi)**

4.7 Where in a case of smuggling of gold, property involved in offence was already under seizure by DRI and attachment by ED and confiscation thereof had also been proposed in prosecution complaint under PMLA,

2002 which remained pending, ED could not have assumed that any other scheduled offence(s) were committed by appellants and attached property over and above seized gold, even if same were found to out of unexplained sources - **Barik Biswas v. Joint Director Directorate of Enforcement** - [2025] 172 *taxmann.com* 490 (SAFEMA - New Delhi)

- 4.8 Where accused lured innocent persons by incorporating a company and collected a huge sum as unauthorized deposits from investors and diverted depositors amount to their personal accounts routed through company's bank accounts for wrongful gain and amassed huge movable and immovable assets by utilizing illegally gained money of depositors, properties attached by respondent under PMLA were owned by accused's group company and were purchased out of proceeds of crime and, therefore, same were rightly attached to protect investors. - **Syed Mohammed v. Deputy Director, Directorate of Enforcement** - [2025] 172 *taxmann.com* 643 (SAFEMA - New Delhi)

#### SECTION 8 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - ADJUDICATION

- 4.9 Where Adjudicating Authority confirmed provisional attachment of properties of main accused of money laundering and appellant / brother of main accused which was challenged by appellant for reasons to belief under sections 5 (1) and 8 (1) were not made available to appellant, however, Adjudicating Authority was not required under section 8(1) to record reasons and under section 5(5) can proceed with process on basis of subjective satisfaction - **Neeraj Jain v. Deputy Director Directorate of Enforcement** - [2025] 171 *taxmann.com* 831 (SAFEMA - New Delhi)

- 4.10 Where properties were acquired prior to alleged period of crime, contention put forward on behalf of appellants that subject properties could not have been attached as they were acquired prior to alleged period of crime was to be rejected, since subject properties had been attached as 'value' of proceeds of crime, said attachment was justified - **Neeraj Jain v. Deputy Director Directorate of Enforcement** - [2025] 171 *taxmann.com* 831 (SAFEMA - New Delhi)

#### SECTION 8 OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 - REALISATION AND REPATRIATION OF FOREIGN EXCHANGE

- 4.11 Where Adjudicating Authority imposed penalty on appellants, partners of a firm, for contravention of section 7 and 8 of FEMA as certain export bills pertaining to firm were pending for realization of export proceeds beyond stipulated period, appellants could not escape rigours of law with respect to their failure in realization of pending export proceeds - **Mehul R. Shah v. Joint Director Directorate of Enforcement** - [2025] 172 *taxmann.com* 533 (SAFEMA - New Delhi)

#### SECTION 48 OF THE FOREIGN EXCHANGE REGULATION ACT, 1973 - FALSE STATEMENTS

- 4.12 Where appellant company exported wheat flour to Russia against repayment of State credits but failed to fulfill specific requirement of Scheme of Export of Goods and Services against Repayment of State Credits by making exports to third country which were financed out of funds from repayments of State credits, appellant company and its director were in contravention of section 48 of FERA and penalty was validly imposed on them - **Vishal Exports Overseas Ltd. v. Deputy Director Directorate of Enforcement** - [2025] 172 *taxmann.com* 602 (SAFEMA - New Delhi)

# INSOLVENCY AND BANKRUPTCY CODE

## 1. STATUTORY UPDATES

- 1.1** IBBI mandates detailed disclosure of carry forward losses in Information Memorandum under CIRP - **CIRCULAR NO. NO. IBBI/CIRP/83/2025, DATED 17-03-2025**

**Editorial Note :** The Insolvency and Bankruptcy Board of India (IBBI) has directed Insolvency Professionals to include a dedicated section in the Information Memorandum (IM) explicitly detailing carry forward of losses under the Income Tax Act, 1961. This includes the quantum of losses, breakdown by specific heads, and applicable time limits. The circular is issued under section 196 of the IBC, 2016.

- 1.2** IBBI directs IPs to exclusively use 'eBKray Auction Platform' for conducting auctions for sale of assets during liquidation - **CIRCULAR NO. IBBI/LIQ/84/2025, DATED 28-03-2025**

**Editorial Note :** The IBBI has directed all IPs to exclusively use the eBKray auction platform for conducting auctions for the sale of assets during the liquidation process where an auction notice is issued on or after April 1, 2025. Also, IBBI must mention in auction notice that prospective bidders must deposit EMD via the auction platform. The eBKray is a property listing and e-auction platform designed for banks and lending institutions, addressing recovery of NPA loans via efficient property auctions.

## 2. SUPREME COURT

### SECTION 14 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - MORATORIUM- GENERAL

- 2.1** Where appellant-director of corporate debtor had drawn cheques in favour of respondent-trading company which were dishonoured and respondent filed complaint against appellant under section 138 of NI Act, in view of fact that cause of action for offence under Section 138 of NI Act arose after imposition of moratorium against corporate debtor and appellant was suspended from his position as director of corporate debtor as soon as IRP was appointed, complaint against appellant was to be quashed. - **Vishnoo Mittal v. Shakti Trading Company - [2025] 172 taxmann.com 452 (SC)**

### SECTION 29A OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - RESOLUTION APPLICANT- PERSONS NOT ELIGIBLE TO BE

- 2.2** Where appellant submitted resolution plan which was approved by CoC but forensic audit report of corporate debtor revealed that appellant was involved in fraudulent transactions, since appellant being ineligible under section 29A(g), there was no reason to interfere with order of NCLAT in rejecting resolution plan - **Sunil Tangri v. Ashu Gupta - [2025] 172 taxmann.com 323 (SC)**

### SECTION 31 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - RESOLUTION PLAN- APPROVAL OF

- 2.3** Where income tax dues of corporate debtor owed to Central Government for assessment years 2012-13 and 2013-14 were not part of approved Resolution Plan., same stood extinguished and, therefore, subsequent demand raised by Income Tax Department for assessment years 2012-13 and 2013-14 was invalid and could not be enforced - **Vaibhav Goel v. Deputy Commissioner of Income-tax - [2025] 172 taxmann.com 601 (SC)**

### SECTION 96 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - INDIVIDUAL/FIRM'S INSOLVENCY RESOLUTION PROCESS - INTERIM-MORATORIUM

- 2.4** Penalties imposed by NCDRC under consumer protection laws are regulatory in nature and do not constitute "debt" under IBC; moratorium under Section 96 does not extend to regulatory penalties imposed for non-compliance with consumer protection laws - **Saranga Anilkumar Aggarwal v. Bhavesh Dhirajlal Sheth - [2025] 172 taxmann.com 145 (SC)**

## 3. HIGH COURT

### SECTION 12A OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - WITHDRAWAL OF APPLICATION

- 3.1** RBI Framework for Compromise Settlements and Technical Write-offs dated 08.06.2023 will not apply in case of Borrowing Entity when Framework was not in existence at time of entity's admission into CIRP; any application for withdrawal of CIRP under section 12A can only be done with approval of 90 percent of voting share of CoC - **Mandava Holdings (P.) Ltd. v. PTC India Financial Services Ltd. - [2025] 172 taxmann.com 253 (TELANGANA)**

### SECTION 31 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - RESOLUTION PLAN- APPROVAL OF



- 3.2 NCLT does not have power to issue direction to Noida Authority to revalidate layout map; Where a developer 'ASPL' after getting layout map sanctioned from NOIDA Authority, collected money from homebuyers, and instead of completing project syphoned away money from homebuyers and thereafter orchestrated insolvency just to get out of any civil and legal consequences, there was no other recourse but to refer instant matter to Enforcement Directorate (ED), which was competent to investigate - ***Arena Superstructures (P.) Ltd. v. State of U.P.*** - [2025] 172 taxmann.com 273 (Allahabad)

#### SECTION 36 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE LIQUIDATION PROCESS - LIQUIDATION ESTATE

- 3.3 Dues for welfare of workers is not permissible to be included in liquidation estate and is to be utilized only for payment of dues of such workers in full - ***Stesalit Ltd. v. Union of India*** - [2025] 172 taxmann.com 33 (Calcutta)

#### SECTION 60 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE PERSON'S ADJUDICATING AUTHORITIES - ADJUDICATING AUTHORITY

- 3.4 Where petitioner was promoter of Insolvent entity and he filed instant writ seeking a direction on financial creditor to reconsider OTS submitted by him in terms of the RBI Framework, said writ was to be dismissed in view of efficacious statutory remedy under section 60(5) available to petitioner - ***Mandava Holdings (P.) Ltd. v. PTC India Financial Services Ltd.*** - [2025] 172 taxmann.com 253 (TELANGANA)

#### SECTION 61 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE PERSON'S ADJUDICATING AUTHORITIES - APPEALS AND APPELLATE AUTHORITY

- 3.5 Where NCLT's interim order created certain rights and interests in favour of petitioner but same were taken away in view of withdrawal of company appeal by financial creditor, however, petitioner had not filed any application either before NCLT or NCLAT, petitioner did not have any right to question withdrawal of appeal by financial creditor - ***Uttar Pradesh Power Corporation Ltd. v. Union of India*** - [2025] 172 taxmann.com 183 (TELANGANA)

## 4. NCLAT

#### SECTION 3(30) OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - SECURED CREDITOR

- 4.1 Non-registration of charge under section 77 of Companies Act, 2013 will not make a difference in claim of creditor being treated as a Secured Creditor - ***Home Kraft Avenues v. Jayesh Sanghrajka*** - [2025] 172 taxmann.com 70 (NCLAT- New Delhi)

#### SECTION 5(21) OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - OPERATIONAL DEBT

- 4.2 Where appellant claimed that under resolution plan as approved by Adjudicating Authority, appellant ought to have been treated as secured operational creditor and given same treatment as was given to other secured creditors, since claim of appellant was treated as operational debt and paid in accordance with section 30(2)(b) thus, there was no error in Adjudicating Authority's order approving resolution plan - ***Assistant Commissioner CGST & Central Excise, Kadi v. Pradeep Kabra, RP of Cengres Tiles Ltd.*** - [2025] 172 taxmann.com 641 (NCLAT- New Delhi)

#### SECTION 14 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - MORATORIUM- GENERAL

- 4.3 Where during CIRP against a corporate debtor, appellant-electricity distribution company disconnected electricity connection of corporate debtor due to non-payment of outstanding dues, since statutory provisions did not contain any prohibition in payment towards supply of essential goods during CIRP, NCLT's direction to appellant not to discontinue electricity connection necessary for running manufacturing facilities of corporate debtor was to be upheld - ***Maharashtra State Electricity Distribution Company Ltd. v. Ravi Sethia Resolution Professional of Morarjee Textiles Ltd.*** - [2025] 172 taxmann.com 449 (NCLAT- New Delhi)

#### SECTION 29A OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - RESOLUTION APPLICANT- PERSONS NOT ELIGIBLE TO BE

- 4.4 Where appellant submitted resolution plan which was approved by CoC but forensic audit report of corporate debtor revealed that appellant was involved in fraudulent transactions, since appellant being ineligible under section 29A(g), Adjudicating Authority was correct in rejecting resolution plan and ordering liquidation of corporate debtor - ***Sunil Tangri v. Mrs. Ashu Gupta*** - [2025] 172 taxmann.com 222 (NCLAT- New Delhi)

#### SECTION 31 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - RESOLUTION PLAN- APPROVAL OF

- 4.5 Claims, which are not a part of resolution plan will stand extinguished and no person would be entitled to initiate same, which were not part of resolution plan - ***Embassy Commercial Projects (Whitefield) (P.) Ltd. v. Pankaj Srivastava*** - [2025] 172 taxmann.com 219 (NCLAT - Chennai)

- 4.6 SRA is not liable for pre-CIRP electricity dues as all pre-existing debts without filed claims stand extinguished upon resolution plan approval - **Punjab State Power Corporation Ltd. v. Akums Lifesciences Ltd.** - [2025] 172 taxmann.com 598 (NCLAT- New Delhi)

#### SECTION 42 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE LIQUIDATION PROCESS - APPEAL AGAINST DECISION OF LIQUIDATOR

- 4.7 Where liquidator rejected claim of appellant and, appellant failed to challenge this rejection within 14 days timeline prescribed under section 42, since appellant failed to follow prescribed remedy under section 42, they could not seek relief through Section 60(5) - **Asean International Ltd. v. Sanjeev Maheshwari** - [2025] 172 taxmann.com 405 (NCLAT- New Delhi)

#### SECTION 60 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE PERSON'S ADJUDICATING AUTHORITIES - ADJUDICATING AUTHORITY

- 4.8 NCLT has jurisdiction under Section 60(5)(c) of IBC to adjudicate disputes relating to pre-CIRP electricity dues - **Punjab State Power Corporation Ltd. v. Akums Lifesciences Ltd.** - [2025] 172 taxmann.com 598 (NCLAT- New Delhi)

#### SECTION 61 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE PERSON'S ADJUDICATING AUTHORITIES - APPEALS AND APPELLATE AUTHORITY

- 4.9 For computing 30 days period of limitation for filing appeal under section 61, if office of Tribunal is closed on 30th day, period shall extend upto date on which Tribunal re-opens - **BSE Ltd. v. Mrudula Brodie** - [2025] 172 taxmann.com 488 (NCLAT- New Delhi)

- 4.10 Disputes related to shareholder oppression or mismanagement under Companies Act, 2013 are distinct issues governed by separate statutory provisions and fall outside purview of IBC Code - **Clarion Health Food LLP v. Goli Vada Pav (P.) Ltd.** - [2025] 172 taxmann.com 320 (NCLAT- New Delhi)

#### SECTION 66 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE PERSON'S ADJUDICATING AUTHORITIES - FRAUDULENT OR WRONGFUL TRADING

- 4.11 Where appellants-suspended directors had diverted stock of corporate debtor and paid themselves huge remuneration while accounts of corporate debtor were not even maintained, there was no error in impugned order passed by Adjudicating Authority directing appellants to make contribution to assets of corporate debtor and also directing to initiate criminal prosecution against suspended directors - **Sunil Tangri v. Mrs. Ashu Gupta** - [2025] 172 taxmann.com 222 (NCLAT- New Delhi)

#### SECTION 238 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - OVERRIDING EFFECT OF CODE

- 4.12 Provisions of Insolvency and Bankruptcy Code override Electricity Act in matters of insolvency resolution - **Punjab State Power Corporation Ltd. v. Akums Lifesciences Ltd.** - [2025] 172 taxmann.com 598 (NCLAT- New Delhi)

#### SECTION 238A OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - LIMITATION PERIOD

- 4.13 A written contract to pay a time barred debt is a valid contract and constitutes as to be basis, giving a cause of action for initiation of proceedings under section 7, when default is committed - **Ravi Raman v. RR Info Park (P.) Ltd.** - [2025] 172 taxmann.com 277 (NCLAT - Chennai)

## 5. NCLT

#### SECTION 5(8) OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - FINANCIAL DEBT

- 5.1 Where pre-packed Insolvency Resolution Process (PIRP) had been initiated against corporate debtor, financial creditor was directed to submit his claim before IRP, who would duly consider same - **Bank of Baroda v. Shree Rajasthan Syntex Ltd.** - [2025] 172 taxmann.com 719 (NCLT-Jaipur)

#### SECTION 5(21) OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - OPERATIONAL DEBT

- 5.2 Where corporate debtor had admitted existence of operational debt and, balance confirmations were not specifically denied in reply filed by corporate debtor, petition filed under section 9 was to be admitted - **Vista Processed Foods (P.) Ltd. v. Goli Vada Pav (P.) Ltd.** - [2025] 172 taxmann.com 251 (NCLT - Mum.)

#### SECTION 10A OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - SUSPENSION OF INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS

- 5.3 Even if a part of debt remained unpaid on due date of payment, it would constitute a default under IBC Code; where default had occurred on 31-3-2021 i.e. outside 10A period, provisions of section 10A would not come to aid corporate debtor to escape clutch of IBC - **REC Ltd. v. Hiranmaye Energy Ltd.** - [2025] 171 taxmann.com 867 (NCLT - Kolkata)

#### SECTION 14 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - MORATORIUM- GENERAL

- 5.4 Where CIRP was initiated against corporate debtor and, respondent, a supplier of electricity, disconnected electricity at premises of corporate debtor, which was in contravention to provisions of section 14, thus respondent was directed not to disconnect electricity connection necessary for running manufacturing facilities of corporate debtor and carrying out its business - **Axis Bank Ltd. v. Morarjee Textiles Ltd.** - [2025] 172 taxmann.com 365 (NCLT - Mum.)

**SECTION 29A OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - RESOLUTION APPLICANT- PERSONS NOT ELIGIBLE TO BE**

- 5.5 Disqualification under section 29A(c) shall not apply to a person, who was a connected person to a company, whose account was declared a non-performing asset (NPA) prior to initiation of CIRP, as long as at least one year had not passed from commencement of CIRP - **MS Agrawal Foundries (P.) Ltd. v. Avil Menezes** - [2025] 171 taxmann.com 786 (NCLT - Mum.)

**SECTION 31 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - RESOLUTION PLAN- APPROVAL OF**

- 5.6 Where CoC was duly informed about various developments and resolution plan and, after following transparent procedures, resolution plan was approved by 100 per cent voting shares by CoC, since there was no reason to intervene in decision of CoC and conditions under section 30(4) were met, resolution plan submitted by SRA was to be approved - **Uva Engineers (P.) Ltd. v. Maha Associated Hotels (P.) Ltd.** - [2025] 170 taxmann.com 72 (NCLT-Jaipur)
- 5.7 Where operational creditor failed to file claims during CIRP despite intimation, post-approval of resolution plan it could not recover pre-CIRP dues from corporate debtor, as resolution plan provided for full and final settlement of all claims of operational creditors - **Weather Makers (P.) Ltd. v. Parabolic Drugs Ltd.** - [2025] 172 taxmann.com 486 (NCLT-Chd.)
- 5.8 Where resolution plan submitted by successful resolution applicant (SRA) was approved by Committee of Creditors (CoC) with 99.86 per cent votes and plan adequately dealt with interests of all stakeholders, same was to be approved by Adjudicating Authority - **Pradeep Kumar Kabra RP for Cengres Tiles Ltd. v. COC of Cengres Tiles Ltd.** - [2025] 172 taxmann.com 532 (NCLT - Ahd.)

**SECTION 33 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE LIQUIDATION PROCESS - INITIATION OF**

- 5.9 protection of corporate debtor's property from attachment and restraint in proceedings related to offenses committed before the initiation of CIRP continues even during liquidation process, where successful sale of assets is affected - **Ms. Mrudula Brodie v. National Stock Exchange of India Ltd. (NSE)** - [2025] 172 taxmann.com 366 (NCLT - Mum.)

**SECTION 42 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE LIQUIDATION PROCESS - APPEAL AGAINST DECISION OF LIQUIDATOR**

- 5.10 Where applicant filed an application seeking a direction against liquidator for admission of its claim, however, no claim had been filed in liquidation process within prescribed time, said application was an attempt to circumvent specific remedy embodied in section 42 and even if said application was taken as an appeal under section 42, same would be beyond statutory period provided under that section, thus, same was to be dismissed - **Asean International Ltd. v. Sanjeev Maheshwari** - [2025] 172 taxmann.com 319 (NCLT - Mum.)

**SECTION 94 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - INDIVIDUAL/FIRM'S INSOLVENCY RESOLUTION PROCESS - APPLICATION BY DEBTOR**

- 5.11 Where debt was due and payable and, personal guarantor had defaulted in payment since, petition filed by personal guarantor under section 94 met all procedural and substantive requirements under IBC, same was to be admitted - **Mrs. Amitaben Dipakkumar Patel v. Canara Bank** - [2025] 171 taxmann.com 749 (NCLT - Ahd.)

**SECTION 95 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - INDIVIDUAL/FIRM'S INSOLVENCY RESOLUTION PROCESS - APPLICATION BY CREDITOR**

- 5.12 Where applicant bank filed an application under section 95 against personal guarantor of corporate debtor without invoking guarantee of personal guarantor, application did not satisfy mandatory prerequisites under section 95 and was to be dismissed - **State Bank of India v. Deepak Kumar Singhania** - [2025] 172 taxmann.com 681 (NCLT - Allahabad)

**SECTION 191 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - BOARD - CHAIRPERSON, POWERS OF**

- 5.13 Where RP by oversight and sheer negligence did not mention all properties of corporate debtor in Information Memorandum (IM), but when he came to know of same, he immediately modified Information Memorandum, thus, action of perjury was not to be initiated against RP - **Anil Kumar Ojha v. CS C. Ramasubramaniam** - [2025] 172 taxmann.com 567 (NCLT- Chennai)



## ACCOUNT AND AUDIT UPDATES

- 1.1** ICAI releases exposure draft of Code of Ethics 2025: Strengthening professional and ethical standards

**Editorial Note :** ICAI has issued an exposure draft of the Code of Ethics 2025, introducing enhanced ethical and independence standards for Cost and Management Accountants (CMAs). The revised Code emphasizes integrity, objectivity, professional competence, confidentiality, and professional behavior, along with strengthened independence standards for audit and assurance engagements. CMAs and stakeholders are encouraged to review and provide feedback by March 17, 2025.

- 1.2** ICAI sets guidelines on ethical compliance, firm name regulations, and tender practices

**Editorial Note :** The Institute of Cost Accountants of India (ICMAI) has issued an advisory on ethical compliance, warning members against unauthorized activities that could harm the Institute's reputation. Additionally, new guidelines on firm name usage and tender submissions have been introduced to ensure adherence to professional regulations. Members are urged to follow these directives strictly to maintain integrity, transparency, and compliance within the profession.

- 1.3** ICAI releases exposure draft on cost management in healthcare services

**Editorial Note :** ICAI has released the exposure draft of the Technical Guide on Cost Management in Healthcare Services, approved in the CASB's 105th meeting on January 29, 2025. The guide provides costing approaches, revenue and expenditure streams, cost allocation practices, and regulatory frameworks, ensuring financial transparency in hospitals. Public comments on the draft are invited until March 19, 2025.

- 1.4** NFRA releases Auditor-Audit Committee Interaction Series (Part 2) on Accounting Estimates and Judgments focusing on IND AS 12, Income Taxes

**Editorial Note :** NFRA has issued Auditor-Audit Committee Interaction Series focusing on strengthening communication between Statutory Auditors and Audit Committees, particularly regarding accounting estimates and judgments. It provides key insights on Ind AS 12 (Income Taxes), Deferred Tax Assets (DTA), Deferred Tax Liabilities (DTL), and Uncertain Tax Treatments (UTTs), outlining potential questions audit committees may ask auditors.

- 1.5** ICAI releases Exposure Draft of revised Code of Ethics for members

**Editorial Note :** ICAI issued an Exposure Draft of the revised Code of Ethics for CMAs through CAASB, aligning with global standards. It outlines five core principles and a framework to address ethical threats and ensure independence. Key updates cover conflicts of interest, tech ethics, NOCLAR, and the roles of CMAs in practice and business. Feedback on this exposure draft is invited up to April 2, 2025.

- 1.6** Supreme Court clears path for NFRA to tighten oversight on auditors, stays enforcement of final orders

**Editorial Note :** The Supreme Court has allowed the National Financial Reporting Authority (NFRA) to continue with disciplinary proceedings against chartered accountants and audit firms, while temporarily halting the issuance of final orders. This decision follows an appeal against the Delhi High Court's observations questioning the structural and functional validity of NFRA.

- 1.7** NFRA releases Interaction Series 2 on SA 300, strengthening Auditor-Audit Committee engagement on audit strategy and planning.

**Editorial Note :** NFRA's Interaction Series 2 emphasises the development of an effective Audit Strategy and Audit Plan in accordance with SA 300. It aims to guide auditors in their communication with the Audit Committee, focusing on key aspects like risk assessment, materiality determination, and the overall scope and timing of the audit. The document also highlights the questions that the Audit Committees may ask regarding the auditor's plan, independence, and performance.

- 1.8** NFRA releases Interaction Series 3 on SA 550, IND AS 24 & AS 18, strengthening Auditor-Audit Committee discussions on RPTs.

**Editorial Note :** The NFRA releases Interaction Series 3 on Related Parties, providing insights into key audit considerations under IND AS 24, AS 18, and SA 550. The publication highlights identification, assessment, and reporting of related party relationships and transactions, emphasizing auditor responsibilities. It aims to enhance audit quality by addressing risks of material misstatements and ensuring compliance with relevant standards.

- 1.9** ICAI issues revised KYC Guidelines for PCMAS, mandating client verification before accepting assignments

**Editorial Note :** ICAI has issued mandatory KYC Guidelines for PCMAS dated 28th March 2025, in line with Financial Action Task Force (FATF) recommendations on Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT), and Govt. notifications dated 3rd & 9th May 2023 under PMLA, 2002. PCMAS, now considered "reporting entities," must conduct KYC, re-KYC, and due diligence before client engagements, and retain records for 5 years.

## **Understanding Ind AS 111 – Joint Arrangements: Concepts, Classification & Accounting**



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### **Introduction: Why Ind AS 111 Matters**

In today's interconnected business environment, companies often collaborate through partnerships, joint ventures, or other shared arrangements. Accounting for these collaborative ventures becomes crucial for both transparency and comparability. Ind AS 111 – Joint Arrangements fills this gap by offering a clear framework for recognizing and measuring interests in such arrangements.

Aligned with IFRS 11, this standard introduces a principle-based approach to classify joint arrangements based on rights and obligations, rather than just legal form. This ensures that the substance of the arrangement governs its accounting treatment—something increasingly important in today's diverse and flexible business structures.

In this article, we'll break down:

- What Ind AS 111 covers
- How to classify joint arrangements
- The accounting treatment of joint ventures and joint operations
- Real-world examples
- Key disclosure requirements
- Practical insights for implementation

### **Scope of Ind AS 111**

Ind AS 111 applies when two or more parties have joint control of an arrangement. Joint control is defined as the contractually agreed sharing of control, and decisions about relevant activities require unanimous consent of all parties sharing control.

**Key exclusions:** The standard does not apply to:

- Control of subsidiaries (covered under Ind AS 110)
- Associates where joint control does not exist (covered under Ind AS 28)
- Investments in entities without joint control

### **Types of Joint Arrangements under Ind AS 111**

Ind AS 111 classifies joint arrangements into two types:

#### **1. Joint Operation**

A joint arrangement where parties have rights to the assets and obligations for the liabilities relating to the arrangement.

- Typically, no separate vehicle is formed, or if it is, it does not give separation of rights/obligations.
- Parties account for their share of assets, liabilities, income, and expenses directly.
- Examples: Two construction companies working together on a project, each supplying their own labor and machinery.

#### **2. Joint Venture**

A joint arrangement where parties have rights to the net assets of the arrangement—usually through a separate legal entity.

- Joint control is shared, but the separate vehicle assumes its own identity.
- Parties account for their investment using the equity method (as per Ind AS 28).
- Examples: Two companies set up a 50:50 JV to produce a new product line.

### **Key Criteria: Determining the Type of Joint Arrangement**

Here's where the standard emphasizes substance over form. Just having a legal entity doesn't mean it's a joint venture. Instead, Ind AS 111 asks you to evaluate:

#### **1. Structure of the Arrangement**

- Is there a separate legal vehicle?
- If yes, does the vehicle provide a legal shield to parties?

#### **2. Terms of the Contractual Arrangement**

- Are parties directly entitled to assets or liable for obligations?
- What does the contract say about output sharing, cost responsibilities, etc.?

#### **3. Other Facts and Circumstances**

- Do the parties consume all output (take-or-pay agreements)?
- Are the operations merely extensions of the parties?

Ind AS 111 requires a comprehensive assessment of these factors to classify the arrangement correctly.



### Accounting for Joint Operations

If the arrangement is a joint operation, each party must recognize:

- Assets: Including share of jointly held assets and any separately held assets
- Liabilities: Share of joint obligations plus any specific obligations
- Revenue: Share from the output or revenue generated
- Expenses: Share of joint expenses and individual expenses incurred

Example: Joint Operation

Company A and B agree to jointly construct a bridge. Both companies contribute raw materials and labor. No separate entity is formed.

Each company will:

- Record its share of materials used
- Record its share of labor costs and construction equipment
- Recognize income from their respective clients (if applicable)

This provides a transparent view of the economic interests of the parties involved.

### Accounting for Joint Ventures

If the arrangement qualifies as a joint venture, the venturers must use the equity method (under Ind AS 28).

- Initially recognize the investment at cost.
- Adjust the carrying amount for post-acquisition changes in net assets.
- Recognize the investor's share of profit or loss in the P&L.
- Dividends received reduce the carrying amount of the investment.

Example: Joint Venture

Company X and Y form a new entity, Z Ltd., to jointly manufacture and distribute a product. Both companies hold 50% each.

They will:

- Recognize investment in Z Ltd. in their balance sheets.
- Use equity accounting to reflect their share in Z Ltd.'s profits/losses.
- Not consolidate Z Ltd.'s assets and liabilities line-by-line.

This **avoids double-counting** and ensures clarity for stakeholders.

**Disclosure Requirements under Ind AS 111**

Ind AS 111 (along with Ind AS 112) requires extensive disclosures to ensure stakeholders understand the nature, risks, and financial effects of joint arrangements.

Disclosures include:

- Nature and extent of joint control
- Judgments used in classification
- Summarized financial information of material joint ventures
- Contingent liabilities and commitments
- Risks associated with joint arrangements

These disclosures enhance transparency and are critical for auditors, investors, and analysts.

**Transition and Practical Challenges**

When Ind AS 111 was first implemented, one of the major changes was for companies that previously used proportionate consolidation for joint ventures under Indian GAAP. Under Ind AS, they had to switch to equity accounting.

Challenges faced include:

- Re-assessing existing arrangements
- Gathering detailed contractual data
- Adjusting accounting systems for new method
- Educating internal teams and auditors

In India, industries like infrastructure, real estate, oil & gas, and manufacturing commonly use joint arrangements, so the impact of Ind AS 111 has been significant.

**Impact on Financial Statements**

Ind AS 111 improves comparability and reflects economic realities, but it also impacts how results are perceived:

- In joint operations, parties see more volatility on their own books.
- In joint ventures, profit/loss flows only through equity accounting, making revenue and EBITDA appear smaller (since line items are not consolidated).

Analysts and stakeholders need to read financials carefully, especially in joint venture-heavy sectors.

**Conclusion: Clarity Through Principles**

Ind AS 111 brings much-needed clarity and consistency in accounting for joint arrangements by focusing on rights and obligations, not just legal form. It ensures that financial reporting mirrors the economic substance of the arrangement, helping both preparers and users of financial statements.

Whether you're a CFO, accountant, or auditor, understanding the nuances of Ind AS 111 is crucial in today's collaborative business landscape. The key is to analyze each arrangement carefully, apply the principles consistently, and ensure proper disclosures.

As the Indian corporate ecosystem becomes more global, adherence to Ind AS 111 will not only keep you compliant but also help you tell a more accurate financial story.



## Direct Taxes Professionals' Association

(Registered under Societies Registration Act, 1961. Registration No. S/60583 of 1988-89)

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### APPLICATION FOR MEMBERSHIP

2 Pcs.  
Pass Port  
Colour  
Photographs

To  
The Hony' Secretary,  
**DIRECT TAXES PROFESSIONALS' ASSOCIATION**  
3, Govt. Place, Income Tax Building, Kolkata-700001

Dear Sir,

I hereby apply for **LIFE / GENERAL MEMBER** of the Association.

I agree to abide by the Memorandum and Rules & Regulations of the Association as may be in force from time to time.

1. Name in Full ( Mr. / Mrs. / Miss ) : \_\_\_\_\_  
(BLOCK LETTERS)
2. Father's Name : \_\_\_\_\_
3. Date of Birth : \_\_\_\_\_
4. Academic and/or Professional Qualifications : \_\_\_\_\_
5. Professional Status (Pls. specify) : ☐ In Practice ☐ In Service ☐ In Business ☐ Others
6. Organisation : \_\_\_\_\_
8. Mem. No. of CA/CS/ICWAI/Bar Council : \_\_\_\_\_
9. Blood Group : \_\_\_\_\_ (Self) \_\_\_\_\_ (Spouse)
10. Name of Spouse : \_\_\_\_\_
11. Office Address : \_\_\_\_\_
12. Residence Address : \_\_\_\_\_
13. Telephone (Nos.) : (Off.) : \_\_\_\_\_ (Resi.) : \_\_\_\_\_ Fax : \_\_\_\_\_  
Mobile : \_\_\_\_\_ E-mail : \_\_\_\_\_
14. Address where Circular etc. should be sent : ☐ Office ☐ Residence  
Enclosed herewith Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_)  
by Cash/Cheque No. \_\_\_\_\_ Dated \_\_\_\_\_ Drawn on \_\_\_\_\_  
towards ☐ Life Membership ☐ General Membership.

Place : \_\_\_\_\_

Date : \_\_\_\_\_

Signature of the Applicant

Would you like to contribute to the following activities of DTPA ? (Pls. specify)

- ☐ Contributing articles for Journal ☐ Being part of the Core group which runs the functioning of DTPA  
☐ Being faculty / Speaker at Conferences / Seminars / Workshops ☐ Others

Area of Professional Interest (Pls. specify) : ☐ Indian Income Tax ☐ International Tax

- ☐ FEMA ☐ Company Law ☐ Auditing ☐ Corporate Finance ☐ Indirect Tax ☐ General Management  
☐ Information Technology ☐ Human Resource ☐ Banking & Financial Services ☐ Investment Consultancy ☐ Others

I would like to receive News Letter / Notices / Circulars by ☐ E-mail ☐ Courier ☐ Both

Proposed By : Name : \_\_\_\_\_

DTPA Membership No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Seconded By : Name : \_\_\_\_\_

DTPA Membership No. : \_\_\_\_\_

Signature : \_\_\_\_\_

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Date of Receipt \_\_\_\_\_ Membership Approved on \_\_\_\_\_ Membership No. Allotted \_\_\_\_\_

Chairman, Membership Sub-Committee

President

General Secretary

**NOTES :** 1. Fee for Life Membership (a) Individual Rs. 7,500/- (G.S.T. Extra @ 18%), (b) If application is made within a period of 5 years of attaining first professional qualification Rs. 5,000/- (G.S.T. Extra @ 18%), (c) Corporate Bodies Rs. 50,000/- (G.S.T. Extra @ 18%).

2. Cheques should be drawn in favour of "Direct Taxes Professionals' Association".

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**SUB COMMITTEES 2024-2025**

Sub-committee	Chairman/Chairperson	Co-chairman/Chairperson	Advisor
DIRECT TAXES & DIRECT TAXES CO-ORDINATION	Mr. Paras Kochar	Ms. Manjulata Shukla Mr. Rites Goel	Mr. S.K. Sultania Mr. M.C. Jagwayan
DIRECT TAXES-RESEARCH & PUBLICATION	Mr. P.R. Kothari	Mr. Ajit Tulsyan Mr. Vinit Jalan	Mr. A.K. Tibrewal
ITAT CO-ORDINATION	Mr. Sunil Surana	Mr. Akkal Dudhwewala	Mr. Arvind Agrawal
FELLOWSHIP / EXCURSION	Mr. Rajesh Kumar Agrawal	Mr. Mahendra Kr. Agarwal Mr. Sujit Sultania	Mr. Aghor Dudhwewala
AUDIT & ASSURANCE	Mr. N.K. Goyal	Mrs. Neena Maheshwari	Mrs. Nilima Joshi
COMPANY & ALLIED LAW MATTERS	Mr. Ashish Rustagi	Mr. Rahul Parasrampur	Mr. K.P. Khandelwal
RESIDENTIAL CONFERENCE	Mr. Vikash Parakh	Mr. Ritesh Vimal	Mr. N.K. Goyal
PUBLIC RELATIONS & MEDIA	Mr. N.P. Jain	Mr. K.N. Gupta	Mr. R.D. Kakra
GST & INDIRECT TAXES	Mr. D.S. Agarwala	Mr. Arup Dasgupta	Mr. Vikash Parakh
GST & INDIRECT TAXES-RESEARCH & PUBLICATION	Mr. Ankit Kanodia	Mr. Sahib Singh Choudhary	Mr. D.S. Agarwala
JOURNAL	Mr. Giridhar Dhelia	Mr. Mohan Lal Gupta	Mr. Subhas Agarwal
INFORMATION TECHNOLOGY & EMERGING OPPORTUNITIES	Mr. Amit Singhania	Mr. Harsh Duggar	Mr. Bharat D. Sarawgee
CAPITAL MARKET COMMITTEE	Mr. Sanjay Satnalika	Mr. Bharat D. Sarawgee Mr. Vivek Jain	Mr. Sanjay Bajoria
<b>Note :</b> President and Secretary are Ex-Officio members of all Sub-Committees.			

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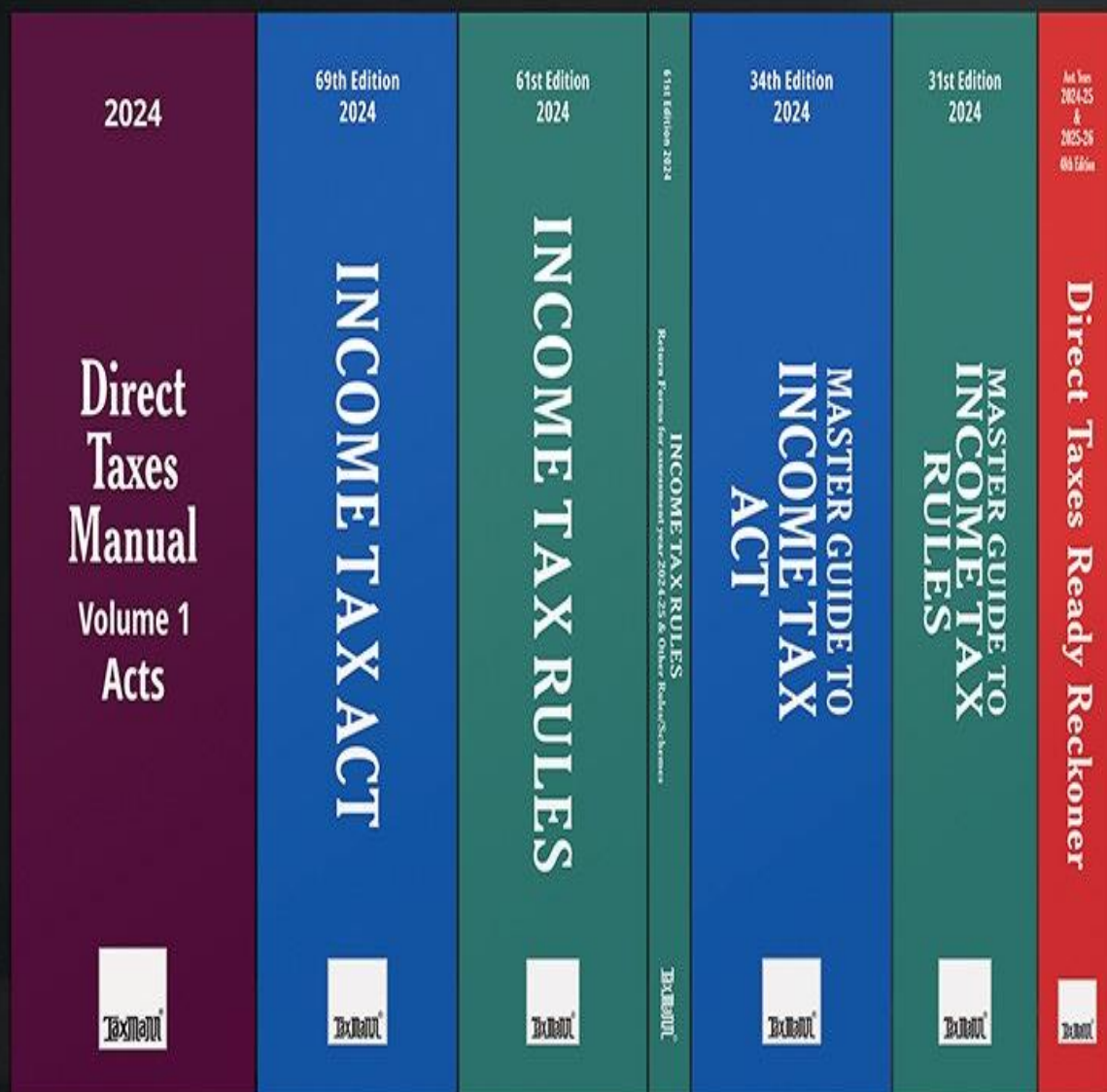
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