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Total no. of page: 105

....From the Desk of Editors



Respected Seniors and Dear Friends,

As we step into the heart of August, the professional calendar of tax practitioners continues to be relentlessly demanding. The filing season for Income Tax Returns is at its peak, coinciding with routine but crucial monthly compliances under GST, PF, ESIC, and more. Amidst this intense period, we remain committed to supporting our fraternity with clarity, updates, and timely information.

The month of July 2025 witnessed the issuance of 3 important Circulars by the Central Board of Direct Taxes (CBDT):

- **Circular No. 8/2025** dated 1st July 2025
- **Circular No. 9/2025** dated 21st July 2025
- **Circular No. 10/2025** dated 28th July 2025

Each of these circulars is self-explanatory and offers valuable clarification on various provisions of the Income-tax Act. Members are encouraged to refer to the official Income Tax portal for detailed insights.

A significant development on the horizon is the **New Income Tax Bill, 2025**, expected to be tabled during the ongoing Monsoon Session of the Parliament. This proposed legislation seeks to consolidate, simplify, and modernize the Income Tax law—ushering in a potentially transformative phase in India's direct tax landscape. We urge members to stay abreast of these deliberations, which may shape the future framework of our practice.

In indirect tax developments, India's **GST collections for July 2025** touched an impressive **₹1.95 lakh crore**, showing a **7.5% year-on-year growth**. This increase reflects the steady formalization and resilience of our economy. It also underscores the growing importance of staying updated with evolving GST compliance and interpretation.

We are delighted to mention that the **43rd Annual Conference of DTPA** will be held on **Saturday, 23rd August 2025, at Hotel Taj Bengal, Kolkata**. The Annual Conference is our flagship event, and preparations are underway to make it truly memorable with high-level deliberations, expert-led sessions, and participation from policymakers, administrators, and seasoned professionals.

At DTPA, our passion has always been to **empower and equip our members** through knowledge dissemination, study circles, webinars, and this very Journal. In these fast-evolving times, we remain your trusted partner in professional growth and compliance excellence.

Ralph Waldo Emerson said: "Do not follow where the path may lead. Go instead where there is no path and leave a trail."

We wish our all members a productive and insightful 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,

I extend warm greetings to all of you.

As we step into the month of August, my heart is filled with gratitude and pride as I reflect on the recent activities and milestones of our beloved Association. Though I am presently a little under the weather, I remain deeply connected with every initiative, and I am grateful to my fellow office bearers and dedicated members for their unwavering support.

We began the month of July on a high note with a **CPE Study Circle Seminar on 15th July 2025** at our DTPA Conference Hall. It was indeed an enriching experience as we had the privilege of hosting **Dr. Raghuv eer Madanappa, Ld. CIT (TDS)**, along with **Addl. CITs (TDS), DCITs (TDS)** and **other Senior Officers of the TDS Department**. The interactive session addressed numerous unresolved queries of our members and offered great clarity on several complex issues. The event, which saw the participation of around 70 members, was ably chaired by our Direct Taxes Committee Chairman, **Adv. Paras Kochar**.

Continuing our academic pursuits, on **30th July 2025**, we conducted an online seminar on “**Critical Analysis of the GIDC Judgement of Hon’ble Gujarat High Court**”, where **CA Nivedita Agarwal** eloquently addressed the implications of the judgment with depth and clarity. The session was both timely and insightful.

It is a moment of immense pride for all of us that our **DTPA was invited to the prestigious All India Members Conference of ITAT**, celebrating its **84 glorious years at Goa on 12th and 13th July 2025**. Our esteemed Past Presidents, **Adv. Subhas Agarwal** and **CA Pramod Kumar Himmatsingka**, represented us with distinction at this landmark event.

Looking ahead, we are gearing up for a **CPE Seminar on Tax Audit** scheduled for **6th August 2025**, where **CA Sanjay Bhattacharya** will share his vast knowledge and insights. We hope for enthusiastic participation from our members.

The highlight of the month will undoubtedly be our **43rd Annual Conference** to be held on **Saturday, 23rd August 2025 at Hotel Taj Bengal**. The theme this year, “**Tax, Tech and Transformation – Redefining Professional Excellence**”, resonates with the evolving role of tax professionals in today’s dynamic environment. Detailed information is available inside this Journal. I earnestly urge each and every member to mark their calendars and participate in this flagship event of ours.

Another exciting development—our **membership now proudly stands at 1,967**. We are just a few steps away from the **remarkable milestone of 2,000 members!** Let us all come together and encourage our fellow professionals to join our vibrant DTPA family. With collective effort, I am hopeful that we will cross this landmark in this very month.

In our constant effort to nurture knowledge and thought leadership, we have introduced a **Reward Scheme** for our Monthly E-Journal. We will be recognizing:

- The Best 3 Article Writers, and
- The Best 3 Feedback Contributors

at our upcoming Annual General Meeting. I urge all our learned members to actively contribute and showcase their expertise.

As I pen down these thoughts, I am deeply moved by the spirit of unity, dedication, and progress that defines DTPA. Each one of you makes this Association what it is—a **family of professionals driven not just by laws and numbers, but by values and vision**.

Let us continue to rise together, learn together, and lead together.

With warm regards,

CA Barkha Agrawal

President

1st August, 2025



Glimpses of Study Circle Meeting on 15th July 2025 at DTPA Conference Hall



Glimpses of Virtual Meeting on 30th July 2025 by CA Nivedita Agarwal

MEANING OF ASSIGNMENT OF LEASEHOLD RIGHTS IN LAND

Grant of leasehold rights in land in 2018 for 99 years

Consideration of INR 30 crores

Assignment of leasehold rights in land in 2025

Consideration of INR 35 crores

★ Assignment of leasehold rights is not defined under any Act

BANK'S NOTICE & CO. PRIVATE LIMITED & CONFIDENTIAL, NOT FOR CIRCULATION

Date: July 25, 2025



Forthcoming Programs of Direct Taxes Professionals' Association



ज्ञानं एवमयं च न्यायार्थम्
Estd. 1982

PRESENTS

ANNUAL CONFERENCE 2025

TAX, TECH & TRANSFORMATION

REDEFINING PROFESSIONAL EXCELLENCE

SAVE THE DATE

SATURDAY, 23RD AUGUST, 2025

VENUE: TAJ BENGAL, KOLKATA

Direct Taxes Professionals' Association

3, Govt. Place (West),
Income Tax Building, Ground Floor,
Kolkata - 700 001

Ph. (033) 2242-0638, 4003-5451
E-mail : dtpakolkata@gmail.com
Website: www.dtpa.org



ANNUAL CONFERENCE 2025 TAX, TECH & TRANSFORMATION REDEFINING PROFESSIONAL EXCELLENCE



SATURDAY, 23RD AUGUST, 2025 AT HOTEL TAJ BENGAL, KOLKATA

Dear Sirs,

Please register me as a delegate for the Annual Conference - 2025 to be held on Saturday, 23rd August, 2025

Registration form with fields: Name of Delegate (In Block Letters), Organisation, GST Registration No., Address, Phone, Mobile, Email ID

DELEGATE FEE (Incl. GST):

₹2200/- (till 31st July) | ₹2500/- (from 1st Aug)

NO SPOT REGISTRATION

I am sending herewith my Registration Fee by Cash/Online/Cheque No. dated ₹..... drawn on in favour of DIRECT TAXES PROFESSIONALS' ASSOCIATION

For Online Payment:

A/c. Name: DIRECT TAXES PROFESSIONALS' ASSOCIATION IDBI Bank, A/c. No. 0060102000138185, IFSC - IBKL0000060

Note - In case of RTGS/ NEFT/ IMPS payment, delegates are requested to please send the details of payment to dtpakolkata@gmail.com



3, Govt. Place (West), Income Tax Building, Ground Floor, Kolkata - 700 001 Ph. (033) 2242-0638, 4003-5451 E-mail : dtpakolkata@gmail.com | Website: www.dtpa.org

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Forthcoming Programs of DTPA CA CPE Study Circle of ICAI



DTPA CA CPE Study Circle of EIRC of ICAI

Ph No :- 033 2242-0638/4003-5451

Email :- dtpacasc@gmail.com

Study Circle Meeting On:

Tax Audits u/s 44AB and 12A



SPEAKER

CA SANJAY BHATTACHARYA

"3 CPE HOURS"



Wednesday,
06 Aug, 2025



03:30 PM –
06:30 PM

PARTICIPATION CHARGES:

RS. 200/-



DTPA CONFERENCE HALL

**CA Barkha Agarwal
Convenor**

**CA Manju Lata Shukla
Deputy Convenor**



| | | | | |
|------------------------------|------------------|--------------------------|---|--|
| | | | | and not opted for QRMP Scheme. |
| | 28th August 2025 | July-25 | GSTR-11 | GSTR-11 for the m/o July 2025 (Statement of inward supplies by persons having Unique Identification Number (UIN)). |
| Statute | Due dates | Compliance Period | Details | |
| Prof. Tax on Salaries | 21st August 2025 | July-25 | Professional Tax (PT) on Salaries for July 2025 | |
| ESI & PF | 15th August 2025 | July-25 | Provident Fund (PF) & ESI Returns and Payment for July 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 from you will guide us to move further and motivate in touching new heights in professional excellence.



Compliance Calendar for September, 2025

| Statute | Due dates | Compliance Period | Details |
|----------------------|---------------------|--|---|
| Income Tax Act, 1961 | 07th September 2025 | August-2025 | Securities Transaction Tax - Due date for deposit of tax collected for the month of August, 2025 |
| | 07th September 2025 | August-2025 | Commodities Transaction Tax - Due date for deposit of tax collected for the month of August, 2025 |
| | 07th September 2025 | August-2025 | 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 August, 2025 |
| | 07th September 2025 | August-2025 | Collection and recovery of equalisation levy on specified services in the month of August, 2025 |
| | 07th September 2025 | August-2025 | Due date for deposit of Tax deducted/collected for the month of August 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 September 2025 | August-2025 | Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M and 194S in the month of July, 2025. |
| | 15th September 2025 | FY 2024-25 | Return of income for the Assessment Year 2025-26 for all assessee other than (a) corporate assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) working partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A applies to such spouse or (d) an assessee who is required to furnish a report under section 92E. |
| | 15th September 2025 | FY 2024-25 | Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Payment of Self-Assessment Tax (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Certificate under sub-section (3) of section 80QQB for authors of certain books in receipt of royalty income, etc. (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Certificate under sub-section (2) of section 80RRB for Patentees in receipt of royalty income, etc. (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Report under section 80LA(3) of the Income-tax Act, 1961 (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Taxation of income from retirement benefit account maintained in a notified country (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Certificate of foreign inward remittance (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Certificate of the medical authority for certifying person with disability, severe disability, autism, cerebral palsy and multiple disability for purposes of section 80DD and section 80U (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Application for exercise of option under sub-section (5) of section 115BAD of the Income-tax Act, 1961 (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Statement of Exempt income under clause (4D) of section 10 of the Income-tax Act, 1961 (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Statement of income of a Specified fund eligible for concessional taxation under section 115AD of the Income-tax Act, 1961 (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Annual Statement of Exempt Income under sub-rule (2) of rule 21AJA and taxable income under sub-rule (2) of rule 21AJAA (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Statement of exempt income under clause (23FF) of section 10 of the Income-tax Act, 1961 (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Form for opting for taxation of income by way of royalty in respect of Patent (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Income attributable to assets located in India under section 9 of the Income-tax Act, 1961 (if due date of submission of return of income is July 31, 2025) |
| | 15th September 2025 | FY 2024-25 | Particulars to be furnished under clause (b) of sub-section (1B) of section 10A of the Income-tax Act, 1961 (if due date of submission of return of income is July 31, 2025) |
| 15th September 2025 | FY 2024-25 | Details of amount attributed to capital asset remaining with the specified entity (if due date of submission of return of income is July 31, 2025) | |
| 15th September 2025 | FY 2024-25 | Declaration to be filed by the assessee claiming deduction under section 80GG (if due date of submission of return of income is July 31, 2025) | |



| | | |
|---------------------|------------|--|
| 15th September 2025 | FY 2024-25 | Form for furnishing particulars of income under section 192(2A) for claiming relief u/s 89 (if due date of submission of return of income is July 31, 2025) |
| 15th September 2025 | FY 2024-25 | Authorization for claiming deduction in respect of any payment made to any financial institution located in a Notified jurisdictional area. (if due date of submission of return of income is July 31, 2025) |
| 15th September 2025 | FY 2024-25 | Certificate of accountant in respect of compliance to the provisions of clause (23FE) of section 10 of the Income-tax Act, 1961 by the notified Pension Fund |
| 15th September 2025 | FY 2024-25 | Application for exercise of option under clause (i) of sub-section (6) of section 115BAC or withdrawal of option under the proviso to sub-section (6) of section 115BAC of the Income-tax Act, 1961 (if due date of submission of return of income is July 31, 2025) |
| 15th September 2025 | August-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 August, 2025 |
| 15th September 2025 | August-25 | Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of August, 2025. |
| 15th September 2025 | FY 2025-26 | Second instalment of advance tax for the assessment year 2026-27 |
| 15th September 2025 | August-25 | Due date for furnishing statement in Form no. 3BC by a recognized association in respect of transactions in which client codes have been modified after registering in the system for the month of August, 2025 |
| 15th September 2025 | FY 2024-25 | Certificate of accountant in respect of compliance to the provisions of clause (23FE) of section 10 of the Income-tax Act, 1961 by the notified Pension Fund |
| 30th September 2025 | August-25 | Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA, 194-IB, 194-M and 194-S for the month of August 2025. |
| 30th September 2025 | FY 2024-25 | Due date for filing of audit report under section 44AB for the Assessment Year 2025-26 in the case of a corporate assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2025 |
| 30th September 2025 | FY 2024-25 | Audit Report under clause (ii) of section 115VW of the Income-tax Act, 1961 (if due date of submission of return of income is October 31, 2025) |
| 30th September 2025 | FY 2024-25 | Audit report under clause (b) of the tenth proviso to clause (23C) of section 10 and sub-clause (ii) of clause (b) of subsection (1) of section 12A of the Income-tax Act, 1961, in the case of a fund or trust or institution or any university or other educational institution or any hospital or other medical institution. (if due date of submission of return of income is October 31, 2025) |
| 30th September 2025 | FY 2024-25 | Audit report under clause (b) of the tenth proviso to clause (23C) of section 10 and sub-clause (ii) of clause (b) of sub-section (1) of section 12A of the Income-tax Act, 1961, in the case of a fund or trust or institution or any university or other educational institution or any hospital or other medical institution which is required to be furnished under clause (b) of the tenth proviso to clause (23C) of section 10 or a trust or institution which is required to be furnished under sub-clause (ii) of clause (b) of section 12A (if due date of submission of return of income is October 31, 2025) |
| 30th September 2025 | FY 2024-25 | Audit report under sections 80-I(7)/ 80-IA(7)/ 80-IB/ 80-IC/80-IAC/80-IE (if due date of submission of return of income is October 31, 2025) |
| 30th September 2025 | FY 2024-25 | Report under section 80JJAA of the Income-tax Act, 1961 (if due date of submission of return of income is October 31, 2025 |
| 30th September 2025 | FY 2024-25 | Certificate to be issued by accountant under clause (23FF) of section 10 of the Income-tax Act, 1961 (if due date of submission of return of income is October 31, 2025) |
| 30th September 2025 | FY 2024-25 | Verification by an Accountant under sub-rule (3) of rule 21AJA Verification (if due date of submission of return of income is October 31, 2025) |
| 30th September 2025 | FY 2024-25 | Report under section 115JB of the Income-tax Act, 1961 for computing the book profits of the company (if due date of submission of return of income is October 31, 2025) |
| 30th September 2025 | FY 2024-25 | Report under section 115JC of the Income-tax Act, 1961 for computing Adjusted Total Income and Alternate Minimum Tax of the person other than a company (if due date of submission of return of income is October 31, 2025 |
| 30th September 2025 | FY 2024-25 | Due date for filing audit report under section 33AB(2) & 33ABA(2) (if due date of submission of return of income is October 31, 2025 |
| 30th September 2025 | FY 2024-25 | Audit Report under section 35D(4)/35E(6) of the Income- tax Act, 1961 (if due date of submission of return of income is October 31, 2025) |
| 30th September 2025 | FY 2024-25 | Statement regarding preliminary expenses incurred to be furnished under proviso to clause (a) of sub-section (2) of section 35D of the Income-tax Act, 1961 by the assessee (if due date of submission of return of income is October 31, 2025) |
| 30th September 2025 | FY 2024-25 | Audit report under sub-section (2) of section 44DA of the Income-tax Act, 1961 (if due date of submission of return of income is October 31, 2025) |



| | | | | |
|------------------------------|---------------------|--------------------------|---|--|
| | 30th September 2025 | FY 2024-25 | Report of an accountant to be furnished by an assessee under sub-section (3) of section 50B of the Income -tax Act, 1961 relating to computation of capital gains in case of slump sale (if due date of submission of return of income is October 31, 2025) | |
| | 30th September 2025 | FY 2024-25 | Application for exercise of option under clause (2) of the Explanation to sub-section (1) of section 11 of the Income - tax Act, 1961 (if the assessee is required to submit return of income on November 30, 2025) | |
| | 30th September 2025 | FY 2024-25 | Audit report to be filed by the Sovereign Wealth Fund claiming exemption under clause (23FE) of section 10 of the Income -tax Act, 1961. (if due date of submission of return of income is October 31, 2025) | |
| | 30th September 2025 | FY 2024-25 | Statement to be furnished to the Assessing Officer/Prescribed Authority under clause (a) of the Explanation 3 to the third proviso to clause (23C) of section 10 or under clause (a) of sub-section (2) of section 11 of the Income-tax Act, 1961 (if the assessee is required to submit return of income on November 30, 2025) | |
| | 30th September 2025 | FY 2024-25 | Certificate from the principal officer of the amalgamated company and duly verified by an accountant regarding achievement of the prescribed level of production and continuance of such level of production in subsequent years.(if due date of submission of return of income is October 31, 2025) | |
| | 30th September 2025 | FY 2024-25 | Report under section 10AA of the Income -tax Act, 1961 (if due date of submission of return of income is October 31, 2025) | |
| Statute | Due dates | Compliance Period | Return | Turnover/Complying Taxpayer |
| GST | 10th September 2025 | August-25 | GSTR-7 | Monthly Return by Tax Deductor for August 2025 |
| | 10th September 2025 | August-25 | GSTR-8 | Monthly Return by E-Commerce Operators for August 2025 |
| | 11th September 2025 | August-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 September 2025 | August-25 | GSTR-5 | Summary of Outward taxable supplies and tax payable by a non-resident taxable person |
| | 13th September 2025 | August-25 | GSTR-6 | Details of ITC received and distributed by an ISD |
| | 20th September 2025 | August-25 | GSTR-5A | Summary of outward taxable Supplies and tax payable by a Person supplying OIDAR services |
| | 20th September 2025 | August-25 | GSTR-3B | Due Date for filling GSTR – 3B return for the month of August 2025 for the taxpayer with Aggregate turnover exceeding INR 5 crores during previous year |
| | 20th September 2025 | August-25 | GSTR-3B | Due Date for filling GSTR – 3B return for the month of August 2025 for the taxpayer with Aggregate turnover less than INR 5 crores during previous year and not opted for QRMP Scheme. |
| | 28th September 2025 | August-25 | GSTR-11 | GSTR-11 for the m/o August 2025 (Statement of inward supplies by persons having Unique Identification Number (UIN)). |
| Statute | Due dates | Compliance Period | Details | |
| Prof. Tax on Salaries | 21st September 2025 | August-25 | Professional Tax (PT) on Salaries for August 2025 | |
| ESI & PF | 15th September 2025 | August-25 | Provident Fund (PF) & ESI Returns and Payment for August 2025 | |



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

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:

- | | |
|--|---|
| <ul style="list-style-type: none">● Direct Taxes● GST & Indirect Taxes● Corporate & Allied Laws● Information Technology | <ul style="list-style-type: none"><input type="checkbox"/> International Taxation<input type="checkbox"/> Accountancy and Audit<input type="checkbox"/> Insolvency and Bankruptcy<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**
- 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 and at Mob: 9830255500 / 9831016678

Thanks and Regards,

CA. Barkha Agrawal

President-DTPA

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Rewarding Excellence in Writing: DTPA'S Monthly Journal- Article Writing

As part of our on-going efforts to promote knowledge sharing and excellence in writing, the DTPA Monthly Journal Sub-Committee is pleased to announce a special reward scheme for our article writers.

Reward Scheme:

To encourage and recognize outstanding contributions to our Monthly E-Journal, we will be rewarding the best 3 (three) article writers of the year for the month commencing from June 2025 and onwards with Memento and Certificate of Appreciation in our forthcoming Annual General Meeting.

Eligibility Criteria:

- Submit on Time**
Submit their articles by 5th day of the month for which the publication is released. For example, for the month of September 2025 E-Journal Publication, articles will have to be submitted by 5th September 2025.
- Meet Standards**
Ensure that their articles meet the journal's editorial standards and guidelines and should be their own articles.
- Eligibility**
Not be the members of the DTPA Monthly Journal's editorial team.

Selection Process:

The DTPA Editorial Board will review and evaluate all eligible articles based on their content, quality, and relevance to the Monthly Journal's theme. The best 3 (three) articles will be selected for the rewards.

Timeline:



We look forward to receiving high-quality articles from our Members and/or writers and recognizing their excellence through this reward scheme.

Thanks and Regards

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Reward Scheme for Best 3 (Three) Readers' Feedback for our Monthly Journal

We are excited to announce a reward scheme to recognize and appreciate our valued readers who take their valuable time to provide us with their thoughtful feedback.

Objective:

The objective of this reward scheme is to encourage our readers to share their opinions, suggestions, and ideas on how we can improve our content and better serve their needs.

Eligibility:

All readers who provide feedback on our content during the specified period (within last date of the month for which the Journal is published) are eligible to participate in this reward scheme. For example, 31st August 2025 is the last date for feedback in respect of our E-Journal of August 2025.

Reward Structure:

The best three readers who provide the most valuable and insightful feedback will be rewarded with memento and Certificate of Appreciation in our forthcoming Annual General Meeting.



Selection Criteria:

The DTPA Editorial Board will review and evaluate the feedbacks received. The best 3 (three) feedbacks will be selected for the rewards.

The winners will be selected based on the quality, relevance, and usefulness of their feedback.

Timeline:

This scheme commences w.e.f. our Monthly Journal already published for May 2025 and onwards.

How to Participate:

To participate, we would request you to simply provide your feedback through our email, i.e. dtpaejournal@gmail.com and/or at Mob: 9830255500/9836189880 latest by last date of the month for which the Journal is published.

We look forward to receiving your valuable feedback and rewarding our top three readers!

Thank you for your continued support!

Thanks and Regards

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|---|---|---|
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- 1.11 ICAI issues guidelines to limit no. of tax audit assignments to 60 per partner of CA firm - **NOTIFICATION F. NO. 1-CA(7)/234/2025, DATED 25-07-2025**

Editorial Note: The ICAI has issued new guidelines capping the number of tax audits under Section 44AB to 60 per Chartered Accountant per financial year, effective 01.04.2026. For firms, the limit is 60 audits per partner. Audits of head offices and branch offices are counted as one assignment. Part-time partners are excluded from the audit count. These guidelines supersede all previous ones.

- 1.12 CBDT relaxes time limit for processing of ITRs which were incorrectly invalidated by CPC - **CIRCULAR NO. 10/2025[F. NO. 225/30/2025/ITA-II], DATED 28-07-2025**

Editorial Note: The CBDT has decided to relax the time frame for processing the returns filed electronically for different assessment years due to various technical reasons. The Board has directed that returns of income filed electronically up to 31.03.2024, which have been erroneously invalidated by CPC, shall now be processed. The intimation under section 143(1) in respect of processing of such returns shall be sent to the assessee concerned by 31.03.2026.

- 1.13 CBDT notifies amendment in Rule 21AK to include over-the-counter derivatives under section 10(4E) - **NOTIFICATION G.S.R. 503(E) [No. 126/2025/F. NO. 370142/26/2025-TPL], DATED 28-07-2025**

Editorial Note: The Finance Act 2025 amended section 10(4E) to exempt income of non-residents from transfer or distribution of over-the-counter derivatives entered into with FPIs in IFSC, subject to prescribed conditions. The CBDT amended rule 21AK to incorporate the amendment.

- 1.14 Taxmann and EY India launch AI-powered platform to transform tax research and drafting

Editorial Note: Taxmann, India's premier legal content authority with over six decades of trusted service, announced the launch of Taxmann.AI, in collaboration with EY India. Taxmann.AI is an advanced AI-powered platform designed for tax and legal professionals, offering research, document analysis, and response generation capabilities built on EY's cutting-edge technology platform for the Tax domain.

- 1.15 Select Committee presented report on the Income-Tax Bill, 2025 in Lok Sabha

Editorial Note: The Income-Tax Bill, 2025 was referred to a Select Committee to simplify the complex and outdated 1961 Act. The Committee reviewed the Bill clause-by-clause to ensure clarity, legal soundness, and alignment with its intended objectives, and submitted its Report in the Lok Sabha

- 1.16 Strategic Advice or Business Control? Apex Court draws the line in the Hyatt case

Editorial Note: The Supreme Court of India, in its recent pronouncement in Hyatt International Southwest Asia Ltd. [2025] 176 taxmann.com 783 (SC), has delivered a vital ruling affirming the existence of its Permanent Establishment (PE) in India.

- 1.17 ICAI issues guidance note on tax audit under section 44AB

Editorial Note: Amid recent changes in Form No. 3CD and amendments introduced by the Finance (No. 2) Act, 2024 and Finance Act, 2025, the Direct Taxes Committee of ICAI has released the Revised (2025) edition of the Guidance Note on Tax Audit under Section 44AB of the Income-tax Act, 1961.

2. SUPREME COURT

SECTION 2(15) OF THE INCOME-TAX ACT, 1961 - CHARITABLE PURPOSE

- 2.1 SLP dismissed against order of High Court that where assessee-trust professionally organized Garba events during Navratri, such activities could not be termed as business and were thus not hit by proviso to section 2(15), making assessee eligible for exemption under sections 11 and 12 - **Commissioner of Income-tax (Exemptions) Ahmedabad v. United Way of Baroda - [2025] 176 taxmann.com 624 (SC)**

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

- 2.2 SLP dismissed against order of High Court that where assessee, a Singapore based company, charged subscription fees for providing CRM services to its clients, since assessee provided access to its CRM application software through remote internet browser/server situated in Singapore and customers were provided access to application where they input, store and retrieve proprietary data, but there was no transfer of copyright in CRM application software, subscription fee received to grant access to information forming part of assessee's database could not be taxed as royalty under section 9(1)(vi) as well as under India-Singapore DTAA - **Commissioner of Income-tax, International Taxation 3 v. Salesforce Com Singapore Pte Ltd. - [2025] 176 taxmann.com 132 (SC)**
- 2.3 SLP dismissed against order of High Court that DTAA is a sovereign document between two countries and thus DTAA to be considered in proceedings under section 201 - **Deputy Commissioner of Income-tax, International Taxation v. Vodafone Idea Ltd. - [2025] 176 taxmann.com 626 (SC)**
- 2.4 SLP dismissed against order of HC that payments made to non-resident telecom operators by assessee, telecommunication service provider, for providing interconnect services and transfer of capacity in foreign countries was not chargeable to tax as royalty as tax was not deductible when payment was made to non-resident telecom operator - **DCIT, International Taxation v. Vodafone Idea Ltd. - [2025] 176 taxmann.com 626 (SC)**



2.5 Where assessee, a Dubai based company, entered into an agreement with Indian hotel to provide strategic planning and 'know-how' to ensure that hotel was developed and operated efficiently, since assessee exercised pervasive and enforceable control over hotel's strategic, operational, and financial dimensions, hotel premises satisfied criteria required to be classified as a "fixed place of business" or PE within meaning of article 5(1) of DTAA and, thus, income received under SOSA was attributable to such PE and was taxable in India - **Hyatt International Southwest Asia Ltd. v. Additional Director of Income-tax** - [2025] 176 taxmann.com 783 (SC)

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

2.6 SLP dismissed against order of High Court that where assessee entered into an MoU with its sister concern NKPL for export of FSG Oil, and NKPL raised debit notes for price shortfall due to quality differences amounts which were already offered to tax by NKPL, assessee's claim of such debit notes as business expenditure under section 37(1) was allowable, as disallowing it would result in double taxation - **Principal Commissioner of Income-tax 3 v. N.K. Industries Ltd.** - [2025] 176 taxmann.com 131 (SC)

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

2.7 SLP dismissed on ground of delay against order of High Court that Section 50C, on its plain language, is clearly concerned with vendor or seller of property in question and said provision can have no application to a purchaser - **Principal Commissioner of Income-tax v. Sharan Svadha LLP** - [2025] 176 taxmann.com 477 (SC)

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

2.8 SLP dismissed against order of High Court that money received on issue of shares at premium would be on capital account and would not give rise to any income - **Deputy Commissioner of Income-tax v. Shendra Advisory Services P. Ltd.** - [2025] 176 taxmann.com 719 (SC)

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

2.9 SLP dismissed against order of High Court that where assessee-company received funds against sale transactions during Assessment Year 2011-12 and entire amount was utilized in regular business and sales were recorded as income, Assessing Officer erred in treating entire sum as unexplained cash credit under section 68 - **Principal Commissioner of Income-tax 3 v. N.K. Industries Ltd.** - [2025] 176 taxmann.com 131 (SC)

2.10 SLP dismissed against order of High Court that where Assessing Officer reopened assessment on ground that assessee had not accounted huge amount of Rs. 5.53 crores received in cash from purchaser of immovable property, since alleged transaction of sale of property had never taken place and no income had accrued to assessee on account of transfer of a capital asset either by way of sale deed or handing over possession pursuant to agreement to sell, impugned reopening notice issued against assessee was not tenable in law - **Income-tax Officer v. Asefa Zohar Malampattiwala** - [2025] 176 taxmann.com 475 (SC)

2.11 SLP dismissed against order of High Court that where Assessing Officer issued a reopening notice on ground that entire amount of Rs. 98.04 lakhs received by assessee through Client Code Modification (CCM) was undisclosed income, since net income from buy and sell transactions amounted to only Rs. 77,280, which was less than maximum amount which was not chargeable to income tax for assessment year in question, no income chargeable to tax had escaped assessment in assessee's hand - **Income-tax Officer v. Ram Nebhnani HUF** - [2025] 176 taxmann.com 623 (SC)

2.12 SLP dismissed against order of High Court that where Assessing Officer reopened assessment of assessee on ground that assessee had claimed non-genuine capital gain on sale of share of a company, since even if addition was made as proposed by Assessing Officer, being income escaped from assessment, there would not be any taxable income after proposed addition as income would be taxed under section 115JB, impugned reassessment notice was quashed and set aside - **Assistant Commissioner of Income-tax v. Adeshwara Cement Co. (P.) Ltd.** - [2025] 176 taxmann.com 717 (SC)

2.13 SLP dismissed against order of High Court that where Assessing Officer treated entire share premium received by assessee as unexplained cash credit under section 68 on ground that there was violation of provisions of section 78(2) of Companies Act, 1956, since Income-tax Act does not stipulate that non-compliance of any provision of other Act would result in turning a capital receipt into a revenue receipt, it would not turn share premium amount received into a revenue receipt - **DCIT v. Shendra Advisory Services P. Ltd.** - [2025] 176 taxmann.com 719 (SC)

SECTION 127 OF THE INCOME-TAX ACT, 1961 - INCOME-TAX AUTHORITIES - POWER TO TRANSFER CASES

2.14 SLP dismissed against order of HC that where revenue transferred assessment of assessee from Vadodara to DCIT, Pune on ground that assessee was having significant suspicious cash transactions with an entity which was assessed with DCIT, Pune and, therefore, case of assessee was to be transferred to Pune for centralisation for co-ordinated investigation, since assessee had not denied transactions entered into by assessee with said entity in Pune, impugned order of transfer would not be interfered with - **Vishal Darshanlal Talreja v. PCIT** - [2025] 176 taxmann.com 625 (SC)



SECTION 132B OF THE INCOME-TAX ACT, 1961 - SEARCH AND SEIZURE - RETAINED ASSETS, APPLICATION OF

- 2.15 SLP dismissed against order of High Court that where search was conducted by Income Tax authorities situated in State of Haryana and seizure of material had also been effected by them, writ petition filed before Delhi High Court seeking release of jewellery and bullion seized during search would not be maintainable - **Pavel Garg v. Income-tax Department - [2025] 176 taxmann.com 307 (SC)**

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

- 2.16 SLP dismissed against order passed by High Court that where assessee filed instant writ petition, inter alia, impugning an assessment order passed under section 147 read with sections 144 and 144B, since assessee had an efficacious remedy of an appeal before Appellate Authority, writ petition was not to be entertained - **Manju Arora v. Income-tax Officer - [2025] 176 taxmann.com 551 (SC)**

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

- 2.17 SLP dismissed against order of High Court that where Assessing Officer issued a notice under section 148 on basis of information that assessee had entered into transaction of Rs. 62.77 crores in form of inward and outward remittances, since assessee had produced all details of foreign remittance during course of regular assessment, impugned notice issued on change of opinion and only on borrowed satisfaction without there being any fresh tangible material was quashed and set aside - **Deputy Commissioner of Income-tax v. Gokul Agro Resources Ltd. - [2025] 176 taxmann.com 718 (SC)**
- 2.18 SLP dismissed against order of High Court that reassessment notice issued under section 148 to assessee after approval of resolution plan by NCLT for a period prior to approval of resolution plan of assessee was quashed - **Assistant Commissioner of Income-tax v. Uttam Galva Metallics Ltd. - [2025] 176 taxmann.com 763 (SC)**

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

- 2.19 SLP dismissed against High Court order that where Assessing Officer had issued notice under section 148A(b) to assessee giving only five days' time to assessee to submit a response to said notice, impugned notice was set aside and Assessing Officer was directed to consider reply already filed by assessee and pass an appropriate order - **Anuj Ghuliani v. Income-tax Officer - [2025] 176 taxmann.com 214 (SC)**

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

- 2.20 SLP dismissed against order of High Court that where there is incriminating material seized or requisitioned belonging or relatable to person other than on whom search is conducted, section 153C and not section 148 is to be resorted to - **Assistant Commissioner of Income-tax v. Pramod Jain - [2025] 176 taxmann.com 762 (SC)**

SECTION 276B OF THE INCOME-TAX ACT, 1961 - OFFENCE AND PROSECUTION - FAILURE TO PAY TAX ON DISTRIBUTED PROFITS OF DOMESTIC COMPANIES/DEDUCTED AT SOURCE

- 2.21 SLP dismissed against order of High Court that where assessee had belatedly remitted TDS amount, due to fact that concerned staff who was looking after accounts left concern on maternity leave, however, assessee had subsequently rectified delay and remitted tax amount, proceedings under section 276B read with section 278AA were to be quashed - **Income-tax Officer v. Sengoda Gounder Educational and Charitable Trust - [2025] 176 taxmann.com 476 (SC)**

3. HIGH COURT

SECTION 2(14) OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - CAPITAL ASSET

- 3.1 Where Assessing Officer issued notice under section 148A on ground that assessee had not paid tax on difference between purchase price and stamp duty value of agricultural land, since land was located beyond 8 km from local limits of municipality or cantonment board which had a population of not more than ten thousand, it did not fall within ambit of 'capital asset' as contemplated in terms of section 2(14) and, therefore, impugned notice was to be quashed being issued without conducting proper verification - **Hrishikesh v. Principal Commissioner of Income-tax - [2025] 175 taxmann.com 1062 (Bombay)**
- 3.2 Where Assessing Officer treated profit on sale of land as business income on ground that land was barren and was purchased with an intention to resell, considering business potential of surrounding area, however, Tribunal noted that land in question had always been classified as agricultural land in revenue records and agricultural activities were being carried out on said land and assessee had fairly established that land was agricultural land, impugned order passed by Tribunal did not require any interference - **Commissioner of Income-tax v. Pandit Vettrivel - [2025] 176 taxmann.com 61 (Madras)**

SECTION 2(22) OF THE INCOME-TAX ACT, 1961 - DEEMED DIVIDEND

- 3.3 Trade advances, which are in nature of commercial transactions would not fall within ambit of word 'advance' in section 2(22)(e) - **Prasad Film Laboratories (P.) Ltd. v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 255 (Telangana)**



SECTION 2(31) OF THE INCOME-TAX ACT, 1961 - PERSON

- 3.4 Minor, even an orphan, would qualify as an individual for purpose of income tax liability - *Dyutit Mittal v. Union of India* - [2025] 176 taxmann.com 416 (Delhi)

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

- 3.5 Where assessee-company set up a new manufacturing unit in a specified backward area of State and received sales tax incentive from State Government, since purpose of scheme was to promote setting up of new industrial units and not to assist assessee to make business more profitable, incentive/subsidy received by assessee would be on capital account - *Bajaj Auto Ltd. v. Deputy Commissioner of Income-tax* - [2025] 176 taxmann.com 104 (Bombay)

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

- 3.6 Where assessee, a Singaporean company, proposed to purchase shares of an Indian company, from its US affiliate and had submitted an application seeking issuance of a Nil withholding tax certificate which was rejected for cost of acquisition of shares, since Assessing Officer was required to consider only value of shares at which they were proposed to be transacted and whether same would result in any capital gains and historical cost of acquisition cannot be re-worked for determining capital gains, matter was to be remanded for reconsideration - *Bray Controls South East Asia Pte Ltd v. CIT(International Taxation) - 1* - [2025] 176 taxmann.com 515 (Delhi)
- 3.7 Where assessee, a UK based company, provided services of generating electronic invoices compliant with local laws through its secure platform and granted license to an Indian company to use assessee's e-portal/software, without transferring any technology and, make available condition necessary for consideration to be construed as FTS under India-UK DTAA was not satisfied, payments received by assessee for rendering services could not be considered as FTS within meaning of paragraph 4 of article 13 of India-UK DTAA and, thus, said receipts were not chargeable to tax under Income-tax Act - *Tungsten Automation England Ltd. v. DCIT (International Taxation)* - [2025] 176 taxmann.com 497 (Delhi)
- 3.8 Where assessee, a Japanese company, received certain amount in terms of an arbitral award from its Indian AEs, since amount awarded was against its claims for payment of supplies which was accepted by Arbitral Tribunal, receipts in hands of assessee were inextricably linked to its business, and thus, in absence of any PE of assessee in India, as per Article 7 of India Japan DTAA, same would not be chargeable to tax in India - *CIT v. Fujitsu Ltd.* - [2025] 176 taxmann.com 516 (Delhi)

- 3.9 Where Assessing Officer initiated reassessment proceedings in case of assessee when assessment proceedings were ongoing and brought to tax CRM receipts and further during reassessment treated said CRM receipts as FTS, since there was no question of income escaping assessment prior to conclusion of assessment proceedings, impugned reassessment order was result of culmination of proceedings that were initiated and continued without any jurisdiction and same was to be set aside - *Salesforce.com Singapore Pte. Ltd. v. Deputy Commissioner of Income-tax, International Taxation* - [2025] 176 taxmann.com 660 (Delhi)

SECTION 10(34) OF THE INCOME-TAX ACT, 1961 - DIVIDENDS REFERRED TO IN SECTION 115-O

- 3.10 Where assessee claimed exemption under section 10(34) in respect of dividend income received from a trust formed pursuant to merger, and all relevant facts were disclosed and accepted in scrutiny asst. u/s. 143(3), reassessment initiated after four years based merely on change of opinion that trust was not a company and not covered u/s. 115-O was held to be without jurisdiction - *Bharat Petroleum Corporation Ltd. v. Asst. CIT* - [2025] 176 taxmann.com 103 (Bombay)

SECTION 10(37) OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS ARISING FROM TRANSFER OF AGRICULTURAL LAND

- 3.11 Where Tribunal had not considered issue of tax liability on compensation received by assessee for acquisition of land by NHAI on merits and dismissed appeal by observing that earlier Tribunal had already dismissed appeal of assessee while affirming order of Principal Commissioner u/s. 263, matter was to be remanded to Tribunal to decide issue afresh - *Raipur Reality (P.) Ltd. v. ITO* - [2025] 176 taxmann.com 63 (Chhattisgarh)

SECTION 10(38) OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - INCOME ARISING FROM TRANSFER OF LONG TERM SECURITIES

- 3.12 Where AO reopened assessment on basis of information received from Investigation Wing that assessee had claimed an exemption u/s. 10(38) on long term capital gain arising on sale of shares of a company, however, it was clear from records that there had been no LTCG by assessee in shares of said company as alleged by AO, impugned reopening of assessment was unjustified - *PCIT v. Nikunj Dhanuka* - [2025] 176 taxmann.com 60 (Calcutta)

SECTION 11 OF THE INCOME-TAX ACT, 1961 - CHARITABLE OR RELIGIOUS TRUST - EXEMPTION OF INCOME FROM PROPERTY HELD UNDER

- 3.13 Where assessee-trust filed Form 10B with a delay of 24 days and application for condonation was rejected on ground that same was filed 9 months later, since if said delay was not condoned, there would be genuine hardship to assessee inasmuch as it would be denied exemption otherwise claimed under section 11 which was a substantial amount, thus, delay in filing Form 10B was to be condoned - *Mirae Asset Foundation v. PCIT - 6, Mumbai* - [2025] 176 taxmann.com 345 (Bombay)



3.14 Where assessee-trust filed its return claiming exemption under section 11 and query regarding accumulation/deemed application under section 11(2) was specifically raised by Assessing Officer during original scrutiny proceedings and those queries were answered by assessee by clearly bringing to notice of Assessing Officer that it had claimed deemed application/accumulation under section 11(2), there was no failure on part of assessee to fully and truly disclose all material facts necessary for assessment year 2013-14 which would give jurisdiction to initiate reassessment proceedings under sections 147 and 148 - ***Symbiosis Open Education Society v. Assistant Commissioner of Income-tax, Exemption - [2025] 176 taxmann.com 401 (Bombay)***

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

3.15 Where there was a delay of 353 days in submitting audit report in Form 10B by petitioner-trust, since Commissioner had failed to consider application for condonation of delay in its right earnest under provisions of section 119(2)(b), matter was to be remitted to him to consider audit report in Form 10B furnished under rule 17B to claim exemption under section 12A - ***Society for Training Action Research and Rehabilitation v. Central Board of Direct Taxes - [2025] 176 taxmann.com 16 (Orissa)***

3.16 Where assessee-trust filed its return of income within time and audit report in Form 10B was uploaded online by its auditor, but due to inadvertence during Covid-19 pandemic, e-verification of audit report was not done within stipulated time, and assessee verified it promptly upon becoming aware of lapse, Commissioner ought to have condoned delay in light of CBDT Circular No. 16/2024 dated 18-11-2024 - ***Kotak Family Foundation v. Commissioner of Income-tax (Exemption) - [2025] 176 taxmann.com 56 (Bombay)***

3.17 Where registration u/s. 12AA was granted during pendency of appeal before Tribunal, such appeal was deemed continuation of assessment proceedings, and assessee was entitled to retrospective exemption u/s. 11 and 12 by virtue of first proviso to section 12A(2) - ***Chhattisgarh Rajya Open School Madhyamik Siksha Mandal v. Dy. CIT, Exemption - [2025] 176 taxmann.com 49 (Chhattisgarh)***

3.18 Where assessee filed audit report in Form 10B for claiming exemption u/s. 12A with a delay of 30 days and Commissioner (Exemption) rejected application for condonation of delay, since at time when audit report was to be filed, Covid-19 pandemic was prevailing which contributed to non-filing and there being genuine hardship faced by assessee during relevant period, matter was to be remitted back to consider audit report to claim exemption u/s. 12A - ***Institute of Rural Development Programme v. Commissioner of Income-tax - [2025] 176 taxmann.com 519 (Orissa)***

SECTION 12AA OF THE INCOME-TAX ACT, 1961 - CHARITABLE OR RELIGIOUS TRUST - REGISTRATION PROCEDURE

3.19 Where assessee-trust, formed for charitable activity of education, filed an application for registration under section 12AA, fact that assessee sought registration after twenty years of executing trust deed could not be a bar for registration as there was no provision which required registration to be applied within an earlier period - ***Director of Income-tax Exemptions v. Trinity Educational Trust - [2025] 176 taxmann.com 562 (Madras)***

3.20 Where assessee-trust, formed for charitable activity of education, filed an application for registration under section 12AA, merely because lineal descendants of founder trustee would ipso facto become life trustees and one among them would be managing trustee, it could not mean that assessee-trust was not formed for benefit of general public, thus, registration was to be granted to assessee-trust - ***Director of Income-tax Exemptions v. Trinity Educational Trust - [2025] 176 taxmann.com 562 (Madras)***

3.21 Where assessee-trust's application for registration under section 12AA was rejected on ground that powers were given to trustee by way of a supplementary deed of trust, since trustees/creators of trust themselves issued supplementary deed, same should be read as part of original trust deed and there was no amendment to original trust deed, thus, registration was to be granted to assessee-trust - ***Director of Income-tax Exemptions v. Trinity Educational Trust - [2025] 176 taxmann.com 562 (Madras)***

3.22 Where assessee-trust's application for registration under section 12AA was rejected on ground that surplus income generated by trust gave an impression that trust was being run on commercial lines, since there was no provision in Act that to get registration under section 12A, a trust should be spending over 50 per cent of its income and merely because there was surplus in hands of assessee-trust, it could not be presumed that assessee-trust was running on commercial lines - ***Director of Income-tax Exemptions v. Trinity Educational Trust - [2025] 176 taxmann.com 562 (Madras)***

SECTION 29 OF THE PROHIBITION OF BENAMI PROPERTY TRANSACTIONS ACT, 1988 - POSSESSION OF THE PROPERTY

3.23 Where Initiating Officer, provisionally attached a sum of Rs. 1.90 crores and subsequently passed a confiscating order, petitioner claimed that it was unaware of any of proceedings and acquired knowledge pursuant to notice received for possession of a confiscated property, since matter related to confiscation, it was necessary to put petitioner to terms so as to test out bona fides of petitioner and petitioner was to be directed to deposit entire amount directed to be confiscated and notified for surrender - ***Startec Infradevelopers (P.) Ltd. v. Income-tax Officer (Benami Prohibition Unit) - [2025] 176 taxmann.com 328 (Calcutta)***

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



3.24 Where Assessing Officer had already examined issues like depreciation on self-constructed units, software, and income recognition during original assessment, reopening initiated against assessee on same grounds amounted to mere change of opinion and was held invalid. - **SI Property (Kerala) (P.) Ltd. v. Commissioner of Income-tax - [2025] 176 taxmann.com 165 (Kerala)**

3.25 Where Assessing Officer reopened assessment on ground that assessee did not reduce entire foreign exchange gain from actual cost of asset for claiming depreciation under section 32 and deduction under section 35 and also that assessee did not prove that it had opted to choose either duty drawback or DEPB/DFRC for purposes of deduction under section 80HHC, since assessee had furnished various details in respect of queries raised by Assessing Officer during original assessment proceedings, reassessment proceedings were not valid and reopening was based on change of opinion - **Commissioner of Income-tax v. Hyundai Motor India Ltd. - [2025] 176 taxmann.com 277 (Madras)**

SECTION 32AC OF THE INCOME-TAX ACT, 1961 - INVESTMENT IN NEW PLANT OR MACHINERY

3.26 Where assessee had disclosed all details regarding claim of deduction under section 32AC during original scrutiny proceedings, reassessment based on same material alleging ineligibility of LPG cylinders and regulators was a mere change of opinion and without jurisdiction - **Bharat Petroleum Corporation Ltd. v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 103 (Bombay)**

SECTION 36(1)(va) OF THE INCOME-TAX ACT, 1961 - EMPLOYEE'S CONTRIBUTIONS

3.27 Where Tribunal allowed deduction under section 36(1)(va) on ground that employee's share of EPF and ESI etc. was deposited prior to due date of filing of returns under section 139(1), subsequent ruling of Supreme Court in case of Checkmate Services (P.) Ltd. v. CIT [2022] 143 taxmann.com 178 could not be ground for invoking provisions of section 254(2) as no mistake apparent on record existed on date when original order was passed by Tribunal - **Prakash D. Koli v. ITAT - [2025] 176 taxmann.com 481 (Bombay)**

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

3.28 Where assessee, not being a money lender, advanced certain amount on interest and claimed deduction of amount written off as unrealizable on account of non-recovery of advances made to certain parties, since amount claimed as bad debt was never taken into account in computing income of assessee in any other previous years, impugned amount written off unrealized was rightly disallowed by AO - **Bharti Bhushan Jindal v. CIT, Ludhiana (Punjab) - [2025] 176 taxmann.com 295 (Punjab & Haryana)**

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

3.29 Where assessee claimed commission payment to two individuals for services allegedly rendered and authorities disallowed claim holding that said persons lacked knowledge of business and could not have rendered services, findings being factual, no substantial question of law arose to be answered - **Saigal Sea Trade v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 75 (Bombay)**

3.30 Where Assessing Officer disallowed 5 per cent of total expenses claimed by assessee on ground that not only these expenses had a certain personal element but also no log book was maintained of expenditure, findings of authorities below were purely factual in nature and did not give rise to any substantial question of law - **Saigal Sea Trade v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 75 (Bombay)**

3.31 Loss suffered by an assessee on account of foreign exchange difference as on date of balance sheet would constitute an item of expenditure under Section 37(1) - **Bajaj Auto Ltd. v. Deputy Commissioner of Income-tax - [2025] 176 taxmann.com 104 (Bombay)**

3.32 Where assessee, a regional rural bank, made provision for gratuity and leave encashment considering total strength of employees every year and amount debited in profit and loss account was purely expenditure incurred by assessee and paid by assessee during relevant year, impugned disallowance of deduction claimed on account of excess payment made towards gratuity and leave encashment was not justified - **Principal Commissioner of Income-tax v. Saurashtra Gramin Bank - [2025] 176 taxmann.com 327 (Gujarat)**

SECTION 41(1) OF THE INCOME-TAX ACT, 1961 - REMISSION OR CESSATION OF TRADING LIABILITY

3.33 Where assessee, engaged in business of breeding and selling racehorses, received insurance claim on account of death of its horses, since horses were treated as capital assets, impugned insurance claim was capital receipt governed by provisions of section 45(1), not chargeable to tax, and could not be treated as 'profits' under section 41(1) - **Poonawalla Estate Stud & Agricultural Farm v. Commissioner of Income-tax - [2025] 176 taxmann.com 308 (Bombay)**

3.34 Where assessee-company had made provisions for relatable liabilities raised by one, SICAL, and had also filed a civil suit for recovery of its dues from SICAL, since suit filed was sub-judice, it could not be inferred that liability of assessee in respect of payments to be made to SICAL had ceased/or been remitted and, therefore, provision of section 41(1) could not be invoked - **Commissioner of Income-tax v. Anand Transport - [2025] 176 taxmann.com 514 (Madras)**

SECTION 43(1) OF THE INCOME-TAX ACT, 1961 - ACTUAL COST



3.35 Where assessee was admitted as a partner in a firm and on 31-3-1984 a dissolution deed was executed by which, assessee took over entire asset and liability of firm, assessee would be entitled to claim depreciation on actual cost of asset which would be actual cost paid to erstwhile partners as per valuation that was done in April, 1982 when original partnership, which had five partners, was re-constituted - **Sundaram Spinning Mills (P) Ltd. v. Commissioner of Income-tax - [2025] 176 taxmann.com 664 (Madras)**

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

3.36 Where Assessing Officer allowed deduction claimed by assessee in respect of reversal/writing back of provision for liabilities under section 43B created in earlier assessment years, since Principal Commissioner in revision order did not deal with explanation offered by assessee that reversal of a provision which was not allowed as an expense when created by virtue of section 43B, could not now be brought to tax upon its reversal/write back, revisionary order was to be set aside - **Principal Commissioner of Income-tax v. Britannia Industries Ltd. - [2025] 176 taxmann.com 470 (Calcutta)**

SECTION 47 OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - TRANSACTIONS NOT REGARDED AS TRANSFER

3.37 Where Assessing Officer issued reopening notice on ground that assessee was a shareholder in a company which was converted into LLP and conversion of company into LLP by assessee was in breach of conditions laid down in section 47(xiiib), thus, same was to be regarded as transfer chargeable to capital gains under section 45, since there was nothing on record to show that there was failure on part of assessee to disclose truly and fully all material facts relevant for assessment, impugned reopening notice issued beyond period of four years was to be quashed and set aside - **Hetal Mayurkumar Patel v. Assistant Commissioner of Income-tax, Circle 3(1)(1) - [2025] 176 taxmann.com 244 (Gujarat)**

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

3.38 Where agreement for sale of property was executed before date of enhancement of circle rate and sale consideration was in line with circle rate prevailing at that time, subsequent increase in circle rate would have no bearing for purposes of section 50C - **Principal Commissioner of Income-tax v. Thomson Press (India) Ltd. - [2025] 176 taxmann.com 237 (Delhi)**

SECTION 54 OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - PROFIT ON SALE OF PROPERTY USED FOR RESIDENCE

3.39 Where petitioner, legal heir of late-assessee, availed exemption under section 54 by placing fixed deposits in name of legal heirs under CGAS, since amount invested by petitioner out of sale consideration received by late-assessee in their name being legal heirs was in accordance with conditions provided under section 54, Assessing Officer could not have reopened assessment on ground that investment made in name of legal heirs to claim exemption u/s. 54 would result into escapement of income - **Lata Kamalbhai Shah LH v. NFAC, Delhi - [2025] 176 taxmann.com 127 (Gujarat)**

3.40 Expression 'a residential house' in section 54, as it stood prior to 2014 amendment would mean that sale proceeds of one residential house could be used for purchase of multiple residential houses, hence, where assessee invested sale proceeds of his flat in Mumbai by joint venture agreement with a builder for acquisition/construction of seven row houses in Pune, he would be entitled to claim exemption u/s. 54 against entire capital gain arising out of sale of his flat - **Krishnagopal B. Nangpal v. DCIT - [2025] 176 taxmann.com 752 (Bombay)**

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

3.41 Where assessee had acquired leasehold/freehold land and building and property was valued on scientific basis after conducting due diligence by a registered valuer and all these facts were scrutinized by AO, Principal Commissioner could not have invoked his power u/s. 263 in respect of applicability of section 56(2)(x) on acquisition of leasehold land and building - **PCIT v. Britannia Industries Ltd. - [2025] 176 taxmann.com 470 (Calcutta)**

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

3.42 Where assessee-firm deposited huge cash in bank during demonetization period, since AO had not conducted verification of cash deposit made by assessee in bank account during demonetization period as per CBDT Instruction No. 04/2017 dated 3-3-2017, impugned revision notice issued by Principal Commissioner was justified - **Dayaram Brijbhukhandas v. PCIT - [2025] 176 taxmann.com 50 (Gujarat)**

3.43 Where assessee-company received share application money from five share applicant companies, since identity of share applicant companies and genuineness of transaction could not be disputed and source of share application money which had been received by assessee had already been taxed in hands of share applicants, no addition could be made u/s. 68 in hands of assessee - **PCIT 2 v. One Point Commercial (P) Ltd. - [2025] 176 taxmann.com 136 (Calcutta)**

3.44 Where AO reopened assessment on ground that assessee had received accommodation entries in form of unsecured loan from one SCPL, but Tribunal found that no such loan was taken by assessee and even assessee's name was wrongly recorded by AO, there was no justifiable ground to interfere with Tribunal's finding - **PCIT v. Emote Wealth (P) Ltd. - [2025] 176 taxmann.com 169 (Calcutta)**



SECTION 72 OF THE INCOME-TAX ACT, 1961 - LOSSES - CARRY FORWARD AND SET OFF OF BUSINESS LOSSES

3.56 Where assessee claimed set-off of brought forward business loss against STCG u/s. 50 arising from sale of depreciable business assets, since profit or gain to extent of recouped depreciation was in substance business income, assessee was entitled to such set-off - **Bojaraj Textile Mills Ltd. v. Asst. CIT - [2025] 176 taxmann.com 48 (Madras)**

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

3.57 Where scheme of restructuring approved by HC involved transfer of only specified assets and liabilities of two divisions of assessee to two companies, and consideration paid by resulting companies was not by issuance of any shares but in cash, conditions for a valid 'demerger' u/s. 2(19AA) were not fulfilled; hence, provisions of section 72A(4) were not attracted in relation to scheme of arrangement between assessee and two companies - **Pr. CIT v. NOCIL Ltd. - [2025] 176 taxmann.com 252 (Bombay)**

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

3.58 Where scheme of restructuring approved by HC involved transfer of only specified assets and liabilities of two divisions of assessee to two companies, and consideration paid by resulting companies was not by issuance of any shares but in cash, conditions for a valid 'demerger' u/s. 2(19AA) were not fulfilled; hence, provisions of section 72A(4) were not attracted in relation to scheme of arrangement between assessee and two companies - **Pr. CIT v. NOCIL Ltd. - [2025] 176 taxmann.com 252 (Bombay)**

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

3.59 Where assessee-trust engaged in educational activities by running an engineering college, enjoying exemption under section 80G(5)(vi), was denied renewal on ground of fee collection and alleged commercial activity, since nature of activities of assessee had remained same since its incorporation and it had been enjoying exemption in past, Tribunal was justified in allowing assessee's appeal - **Commissioner of Income-tax II v. P.S.Ramasamy Telugu Minority Educational and Charitable Trust - [2025] 176 taxmann.com 283 (Madras)**

SECTION 80-IB OF THE INCOME-TAX ACT, 1961 - DEDUCTIONS - PROFITS AND GAINS FROM INDUSTRIAL UNDERTAKINGS OTHER THAN INFRASTRUCTURE DEVELOPMENT UNDERTAKINGS

3.60 Flower bed area can not be included in definition of words 'built-up area' while calculating eligible limit of 1000 sq. ft. for purpose of allowing deduction under section 80-IB(10) - **Principal Commissioner of Income-tax, Central-2 v. Nahar Enterprises - [2025] 176 taxmann.com 570 (Bombay)**

3.61 Service area, window area, window projections and cupboard projections are not to be included in total area for determining 'built-up area' of flats constructed by assessee for purpose of calculating eligible limit of 1000 sq.ft. to allow deduction under section 80-IB(10) - **Principal Commissioner of Income-tax, Central-2 v. Nahar Enterprises - [2025] 176 taxmann.com 570 (Bombay)**

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

3.62 Cooperative bank is a cooperative society and interest earned from cooperative bank is eligible for deduction under section 80P(2)(d) - **Principal Commissioner of Income-tax 1 v. Rajkot Lodhika Sahakari Kharid Vechan Sangh Ltd. - [2025] 176 taxmann.com 71 (Gujarat)**

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

3.63 Where Tribunal remanded matter to Assessing Officer/TPO to apply most appropriate method for determining ALP and permitted assessee to raise all contentions afresh, final assessment order passed without issuing fresh draft assessment order under section 144C constituted incurable illegality vitiating assessment, as earlier draft ceased to exist upon remand; hence, assessment order was to be quashed - **Infinity Solar Solutions (P.) Ltd. v. Deputy Commissioner of Income-tax Corporate Circle - [2025] 176 taxmann.com 170 (Madras)**

3.64 Where assessee transferred power from its Captive Power Plants (CPPs) to non-eligible units and benchmarked transaction using internal CUP method adopting average annual landed cost of electricity paid by its manufacturing units to State Electricity Boards (SEBs), since CPPs were established for captive use and not for sale to SEBs, internal CUP was most appropriate method for determining ALP - **Principal Commissioner of Income-tax Central- 1 v. Rungta Mines Ltd. - [2025] 176 taxmann.com 410 (Calcutta)**

3.65 Where assessee filed writ and submitted that draft assessment order passed under section 144C(1) was not in conformity with order passed by TPO in regard to determination of ALP of international transaction, since assessee had an equally efficacious remedy to agitate issue before DRP or avail appellate remedies before Commissioner (Appeals), it would not be apposite to entertain this petition - **Idemia Syscom India (P.) Ltd. v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 667 (Delhi)**

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



3.66 Where assessee-company opted for taxation under section 115BAA and filed its return one day before due date of filing return, however, Form 10-IC was filed belatedly, since assessee had complied with all conditions as mentioned in Circular No. 19/2023 dated 23-10-2023, impugned delay in filing Form 10-IC was to be condoned - **Mirae Asset Venture Investments india (P.) Ltd. v. Principal Commissioner of Income-tax - [2025] 176 taxmann.com 405 (Bombay)**

3.67 Where assessee-company inadvertently failed to electronically file Form 10-IC within due date and filed belated Form and made an application under section 119(2)(b) to condone delay in filing such Form, since provisions of section 115BAA are in a way granting relief to assessee-companies to enable them to pay reduced rate of tax at 22 per cent, Principal Commissioner was required to consider facts of case and permit assessee to file a fresh Form 10-IC and condone delay in filing such Form - **Camino Herbal Remedies (P.) Ltd. v. Principal Commissioner of Income-tax - [2025] 176 taxmann.com 742 (Gujarat)**

SECTION 115JA OF THE INCOME-TAX ACT, 1961 - MINIMUM ALTERNATE TAX - DEEMED INCOME

3.68 Where assessee created a provision for doubtful debts/advances in respect of amount receivable from one of its US based customer, since said amount was not debt payable by assessee but same was debt receivable by it therefore, amount did not represent liability of assessee and, thus same would not attract clause (c) for purpose of adding back said amount in book profit nor could it be treated as a reserve under clause (b) of Explanation to section 115JA. - **M.J. Exports (P.) Ltd. v. Joint Commissioner of Income-tax - [2025] 176 taxmann.com 342 (Bombay)**

SECTION 119 OF THE INCOME-TAX ACT, 1961 - CENTRAL BOARD OF DIRECT TAXES - INSTRUCTIONS TO SUBORDINATE AUTHORITIES

3.69 Where assessee-charitable society filed Form 10, Form 10B, and ITR belatedly due to COVID-related disruptions, and limitation period for filing fell within 15-3-2020 to 28-2-2022, rejection of condonation application was unjustified; benefit of Supreme Court's suo motu extension applied, and matter was to be allowed - **St. Tomas Education and Welfare Society Indore v. Revenue Department - [2025] 176 taxmann.com 493 (Madhya Pradesh)**

3.70 Where assessee-company filed its return for assessment year 2020-21 opting for taxation under section 115BAA, however, newly introduced Form 10-IC was not filed by assessee within due date, since delay in filing Form 10-IC was due to tragic circumstances of successive family deaths of person who was handling income tax matters of assessee, impugned delay in filing Form 10-IC was to be condoned - **Cell Com Teleservices (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 712 (Allahabad)**

SECTION 127 OF THE INCOME-TAX ACT, 1961 - INCOME-TAX AUTHORITIES - POWER TO TRANSFER CASES

3.71 Where assessment proceeding was transferred from ITO (W-4(1), Raipur) to ITO (W-3(1), Raipur) without jurisdiction, however, assessee did not challenge said order and allowed it to become final, in second round of litigation, assessee could not be allowed to contend that order transferring case from one AO to other AO was void - **Raipur Reality (P.) Ltd. v. ITO - [2025] 176 taxmann.com 63 (Chhattisgarh)**

3.72 Where Asst. was transferred u/s. 127 from Hyderabad to Delhi for coordinated investigation based on incriminating material found during search, and transfer was made after issuing notice and considering assessee's objections, non-grant of personal hearing did not violate principles of natural justice and transfer order was valid - **Shreeji Foods (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 484 (Telangana)**

SECTION 139 OF THE INCOME-TAX ACT, 1961 - RETURN OF INCOME - GENERAL

3.73 Where assessee, a non-resident, filed belated return claiming refund which was rejected under amended section 139(4), and application u/s. 119(2)(b) was also rejected without considering medical evidence of COVID-19 illness and other supporting documents, such rejection without appreciating genuine hardship and procedural nature of filing was unjustified, and therefore, matter was to be remanded for fresh decision - **Monica Elande v. CIT (IT and TP) - [2025] 176 taxmann.com 128 (Gujarat)**

3.74 Where assessee, widow of deceased employee, filed return of income in her name showing salary income of her deceased husband and claimed refund of tax deducted at source (TDS), assessee was to be permitted to file return of income in name of her deceased husband as legal representative after registration of her name as a legal representative in PAN of her deceased husband as per procedure prescribed under Act and income of TDS was to be credited in name of deceased husband and refund, if any, was to be computed - **Kusumben Kishorkumar Rana v. ITO - [2025] 176 taxmann.com 753 (Gujarat)**

SECTION 143 OF THE INCOME-TAX ACT, 1961 - ASSESSMENT - GENERAL

3.75 Where assessee was issued SCN calling upon it to file reply to all queries within two days, since there was a lack of opportunities being provided to assessee, impugned Asst. order was to be set aside and matter was to be remanded back for fresh consideration - **Tamil Nadu Power Distribution Corporation Ltd. v. Jt. CIT - [2025] 176 taxmann.com 330 (Madras)**

3.76 Where before assessee could file its response to proposed variation, a demand had already been generated, it would demonstrate a closed mind of AO in deciding issue and, thus, impugned order passed without considering response of assessee to proposed variation was to be set aside - **Dreamz Vanija (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 448 (Calcutta)**



3.88 Omission by Assessing Officer to pass a speaking order on receipt of objections from assessee cannot be considered as fatal, where no serious prejudice is shown. - *SI Property (Kerala) (P.) Ltd. v. Commissioner of Income-tax* - [2025] 176 *taxmann.com* 165 (Kerala)

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

3.89 Where assessee was granted four days to submit its reply to show cause notice issued under section 148A(b), however, it was noted that assessee had sufficient opportunity to respond and avail remedies available under law to challenge reassessment order, it could not be said that assessee suffered prejudice merely because a response time of only four days was granted instead of seven days, as suggested in Standard Operating Procedure (SOP) issued by CBDT - *Mukul Mahanta v. Union of India* - [2025] 176 *taxmann.com* 251 (Calcutta)

3.90 Where transferor companies were amalgamated into assessee-company from appointed date, and despite assessee informing revenue of such amalgamation, reassessment proceedings were initiated in name of non-existent transferor companies, impugned notices issued under sections 148A(b) and 148, and order passed under section 148A(d) against transferor companies, were to be set aside - *Moreplus Merchants (P.) Ltd. v. Income-tax Officer* - [2025] 176 *taxmann.com* 395 (Calcutta)

3.91 Where Assessing Officer, after accepting assessee's reply, dropped reassessment proceedings under section 148A(d) but later reversed his decision citing PCIT's approval, since Assessing Officer had no power to review his concluded order under section 148A(d); such reversal was contrary to law. - *Baba Global Ltd. v. Assistant Commissioner of Income-tax* - [2025] 176 *taxmann.com* 466 (Delhi)

SECTION 149 OF THE INCOME-TAX ACT, 1961 - INCOME ESCAPING ASSESSMENT - TIME LIMIT FOR ISSUANCE OF NOTICE

3.92 Where assessee was given extended time to respond to notice under section 148A(b), such time was excludable for computing limitation under section 149(1); order passed under section 148A(d) was not time-barred - *Manoj Kumar Bagree v. Income-tax Officer* - [2025] 176 *taxmann.com* 58 (Calcutta)

3.93 Where for assessment year 2019-20 AO issued notice u/s. 148 on 28-4-2023 which breached extended statutory deadline, which expired on 27-4-2023 after applying provisos under section 149(1), consequently, notice was held time-barred and without jurisdiction. - *Baba Global Ltd. v. Assistant Commissioner of Income-tax* - [2025] 176 *taxmann.com* 466 (Delhi)

3.94 Where reopening proceedings under section 148A, initiated by notice dated 12-03-2024, were never quashed but remanded by High Court for fresh consideration and Assessing Officer, after affording opportunity and considering assessee's reply, validly issued a fresh notice under section 148 dated 29-4-2025, since no procedural lapse was found and assessee had further remedies, writ petition at notice stage was held premature - *Utkal Trading Company (P.) Ltd. v. Central Board of Direct Taxes* - [2025] 176 *taxmann.com* 564 (Orissa)

SECTION 154 OF THE INCOME-TAX ACT, 1961 - RECTIFICATION OF MISTAKE - APPARENT FROM RECORDS

3.95 Where assessee filed an application under section 154 claiming that CPC in intimation issued under section 143(1) had wrongly taken its income under head of 'Profit and Gains from Business or Profession' at Rs.35.10 lakhs instead of 'Nil', since there was an apparent error on face of record, Assessing Officer ought to have considered application on merits - *Vitrag Enterprises v. Assistant Commissioner of Income-tax* - [2025] 176 *taxmann.com* 79 (Chhattisgarh)

3.96 Where assessee filed a declaration under Direct Tax Vivad se Vishwas Act, 2020 before designated authority and a certificate in Form 5 was issued and subsequently assessee was subjected to a proceeding under section 154, since scope of section 154 was limited to amend any order passed by Assessing Officer under provisions of Income-tax Act, 1961 and it would not be extended to sit over order passed and declaration issued by designated authority under section 5 of DTVSV Act, impugned order passed by Assessing Officer under section 154 was to be set aside - *Manohar Lal Poddar v. Union of India* - [2025] 176 *taxmann.com* 344 (Patna)

SECTION 159 OF THE INCOME-TAX ACT, 1961 - LEGAL REPRESENTATIVES

3.97 Where petitioner was son of deceased assessee B who was engaged in business of electrical installation work and had executed a will in favour of petitioner making arrangement in respect of his estate and had appointed him as executor of his will, petitioner being executor of will was squarely covered within expression legal representatives as per section 159 and hence, was liable to be assessed in respect of income of deceased B during period when he was alive - *Vinod Kala v. Commissioner of Income-tax-II* - [2025] 176 *taxmann.com* 240 (Madhya Pradesh)

SECTION 164 OF THE INCOME-TAX ACT, 1961 - TRUST/TRUSTEES - CHARGE OF TAX WHERE SHARE OF BENEFICIARIES UNKNOWN

3.98 Where assessee, a SEBI-registered Category III AIF, was held liable to tax at Maximum Marginal Rate under section 164 by relying on CBDT Circular No. 13/2014 for not naming investors in original Trust Deed, since such AIFs are strictly regulated under SEBI Regulations and cannot accept any investment before registration under Regulation 4(c), the impugned order was held unsustainable and liable to be set aside - *Equity Intelligence Aif Trust v. Central Board of Direct Taxes* - [2025] 176 *taxmann.com* 903 (Delhi)


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

- 3.99** Where assessee issued Transferable Development Rights (TDRs) to developers and others under a slum rehabilitation scheme and Assessing Officer treated assessee as assessee-in-default for not deducting TDS under sections 194C/194LA, since payment was not in money and said provisions did not cover payments in kind unlike sections 194B/194R, assessee having made out a prima facie case, impugned order, demand and notices were to be stayed - **Pune Municipal Corporation v. Assistant Commissioner of Income-Tax, TDS - [2025] 176 taxmann.com 950 (Bombay)**

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

- 3.100** Where revenue recovered certain amount from assessee by adjusting refund due to assessee and also froze bank account of assessee, since assessee's appeal against addition made in its income was pending for over six years, Commissioner (Appeals) was to be directed to decide assessee's appeal within a period of six weeks and in meanwhile, assessee would be at liberty to operate bank account; however, current balance would not be withdrawn until disposal of appeal by Commissioner (Appeals) - **UPAJ Leasing and Finance Company (P.) Ltd. v. ACIT - [2025] 176 taxmann.com 402 (Delhi)**

SECTION 237 OF THE INCOME-TAX ACT, 1961 - REFUND - GENERAL

- 3.101** Where NCLT sanctioned scheme of amalgamation, wherein transferor company KNS was amalgamated with assessee, thereafter an assessment order was passed under VSV Act wherein certain sum had become refundable to KNS on 8-2-2022, since KNS stood amalgamated with assessee on and from appointed date being 1-4-2018, if refund had already not been effected in favour of KNS, appropriate steps should be taken by revenue to effectuate refund in favour of assessee - **Rainbow Ventures (P.) Ltd. v. Income-tax Officer - [2025] 176 taxmann.com 394 (Calcutta)**

SECTION 245 OF THE INCOME-TAX ACT, 1961 - REFUNDS - SETTING OFF AGAINST TAX DUE

- 3.102** Where assessee had discharged 20 per cent of tax demand for AY 2016-17 and had filed both appeals and a rectification petition, adjustment of refund of Rs. 3.74 crores for AY 2024-25 against such disputed demand was arbitrary and liable to be set aside; assessee was entitled to refund of adjusted amount and deferment of recovery proceedings - **Greaves Electric Mobility Ltd. v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 275 (Madras)**

SECTION 245C OF THE INCOME-TAX ACT, 1961 - SETTLEMENT COMMISSION - APPLICATION FOR SETTLEMENT OF CASES

- 3.103** Where assessee filed an application for settlement before Interim Board for Settlement on 17-3-2022 and same was rejected on ground that no proceedings were pending against assessee as on 31-1-2021, in view of Supreme Court's COVID limitation extension order in Cognizance for Extension of Limitation, In re [2022] 134 taxmann.com 307/441 ITR 722 (SC), assessee having filed application for settlement on 17-3-2022 was well within time granted by Supreme Court and, thus, he was to be allowed to pursue his application for settlement - **Union of India v. Thomas Joseph - [2025] 176 taxmann.com 236 (Kerala)**

SECTION 250 OF THE INCOME-TAX ACT, 1961 - COMMISSIONER (APPEALS) - PROCEDURE OF

- 3.104** Where mandatory requirement of personal hearing opportunity in terms of provision under section 250(1) had not been provided before disposing of appeal, impugned order passed by Commissioner (Appeals) was to be set-aside and matter was to be remanded back - **Ms. Masila v. Commissioner of Income-tax (Appeals) - [2025] 176 taxmann.com 280 (Madras)**

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

- 3.105** Where the assessee filed an appeal before the High Court against the order of the Tribunal after a delay of 40 days, since the copy of order was received by Chartered Accountant and service upon Chartered Accountant does not absolve Tribunal of serving copies of order upon assessee, and assessee had adopted a specific stand that it was only upon receipt of the recovery notice that she gained knowledge about impugned order, the delay in filing appeal deserved to be condoned - **Mrs. Neelam Ajit Phatarpekar v. Assistant Commissioner of Income-tax, Circle 2(1) - [2025] 176 taxmann.com 129 (Bombay)**

SECTION 263 OF THE INCOME-TAX ACT, 1961 - REVISION - OF ORDERS PREJUDICIAL TO INTEREST OF REVENUE

- 3.106** Where reassessment was not with regard to deductions claimed under section 43B, order passed by Assessing Officer under section 143(3) could not be said to have been merged with order of reassessment in respect of deductions under section 43B and, thus, limitation of two years prescribed under section 263(2) had to be reckoned from date of original assessment order u/s. 143(3) - **CIT v. Ganga Textiles Ltd. - [2025] 176 taxmann.com 299 (Madras)**

SECTION 264 OF THE INCOME-TAX ACT, 1961 - REVISION - OF OTHER ORDERS

- 3.107** Where assessee failed to participate in reassessment proceedings due to change in its name, merely because of such non-participation, valuable right to pursue revision u/s. 264 could not be denied. - **AA37 Kudumiyampalayam Primary Agricultural Co-op Bank Ltd. v. Pr. CIT - [2025] 176 taxmann.com 57 (Madras)**


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

3.108 Where assessee filed audit report, paid due taxes, and disclosed income, but filed ITR belatedly in response to notice, there was no concealment under clause (c) of Explanation 4 to section 271; hence, penalty under section 271(1)(c) was unjustified - **Goberdhandhanri Infratech (P.) Ltd. v. Union of India - [2025] 175 taxmann.com 1061 (Patna)**

3.109 Where assessee claimed deduction towards additional bonus paid by it to its employees in relevant assessment year, however, actual payment of bonus was made by assessee in subsequent assessment year, since case did not involve making of any false statement by assessee and what was ultimately found to be incorrect was entitlement of assessee to claim deductions in respect of amount which were yet to be actually paid in view of provisions of section 43B, imposition of penalty under section 271(1)(c) was not justified - **Carona Ltd. v. Deputy Commissioner of Income-tax - [2025] 176 taxmann.com 983 (Bombay)**

3.110 Where discrepancy of stock found at time of Central Excise survey was accepted by assessee-company as sales outside books of account and assessee had also paid excise duty on that amount, since entire sale done outside books of account was income to be added and assessee's plea to add only gross profit was rejected; writ appeal against penalty u/s. 271(1)(c) was rightly dismissed - **Chhattisgarh Steel Castings (P.) Ltd. v. Pr. CIT - [2025] 176 taxmann.com 223 (Chhattisgarh)**

SECTION 273AA OF THE INCOME-TAX ACT, 1961 - POWER OF PRINCIPAL COMMISSIONER OR COMMISSIONER TO GRANT IMMUNITY FROM PENALTY

3.111 Where assessee's settlement application was rejected for failure to disclose full and true income, and Principal Commissioner, while considering application u/s. 273AA, formed same view that such disclosure was lacking, rejection of assessee's request for immunity from penalty was justified. - **Abdul Rahim v. Pr. CIT (Central) - [2025] 176 taxmann.com 463 (Madras)**

SECTION 276C OF THE INCOME-TAX ACT, 1961 - OFFENCE AND PROSECUTION - WILLFUL ATTEMPT TO EVADE TAX, ETC.

3.112 Where a criminal complaint was instituted against assessee for willful attempt to evade tax in relation to alleged foreign bank accounts, since information about unauthenticated documents of bank accounts was received from French Government and not from original or primary source, namely Swiss Government, which casted a doubt on its authenticity and further, no incriminating document even remotely suggesting existence of foreign account was discovered, impugned criminal complaint filed under Sections 276C(1)(i), 277(1) and 276D was to be quashed - **Anurag Dalmia v. ITO - [2025] 176 taxmann.com 771 (Delhi)**

SECTION 279 OF THE INCOME-TAX ACT, 1961 - OFFENCE AND PROSECUTION - PROSECUTION TO BE AT INSTANCE OF CHIEF COMMISSIONER/COMMISSIONER

3.113 CBDT could not have fixed time limit to file application for compounding of offence which was contrary to provisions of section 279(2) - **Moorthy Elumalai v. CBDT - [2025] 176 taxmann.com 391 (Madras)**

4. TRIBUNAL

SECTION 2(1A) OF THE INCOME-TAX ACT, 1961 - AGRICULTURAL INCOME

4.1 Where assessee owned more than 40 acres of land and claimed to have undertaken agricultural activities on said land and grown different crops from time to time and documentary evidences in form of ownership of land and 'girdavari' entries showing standing crop and cultivation of land were sufficient evidences of earning agricultural income, impugned addition made u/s. 68 on account of agricultural income was to be deleted - **ACIT v. Kundan Veer Singh Bhullar - [2025] 176 taxmann.com 383 (Delhi - Trib.)**

SECTION 2(14) OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - CAPITAL ASSET

4.2 Where AO treated property in question as agricultural land and denied claim of exemption u/s. 54 to assessee, since said property was situated within 100 fts from local limits of municipality and also population of municipality was 27,570, same could not be treated as agricultural land - **ACIT v. Kundan Veer Singh Bhullar - [2025] 176 taxmann.com 383 (Delhi - Trib.)**

4.3 Where assessee sold agricultural land situated beyond 8 kms from municipal limits of Gurgaon and filed certificate from Nayab Tehsildar in support, said land could not be treated as capital asset u/s. 2(14); since AO accepted same certificate in case of co-owner for same land, impugned addition on account of capital gains in assessee's hands was unjustified - **Balbir Singh Saini v. ITO - [2025] 176 taxmann.com 467 (Delhi - Trib.)**

4.4 Where assessee purchased agricultural land and sold agricultural land which had been subsequently converted into non-agricultural land by purchaser, this did not ipso facto make agricultural land sold by assessee as non-agricultural land and, thus, profit arising from sale of land was not taxable as short-term capital gains - **Dy. CIT, Central v. Vedprakash Devkinandan Chiripal - [2025] 176 taxmann.com 697 (Ahmedabad - Trib.)**

SECTION 2(15) OF THE INCOME-TAX ACT, 1961 - CHARITABLE PURPOSE

4.5 Where assessee, a statutory development authority, was engaged in providing shelter to the homeless, such activity qualified as charitable within meaning of section 2(15); hence, proviso to section 2(15) would not apply, and exemption u/s. 11 could not be denied. - **Hapur Pilkhuwa Development Authority v. Dy. CIT, Exemption - [2025] 176 taxmann.com 228 (Delhi - Trib.)**



4.6 Where Assessing Officer was of view that assessee-trust was not acting for charitable objectives, hence, not entitled to benefit of section 11, however, Assessing Officer had not pointed out as to how assessee had violated its objectives while imparting education, assessee would be entitled for benefit of sections 11 and 12 - **Kandi Friends Educational Trust v. Deputy Commissioner of Income-tax - [2025] 176 taxmann.com 670 (Chandigarh - Trib.)**

SECTION 2(28A) OF THE INCOME-TAX ACT, 1961 - DEFINITIONS

4.7 Term 'interest' under section 2(28A) would include even penal interest in respect of moneys borrowed by assessee - **Atharva Foundries (P.) Ltd. v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 740 (Pune - Trib.)**

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

4.8 Where assessee, a cooperative housing society, raised a new legal ground on principle of mutuality stating that gross receipts of society were from its members and to extent of activity carried out for its members and having incurred expenditure for members thereof, surplus, if any, need not be taxed in view of principle of mutuality, since Commissioner (Appeals) had no occasion to deal with this legal issue, same needed to be examined by him in light of facts of case - **Regency Meadows Cooperative Housing Society Ltd. v. Income-tax Officer - [2025] 176 taxmann.com 74 (Pune - Trib.)**

4.9 Where assessee, a State Government authority, transferred certain amount to Infrastructure Development Fund (IDF) and claimed same to be exempt as corpus receipts, since fund belonged to State and assessee-authority was a mere custodian, and same had been utilized for general utility, it could not be taxed in hands of assessee. - **Hapur Pilkhuwa Development Authority v. Deputy Commissioner of Income-tax, Exemption - [2025] 176 taxmann.com 228 (Delhi - Trib.)**

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

4.10 Where Assessing Officer held that services rendered by assessee, a Thailand based company, to HMSI did not fall under business income and same was added as other income as explained in article 22 of DTAA, in view of fact that assessee had not produced certain relevant portion of agreement, specifically annexure defining services rendered under agreements, namely, service agreement of infrastructure services, Web EDI system maintenance agreement, etc., DRP should revisit issue upon examining documents which were not placed before it - **Asian Honda Motor Co. Ltd. v. DCIT - [2025] 176 taxmann.com 135 (Delhi - Trib.)**

4.11 Where assessee, a tax resident of Spain, had developed a fully automated Computer Information System (CRS) which enabled display and dissemination of information supplied by various airlines, booking fee received by assessee from various airlines was to be taxed as business income and not as royalty - **Amadeus IT Group SA v. Deputy Commissioner of Income-tax, International Taxation - [2025] 176 taxmann.com 134 (Delhi - Trib.)**

4.12 Where assessee, a tax resident of Spain, had developed an inventory management and hosting system (Altea System) for airlines, keeping in view fact that software was not available outside Indian airport or to any of agents of assessee and agents were booking tickets only through CRS and ARS installed at airport which could be accessed only by airlines, payment received by assessee from airlines for use of Altea System could not be characterized as 'royalty' either under section 9(1)(vi) or under article 13 of Indo-Spain Treaty - **Amadeus IT Group SA v. Deputy Commissioner of Income-tax, International Taxation - [2025] 176 taxmann.com 134 (Delhi - Trib.)**

4.13 Where assessee, a South Korean company, received guarantee fee from its Indian subsidiary for providing corporate guarantee to enable latter to obtain a loan from a bank, since guarantee fee received by assessee did not fall under any specific article dealt with in India-Korea DTAA, it would be taxable only in Korea as per article 22 of treaty and, therefore, it would not be taxable in India - **KIA Corporation v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 246 (Bangalore - Trib.)**

4.14 Where assessee, a foreign company, provided reinsurance services to Indian insurance companies and it had entered an agreement with its AE in India, since core reinsurance activity was assumption of risk and that assumption of risk had been done outside India, no part of reinsurance profit could be attributed to Indian entity and there was no fixed place permanent establishment of assessee in India - **RGA International Reinsurance Company Designated Activity Company v. DCIT (IT)-4(1)(1) - [2025] 176 taxmann.com 409 (Mumbai - Trib.)**

4.15 Where assessee, a non-resident employee seconded to China, received salary in India for services rendered in China and such income was taxed in China, exemption under article 15(1) of India-China DTAA was allowable in India - **Sivakarthick Raman v. Asst. CIT, International Taxation - [2025] 176 taxmann.com 491 (Chennai - Trib.)**

4.16 Where assessee, a company incorporated in Ireland, leased aircrafts to Indigo, since lease agreement specifically stated that owner of aircraft would be lessor and there was no covenant in agreement which referred to condition that after end of duration of lease term, ownership in aircraft would be transferred to lessee, impugned lease agreement was in nature of operating lease and thus, article 11 of India-Ireland DTAA would not operate and lease rentals would not be exigible to tax in India - **Celestial Aviation Trading 15 Ltd. v. Asst. CIT, Int. Taxation - [2025] 176 taxmann.com 902 (Delhi - Trib.)**



SECTION 10(23BBA) OF THE INCOME-TAX ACT, 1961 - CHARITABLE/RELIGIOUS TRUST - BODY OR AUTHORITY ESTABLISHED FOR ADMINISTRATION OF A PUBLIC, EXEMPTION TO

- 4.17 Exemption under section 10(23BBA) is applicable only to income of administrative body or authority constituted/appointed under Endowment Act and not to income of temple - **Venkateswara Swamy Devasthanam v. Income -tax Officer (Exemption) - [2025] 176 taxmann.com 183 (Hyderabad - Trib.)**

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

- 4.18 Where assessee was a bona fide resident of Sikkim settled prior to 1-4-1975, she was entitled to exemption under section 10(26AAA) even in respect of income from petrol pump of which she was proprietor - **Chandra Sales Agency v. ACIT - [2025] 176 taxmann.com 679 (Kolkata - Trib.)**

SECTION 10(37) OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS ARISING FROM TRANSFER OF AGRICULTURAL LAND

- 4.19 Compensation received by assessee on compulsory acquisition of his agricultural land under National Highways Act, 1956 would be exempt from levy of income tax - **Gangunaidu Sabbavarapu v. Income-tax Officer - [2025] 176 taxmann.com 300 (Visakhapatnam - Trib.)**

SECTION 10(38) OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - INCOME ARISING FROM TRANSFER OF LONG TERM SECURITIES

- 4.20 Where Assessing Officer disallowed exemption claimed by assessee under section 10(38) for LTCG arising out of transfer of shares in scrip of company K on ground that SEBI had confirmed price manipulation in said scrip, since assessee was not given opportunity to rebut evidence or cross-examine witnesses, matter was to be remanded for fresh adjudication - **Income-tax Officer v. Arvind Kumar Gupta - [2025] 176 taxmann.com 628 (Lucknow - Trib.)**

SECTION 11 OF THE INCOME-TAX ACT, 1961 - CHARITABLE OR RELIGIOUS TRUST - EXEMPTION OF INCOME FROM PROPERTY HELD UNDER

- 4.21 Where assessee, town planning authority, was granted registration under section 12A with effect from assessment year 2026-27 and no any assessments for relevant assessment years 2019-20 and 2021-22 were pending as on date of registration granted, assessee could not claim exemption under sections 11 and 12 for relevant assessment years - **Doddaballapur Planning Authority v. Income-tax Officer (Exemption) - [2025] 175 taxmann.com 1081 (Bangalore - Trib.)**

- 4.22 Where assessee trust had filed Form 10B and same was available with Department before passing of order/intimation under section 143(1), claim of exemption under section 11 could not be denied only on account of delay in filing of Form 10B before due stipulated date - **Bhakt Samaj Vikas Education Trust v. Assistant Commissioner of Income-tax (Exemption) - [2025] 175 taxmann.com 1076 (Ahmedabad - Trib.)**

- 4.23 Where assessee-trust was granted registration under section 12AA on 2-12-2016 and claimed exemption under section 11 for assessment years 2011-12 and 2012-13, since lower authorities had not examined whether objects and activities of trust remained same for relevant years as required under proviso to section 12A(2), matter was to be restored to Assessing Officer to re-examine assessee's claim afresh, specifically considering objects and nature of activities carried out by trust in relevant years, and allow exemption as per law - **Dharmbhaskar Rashtrasant Shripachlegavkar Maharj Pratishthan v. Exemption Ward- - [2025] 175 taxmann.com 1080 (Pune - Trib.)**

- 4.24 Where assessee, a religious institution, filed its return of income claiming exemption under section 11 along with audit report in Form No. 10BB, since said audit report was made available to Assessing Officer before he passed assessment order, merely for reason of delay in filing relevant report, exemption claimed under section 11 could not be denied - **Sri Ramalingeswara Swamy Temple v. Income-tax Officer (Exemptions) - [2025] 176 taxmann.com 234 (Hyderabad - Trib.)**

- 4.25 Where assessee-institution was taken over by a company and 100 per cent of its property and control was indirectly transferred to specified persons as per section 13(3) who derived substantial cash benefit not disclosed in accounts, it could be said they were indirectly, if not directly, deriving benefit from property of assessee-institution, and thus, Assessing Officer was justified in denying exemption under section 11 to assessee - **ASPAM Academy Noida v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 335 (Delhi - Trib.)**

- 4.26 Where assessee-trust was not eligible to claim exemption under section 11, only net income should be taxed after allowing claim of expenditure as per relevant provisions of Act - **Adhar Projects Welfare Society v. ITO, Exemption, Kolhapur - [2025] 176 taxmann.com 373 (Pune - Trib.)**

- 4.27 Where assessee-society claimed exemption u/s. 11 on ground that it had applied for registration u/s. 12A on 01-05-1991, and that registration should be deemed granted due to inaction, since Commissioner pointed out defects in application filed on 1-5-1991 and requested an explanation, however assessee failed to comply with same for over two years and failed to seek condonation request, no valid application was pending as on 1-6-1999 and provisions of section 12AA(1A) and 12AA(2) were not attracted and thus, assessee's exemption claim was to be declined - **Sri Modh Visa Gowbhujia Sajna v. Dy. CIT Exemption - [2025] 176 taxmann.com 503 (Hyderabad - Trib.)**



- 4.28** Where Assessing Officer considered certain donation received by assessee as non-corpus fund and recomputed minimum application of income/set apart of income making addition of Rs 2.06 crores on account of short application of income in hands of assessee, since gross receipts of assessee included certain donation which was not received during year and had also recorded a sum as current liabilities, same could not be treated as application of funds for purpose of charitable objectives, thus, as per revised computation of income of assessee-trust, addition made on account of short application of income was to be restricted to Rs 10.05 lakhs - **Odia Samaj (Trust) v. Income-tax Officer, Exemption** - [2025] 176 taxmann.com 571 (Delhi - Trib.)
- 4.29** Amendment to section 11(3)(c) by Finance Act, 2022 with effect from 1-4-2023 which omitted extra period of one year following expiry of initial period of accumulation of five years is prospective in nature and, thus, same would be applicable only to fresh accumulations from assessment year 2023-24 onwards - **Dadar Digamber Jain Mumukshu Mandal v. Commissioner of Income-tax (Exemption)** - [2025] 176 taxmann.com 661 (Mumbai - Trib.)
- 4.30** Where assessee incurred expenses on infrastructure for Aviation Maintenance Engineering Course without DGCA approval, disallowance was unjustified as preparatory work for educational activities falls within section 2(15); hence, expenditure was allowable - **Kandi Friends Educational Trust v. Deputy Commissioner of Income-tax** - [2025] 176 taxmann.com 670 (Chandigarh - Trib.)
- 4.31** Where assessee-trust could not utilize its accumulated funds for its objectives due to status-quo order of civil court restraining major capital expenditure, disallowance of exemption under section 11 on ground that accumulated funds were not utilized within five years was not justified - **Kandi Friends Educational Trust v. Deputy Commissioner of Income-tax** - [2025] 176 taxmann.com 670 (Chandigarh - Trib.)
- 4.32** Where assessee-trust had not claimed depreciation from gross receipts and total expenditure exceeded income, separate disallowance of depreciation was unwarranted - **Kandi Friends Educational Trust v. Deputy Commissioner of Income-tax** - [2025] 176 taxmann.com 670 (Chandigarh - Trib.)
- 4.33** Where assessee-trust, engaged in charitable activity by imparting education, made a donation to a local Gurudwara which was less than 5 percent of total expenditure, and had applied more than 85 per cent of income as required under section 11, disallowance of exemption merely for such donation was unjustified and was to be deleted - **Kandi Friends Educational Trust v. Deputy Commissioner of Income-tax** - [2025] 176 taxmann.com 670 (Chandigarh - Trib.)

- 4.34** Where Assessing Officer disallowed honorarium and travel expenses paid to specified persons without establishing that payments were excessive or unreasonable vis-à-vis services rendered, and similar payments had been allowed in past assessments, disallowance was unjustified - **Kandi Friends Educational Trust v. Deputy Commissioner of Income-tax** - [2025] 176 taxmann.com 670 (Chandigarh - Trib.)
- 4.35** Where assessee-trust had accumulated/set apart funds under section 11(2) for purpose of investigation activity fund but had not applied such funds for objects of purpose within period of five years, such unspent amount would be deemed income of assessee and liable to be taxed in 6th year after expiry of 5-year accumulation period - **GMDC Science and Research Centre v. Income-tax Officer (Exemption)** - [2025] 176 taxmann.com 746 (Ahmedabad - Trib.)

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

- 4.36** Where Commissioner (Exemption) rejected assessee-trust's application for regular registration under section 12A(1)(ac)(iii) and also provisional registration was cancelled by citing non-compliance with statutory notices, since assessee brought on record that it already held valid registration under section 12A(1)(ac)(i), granted under amended regime, which was in force and application under section 12A(1)(ac)(iii) was filed mistakenly and prematurely, assessee was to be given one more opportunity to present its case, thus, matter was to be remanded back to Commissioner (Exemption) for fresh adjudication - **Dakshin Gujarat Samast Chaudhari Samaj Charitable Trust Federation v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 1078 (Ahmedabad - Trib.)
- 4.37** Where assessee-trust filed application for final registration under section 12A(1)(ac)(iii) within extended due date as per CBDT Circular No. 7/2024 dated 25-4-2024 and genuineness of assessee's activities was never questioned by CIT (Exemption), rejection of assessee's application on ground that assessee had filed application under wrong section, i.e., under section 12A(1)(ac)(vi)(B) instead of under section 12A(1)(ac)(iii) was to be set aside - **Dipali Foundation v. Commissioner of Income-tax (Exemption)** - [2025] 176 taxmann.com 225 (Ahmedabad - Trib.)
- 4.38** Where provisional registration under section 12A(1)(ac)(vi) was granted to assessee-trust and, upon its expiry, assessee applied for regular registration under section 12A(1)(ac)(vi), but application was rejected on ground that it was not eligible under section 12A(1)(ac)(vi)(B), matter was to be set aside to file of Commissioner (Exemption) with a direction to examine whether an application for final registration could be made under a different sub-clause than one under which provisional registration was granted, and to allow rectification or fresh application if permissible under law - **House of Humanity Charitable Trust v. CIT (Exemption)** - [2025] 176 taxmann.com 452 (Ahmedabad - Trib.)



4.39 Where assessee-trust, engaged in charitable works, filed application for final registration u/s. 12A(1)(ac)(iii) which was rejected on ground that it was filed under wrong section code and thereafter, it filed fresh application within extended due date as per CBDT Circular No. 7/2024 dated 25-4-2024, since assessee had fulfilled all conditions that were required for registration and had submitted all documentary evidences which had been brushed aside without hearing, natural justice had been violated and matter was to be remanded back to CIT(E) to consider application afresh as per provisions of law - **Shree Atam Vallabh Jain Clinic v. CIT (Exemptions) - [2025] 176 taxmann.com 510 (Amritsar - Trib.)**

SECTION 12AA OF THE INCOME-TAX ACT, 1961 - CHARITABLE OR RELIGIOUS TRUST - REGISTRATION PROCEDURE

4.40 Where assessee-trust, having objects to promote environmental sustainability by encouraging use of electric vehicles, reducing carbon emissions and supporting scalable and climate resilient transportation solutions as part of CSR vision, filed an application for registration under section 12AA and approval under section 80G, since activities of assessee-trust were charitable in nature and had been undertaken in a professional manner, right from raising funds to deployment of funds, Commissioner (Exemption) was to be directed to grant registration under sections 12AA and 80G - **Rasha Welfare Foundation v. CIT - [2025] 176 taxmann.com 286 (Delhi - Trib.)**

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

4.41 Where Commissioner (Exemption) rejected application of assessee-trust for grant of registration u/s. 12AB on ground that in absence of sufficient evidence with regard to genuineness about activities claimed to have been carried out for charitable purpose as per objects of assessee-trust, he was unable to satisfy himself about charitable nature of activities, since assessee had submitted various details which needed to be examined afresh, matter was to be remanded back to file of Commissioner (Exemption) - **Indian Women impact v. CIT (Exemption) - [2025] 176 taxmann.com 23 (Agra - Trib.)**

4.42 Where assessee-trust filed an application for permanent registration u/s. 12AB and Commissioner (Exemption) rejected application and cancelled provisional registration on ground that assessee had not complied with notice issued by Commissioner (Exemption) seeking details or documents in support of application, as negligent act, a cost was to be imposed on assessee and matter was to be remitted back to file of Commissioner (Exemption) with a direction to decide application of assessee as per law - **Ladhabapa Charitable and Welf Trust v. CIT (Exemption) - [2025] 176 taxmann.com 92 (Rajkot - Trib.)**

4.43 Where assessee-trust established by NSDC to promote skill development was denied registration u/s. 12AB on ground that it was engaged in commercial activities by charging 10 per cent management fee, but, it was found that trust's objects were charitable and supported by actual training activities conducted, registration u/s. 12A and exemption u/s. 80G was to be granted - **NSDC Skill Impact Trust v. CIT(Exemptions) - [2025] 176 taxmann.com 253 (Delhi - Trib.)**

4.44 Where Commissioner (Exemption) without giving any specific reason rejected application of assessee-society for grant of permanent registration u/s. 12AB, since rejection order lacked essential ingredients of a reasoned and speaking order, thereby vitiating principles of natural justice, impugned order was to be set aside and matter was to be remanded to adjudicate application afresh - **Medeng Unicus Society v. ITO, (Exemption) - [2025] 176 taxmann.com 281 (Visakhapatnam - Trib.)**

4.45 Where Commissioner (Exemption) rejected assessee's application for registration u/s. 12AB on ground that while filing Form No. 10A, assessee had quoted section 12A(1)(ac)(vi) instead of section 12A(1)(ac)(iii), since assessee had already been granted registration u/s. 12AA and appeared to have fulfilled all substantive conditions prescribed u/s. 12AA, rejection of application without affording opportunity to rectify error was not in consonance with principles of natural justice - **Andhra University Alumni Association v. ITO (Exemption Ward) - [2025] 176 taxmann.com 334 (Visakhapatnam - Trib.)**

4.46 Where assessee's application seeking final registration u/s. 12AB was filed beyond date specified in law for filing same, Commissioner (Exemption) rightly rejected same - **Aareev Foundation v. CIT (Exemption) - [2025] 176 taxmann.com 412 (Ahmedabad - Trib.)**

4.47 Where Commissioner (Exemptions) rejected application in Form 10AB for first renewal of registration u/s. 12AB on ground that assessee had selected wrong section code while applying in Form 10AB, since Commissioner (Exemptions) had not made any discussion as to how section code selected by assessee was wrong and further, before rejecting application, Commissioner (Exemptions) had not provided any opportunity of being heard to assessee, issue was to be remanded back to Commissioner (Exemptions) to decide afresh by taking into consideration application in Form 10AB as having been filed under correct section code - **Laksh Seva Foundation v. CIT (Exemptions) - [2025] 176 taxmann.com 456 (Bangalore - Trib.)**

4.48 Where Commissioner (Exemptions) rejected application of assessee-trust for registration u/s. 12AB for reason that assessee had not been registered under Rajasthan Public Trust Act, 1959, since during pendency of application u/s. 12AB, assessee had applied for its registration under said Act and same was still pending, impugned order was to be set aside and matter was to be remanded back to Commissioner (Exemptions) for decision afresh - **Sanatan Sharam Shikshan Sansthan v. CIT Exemption - [2025] 176 taxmann.com 490 (Jodhpur - Trib.)**



4.49 Where Commissioner (Exemption) denied registration under section 12AB to assessee, a not-for-profit company, on ground that assessee might incur expenditure outside India in furtherance of its objects, since application of income outside India, even if made, would only affect exemption under section 11(1) and thus, could not be construed as a contravention of law attracting rejection of registration under section 12AB - **TIH Foundation for IOT and IOE v. CIT (Exemption) - [2025] 176 taxmann.com 561 (Mumbai - Trib.)**

4.50 Where assessee-trust filed application for conversion of its provisional registration into regular registration under section 12AB during currency of provisional registration on ground that it was anticipating commencement of activities in financial year, rejection of application as 'non-maintainable' due to absence of activity at time of application was not in accordance with legislative intent of section 12A(1)(ac)(iii) read with section 12AB(1)(b) - **MAA Sharda Kothari Foundation v. Commissioner of Income-tax (Exemption) - [2025] 176 taxmann.com 567 (Ahmedabad - Trib.)**

4.51 Where assessee-society filed applications for renewal of registration under section 12AB and for approval under section 80G by mentioning wrong section code, since assessee's earlier tax consultant was not familiar with exemption provisions and he entered incorrect section codes while filing applications, mistake in filing entry was not fatal and assessee was to be given an opportunity to explain or cure such defects - **Wakeup Foundation v. CIT (Exemption) - [2025] 176 taxmann.com 631 (Indore - Trib.)**

4.52 Where assessee-trust, engaged in charitable activities, inadvertently applied for registration under section 12AB under sub-clause (iv) of section 12A(1)(ac) instead of under sub-clause (i), Commissioner (Appeals) ought to have appreciated this crucial fact and, therefore, assessee was to be granted provisional registration under section 12AB for five years from onwards, ignoring inadvertent mistake in filing under wrong sub-clause - **Prem Educational Trust v. ITO (Exemption) - [2025] 176 taxmann.com 672 (Chennai - Trib.)**

4.53 Where assessee-trust filed application in Form No. 10AB seeking regular registration under sections 12AB and 80G, however, Commissioner (Exemptions) rejected application on ground that assessee should have filed Form No. 10A by opting section code 12A(1)(ac)(i) and section code 80G(5)(i) instead of filing Form No. 10AB which was applicable for new trust which got provisional registration, since assessee explained reasons for filing incorrect Form with inappropriate code, issue was to be restored back to file of Commissioner (Exemptions) to consider application filed by assessee on merits - **Jiddu Krishnamurti Centre v. Commissioner of Income-tax (Exemptions) - [2025] 176 taxmann.com 669 (Hyderabad - Trib.)**

4.54 Where assessee-trust, having registration u/s. 12A and approval u/s. 80G, wrongly selected section code while filing application and consequently application was considered as an application for provisional registration and CPC granted provisional registration in Form No. 10AC, assessee was to be permitted to rectify mistake in application form and matter was to be considered afresh by Commissioner(Exemption) - **Aashritha the Dr U Sankaranarayana Raju Charitable Trust v. CIT (Exemptions) - [2025] 176 taxmann.com 674 (Hyderabad - Trib.)**

4.55 Where Commissioner (Exemption) rejected application citing that assessee had quoted wrong clause while filing Form 10A, since assessee inadvertently quoted wrong clause, this being a mere technical or procedural lapse, rejection of application without affording opportunity to rectify error was not in consonance with principles of natural justice, and thus, matter was to be restored to Commissioner (Exemption) - **Brity Foundation v. CIT (Exemptions) - [2025] 176 taxmann.com 711 (Visakhapatnam - Trib.)**

SECTION 13A OF THE INCOME-TAX ACT, 1961 - POLITICAL PARTIES - INCOME OF

4.56 Where assessee-political party filed its return after due date prescribed u/s. 139(4B), third proviso to section 13A was attracted, resulting in denial of exemption - **Indian National Congress All India Congress Committee v. Dy. CIT - [2025] 176 taxmann.com 688 (Delhi - Trib.)**

SECTION 14A OF THE INCOME-TAX ACT, 1961 - EXPENDITURE INCURRED IN RELATION TO INCOME NOT INCLUDIBLE IN TOTAL INCOME

4.57 Where during year, assessee bank earned exempt income and AO made addition u/s. 14A read with rule 8D, since assessee had not incurred any interest expenditure in earning aforesaid exempted income as non-interest bearing funds were more than sufficient to make investments for earning exempted income, impugned addition made by AO was unjustified - **Dy. C.I.T. v. Punjab National Bank - [2025] 176 taxmann.com 408 (Delhi - Trib.)**

4.58 Where AO mechanically applied rule 8D without recording requisite satisfaction and without considering specific facts of case, particularly that assessee's investments were made from interest-free funds and that no direct expenses were incurred to earn exempt income, disallowance u/s. 14A was to be restricted to actual exempt income earned by assessee - **ACIT v. Kunvarji Finance (P.) Ltd. - [2025] 176 taxmann.com 553 (Ahmedabad - Trib.)**

SECTION 22 OF THE INCOME-TAX ACT, 1961 - INCOME FROM HOUSE PROPERTY - CHARGEABLE AS

4.59 Where assessee-firm, engaged in running educational institutions, leased out its business assets due to economic non-viability and continued to let them out even after lease expiry with no intention to restart business, in such circumstances, rental income earned by assessee would be assessable as income from house property. - **Gowtham Residential Junior College v. Asst. CIT - [2025] 176 taxmann.com 184 (Visakhapatnam - Trib.)**


SECTION 24 OF THE INCOME-TAX ACT, 1961 - INCOME FROM HOUSE PROPERTY - DEDUCTIONS

- 4.60** Where assessee obtained loan from bank for purchase of property and claimed interest paid on said loan as deduction under section 24(b), since entire set of documents in respect of said property and loan were duly submitted by assessee and same were not controverted by revenue during reassessment proceedings under section 153A, it could not be said that no inquiries were conducted by AO with respect to claim of assessee and, thus, impugned invocation of revision u/s. 263 was to be set aside - **Raghav Bahl v. DCIT - [2025] 176 taxmann.com 229 (Delhi - Trib.)**
- 4.61** Where AO disallowed deduction u/s. 24(b) claimed by assessee-company, engaged in business of real estate, on ground that nexus between loan and purchase of house property was not established as interest was on LAP and not loan for purchase of property, since assessee had filed additional evidences showing that loan taken was used for purchase of house property on which rental income was received, matter was to be remitted back to AO for reconsideration - **Crown Techno Build (P.) Ltd. v. ITO - [2025] 176 taxmann.com 415 (Delhi - Trib.)**

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

- 4.62** Where assessee, an educational institution, had leased out its premises by discontinuing its business of imparting education, it could be concluded that assessee was not engaged in any business activity but had let out immovable property only for purpose of earning rental income which was taxable as 'income from house property' and not as 'profits and gains of business' - **Gowtham Residential Junior College v. Asst. CIT - [2025] 176 taxmann.com 185 (Visakhapatnam - Trib.)**
- 4.63** Where assessee entered into share purchase agreement for Rs. 16 crores, and clause 4.2 of said agreement stipulated that Rs. 4 crores would be remitted by an alcoholic beverage company to buyer for onward payment to assessee, such Rs. 4 crores formed part of agreed sale consideration and was not a stipulated deduction under contract; hence, AO was justified in making addition of Rs. 4 crores to income of assessee - **Dy. CIT v. Add Lounge Service (P.) Ltd - [2025] 176 taxmann.com 413 (Delhi - Trib.)**
- 4.64** Where assessee, engaged in real estate business, kept FDRs in lien against bank guarantee and interest on FDRs was deducted from value of inventory (work in progress), since interest income earned on fixed deposits kept as security for performance guarantee was taxable as business income, same could be set off against project expenses, hence, treatment of interest income as adjustment from work-in-progress was correct - **Crown Techno Build (P.) Ltd. v. ITO - [2025] 176 taxmann.com 415 (Delhi - Trib.)**

- 4.65** Where assessee credited sale proceeds of fly ash and interest thereon to 'Fly Ash Utilization Reserve' in compliance with environmental regulations and had no absolute control over such funds, additions made by Assessing Officer under section 28(i) and section 115JB were to be deleted - **Aravali Power Company (P.) Ltd. v. Deputy Commissioner of Income-tax, Circle - 3(1) - [2025] 176 taxmann.com 677 (Delhi - Trib.)**

SECTION 28(iv) OF THE INCOME-TAX ACT, 1961 - BUSINESS INCOME - VALUE OF ANY BENEFIT OR PERQUISITE ARISING FROM EXERCISE OF BUSINESS OR PROFESSION

- 4.66** Where assessee-company was given a benefit or incentive by State Government to keep sales tax collected from customers for a period of ten years and assessee opted to repay its sales tax liability during year under consideration at its Net Present Value (NPV) at lesser amount, such waiver of differed sales tax liability was a benefit accrued to assessee arising out of its business and thus, sum waived was taxable under section 28(iv) - **Oricon Enterprises Ltd. v. Deputy Commissioner of Income-tax Central Wing - [2025] 176 taxmann.com 27 (Mumbai - Trib.)**

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

- 4.67** Where assessee, engaged in manufacturing of sugar, leased out its factory to other party and claimed depreciation on assets leased out, since depreciation claimed by assessee on leased assets was already allowed in earlier years, there was no reason to disallow same in subsequent year - **Appasaheb Nalawade Gadhinglaj Sahakari Sakhar Karkhana Ltd. v. DC/ACIT - [2025] 175 taxmann.com 1071 (Pune - Trib.)**
- 4.68** Where assessee bank, which had merged with another bank, had shown excess of liabilities over assets of merged bank as goodwill in its books and claimed depreciation on same, since amount incurred by assessee was nothing but cost for acquisition of business and commercial rights in relation to bank's business, assessee was entitled to claim depreciation on goodwill - **Dy. C.I.T. v. Punjab National Bank - [2025] 176 taxmann.com 408 (Delhi - Trib.)**
- 4.69** Where assessee had procured a premises on lease and claimed depreciation on cost of improvements made by it for utilization of said property, assessee having satisfied ownership test, it was entitled to claim of depreciation on lease hold premises - **Deputy Commissioner of Income-tax v. Add Lounge Service (P.) Ltd - [2025] 176 taxmann.com 413 (Delhi - Trib.)**

SECTION 35 OF THE INCOME-TAX ACT, 1961 - SCIENTIFIC RESEARCH EXPENDITURE

- 4.70** Where assessee made a donation to one IMSRF, a charitable trust, and claimed deduction on same under section 35(1)(ii), since IMSRF was not notified under section 35(1)(ii), deduction claimed by assessee was to be disallowed - **Vardhman Polytex Ltd. v. ACIT - [2025] 176 taxmann.com 365 (Chandigarh - Trib.)**



4.71 Where Assessing Officer on basis of information received from DIT (Investigation) that assessee was claiming deduction under section 35(1) on basis of donation made to a trust which was engaged in giving bogus donation entries to so called donors reopened assessment, it was a 'reasons to believe' and not 'reasons to suspect' for Assessing Officer, hence, reopening was justified - **Vardhman Polytex Ltd. v. ACIT - [2025] 176 taxmann.com 365 (Chandigarh - Trib.)**

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

4.72 Where Assessing Officer made addition under section 36(1)(iii) on ground that assessee had utilized interest bearing funds for investment in short-term deposits which had no connection with assessee's main line of business, since Assessing Officer had travelled beyond limited scrutiny parameters for which case was selected, impugned addition was legally impermissible and, thus, same was to be deleted - **ACIT v. B.K. Sales Corporation - [2025] 176 taxmann.com 17 (Delhi - Trib.)**

4.73 Where during year under consideration assessee had not advanced any interest-free loan to its subsidiary companies and all interest-free loans were granted in preceding years, no disallowance could be made under section 36(1)(iii) on account of interest paid on working capital loan - **Laqshya Media Ltd. v. ACIT - [2025] 176 taxmann.com 188 (Mumbai - Trib.)**

4.74 Where assessee-company borrowed loans in form of NCDs, CCDs and OFCDs from various financial institutions and utilized same for development of power projects on its own or through its subsidiaries/associates, assessee would be entitled to deduction under section 36(1)(iii) in respect of interest paid on said loans - **Gayatri Energy Ventures (P.) Ltd. v. ACIT, Circle-2(1) - [2025] 176 taxmann.com 517 (Hyderabad - Trib.)**

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

4.75 Where assessee-company claimed deduction on account of certain amount written off as bad debts, however, had not filed any record to show that interest income on loan and advances given by it had been offered to tax as business income in preceding years, matter required proper verification and examination of relevant facts and was to be remanded to Assessing Officer for fresh adjudication - **Ushakiron Movies (P.) Ltd. v. ACIT - [2025] 176 taxmann.com 563 (Hyderabad - Trib.)**

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

4.76 Where assessee entered into a development agreement as per which RNTC purchased land owned by assessee, since assessee had brought on record supplementary development agreement as per which assessee was authorised to undertake certain work for individual plots as per customer requirements, material expenses and plot development expenses incurred in connection with work in respect of individual plot owners were to be allowed - **Assistant Commissioner of Income-tax v. Pushparaj Corporation - [2025] 176 taxmann.com 13 (Ahmedabad - Trib.)**

4.77 Where assessee entered into development agreement with RNTC as per which land was sold by assessee to RNTC and assessee claimed commission/brokerage expenses, since ownership of land was vested with RNTC and expenditure incurred by assessee was for registration of new members not for sale of plot of land, no justification was found for claim of expenditure of commission/brokerage - **Assistant Commissioner of Income-tax v. Pushparaj Corporation - [2025] 176 taxmann.com 13 (Ahmedabad - Trib.)**

4.78 Where assessee was under a contractual obligation to carry out periodic maintenance of road constructed under concessionaire agreement with NHAI and it claimed expenditure towards provision of periodic maintenance by making provision of 1/5th of estimated cost of repair work each year, since expenditure to be incurred after 5 years, assessee could not charge to P&L account whole 5 years expenditure in one year and, rather, it had to be charged to P&L A/c every year proportionate to year of liability, provision made by assessee towards periodic maintenance was to be allowed - **Dy. Commissioner of Income-tax v. Madhucon Agra Expressway Ltd. - [2025] 176 taxmann.com 93 (Hyderabad - Trib.)**

4.79 Where assessee incurred victualling expenses towards fooding and boarding of crew and other members on board vessels at high sea and in support of claim, assessee had furnished details of personnel on board and also furnished chart of food served to crew/personnel on board, impugned disallowance of 25 per cent of expenditure claimed on purely ad-hoc basis without any cogent reasoning was to be deleted - **Underwater Services Company Ltd. v. Deputy CIT - [2025] 176 taxmann.com 191 (Mumbai - Trib.)**

4.80 Where in course of assessment, AO noticed that assessee had incurred certain expenses viz. sundry expenses, sales promotion expenses and expenses for gift and assessee suo motu disallowed 50 per cent of total expenditure and claimed deduction of balance 50 per cent, since assessee itself had disallowed 50 per cent of total expenditure, no further disallowance was required - **Underwater Services Company Ltd. v. Dy. CIT - [2025] 176 taxmann.com 191 (Mumbai - Trib.)**

4.81 Where assessee claimed interest expenditure in its profit and loss account, since it was not emanating from accounts furnished by assessee that interest expenditure included interest paid on home loan, impugned disallowance of interest expenditure was to be deleted - **Pankaj Shukla v. ITO - [2025] 176 taxmann.com 254 (Delhi - Trib.)**



- 4.82** Where Assessing Officer based on detailed replies of assessee clarifying that due to an inverted duty structure, a substantial portion of ITC became unutilisable and refund of such ITC was not permissible under extant GST rules, allowed non-refundable ITC as deduction under section 37(1), since Assessing Officer conducted necessary verification with respect to claim of ITC written off, Commissioner (Appeals) could not have invoked revisionary power merely because he disagreed with conclusion drawn by Assessing Officer - **Gujarat Mineral Development Corporation Ltd. v. Principal Commissioner of Income-tax-1** - [2025] 176 taxmann.com 227 (Ahmedabad - Trib.)
- 4.83** Where assessee-company, engaged in business of real estate projects and civil construction works, claimed site maintenance expenditure, since assessee had furnished muster roll which contained details of wages paid to various workers and signatures of said employees, Assessing Officer ought not to have made 30 per cent ad-hoc disallowance of expenditure for want of evidence; disallowance of 10 per cent of expenditure incurred under head site maintenance expenditure would meet ends of justice - **Bollineni Developers Ltd. v. Deputy Commissioner of Income-tax** - [2025] 176 taxmann.com 336 (Hyderabad - Trib.)
- 4.84** Where assessee had claimed staff welfare expenses, business promotion expenses and telephone expenses and no defect in books and vouchers had been pointed out nor they were doubted to be not genuine, ad hoc disallowance of 10 per cent of such expenses was not justified - **ACIT v. Kundan Veer Singh Bhullar** - [2025] 176 taxmann.com 383 (Delhi - Trib.)
- 4.85** Where assessee, engaged in business of trading of different types of clothing and household articles, had debited sampling expenses in profit and loss account, since such expenses were required for procurement of orders with regard to different households and furnishing articles manufactured by assessee and sampling work was of nature which was recurring and got done on urgent basis, Assessing Officer was not justified in disallowing 50 per cent of sampling charges on ad hoc basis - **ACIT v. Kundan Veer Singh Bhullar** - [2025] 176 taxmann.com 383 (Delhi - Trib.)
- 4.86** Where due to mistake of accountant, claim of software charges appeared to be Rs. 6.72 crores instead of Rs. 4.36 crores as it included business consultancy charges of Rs. 2.36 crores also and Assessing Officer disallowed entire amount under software charges, since Assessing Officer had no occasion to apply his mind regarding claim of business consultancy charges as same got clubbed with software charges, disallowance of entire amount was to be deleted - **Karunya Educational and Research Trust v. Deputy Commissioner of Income-tax, Central Circle** - [2025] 176 taxmann.com 404 (Chennai - Trib.)
- 4.87** Where assessee bank claimed depreciation on account of valuation of securities under category of Held for Trading (HFT) and Available for Sale (AFS), since assessee was maintaining its accounts on mercantile system, it was entitled to show his real income by taking into account market value of such investments in arriving at real taxable income - **Dy. C.I.T. v. Punjab National Bank** - [2025] 176 taxmann.com 408 (Delhi - Trib.)
- 4.88** Where assessee entered into an MoU with a company/org. and had taken franchise and licence to use name 'G.D. Goenka' and made payment of royalty, since assessee was entitled to use said brand name even without signing MoU and further, it was not clear what was rationale and basis for said company to claim royalty from assessee, impugned royalty payment made by assessee could not be allowed as expenditure u/s. 37(1) - **GDG Educational Trust v. Addl.CIT** - [2025] 176 taxmann.com 450 (Delhi - Trib.)
- 4.89** Where assessee paid consultancy charges to various parties, since these payments were made to unrelated persons through banking channel and relevant TDS was deducted, impugned expenditure was to be allowed - **GDG Educational Trust v. Addl.CIT** - [2025] 176 taxmann.com 450 (Delhi - Trib.)
- 4.90** Where revenue of assessee had almost doubled during year and it had continued in subsequent assessment years with revenue of Rs. 14.28 crores and Rs. 15.24 crores respectively and not only revenue had been increased, expenditures were increased in line with increase in revenue, additional rent claimed by assessee was to be allowed - **GDG Educational Trust v. Addl.CIT** - [2025] 176 taxmann.com 450 (Delhi - Trib.)
- 4.91** Where AO had not carried out any enquiry on issue of Employee Stock Option Plan (ESOP) expenses debited in Profit and Loss account by assessee and there was no material which could suggest that he had taken follow-up action after applying his mind on said issue, Principal Commissioner was justified in invoking revision proceedings under section 263. - **Livlong Insurance Brokers Ltd. v. Pr. CIT** - [2025] 176 taxmann.com 566 (Mumbai - Trib.)
- 4.92** Where AO disallowed interest paid on unsecured loans on ground that loans were bogus cash credits, since assessee submitted that Commissioner (Appeals) had made addition in respect of three parties whereas no interest was given to them, matter was to be remanded back to AO for verification and in case, it was found that no interest was paid to above three parties, additions made on account of disallowance of interest expenditure were to be deleted - **Pratap Uttam Purohit v. Dy. CIT** - [2025] 176 taxmann.com 627 (Mumbai - Trib.)
- 4.93** Where assessee-company incurred expenditure of Rs. 3.15 lakhs towards travelling expenses, legal and professional expenses etc., since cash payments of Rs. 1.10 lakhs and Rs. 23.65 thousands were incurred towards legal and professional expenses, disallowance of said expenses was to be deleted, however, with regard to remaining expenses,



merely production of ledger account was not sufficient and expenses were rightly disallowed - ***Globus Spirits Ltd. v. Deputy Commissioner of Income-tax - [2025] 176 taxmann.com 633 (Delhi - Trib.)***

4.94 Where assessee-company, engaged in business of manufacture of industrial alcohol, claimed expenditure on account of brand promotion expenses, since entire expenses were of routine business expenses and had been incurred in course of running existing business, same were to be allowed as revenue in nature - ***Globus Spirits Ltd. v. Deputy Commissioner of Income-tax - [2025] 176 taxmann.com 633 (Delhi - Trib.)***

4.95 Where assessee failed to maintain a logbook and provide proof that vehicle, telephone, and travel expenses were incurred solely for business use, Assessing Officer was justified in disallowing 20% of those expenses due to high probability of personal use and lack of verifiable records. - ***Anita Lahu Ghadge v. Assistant Commissioner of Income-Tax - [2025] 176 taxmann.com 640 (Mumbai - Trib.)***

4.96 Where assessee paid commission to certain party and claimed deduction on same, since recipient denied having received amount and no evidence of services rendered or business purpose was furnished by assessee, disallowance of commission was rightly made. - ***Anita Lahu Ghadge v. Assistant Commissioner of Income-Tax - [2025] 176 taxmann.com 640 (Mumbai - Trib.)***

4.97 Where assessee-company paid penal interest to bank for overdrawn cash credit facility, since penal interest had been paid on capital/money borrowed for business purpose and was not an offence or prohibited by law, same could not be disallowed under section 37(1) read with Explanation 1 - ***Atharva Foundries (P.) Ltd. v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 740 (Pune - Trib.)***

SECTION 40A(2) OF THE INCOME-TAX ACT, 1961 - BUSINESS DISALLOWANCE - EXCESSIVE OR UNREASONABLE PAYMENTS

4.98 Where Assessing Officer disallowed 25 per cent of aggregate charter hire charges paid by assessee to its holding company on ground that rates were higher than those paid by unrelated entities, but comparison made by Assessing Officer was flawed as it was not on a like-to-like basis and further, actual comparable transactions showed that assessee paid lower rates than unrelated parties, disallowance made under section 40A(2) was to be deleted - ***Underwater Services Company Ltd. v. Deputy Commissioner of Income-tax - [2025] 176 taxmann.com 191 (Mumbai - Trib.)***

4.99 Where Assessing Officer disallowed expenditure incurred by assessee-charitable trust towards software charges on ground that same was paid to a company controlled directly or indirectly by Managing Trustee of assessee-trust, since Managing Trustee of assessee

and said company did not fall within definition of 'related party' or 'relative' under Act and further, no evidence was brought on record to show that any payments made to those companies flowed to accounts of Managing Trustee of assessee or his family members or entities controlled by them, impugned disallowance was unjustified - ***Karunya Educational and Research Trust v. Deputy Commissioner of Income-tax, Central Circle - [2025] 176 taxmann.com 404 (Chennai - Trib.)***

SECTION 40A(2)(A) OF THE INCOME-TAX ACT, 1961 - BUSINESS DISALLOWANCE - EXCESSIVE PAYMENTS

4.100 Gold and precious metals: Where assessee-company, engaged in business of manufacturing and trading in gold bars and ornaments, made purchases from two related parties and failed to justify arm's length price of said purchases, since lower authorities had neither referred to nor relied upon any objective market data to determine fair value of purchases in question, matter was to be remanded back to file of Commissioner (Appeals) for fresh adjudication - ***Income-tax Officer 6(3)(1), Mumbai v. Khetalaji Gold (P.) Ltd. - [2025] 176 taxmann.com 340 (Mumbai - Trib.)***

SECTION 40A(3) OF THE INCOME-TAX ACT, 1961 - BUSINESS DISALLOWANCE - CASH PAYMENT EXCEEDING PRESCRIBED LIMITS

4.101 Where assessee, engaged in business of civil work, made payments to labour contractors through bearer cheques, since maximum payments were made on weekends to labourers as per their convenience and on their insistence and moreover, genuineness of transaction had been proved, no disallowance under section 40A(3) could be made - ***Pratap Uttam Purohit v. Deputy Commissioner of Income Tax - [2025] 176 taxmann.com 627 (Mumbai - Trib.)***

SECTION 41(1) OF THE INCOME-TAX ACT, 1961 - REMISSION OR CESSATION OF TRADING LIABILITY

4.102 Where assessee was alleged to have routed unaccounted income as unsecured loans through fictitious entities and Assessing Officer invoked section 41(1) treating unpaid interest as ceased liability and made addition of loan and interest to income, since addition had been made without any corroborative evidence, matter was to be remanded back for fresh adjudication - ***Basudeo Real Estate (P.) Ltd. v. Assistant Commissioner of Income-Tax - [2025] 176 taxmann.com 642 (Raipur - Trib.)***

SECTION 43(1) OF THE INCOME-TAX ACT, 1961 - ACTUAL COST

4.103 Where assessee, a Special Purpose Vehicle, received grant from NHAI, since said grant was not given by NHAI as a portion of cost of asset acquired by assessee met directly or indirectly as provided in Explanation (10) to section 43, it could not be reduced from cost of project before allowing amortization of cost of project and, thus, claim of depreciation could not be disallowed - ***Dy. Commissioner of Income-tax v. Madhucon Agra Expressway Ltd. - [2025] 176 taxmann.com 93 (Hyderabad - Trib.)***



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

4.104 Where AO made addition towards VAT payment u/s. 43B on ground that assessee had claimed payment of VAT through fake challan without there being any actual payment, since assessee could not file any evidence in support of its arguments that it had paid VAT to concerned authorities and there was no outstanding dues for relevant period, impugned addition was justified - **Ganga Reddy Gidde v. Income-tax Officer** - [2025] 176 taxmann.com 226 (Hyderabad - Trib.)

4.105 Where assessee bank, in terms of actuarial valuation and in accordance with Accounting Standard (AS) 15 (Revised) issued by ICAI, made contribution to PNB Employees Pension Fund, since contribution had actually been paid by assessee, it was a normal business expense and, thus, same was to be allowed as expenditure u/s. 43B - **Dy. C.I.T. v. Punjab National Bank** - [2025] 176 taxmann.com 408 (Delhi - Trib.)

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

4.106 Where land of assessee was compulsorily acquired and compensation was first credited to assessee's account and then transferred to sister concern's bank account to discharge its overdraft, it was a case of application of income and not diversion by overriding title; hence, capital gains were held taxable in assessee's hands - **Geotech Foundation and Constructions v. Income-tax Officer Non-Corporate Ward 1(2), Kochi** - [2025] 176 taxmann.com 102 (Cochin - Trib.)

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

4.107 Where value determined for purpose of stamp duty was more than actual sale consideration received by assessee and fair market value as claimed by assessee was lessor than value of property shown for purpose of stamp duty, AO was mandated to refer matter to DVO for determination of fair market value of property as per section 50C(2) r.w.s. 55A - **Ram Bhuvan Yadav v. DCIT-2(1)** - [2025] 176 taxmann.com 363 (Raipur - Trib.)

SECTION 54B OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - TRANSFER OF LAND USED FOR AGRICULTURAL PURPOSES

4.108 Where land sold was used for agricultural activities for last two years immediately preceding date of transfer and sale proceeds was also utilized for purchase of another land which was again used for agricultural purpose by assessee, assessee could not be denied benefit of section 54B on ground that after sale land was declared as non-agricultural by Stamp Duty Officer - **ITO v. Ajaib Singh** - [2025] 176 taxmann.com 45 (Amritsar - Trib.)

SECTION 54EC OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - NOT TO BE CHARGED ON INVESTMENT IN CERTAIN BONDS

4.109 Where assessee-company, engaged in manufacturing of crop protection chemicals/insecticides, had during relevant year effected slump sale of its SEZ unit, and said slump sale included transfer of a long-term capital asset, i.e., land, assessee was entitled to claim deduction under section 54EC to extent of gains attributable to such land - **Net Matrix Corp Care (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 176 taxmann.com 504 (Hyderabad - Trib.)

SECTION 54F OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - EXEMPTION OF, IN CASE OF INVESTMENT IN RESIDENTIAL HOUSE

4.110 Where assessee sold a commercial property owned by him and invested capital gain on sale of said property for purchase of a residential house in name of his mother, condition laid down under section 54F for claiming deduction was not satisfied - **Ashok Kumar v. Income-Tax Officer** - [2025] 176 taxmann.com 641 (Delhi - Trib.)

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

4.111 Interest received on compensation/enhanced compensation on acquisition of land by State Government shall be considered as income from other sources and shall be exigible to income tax - **Income-tax Officer v. Gurdev Singh** - [2025] 176 taxmann.com 91 (Delhi - Trib.)

4.112 Where assessee entered into an agreement to purchase on 20-10-2011, however registration took place on 17-7-2015, since assessee paid part consideration by way of account payee cheque before agreement date, Assessing Officer was to be directed to verify stamp duty value as on date of agreement and compute addition, if any, under section 56(2)(vii)(b) - **Ashok Kumar Muraka v. Income-tax Officer** - [2025] 176 taxmann.com 189 (Chennai - Trib.)

4.113 Where during search conducted upon assessee-trust, a 'gift management system' was seized wherein personal gifts received by managing trustee were recorded, since name of donee was specifically mentioned in 'gift management system', personal gifts received were to be considered in individual hands of donee in her assessment and not in hands of trust - **Jesus Calls v. Deputy Commissioner of Income-tax, Central Circle** - [2025] 176 taxmann.com 418 (Chennai - Trib.)

4.114 Where Assessing Officer made addition under section 56(2)(x) on account of difference between value of property as per sale deed and value of property as per stamp duty valuation, since amount as per sale deed should have been added under section 69 and difference between value as per registered deed and that as per SVA should have been added under section 56(2)(x) as assessee failed to produce supporting evidences, Principal Commissioner rightly invoked provisions of section 263 - **Kamaluddin Popatlal Surani v. Principal Commissioner of Income-Tax** - [2025] 170 taxmann.com 88 (Surat - Trib.)



4.115 Where assessee-company issued shares at premium based on valuation report obtained from independent valuer who used DCF method, since projections could not replace actual and it could never be accurate, Assessing Officer could not substitute NAV in place of DCF and make addition under section 56(2)(viib) - **IPSAA Holdings (P.) Ltd. v. ACIT - [2025] 176 taxmann.com 823 (Delhi - Trib.)**

**SECTION 57 OF THE INCOME-TAX ACT, 1961 -
INCOME FROM OTHER SOURCES - DEDUCTIONS**

4.116 Where assessee had lent money to its sister concerns from whom he had charged interest at rate of 8.50 per cent and also lent money to 3 unrelated parties from whom assessee had charged interest at rate of 12 per cent, since assessee had grossly failed in justifying lower rate of interest charged from related parties vis-a-vis rate of interest charged with unrelated parties, Assessing Officer rightly restricted amount of interest paid to amount of interest received - **Jackie Mahesh Vora v. Assistant Commissioner of Income-tax - [2025] 176 taxmann.com 279 (Mumbai - Trib.)**

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

4.117 Where assessee, scrap dealer, had deposited certain amount of cash in its bank account during demonetization period, since assessee had already provided various documents to substantiate cash sales recorded by it and no discrepancy or defects had been pointed out in same, impugned addition made under section 68 on account of said cash deposits was to be deleted - **Ayesha Steels (P.) Ltd. v. ITO - [2025] 175 taxmann.com 1084 (Delhi - Trib.)**

4.118 Where a search under section 132 was conducted upon group of companies and certain documents were seized which revealed that these companies were involved in arranging accommodation entries in form of share capital by paying commission and Assessing Officer on basis of said documents made addition on account of such bogus share capital received by assessee from one company of said group, since Assessing Officer had made a detailed analysis and found that share application money received by assessee along with its premium was a bogus one, impugned addition made under section 68 was justified - **Creative Capital Services (P.) Ltd. v. Deputy Commissioner of Income-tax, Central Circle - [2025] 176 taxmann.com 179 (Chandigarh - Trib.)**

4.119 Where assessee-jeweller deposited huge amount of cash in bank accounts during demonetization period and had presented evidence of available stock and depletion of said stock on account of sales and AO had not carried out any enquiry to show that any portion of receipts on account of sale of that stock were unexplained by such sales, no case for addition under section 68 was made out - **ACIT v. Harshit Garg - [2025] 176 taxmann.com 243 (Lucknow - Trib.)**

4.120 Where Assessing Officer on basis of information available in NMS data issued notice under section 148 to assessee for making addition on account of cash deposit in bank account and passed an ex parte order under section 144 treating said cash deposit as income from undisclosed sources, since assessee was ex parte before Assessing Officer and also before Commissioner (Appeals) and he could not put forth his defence, matter was to be remanded back to file of Assessing Officer to decide it afresh - **Sanjiv Jha v. Income Tax Officer - [2025] 176 taxmann.com 326 (Jaipur - Trib.)**

4.121 Where additions under section 68 were made based solely on a DRI show-cause notice without independent inquiry and no further DRI action followed, such additions were rightly deleted; however, matter was remanded as subsequent Customs order having material bearing was admitted as additional evidence - **Income -Tax officer v. A.K. Exports - [2025] 176 taxmann.com 371 (Chandigarh - Trib.)**

4.122 Where assessee had purchased only one property and same transaction was reflected in both TDS return and Sub-Registrar's report, but Assessing Officer made additions on both, treating them as separate transactions, and assessee failed to respond to multiple notices issued by revenue authorities, matter was to be remanded for fresh examination - **Om Prakash Girgaonkar v. Income-tax Officer - [2025] 176 taxmann.com 479 (Bangalore - Trib.)**

4.123 Where Where Assessing Officer disallowed loss claimed by assessee on sale of shares on ground that transactions were non-genuine, since assessee purchased and sold shares through registered broker on recognized stock exchange and provided all supporting documents such as contract notes, bills, demat statements, etc. to prove genuineness of transactions, impugned disallowance of loss claimed on sale of shares by Assessing Officer was to be deleted - **ACIT v. Kunvarji Finance (P.) Ltd. - [2025] 176 taxmann.com 553 (Ahmedabad - Trib.)**

4.124 Where there existed a discrepancy between gross contractual receipts reflected in Form 26AS and those disclosed by assessee in its books of account, only addition made on account of suppressed contract receipt at 9 per cent was to be confirmed - **Deputy Commissioner of Income-tax v. Manbhari Constructions (P.) Ltd. - [2025] 176 taxmann.com 635 (Mumbai - Trib.)**

4.125 Where Commissioner (Appeals) deleted addition under section 68 relying on additional evidence filed by assessee without affording Assessing Officer an opportunity as per rule 46A(3), matter was to be remanded for fresh adjudication in accordance with law - **Deputy Commissioner of Income-tax v. MG Housing Pvt Ltd - [2025] 176 taxmann.com 636 (Delhi - Trib.)**

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

4.126 Where Assessing Officer issued notice under section 148 on basis of information received from DDIT(Inv.) that assessee had claimed bogus Long Term Capital Gain (LTCG) of certain



amount, since assessee had purchased and sold shares through recognized stock exchange and duly submitted details regarding sale and purchase of shares along with supporting documents such as copy of purchase and sales bills, copy of sauda summary, copy of bank statements, copy of balance sheet and profit and loss account, impugned reassessment proceeding was to be quashed - **Dinesh Kumar Sharma v. Income-tax Officer** - [2025] 176 taxmann.com 182 (Jaipur - Trib.)

4.127 Where assessee had entered into an agreement for sale of his agricultural land and as per said agreement, out of total agreement value, certain amount was received in cash and balance amount was receivable at time of registration and assessee had deposited said cash received in his bank account, since there was no compulsion of registration of an agreement for sale of agricultural land, explanation of assessee that said cash had been deposited in bank was a reasonably acceptable explanation in absence of any materials to contrary and, accordingly, impugned addition made u/s. 69 on account of same was to be deleted - **Anbhao Parkash v. ITO** - [2025] 176 taxmann.com 374 (Amritsar - Trib.)

4.128 Where assessee made cash deposits in his bank account and explained that such cash was received as advance on sale of immovable property by his mother, since details of property against which alleged advance was received were missing in submissions of assessee, additions made u/s. 69 on account of unexplained cash deposits was to be upheld - **Ashok Kumar v. ITO** - [2025] 176 taxmann.com 641 (Delhi - Trib.)

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

4.129 Where during search at premises of assessee, gold jewellery to extent of 1810 grams was found and assessee could explain source of jewellery to extent of 1700 grams only and remaining 110 grams of jewellery was still unexplained, addition was to be made towards value of jewellery to extent of 110 grams only - **Kiran Kumr Reddy v. Deputy Commissioner of Income-tax** - [2025] 176 taxmann.com 164 (Hyderabad - Trib.)

4.130 Where AO made addition u/s. 69A on account of cash deposits made by assessee in its bank account during demonetization period without verifying relevant record and particularly, correctness of claim of assessee in light of SOP issued by CBDT, matter was to be remanded back for proper verification and examination of record as well as genuineness of claim of assessee - **Share Microfin Ltd v. Dy.CIT** - [2025] 176 taxmann.com 181 (Hyderabad - Trib.)

4.131 Where assessee's appeal was dismissed by Commissioner (Appeals) for non-compliance of notices, since appeal had not been adjudicated on merits and there might had been a possibility that notice issued through ITBA portal might not had been tracked by

assessee, matter was to be remanded back to Commissioner (Appeals) for fresh adjudication - **Abdul Rasheed v. Income-tax Officer, Udhampur** - [2025] 176 taxmann.com 502 (Amritsar - Trib.)

4.132 Where assessee had an undisclosed bank account in which there was a cash deposit and assessee claimed that said deposit was arising out of sale of a property, however, assessee failed to furnish evidence of sale deed of said property or any capital gains declared in sale of said property, issue was to be remitted back to Assessing Officer for a fresh adjudication - **Rohit Goel v. ACIT** - [2025] 176 taxmann.com 520 (Delhi - Trib.)

4.133 Where Assessing Officer found that purchases made from four parties were not declared fully by assessee in its regular books of account and invoked section 69A and 69C for taxing excess purchases as unexplained money and unexplained expenditure and apart from above, AO had treated difference in reported sales and credits in bank account as unexplained money u/s. 69A, such an approach was not legally justified as it taxed same amount twice under different heads - **Rohit Goel v. ACIT** - [2025] 176 taxmann.com 520 (Delhi - Trib.)

4.134 Where assessee failed to offer any plausible explanation supported by documentary evidence in support of huge cash deposits in his bank accounts, AO was justified in treating entire amount as unexplained money u/s. 69A - **ITO v. Purushoptam Gupta** - [2025] 176 taxmann.com 507 (Indore - Trib.)

4.135 Where diary was seized during search containing two pages with names of persons and amounts noted against them, and entries did not mention any transaction or indicate whether amounts were receipts or payments, such loose papers could only be considered as dumb documents and no addition could be made on basis of such documents - **Sanjay Taneja v. ACIT** - [2025] 176 taxmann.com 392 (Delhi - Trib.)

SECTION 71 OF THE INCOME-TAX ACT, 1961 - LOSSES - SET OFF OF FROM ONE HEAD AGAINST INCOME FROM ANOTHER

4.136 There is no sequence prescribed in section 71(2) to set off loss under a particular head of income and it gives option to assessee to set off any loss, other than loss under head 'capital gains', against income under any head, including capital gains - **Priya Kapil Todarwal v. ITO** - [2025] 176 taxmann.com 349 (Mumbai - Trib.)

SECTION 72 OF THE INCOME-TAX ACT, 1961 - LOSSES - CARRY FORWARD AND SET OFF OF BUSINESS LOSSES

4.137 Where AO made addition on account of proportionate depreciation relating to speculation business claimed by assessee on ground that assessee claimed this amount as speculation loss under head 'income from other sources', since amount in question did not represent a speculation loss, but rather depreciation related to speculation business, impugned addition was to be deleted - **ACIT v. Kunvarji Finance (P.) Ltd.** - [2025] 176 taxmann.com 553 (Ahmedabad - Trib.)


**SECTION 80C OF THE INCOME-TAX ACT, 1961 -
DEDUCTIONS - LIFE INSURANCE PERMIA,
CONTRIBUTION TO PROVIDENT FUND, ETC.**

- 4.138** Where assessee claimed deduction of Rs. 1 lakh under section 80C, since assessee had not furnished any evidences to prove that claim of deduction made under section 80C was allowable, AO rightly made addition of Rs. 1 lakh u/s. 80C - **Ganga Reddy Gidde v. ITO - [2025] 176 taxmann.com 226 (Hyderabad - Trib.)**

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

- 4.139** Where assessee-trust filed application u/s. 80G along with evidence of charitable activities and section 12AB registration, and Commissioner (Exemptions) rejected it without considering documentary evidences or finding any violation of section 80G, such rejection was unwarranted and thus, registration u/s. 80G deserved to be granted. - **Sri Ganga Charitable Trust v. CIT (Exemption) - [2025] 175 taxmann.com 1068 (Hyderabad - Trib.)**
- 4.140** Where assessee-trust could not explain donations made to certain trusts and how they were relating to charitable purpose, Commissioner (Exemption) rightly rejected application for registration u/s. 80G(5) - **Shree Saurashtra Patel Seva Mandal Education Trust v. CIT (Exemption) - [2025] 176 taxmann.com 14 (Ahmedabad - Trib.)**
- 4.141** Where assessee claimed deduction at rate of 50 per cent on CSR expenses u/s. 80G and AO allowed same after considering details of donations to all charitable trusts and institutions furnished by assessee, view taken by AO could not be said to be erroneous and thus, revisionary order passed by Principal Commissioner was to be quashed - **Dalal and Broacha Stock Broking (P.) Ltd. v. Pr. CIT-4 - [2025] 175 taxmann.com 984 (Mumbai - Trib.)**
- 4.142** Where assessee-trust had already been granted registration u/s. 12AB, application for approval u/s. 80G(5) could not be rejected on ground that no substantial charitable activities were being carried out by assessee-trust without discussing record filed by assessee showing activities carried out by it - **Veedhi Balala Sneha Sangam v. CIT (Exemption) - [2025] 176 taxmann.com 77 (Hyderabad - Trib.)**
- 4.143** Where assessee filed Form No. 10AB under clause (iii) of first proviso to section 80G(5) on 14-9-2023 after expiry of six months of commencement of its activities and consequently, Commissioner (Exemption) rejected application, since timeline prescribed for filing Form No. 10AB was extended up to 30-6-2024 vide CBDT Circular No. 7 of 2024, matter was to be remanded for reconsideration - **Alamelu Memorial Charitable Trust v. CIT (Exemptions) - [2025] 176 taxmann.com 46 (Chennai - Trib.)**

- 4.144** Wrong selection of section code/clause in application for approval under section 80G would not disentitle assessee to its rightful claim and could not be treated as fatal to proceedings initiated after filing of application - **Abhinav Shikshan Sanstha v. Commissioner of Income-tax (Exemption) - [2025] 176 taxmann.com 97 (Pune - Trib.)**
- 4.145** Where donation made to charitable trust was treated as CSR expenditure and suo motu disallowed under section 37, but deduction was claimed under section 80G and allowed by Assessing Officer, Pr. Commissioner wrongly invoked section 263 since there is no express bar on allowing 80G deduction for CSR payments - **ACG Pam Pharma Technologies (P.) Ltd. v. Principal Commissioner of Income-tax - [2025] 176 taxmann.com 98 (Mumbai - Trib.)**
- 4.146** Where assessee filed application in Form No. 10AB seeking regular approval under section 80G on 30-9-2024 and Commissioner (Exemptions) rejected application on ground that it was beyond time limit prescribed for filing of Form No. 10AB, since assessee had commenced its charitable activity prior to provisional registration, limitation reckoned from commencement of activity would be irrelevant and thus, matter was to be remanded to Commissioner (Exemptions) for reconsideration of application on merits - **KMV Foundation v. Commissioner of Income-tax (Exemptions) - [2025] 176 taxmann.com 187 (Hyderabad - Trib.)**
- 4.147** Donations that meet independent eligibility criteria of section 80G could not be denied deduction merely because they also fulfil CSR obligations - **TTEC India Customer Solutions (P.) Ltd. v. Principal Commissioner of Income-tax-3 - [2025] 176 taxmann.com 289 (Ahmedabad - Trib.)**
- 4.148** Once donation were made to eligible institutions, and requisite statutory conditions under section 80G were fulfilled, deduction could not be denied merely because it coincides with or arises out of assessee's CSR obligations - **Gujarat Mineral Development Corporation Ltd. v. Pr. CIT-1 - [2025] 176 taxmann.com 227 (Ahmedabad - Trib.)**
- 4.149** Where Commissioner (Exemption) rejected application of assessee for registration u/s. 80G on ground that assessee had quoted section 80G(5)(i) instead of section 80G(5)(iv) in Form No. 10AB, since rejection of application without affording opportunity to rectify error was not in consonance with principles of natural justice, impugned order was to be set aside and assessee was to be allowed to rectify procedural errors - **Andhra University Alumni Association v. ITO (Exemption Ward) - [2025] 176 taxmann.com 334 (Visakhapatnam - Trib.)**
- 4.150** Where Commissioner (Exemption) rejected assessee-trust's application for registration u/s. 80G on ground that assessee contained element of a religious trust and it was making huge expenditure of religious nature, since assessee inadvertently provided details of such expenditure and was ready to produce necessary documents, matter was to be remanded back to Commissioner (Exemption) for reconsideration - **Samyak Gyan Prachar Prasar Trust v. CIT (Exemption) - [2025] 176 taxmann.com 411 (Jaipur - Trib.)**



- 4.151** Where Commissioner (Exemption) rejected application of assessee-trust for approval under section 80G(5) on ground that assessee had incurred religious expenditure in excess of threshold limit of 5 per cent, since mistake was apparent from details as furnished by assessee in Form No. 10AB, matter was to be set aside to file of Commissioner (Exemption) with a direction to allow one more opportunity to assessee to rectify mistake in Form No. 10AB - **Green Environment Charitable Trust v. Deputy Commissioner of Income-tax(Exemption) - [2025] 176 taxmann.com 417 (Ahmedabad - Trib.)**
- 4.152** Mere mention of running/maintaining a temple in objects of assessee-trust, would not make object of trust wholly or substantially wholly religious in nature and, thus, Commissioner (Exemption) was not justified in rejecting application of assessee for approval under section 80G(5) - **Discover Joy Foundation v. Commissioner of Income-tax (Exemption) - [2025] 176 taxmann.com 447 (Ahmedabad - Trib.)**
- 4.153** Where assessee-trust had applied for approval u/s. 80G(5), however, Commissioner (Exemption) rejected same on ground that there were spiritual objects in trust deed which were religious in nature, since assessee-trust had not submitted any evidence to prove that it had not incurred any expenditure on those religious objects, matter was to be remanded back to Commissioner (Exemption) to examine financial records in light of provisions of section 80G(5B) to ascertain expenditure made by assessee-trust on religious/spiritual activities and adjudicate issue as per law. - **Jeewandee Health Education Charitable Trust v. CIT (E) - [2025] 176 taxmann.com 454 (Rajkot - Trib.)**
- 4.154** Where assessee-charitable trust had already commenced activities as on date of provisional approval, application for regular approval u/s. 80G(5) could be filed within six months prior to expiry of provisional approval - **Action for Impact Foundation v. CIT, Exemption - [2025] 176 taxmann.com 464 (Pune - Trib.)**
- 4.155** Where Commissioner (Exemption) rejected application of assessee for approval u/s. 80G on ground that there was a mistake in section mentioned in application as 80G(5)(i) instead of 80G(5)(iv), since assessee was not given any defect memo or show-cause notice for rectifying mistake, rejection of application on this technical ground was not justified - **Alumni Association v. CIT (Exemption) - [2025] 176 taxmann.com 512 (Hyderabad - Trib.)**
- 4.156** Where assessee-trust's objects included both charitable and one religious object, approval u/s. 80G(5) couldn't be denied solely for mentioning of running/maintaining a temple in objects, and matter was remanded to verify if religious expenditure exceeded 5 per cent limit and if not, assessee was to be allowed approval u/s. 80G(5) - **Vaishnav Sangh v. CIT(Exemption) - [2025] 176 taxmann.com 487 (Ahmedabad - Trib.)**
- 4.157** Where assessee-trust inadvertently selected wrong clause in Form 10AB while applying for regular registration under section 80G, and Commissioner(Exemption) rejected application on ground that he lacked power to rectify error, matter was to be remanded with direction to treat application under correct clause and decide afresh if assessee was otherwise eligible - **Modasa Ekda Visha Khadayata Kovadia Kelavani Mandal v. CIT (Exemption) - [2025] 176 taxmann.com 569 (Ahmedabad - Trib.)**
- 4.158** Where AO allowed deduction to assessee u/s. 80G in respect of CSR expenses after duly considering all relevant facts disclosed during assessment proceedings, said order could not be treated as erroneous or prejudicial to interests of revenue warranting revision u/s. 263. - **Livlong Insurance Brokers Ltd. v. Pr. CIT - [2025] 176 taxmann.com 566 (Mumbai - Trib.)**
- 4.159** Where assessee-trust, engaged in providing educational facilities, filed an application for permanent approval u/s. 80G(5), since assessee was established for charitable purposes within meaning of section 2(15) and registration u/s. 12A had already been granted after verifying genuineness of activities carried out by assessee, Commissioner (Exemptions) was to be directed to grant approval u/s. 80G(5) to assessee-trust - **Academy of Liberal Education Regd v. CIT (Exemptions) - [2025] 176 taxmann.com 675 (Bangalore - Trib.)**
- 4.160** Where assessee-trust had not incurred expenditure for religious purposes exceeding 5 per cent of its income in any of the relevant years, it was eligible for registration u/s. 80G - **Umiya Mataji Ishver Ramji Annakshetra Trust v. CIT (Exemption) - [2025] 176 taxmann.com 839 (Rajkot - Trib.)**
- SECTION 80JJAA OF THE INCOME-TAX ACT, 1961 - DEDUCTIONS - IN RESPECT OF EMPLOYMENT OF NEW WORKMEN**
- 4.161** Where assessee filed return of income claiming deduction u/s. 80JJAA and same was disallowed on ground that Form 10DA was not filed within prescribed time, since Form 10DA was duly signed before due date and formed part of record during processing u/s. 143(1), deduction could not have been denied; matter was to be remanded for limited verification of quantification - **IIFL Samasta Finance Ltd. v. Dy. CIT - [2025] 176 taxmann.com 278 (Bangalore - Trib.)**
- SECTION 90 OF THE INCOME-TAX ACT, 1961 - DOUBLE TAXATION RELIEF - WHERE AGREEMENT EXISTS**
- 4.162** Where assessee submitted extensive documentation and claimed FTC in respect of Philippine taxes paid on income earned by its branch office in Philippine, since Assessing Officer after considering said submissions accepted claim of FTC restricted to amount of Indian tax payable on income earned in Philippines, in line with DTAA and section 90(1)(a), Principal Commissioner was not justified in invoking revisionary jurisdiction on ground that AO failed to verify correctness of FTC claim - **TTEC India Customer Solutions (P.) Ltd. v. Pr. CIT-3 - [2025] 176 taxmann.com 289 (Ahmedabad - Trib.)**



4.163 Where assessee, a resident of Mauritius, earned income from sale of derivatives, since derivatives were distinct from shares, gain arising therefrom was taxable only in Mauritius under article 13(4) of India-Mauritius DTAA and not in India under article 13(3A) - **3 Sigma Global Fund v. ACIT, International - [2025] 176 taxmann.com 708 (Mumbai - Trib.)**

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

4.164 Where assessee received subvention income from its AEs to help it achieve an arm's length margin in India, which effectively tantamount to compensating it for all expenses relating to distribution activity (including advertisement, marketing and conference expenses), since subvention income received by assessee was much more than entire TP adjustment made by TPO, once assessee had shown that income earned by it including subvention income had resulted in an arm's length margin in India vis-à-vis margin earned by comparable companies, no further adjustment was warranted considering incurring of advertisement, marketing and conference expenses as an international transaction - **Edwards Lifesciences (India) (P.) Ltd. v. Asst. CIT - [2025] 176 taxmann.com 101 (Mumbai - Trib.)**

4.165 Where assessee, a project office in India of a foreign company, was wholly dependent on head office for technical inputs and entered into transactions involving reimbursement of expenses, same constituted international transaction with associated enterprise and was subject to ALP determination under Chapter X - **TBEA Shenyang Transformer Group Company Ltd. v. Dy. CIT, International Taxation - [2025] 176 taxmann.com 838 (Ahmedabad - Trib.)**

SECTION 92BA OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - DOMESTIC TRANSACTION, MEANING OF

4.166 Where assessee had entered into specified domestic transaction of transfer of steam generated from boilers at eligible units to own non-eligible units, for computing section 80-IA deduction, market value of transfer of steam was to be taken at rate which electricity company charged from consumers - **Shahi Exports (P.) Ltd. v. ACIT, Central Circle - [2025] 176 taxmann.com 287 (Delhi - Trib.)**

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

4.167 Where assessee-company was engaged in research development services to its group companies and selected company was engaged in distribution of financial products, said company was to be excluded from final set of comparables as it was functionally dissimilar - **Fil India Business & Research Services (P.) Ltd. v. Dy. CIT, NFAC, Delhi - [2025] 175 taxmann.com 1060 (Delhi - Trib.)**

4.168 Where TPO rejected comparability analysis of assessee and conducted fresh analysis by adding certain filters and arrived at final set of six comparable companies, since four comparable companies taken by TPO were having significant RPT, TPO was to be directed to select fresh set of comparables after applying RPT filter where RPT filter with maximum filter criteria of 25 per cent be taken as benchmark - **Fil India Business & Research Services (P.) Ltd. v. Deputy Commissioner of Income-tax, National Faceless Assessment Centre, Delhi - [2025] 175 taxmann.com 1060 (Delhi - Trib.)**

4.169 Where TPO applied CUP method as MAM in case of assessee for purchase of potatoes from its Associated Enterprise (AE), since there were fundamental differences between transactions undertaken by assessee and those undertaken by AE which were not reasonably adjustable and quality-wise details were maintained by assessee in its accounting system, CUP method was inapplicable and TNMM was more appropriate - **Asandas & Sons (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 1072 (Ahmedabad - Trib.)**

4.170 Where TPO made adjustment on interest charged by assessee on loan to AE by applying rate of 5.31 per cent, in view of Tribunal's decision in assessee's own case for earlier year accepting LIBOR + 2.5 per cent as appropriate, same rate was to be applied for current year also and no further adjustment was warranted - **Arvind Ltd. v. DCIT - [2025] 176 taxmann.com 178 (Ahmedabad - Trib.)**

4.171 Where TPO had failed to demonstrate adoption of 'other method' as against TNMM adopted by assessee for benchmarking transaction of payment of management fee without bringing on record any comparable uncontrolled transaction to substantiate ALP determined by him to be Nil, approach of TPO was fundamentally flawed in terms of adherence to procedure laid down under Rule 10AB - **Deputy Commissioner of Income-tax v. IAC International Automotive India (P.) Ltd. - [2025] 176 taxmann.com 263 (Pune - Trib.)**

4.172 Where assessee had continuing debit and credit balances with AEs on account of sale and purchase transactions and TPO treated receivables outstanding beyond stipulated period as deemed unsecured loans and imputed notional interest at LIBOR plus 400 basis points, such adjustment was liable to be deleted as only LIBOR without any mark-up was to be applied - **Vaibhav Global Ltd. v. Deputy Commissioner of Income-tax - [2025] 176 taxmann.com 239 (Jaipur - Trib.)**

4.173 Where assessee, engaged in manufacturing and export of jewellery, had benchmarked transactions using Cost Plus Method, TPO was not justified in applying Berry ratio as same was inapplicable to manufacturing entities ; TP adjustment was to be deleted - **Vaibhav Global Ltd. v. Deputy Commissioner of Income-tax - [2025] 176 taxmann.com 239 (Jaipur - Trib.)**



- 4.174** Where assessee paid management fee and R&D fee to its AEs but TPO made upward adjustment by taking view that assessee failed to demonstrate that it had received services or that it had benefited from such services, since assessee had filed sufficient evidence which prima facie substantiated that payment of management fees as well as R&D expenses were at arm's length price, matter was to be restored back - ***Fugro Survey (India) (P.) Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 176 taxmann.com 367 (Mumbai - Trib.)
- 4.175** Where assessee-company was engaged in manufacture of leather footwear and selected companies were engaged in business of manufacture of leather belts, wallets, desktop accessories, holders, bags, leather and leather garments, etc., they could not be adopted as comparable to assessee - ***Mirza International Ltd. v. DCIT*** - [2025] 176 taxmann.com 346 (Lucknow - Trib.)
- 4.176** Where internal TNMM of assessee was accepted in earlier years and no TP adjustment was made and there was no cogent reason given by TPO to disregard internal TNMM, internal TNMM as applied by assessee to benchmark its Specified Domestic Transactions (SDTs) entered into between eligible and non- eligible units was justified - ***Mirza International Ltd. v. DCIT*** - [2025] 176 taxmann.com 346 (Lucknow - Trib.)
- 4.177** Where selected company was manufacturing footwear with outer soles of rubber, plastics and leather and hawai chappals, it could not be adopted as comparable to assessee which was only engaged in manufacture of leather footwear (shoes) - ***Mirza International Ltd. v. DCIT*** - [2025] 176 taxmann.com 346 (Lucknow - Trib.)
- 4.178** Where selected company was primarily engaged in business of manufacture of synthetic chappals, sandels and slippers, it could not be adopted as comparable to assessee which was only engaged in manufacture of leather footwear (shoes) - ***Mirza International Ltd. v. DCIT*** - [2025] 176 taxmann.com 346 (Lucknow - Trib.)
- 4.179** A company engaged in providing consultancy and IT solutions whose segmental information was not available cannot be considered as a comparable to software development service provider - ***Aristocrat Technologies India (P). Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 176 taxmann.com 465 (Delhi - Trib.)
- 4.180** A company engaged in software development and consultancy activities, having no product development or closing stock of any product, could be considered as a comparable to software development service provider - ***Aristocrat Technologies India (P). Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 176 taxmann.com 465 (Delhi - Trib.)
- 4.181** If comparable is functionally same and from available data on record, results for financial year can reasonably be extrapolated, then company cannot be excluded solely on ground that comparables have different financial year endings - ***Aristocrat Technologies India (P). Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 176 taxmann.com 465 (Delhi - Trib.)
- 4.182** Where assessee and selected company were both rendering software development services, since area of operation may differ, said company was a suitable comparable - ***Aristocrat Technologies India (P). Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 176 taxmann.com 465 (Delhi - Trib.)
- 4.183** Where assessee-company was engaged in providing software development services to its AEs and selected company was engaged in software products and services, since no segmental data of revenue was available, said company could not be treated as comparable - ***Aristocrat Technologies India (P). Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 176 taxmann.com 465 (Delhi - Trib.)
- 4.184** Where there was an extraordinary event of acquisition of business by selected company, said company was not an idle comparable to be selected in final list of comparables - ***Aristocrat Technologies India (P). Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 176 taxmann.com 465 (Delhi - Trib.)
- 4.185** Where while making working capital adjustment, outstanding receivables have already been factored in, no separate adjustment is warranted for outstanding receivables as separate international transaction - ***Aristocrat Technologies India (P). Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 176 taxmann.com 465 (Delhi - Trib.)
- 4.186** Where assessee acted as a limited-risk distributor facilitating supply between single vendor and single customer without inventory or value addition, Berry Ratio was appropriate PLI - ***Samsung SDI India (P.) Ltd. v. Assessment Unit, Income-tax Department, NFAC*** - [2025] 176 taxmann.com 615 (Delhi - Trib.)
- 4.187** Where AMP expenses including amount of commission paid to distributors by assessee- company were not considered international transaction in previous years, demand raised by Assessing Officer in relevant Assessment Year treating said transaction as international transaction and making adjustment, was to be stayed - ***Amway India Enterprises (P.) Ltd. v. Deputy Commissioner of Income-Tax*** - [2025] 176 taxmann.com 676 (Delhi - Trib.)
- 4.188** Where assessee, project office, executed onshore contracts but suffered losses due to pricing determined by head office and had no control over subcontracting or compensation, CUP method was rightly rejected and TNMM with OP/OC as PLI rightly applied for determining ALP - ***TBEA Shenyang Transformer Group Company Ltd. v. Deputy Commissioner of Income-tax, International Taxation*** - [2025] 176 taxmann.com 838 (Ahmedabad - Trib.)



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

4.201 Where prescribed authority had accorded its combined approval u/s. 148B dated 9-6-2023 for reopening six assessment years involving three assesseees, such approval was not sustainable - **Manish Sharda v. ACIT Central Circle - [2025] 176 taxmann.com 250 (Delhi - Trib.)**

SECTION 149 OF THE INCOME-TAX ACT, 1961 - INCOME ESCAPING ASSESSMENT - TIME LIMIT FOR ISSUANCE OF NOTICE

4.202 Where AO issued notice u/s. 148 (old regime) on 19-5-2021 which was deemed to be issued u/s. 148A(b), subsequently SCN was issued on 23-5-2022, since AO had 58 days to issue notice u/s. 148 (new regime) i.e. till 20-7-2022, however notice was issued on 27-7-2022, i.e., after surviving/balance time period, impugned notice was barred by limitation period specified u/s. 149 and was to be quashed - **Abdulzameer Hakim Khan v. ITO - [2025] 176 taxmann.com 176 (Mumbai - Trib.)**

SECTION 153A OF THE INCOME-TAX ACT, 1961 - SEARCH AND SEIZURE - ASSESSMENT IN CASE OF

4.203 Where assessment had attained finality and was unabated as on date of search, and no incriminating material was found during search, additions made u/s. 153A by disallowing exemption u/s. 10(38) on LTCG and by making further addition u/s. 69C towards alleged commission were not sustainable - **DCIT v. Sh. Vaibhav Banka Aakarshan - [2025] 176 taxmann.com 362 (Jaipur - Trib.)**

SECTION 153D OF THE INCOME-TAX ACT, 1961 - PRIOR APPROVAL NECESSARY FOR ASSESSMENT IN CASES OF SEARCH OR REQUISITION

4.204 Where approval u/s. 153D was granted in mechanical and summary manner without any independent application of mind, such approval would be void ab initio and any proceedings on basis of such void approval thereafter would become non-est in eyes of law - **Mamta Agrawal v. Asst. CIT - [2025] 176 taxmann.com 28 (Raipur - Trib.)**

SECTION 154 OF THE INCOME-TAX ACT, 1961 - RECTIFICATION OF MISTAKE - APPARENT FROM RECORDS

4.205 Where Assessing Officer passed order giving effect to appellate order and allowed assessee's claim on seven issues, and thereafter rectified said order under section 154 by reiterating additions made in original assessment order, since such rectification was based on a misunderstanding of First Appellate order which had already deleted said additions, additions restored in rectification were rightly set aside by Commissioner (Appeals) - **Dy. CIT v. Lakshmi Vilas Bank Ltd. - [2025] 176 taxmann.com 634 (Chennai - Trib.)**

SECTION 167B OF THE INCOME-TAX ACT, 1961 - ASSOCIATION OF PERSON/BODY OF INDIVIDUAL - CHARGE OF TAX

4.206 Where income of assessee-AOP was taxed at maximum marginal rate u/s. 167B, surcharge was to be computed as per slab rate under Finance Act and, accordingly, surcharge at 10 per cent was rightly applied as income exceeded Rs. 50 lakhs but did not exceed Rs. 1 crore - **Bhagirathi Enterprise v. ITO - [2025] 176 taxmann.com 294 (Mumbai - Trib.)**

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

4.207 Where interest income is credited or paid by a co-operative society to any other co-operative society, such transaction is exempt from requirement of tax deduction at source u/s. 194A(3)(v), subject to condition that gross receipts or turnover of payer co-operative society during previous financial year does not exceed Rs. 50 crores - **Abhyudaya Co-operative Bank Ltd. v. ITO (TDS) - [2025] 176 taxmann.com 333 (Mumbai - Trib.)**

SECTION 194H OF THE INCOME-TAX ACT, 1961 - DEDUCTION OF TAX AT SOURCE - COMMISSION, BROKERAGE, ETC.

4.208 Where assessee-company, engaged in business of manufacturing automobiles, paid certain amount of discount to its dealers, since there was no evidence or material on record to suggest that discount allowed by assessee was against commission payment or that dealers were not doing their business independently or merely acting as agent of assessee, said discount could not be treated as commission payment for attracting provision of section 40(a)(ia) - **Bajaj Auto Ltd. v. Dy. CIT - [2025] 175 taxmann.com 1074 (Mumbai - Trib.)**

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

4.209 Where tax auditor in tax audit report for financial year 2021-22, reported TDS default for non-deduction of TDS on account of payment made towards hiring of charter plane services, since there was no material on record as to how said default had been determined, matter was to be remitted back to AO to determine exact nature of transaction - **Bombay Integrated Security (India) Ltd. v. ITO - [2025] 176 taxmann.com 376 (Mumbai - Trib.)**

4.210 Where assessee bank was a member of online platform operated by CCIL and assessee paid clearing charges or professional charges to CCIL for using their online platform as well as for availing various online services and Assessing Officer made addition for not deducting tax at source u/s. 194J on payments made to CCIL, since no case of any tax deduction u/s. 194J was made out qua assessee upon clearing/professional charges paid to CCIL, impugned addition was to be deleted - **Tamilnad Mercantile Bank Ltd v. Asst. CIT - [2025] 176 taxmann.com 863 (Chennai - Trib.)**


**SECTION 200A OF THE INCOME-TAX ACT, 1961 -
PROCESSING OF STATEMENTS OF TAX
DEDUCTED AT SOURCE AND OTHER
STATEMENTS**

- 4.211** CPC constituted by Board under section 200A(2) has jurisdiction to levy late fee under section 234E for delay in filing quarterly returns of TDS by assessee as well as interest under section 201 - **Chate Tutorials (P.) Ltd. v. ACIT, TDS Circle - [2025] 176 taxmann.com 337 (Pune - Trib.)**

**SECTION 234B OF THE INCOME-TAX ACT, 1961 -
INTEREST, CHARGEABLE AS**

- 4.212** Any additional income on account of APA between assessee and CBDT should not lead to additional interest liability of section 234B and 234C - **Fil India Business & Research Services (P.) Ltd. v. Deputy Commissioner of Income-tax, National Faceless Assessment Centre, Delhi - [2025] 175 taxmann.com 1060 (Delhi - Trib.)**
- 4.213** Where there was no liability for payment of advance tax since tax was deductible at source on income of assessee held liable to tax in India, levy of interest u/s. 234B was not warranted - **Amadeus IT Group SA v. Dy. CIT, International Taxation - [2025] 176 taxmann.com 134 (Delhi - Trib.)**

**SECTION 249 OF THE INCOME-TAX ACT, 1961 -
COMMISSIONER (APPEALS) - FORM OF APPEAL
AND LIMITATION**

- 4.214** Where assessee did not file return and an ex parte assessment was made with duplicate additions, since Commissioner (Appeals) wrongly invoked section 249(4)(b) without issuing SCN and specifying amount on which advance tax was payable, matter was to be remanded back to Commissioner (Appeals) for reconsideration - **Ms. Aamna Altaf Hussain Sharif v. ITO - [2025] 176 taxmann.com 112 (Mumbai - Trib.)**
- 4.215** Where assessee was imprisoned and even his son was finding it difficult to access emails and submit reply, there was sufficient cause within meaning of sub-section (3) of section 249 for delay in filing appeal before Commissioner (Appeals) and, thus, delay was to be condoned - **Gurupada Maji v. Addl. CIT - [2025] 176 taxmann.com 369 (Kolkata - Trib.)**

**SECTION 250 OF THE INCOME-TAX ACT, 1961 -
COMMISSIONER (APPEALS) - PROCEDURE OF**

- 4.216** Where Commissioner (Appeals) passed an ex parte order u/s. 250 confirming addition made by AO, since appeal decision was made without considering assessee's evidence leading to denial of opportunity and violation of natural justice, matter was to be remanded back to Commissioner (Appeals) for consideration of plea of assessee - **Bharat Chaturbhuj Vedant v. Dy. CIT - [2025] 175 taxmann.com 178 (Jodhpur - Trib.)**

- 4.217** Where Commissioner (Appeals), having deleted additions made u/s. 153A for want of incriminating material in respect of completed assessment, proceeded to direct Assessing Officer to initiate reassessment under section 147, such direction being beyond scope of powers under section 250/251 was without jurisdiction and liable to be quashed - **DCIT v. Sh. Vaibhav Banka Aakarshan - [2025] 176 taxmann.com 362 (Jaipur - Trib.)**

- 4.218** Where assessee claimed that it could not represent its case before Commissioner (Appeals) due to brain hemorrhage of its Chartered Accountant/tax consultant, matter was to be remanded back to Commissioner (Appeals) to decide issue afresh - **Hussain Multispeciality Hospital v. ITO - [2025] 176 taxmann.com 714 (Bangalore - Trib.)**

**SECTION 251 OF THE INCOME-TAX ACT, 1961 -
COMMISSIONER (APPEALS) - POWERS OF**

- 4.219** Though Commissioner (Appeals) is empowered to set aside order passed under section 144 and refer it back for fresh assessment, however, this power does not absolve him from adjudicating legal issues, particularly those challenging validity of jurisdiction assumed by Assessing Officer for framing assessment or reassessment. - **Tours5 Com v. Income-tax Officer - [2025] 176 taxmann.com 496 (Hyderabad - Trib.)**

- 4.220** Where assessee had sought time to file application seeking condonation of delay of 26 days in filing appeal before Commissioner (Appeals), along with supporting affidavit, Commissioner (Appeals) in law and fairness ought to have granted such opportunity instead of summarily dismissing appeal. - **Tours5 Com v. Income-tax Officer - [2025] 176 taxmann.com 496 (Hyderabad - Trib.)**

**SECTION 253 OF THE INCOME-TAX ACT, 1961 -
APPELLATE TRIBUNAL - APPEALS TO**

- 4.221** Where assessee's appeal before Tribunal was delayed by 10 days due to ill health of assessee's tax consultant, since there was no mala fide intention on part of assessee in filing appeal belatedly, delay was to be condoned under provisions of section 253(5) - **Hussain Multispeciality Hospital v. ITO - [2025] 176 taxmann.com 714 (Bangalore - Trib.)**

**SECTION 254 OF THE INCOME-TAX ACT, 1961 -
APPELLATE TRIBUNAL - ORDER OF**

- 4.222** Where assessee filed a cross appeal before Tribunal against order of Commissioner (Appeals) with a delay of 1271 days and explained cause of delay stating that impugned order was served on staff member who misplaced it, however, in appeal filed by revenue, assessee had been regularly appearing, it was to be held that assessee had failed to make out a case that it had acted bonafidely and impugned delay was to be declined to be condoned - **Dy. Commissioner of Income-tax v. Madhucon Agra Expressway Ltd. - [2025] 176 taxmann.com 93 (Hyderabad - Trib.)**

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



4.223 Where Assessing Officer levied penalty under section 271(1)(c) solely on ground that quantum addition was confirmed in appeal, in absence of any specific finding on concealment of income, such penalty was not automatic and therefore could not be upheld - **Dakshina Kannada Nirmithi Kendra v. Income-tax Officer - [2025] 175 taxmann.com 1079 (Bangalore - Trib.)**

4.224 Where penalty under section 271(1)(c) was imposed without valid approval from Joint Commissioner, and revenue failed to produce signed approval, penalty order was rightly quashed - **ACIT v. Vaibhav Pankaj Shah - [2025] 176 taxmann.com 192 (Mumbai - Trib.)**

4.225 Where assessee claimed exemption under section 54F on ground that he had invested sale consideration of shares in residential house, but new asset did not come into existence within time prescribed due to builder's default, and assessee had furnished complete explanation with supporting evidences, it being a bona fide claim, no penalty under section 271(1)(c) was leviable - **Deputy Commissioner of Income-tax v. Sahil Vachani - [2025] 175 taxmann.com 979 (Delhi - Trib.)**

SECTION 271B OF THE INCOME-TAX ACT, 1961 - PENALTY - FOR FAILURE TO GET ACCOUNTS AUDITED

4.226 Where assessee, registered under section 12A, did not obtain audit under section 44AB believing its income was exempt under sections 11 and 12, and such exemption was later denied, penalty under section 271B was not automatic as reasonable cause existed and penalty proceedings were not merely consequential and liable to be deleted - **Dakshina Kannada Nirmithi Kendra v. Income-tax Officer - [2025] 175 taxmann.com 1079 (Bangalore - Trib.)**

SECTION 272A OF THE INCOME-TAX ACT, 1961 - PENALTY - FOR FAILURE TO ANSWER QUESTION, SIGN STATEMENTS

4.227 Where Assessing Officer issued a notice under section 142(1) calling for certain information and noted that said notice was not replied by assessee and thereby he initiated penalty under section 272A(1)(d), since assessee had replied to said notice seeking time to file documents and request for time was not denied by passing a speaking order, it could not be said that there was non-compliance on part of assessee and, thus, impugned penalty was to be deleted - **Amit Jain v. DCIT - [2025] 176 taxmann.com 177 (Jaipur - Trib.)**

SECTION 275 OF THE INCOME-TAX ACT, 1961 - PENALTY - BAR OF LIMITATION FOR IMPOSITION

4.228 Where Assessing Officer made a reference to Addl. Commissioner on 20-1-2020 for initiation of penalty

under section 271E against assessee for repayment of loan by other than account payee cheques which was in contravention of section 269T, since penalty order should have been passed on or before 31-7-2020, impugned order passed on 30-8-2022, having been passed beyond date of limitation, could not be sustained - **Deputy Commissioner of Income-tax, Central Circle-02, Jaipur v. Kiran Fine Jewellers (P.) Ltd. - [2025] 176 taxmann.com 360 (Jaipur - Trib.)**

SECTION 282A OF THE INCOME-TAX ACT, 1961 - AUTHENTICATION OF NOTICES AND OTHER DOCUMENTS

4.229 Non-signing of an assessment order is not a procedural flaw that can be cured subsequently after service of same on assessee and thus renders such assessment order as non est and invalid - **Outsystems Singapore Pte. Ltd. v. Deputy Commissioner of Income-tax, International Taxation - [2025] 176 taxmann.com 954 (Delhi - Trib.)**

5. Appellate Tribunal SAFEMA

SECTION 2(9) OF THE PROHIBITION OF BENAMI PROPERTY TRANSACTIONS ACT, 1988 - DEFINITIONS

5.1 Where during demonetization period, appellants transferred certain amount to one third party (benamidar) with understanding that benamidar would deposit said amount in bank accounts of two companies and thereafter, said companies would transfer said amount back to appellants, since transfer of money by appellants to benamidar was nothing but a transfer for future benefit which in fact took place, it was a case of benami transaction - **Smt. Sunita Babubhai Prajapati v. Initiating Officer, BPU, Ahmedabad - [2025] 176 taxmann.com 780 (SAFEMA - New Delhi)**

5.2 Where appellants were involved in bullion trade and had made arrangements of accommodation entries to route old high denomination (OHD) currencies during demonetization period with back-dated bills/kachha slips, transactions alleged against appellants were covered by definition of Benami transactions as defined under section 2(9) and, thus, provisional attachment order passed under section 24(4) in respect of properties of appellants was to be confirmed - **Kapil Dineshbhai Patel v. Initiating Officer, BPU, Ahmedabad - [2025] 176 taxmann.com 775 (SAFEMA - New Delhi)**

SECTION 24 OF THE PROHIBITION OF BENAMI PROPERTY TRANSACTIONS ACT, 1988 - NOTICE AND ATTACHMENT OF PROPERTY INVOLVED IN BENAMI TRANSACTION

5.3 Where property of appellant was already attached by ED under PMLA Act, 2002, respondent could not have attached same property qua appellant under Prohibition of Benami Property Transactions Act, 1988 - **Maple Destination and Dream Build (P.) Ltd. v. Initiating Officer, Chandigarh - [2025] 176 taxmann.com 705 (SAFEMA - New Delhi)**



GST & INDIRECT TAXES

1. STATUTORY UPDATES

- 1.1** GSTN enables filing of appeals against waiver rejection orders (SPL-07) on the GST Portal

Editorial Note: The GSTN has issued an advisory to inform that taxpayers can now file appeals (Form APL-01) against waiver rejection orders (SPL-07) on the GST Portal. The appeal can be filed under “My Application” by selecting the order type as “Waiver Application Rejection Order.” Appeals once filed under the waiver scheme cannot be withdrawn. Alternatively, taxpayers can restore their original appeal (withdrawn for waiver) by submitting an undertaking under the “Orders” section.

- 1.2** GSTN to introduce enhanced OTP consent alerts and access controls for Application Suvidha Provider usage

Editorial Note: The GSTN has issued an advisory to inform that new security enhancements will soon be introduced to provide transparency and control to the taxpayers who interact with the GST System using Application Suvidha Providers (ASP). Taxpayers will receive email/SMS notifications whenever ASP access their data using OTP-based consent. Additionally, the GST Portal will allow taxpayers to view and revoke active consents granted to ASPs.

- 1.3** Inter-State supplies auto-populated in Table 3.2 of GSTR-3B on the GST portal would be non-editable from July 2025: GSTN

Editorial Note: In continuation of the previous advisory, the GSTN has announced that, effective from the July 2025 tax period, Table 3.2 of GSTR-3B—containing details of inter-State supplies to unregistered persons, composition taxpayers, and UIN holders—will be auto-populated and non-editable. Taxpayers must ensure accurate reporting in GSTR-1, GSTR-1A, or IFF, this will ensure accurate auto-filled values in Table 3.2

- 1.4** GSTN issues an advisory on erroneous system-generated GSTR-3A notices for non-filing of GSTR-4

Editorial Note: The GSTN has acknowledged that, due to a system glitch, GSTR-3A notices for non-filing of GSTR-4 were incorrectly issued to some composition taxpayers whose registrations were cancelled before FY 2024-25. The technical team is addressing this issue. Affected taxpayers who have already filed the required returns or had their registrations cancelled before FY 2024-25 may ignore these notices, as no further action is needed.

2. SUPREME COURT

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

- 2.1** Notice issued in SLP filed against impugned order of High court that where invoices raised by a supplier for purchases of products inadvertently reflected Bombay address and Bombay GSTN of assessee instead of Delhi GSTN number, demand for excess claim of ITC was to be set aside - **Union of India v. B Braun Medical India (P.) Ltd.** - [2025] 176 taxmann.com 622 (SC)

- 2.2** SLP dismissed against order of High Court that where petitioner challenged negative blocking of Electronic Credit Ledger citing conflicting High Court views and relied on Punjab & Haryana High Court ruling in K.J. International v. State of Punjab [2023] 156 taxmann.com 212/[2024] 82 GSTL 317/2023 (12) Centax 106 (P&H) restricting blocking up to 10% of demand, it was held that issue required detailed examination and, pending final decision, only 10% of tentative tax demand could be blocked - **Deputy Director v. Ramesh Kumar Yadav** - [2025] 176 taxmann.com 786 (SC)

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

- 2.3** SLP dismissed against impugned order of High Court that where for incorrect utilization of ITC, refund order pertaining to amounts standing to credit of Electronic Cash Ledger of assessee was placed in abeyance vide impugned order under section 108, in view of fact that Commissioner expressed no opinion as required by section 108 of CGST Act that order of refund u/s. 54 was erroneous and prejudicial to interest of revenue or that same was illegal or improper, impugned order was set aside - **Union of India v. HCC VCCL Joint Venture** - [2025] 176 taxmann.com 547 (SC)

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

- 2.4** SLP dismissed against order of High Court that it is not permissible to block Electronic Credit Ledger that would result negative balance - **Commissioner of Central Goods and Service Tax v. Karuna Rajendra Ringshia** - [2025] 176 taxmann.com 548 (SC)

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

- 2.5** SLP dismissed against order of High Court that since statutory alternative remedy of filing appeal against final order under section 74 was available, writ petition was not maintainable - **Adinath Enterprises v. Joint Commissioner Central Tax GST Delhi East** - [2025] 176 taxmann.com 785 (SC)



SECTION 129 OF CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DETENTION OF GOODS AND CONVEYANCE IN TRANSIT

- 2.6 Where for release of detained goods and conveyances, tax and penalty are paid, whether voluntarily or otherwise, a formal order in Form GST MOV-09 is to be passed after granting an opportunity of being heard and a summary of said order in Form GST DRT 07 is to be uploaded - **ASP Traders v. State of Uttar Pradesh** - [2025] 176 taxmann.com 782 (SC)

3. HIGH COURT

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

- 3.1 Assignment by sale and transfer of leasehold right of plot of land allotted by state industrial development corporation to lessee in favour of third party-assignee for a consideration shall be assignment/sale/transfer of benefits arising out of "immovable property" by lessee - assignor; same would not come under 'scope of supply' and, thus, would not be subject to levy of GST - **Dhiraj Can Co. (P.) Ltd. v. Union of India** - [2025] 176 taxmann.com 311 (Gujarat)
- 3.2 Assignment by sale and transfer of leasehold rights of plot of land allotted by GIDC to lessee in favour of third party-assignee for a consideration would be assignment/sale/transfer of benefits arising out of 'immovable property' by lessee-assignor; such transaction of assignment of leasehold rights being not covered by scope of supply in terms of section 7(1)(a), would not be subjected to levy of GST - **Quilon Real Industries (P.) Ltd. v. Union of India** - [2025] 176 taxmann.com 320 (Gujarat)

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

- 3.3 Where hotel accommodation is rented out to Government for accommodating its security forces, GST is payable on rental income derived by hoteliers in addition to fixed rent payable by Government; it was liability of State Home Department to reimburse such amount - **Iqbal Mubarak v. U.T of Jammu & Kashmir and Ladakh** - [2025] 176 taxmann.com 314 (Jammu & Kashmir and Ladakh)

SECTION 14 OF THE LIMITATION ACT, 1963 - EXCLUSION OF TIME OF PROCEEDING BONA FIDE IN COURT WITHOUT JURISDICTION

- 3.4 Failure of Appellate Authority to give effect to exclusion of time as mandated u/s. 14, despite a clear direction from HC, amounted to not only an erroneous exercise of jurisdiction but also a contravention of judicial discipline expected of statutory authorities; impugned appellate order was to be quashed and matter was to be re-adjudicated - **Apkon Ventures (P.) Ltd. v. Commissioner of Central Tax (Appeals-II)** - [2025] 176 taxmann.com 265 (Karnataka)

- 3.5 Though order under Section 73 was passed beyond SC-stipulated time of 6 weeks, no prejudice was caused to assessee; delayed rectification rejection didn't bar appeal and, hence, assessee was permitted to file appeal within 30 days invoking Limitation Act, and meanwhile, coercive steps to recover tax was barred - **NTC Infrastructure and Engineering (P.) Ltd. v. Assistant Commissioner (ST) (Inspection)** - [2025] 176 taxmann.com 319 (Madras)

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

- 3.6 In view of specific provision made by legislature inserting section 16(5), time for filing returns for financial year 2020-21 under section 39 could not be extended beyond 30-11-2021; input tax credit was not available where return in GSTR-3B for October, 2020 was filed on 19-02-2022 - **CE MTTCC JV v. Superintendent, CGST & Central Excise, Durgapur** - [2025] 176 taxmann.com 33 (Calcutta)
- 3.7 Where input tax credit was disallowed as assessee could not trace out suppliers with whom relevant transactions were made, assessee was to be given an opportunity to produce relevant documents for assessment - **Hercules Automobiles International (P.) Ltd. v. Union of India** - [2025] 176 taxmann.com 29 (Kerala)
- 3.8 Where assessee failed to submit requisite documents in time regarding ITC mismatch and delay in GSTR-1 filing, since reason of such failure given by assessee appeared to be genuine and assessee had showed willingness to pay disputed tax, matter was remanded for reconsideration to provide one more opportunity to present case before authority - **S Cube Protech v. State Tax Officer, Chennai** - [2025] 176 taxmann.com 212 (Madras)
- 3.9 Where assessee had availed ITC for years 2017-18 to 2020-21 beyond time limit prescribed under section 16(4) of CGST Act, 2017, in view of fact that Parliament had amended section 16 of CGST Act, 2017 by inserting sub-section (5) to allow such belated availment of ITC, matter was to be remitted back for fresh order - **New PSP Traders v. Deputy State Tax Officer** - [2025] 176 taxmann.com 273 (Madras)
- 3.10 Where assessee claimed ITC on purchases made from Hindustan Unilever Limited, a large business conglomerate in India engaged in various businesses, without affording any tangible evidence, it could not be simply alleged that they were "non-existent" so as to deny benefit of ITC - **Tvl. Sri Balaji Trading Company v. Assistant Commissioner (ST) (FAC)** - [2025] 176 taxmann.com 190 (Madras)
- 3.11 ITC denial solely based on retrospective cancellation of supplier's registration was unsustainable as supplier was registered at time of supply; since authorities failed to verify whether tax was paid and conditions for availing ITC were met, orders were quashed for lack of proper factual adjudication - **Shyamalmay Paul v. Assistant Commissioner of State Tax** - [2025] 176 taxmann.com 390 (Calcutta)



- 3.12** Where ex parte order based on non-response to SCN was challenged as assessee claimed ITC was reversed, since reversal would make matter revenue neutral and factual disputes regarding filing and reversal arose, case was to be remanded for fresh adjudication - **Raiganj Jeevan Rekha Diagnostic (P.) Ltd. v. Union of India** - [2025] 176 taxmann.com 429 (Calcutta)
- 3.13** Where assessee had filed appeal against assessment order by depositing 10 per cent of disputed tax, restrictions under rule 86A(3) that it should remain in force for a period of one year, would come to an end and revenue should unblock assessee's Electronic Credit Ledger - **Arise Steels (P.) Ltd. v. Assistant Commissioner (ST)** - [2025] 176 taxmann.com 589 (Madras)
- 3.14** Where assessee challenged impugned order alleging that a non-existent firm passed on ineligible ITC to assessee, said order being an appealable order, assessee was to be relegated to remedy of appeal - **V K Enterprises v. Additional Commissioner CGST Delhi West** - [2025] 176 taxmann.com 587 (Delhi)
- 3.15** Where rectification application against assessment order was rejected without considering ITC reversal and adjustments shown in GSTR-3B, petitioner should approach appellate authority; writ was disposed of - **Eminent Textiles Mills (P.) Ltd. v. State Tax Officer** - [2025] 176 taxmann.com 612 (Madras)
- 3.16** Consequent upon insertion of section 16(5) by Finance (No. 2) Act, 2024, time for filing of return under section 39 for tax period 2017-18, 2018-19, 2019-20 and 2020-21 had been extended till 30th November, 2021; claim of input tax credit by assessee on its inward supply in September 2019 in respect of financial year 2017-18 was valid - **DYS Impex (P.) Ltd. v. Assistant Commissioner of Revenue** - [2025] 176 taxmann.com 37 (Calcutta)
- 3.17** Where ITC claim based on GSTR-3B was disallowed due to mismatch with GSTR-2A as assessee failed to file Chartered Accountant certificate from supplier as supplier went into liquidation but later on assessee obtained certificate from their Chartered Accountant and filed same, since same was not considered, matter was to be re-adjudicated - **JIT Auto Comp v. Assistant Commissioner** - [2025] 176 taxmann.com 537 (Madras)
- 3.18** Where assessee availed ITC on purchases made but supplier was found to be non-genuine and did not discharge tax liability, since assessee had failed to show that genuineness of supplies received producing invoices, e-way bill, transport receipt, etc., assessee was liable to reverse ITC; however, penalty could not be imposed in absence of intimation issued in Form GST DRC-01A - **R V Enterprises v. State of Gujarat** - [2025] 176 taxmann.com 532 (Gujarat)

- 3.19** Where in adjudication proceedings, sufficient opportunity was granted to assessee but it failed to utilise same, assessee was not justified in bypassing statutory appellate remedy; intra court appeal dismissed - **Global Enterprise v. Additional Commissioner of Central Goods Services Tax & Central Excise** - [2025] 176 taxmann.com 650 (Calcutta)
- 3.20** Where assessee filed instant writ petition against show cause notice issued alleging excess availment of ITC, said petition was to be dismissed for being premature since matter was at notice stage and assessee could very well file their reply raising all contentions - **Tvi S.D. Promoters v. Deputy State Tax Officer** - [2025] 176 taxmann.com 201 (Madras)
- 3.21** Where GSTR-3B returns for 2017-18 to 2020-21 were filed by assessee within extended time as per Notification No. 17/2024-Central Tax, dated 27-9-2024, matter was to be remanded back to decide afresh - **Rajmal Indermal v. Union of India** - [2025] 176 taxmann.com 801 (Madhya Pradesh)

SECTION 17 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - INPUT TAX CREDIT - CREDIT AND BLOCKED CREDITS, APPORTIONMENT OF

- 3.22** Where assessee reversed wrongly availed ITC on motor vehicle purchase within same year, yet demand, interest, and penalty were imposed, impugned order was to be quashed and fresh order was to be passed - **Sri Arbutham Printers v. Deputy State Tax Officer (ST), Madurai** - [2025] 176 taxmann.com 808 (Madras)

SECTION 18 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - INPUT TAX CREDIT - CREDIT IN SPECIAL CIRCUMSTANCES, AVAILABILITY OF

- 3.23** Transfer of unutilized ITC lying in electronic credit ledger of transferor company to amalgamated company is allowed irrespective of fact that companies are located in different States - **Umicore Autocat India (P.) Ltd. v. Union of India** - [2025] 176 taxmann.com 616 (Bombay)

SECTION 25 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - REGISTRATION - PROCEDURE FOR

- 3.24** Where appeal was filed against demand order and mandatory pre-deposit was made, demand order would stand automatically stayed; petitioner could not be treated as defaulter and NOC for fresh GST registration could not be withheld - **Sarabjeet Singh v. Commissioner of SGST** - [2025] 176 taxmann.com 768 (Delhi)

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

- 3.25** Where non-filing of returns was due to genuine internal issues of petitioner company and non-delivery of capital goods, cancellation of registration was set aside on payment of ₹10,000 subject to filing pending returns with tax, interest, and late fee - **Vamana Extrusions (P.) Ltd. v. Superintendent, Chennai** - [2025] 176 taxmann.com 32 (Madras)



- 3.26** Where assessee was not conversant with online procedure and, therefore, could not submit reply to SCN in time, on filing all pending returns and making full payment of tax dues along with applicable interest and late fee, assessee should be allowed to approach concerned authority for restoration of her cancelled GST registration - *Riju Moni Gogoi v. Union of India* - [2025] 176 taxmann.com 43 (Gauhati)
- 3.27** Where SCN issued for cancellation of registration was entirely vague and bereft of any particulars and it did not specify appointed date or time for personal hearing, order cancelling registration was to be set aside - *Saurabh Sahu v. State of Maharashtra* - [2025] 176 taxmann.com 87 (Bombay)
- 3.28** Mere fact that assessee did not submit any reply to SCN or did not appear before Proper Officer when he was called upon to do so, does not absolve Proper Officer from obligation of passing a speaking order which brings adverse consequence to a person; cancellation of assessee's GST registration without assigning any reason was to be set aside - *Monoranjan Saikia v. Union of India* - [2025] 176 taxmann.com 206 (Gauhati)
- 3.29** Notices and orders issued under CGST Act, 2017 are valid if same are uploaded in GST portal even if they are not served physically by sending through post - *Latheesh Chovvattapadinhare Kuthirummal v. Central Board of Indirect Taxes and Customs* - [2025] 176 taxmann.com 317 (Kerala)
- 3.30** Where assessee applied for cancellation of GST registration on 28-3-2022 and clarification was sought after two years, followed by SCN alleging non-filing of returns and retrospective cancellation from 1-7-2017, such basis was untenable and cancellation should take effect from application date, i.e., 28-3-2022 - *Banglore Sales Corporation v. Commissioner of DGST* - [2025] 176 taxmann.com 436 (Delhi)
- 3.31** Where earlier assessee's GST registration was suspended twice and revived, since registration was suspended again for third time alleging certain violations, GST Authority must take an early decision after hearing assessee to avoid indefinite suspension of registration - *Steelex Enterprises v. Assistant Commissioner* - [2025] 176 taxmann.com 583 (Delhi)
- 3.32** Where order of cancellation of registration was passed without application of mind, same was to be set aside - *Suraj Kumar Upadhyay v. State of U.P.* - [2025] 176 taxmann.com 585 (Allahabad)
- 3.33** Where registration of assessee was cancelled w.e.f. 1-7-2017 without giving any reason and appeal filed by assessee was dismissed as time barred, in view of guidelines issued by Co-ordinate Bench of High Court, order of cancellation was to be set aside and matter to be re-adjudicated - *Global Power v. State of Gujarat* - [2025] 176 taxmann.com 613 (Gujarat)

- 3.34** Where petitioner's application for fresh registration after cancellation of earlier registration was rejected, since rejection order was unreasoned, lacked reference to relevant CBIC Circular and section 29(2)(b), and reason for rejection as disclosed in counter affidavit was different from reason mentioned in notice seeking additional information/clarification, rejection order was to be set aside - *Maharaj Ji Enterprises v. Union of India* - [2025] 176 taxmann.com 652 (Patna)

- 3.35** Where appeal filed by assessee against order rejecting revocation application was rejected on ground of limitation without assigning any reason, same was to be set aside - *Tyagi Lube Agency v. State of UP* - [2025] 176 taxmann.com 806 (Allahabad)

SECTION 30 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - REGISTRATION - REVOCATION OF CANCELLATION OF

- 3.36** Where assessee's GST registration was cancelled due to non-filing of returns, on filing of returns and depositing of statutory dues, cancellation of registration was to be revoked - *Smti Gichak Daniam v. State of AP* - [2025] 176 taxmann.com 38 (Gauhati)
- 3.37** Where assessee was resident of remote area where there was lack of proper internet facilities and, hence, she could not visit GST portal and submit any reply to show cause notice issued for registration cancellation in time, assessee might approach officer by furnishing all pending returns and making full payment of tax dues, interest and late fee; authority would take necessary steps for restoration of GST registration petitioner - *Munni Char v. Union of India* - [2025] 176 taxmann.com 42 (Gauhati)
- 3.38** Where registration was cancelled for non-filing of returns, in view of fact that non-filing was unintentional and assessee was ready and willing to file pending returns and deposit applicable taxes, along with interest and penalty, matter was to be remitted back for reconsideration of revocation application - *Z.A.Electricals and Constructions v. Jt. Commissioner of Commercial Taxes* - [2025] 176 taxmann.com 204 (Karnataka)
- 3.39** Where assessee failed to furnish bank details and suffered an adverse order, interest of assessee and authorities could be balanced by giving liberty to assessee to file application for revocation of cancellation along with bank details - *K.Perumal v. Addl. Commissioner of GST and Central Excise* - [2025] 176 taxmann.com 387 (Madras)
- 3.40** Where petitioner failed to file returns for six months due to ill-health and financial constraints, reason provided for non-compliance with relevant provisions of Act within prescribed time appeared to be genuine; order cancelling GST registration was to be revoked - *Arumugam Ramesh v. Commercial Tax Officer* - [2025] 176 taxmann.com 435 (Madras)
- 3.41** Where business premises of assessee was found to be in existence at time of visit, order of cancellation of registration was to be set aside - *Balaji Polycon v. Asst. Commissioner of State Tax (GST), Howrah* - [2025] 176 taxmann.com 591 (Calcutta)



3.42 Where assessee's registration was cancelled due to non-filing of returns as he suffered family adversity, considering petitioner's willingness to rejoin formal economy and pay taxes, it was in interest of revenue to allow restoration of registration on payment of cost by assessee - **Darshanlal Rawat Construction v. Principal Secretary Government of M.P.** - [2025] 176 taxmann.com 536 (Madhya Pradesh)

3.43 Where application for revocation of cancellation of registration was not filed within 90 days period, but writ petition was filed against cancellation order, revocation application was to be allowed to be filed condoning delay as CGST Act was at initial stage and common man had lesser knowledge of complexities - **Sai Construction & Builders v. Commissioner, State Goods and Services Tax** - [2025] 176 taxmann.com 803 (Uttarakhand)

SECTION 50 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - PAYMENT OF TAX - INTEREST ON DELAYED PAYMENT

3.44 Where petitioner challenged advisory directing payment of interest on delayed self assessed tax and warning of recovery under section 79, since actual recovery can only be initiated after issuing notice in Form GST DRC-01D under rule 142B and thus, opportunity of hearing must follow as per section 75(4), no interference was warranted at advisory stage - **Reliance Formulation (P.) Ltd. v. Assistant Commissioner of State Tax** - [2025] 176 taxmann.com 608 (Gujarat)

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

3.45 Where proper officer had identified certain deficiencies, but such deficiencies were not reflected under "View" button of portal, it could be said that deficiencies were not communicated to assessee and, thus, rejection of refund claim was not justified; assessee was permitted to re-file refund application - **Tarinika v. Commissioner of Central Goods & Services Tax** - [2025] 176 taxmann.com 31 (Calcutta)

3.46 Where refund application was not processed though no deficiency memo was uploaded on portal and during writ petition, deficiencies were identified in refund application, petitioner was permitted to take appropriate steps and file proper application - **Abhishek Ramisetty v. Commissioner of Central Goods and Services Tax** - [2025] 176 taxmann.com 36 (Calcutta)

3.47 Rule 96(10) of CGST Rules, 2017 having been omitted vide Notification No. 20 of 2024-CT dated 8-10-2024, proceedings initiated under said rule on a prior date would not survive - **Shiva Pharmachem Ltd. v. Union of India** - [2025] 176 taxmann.com 151 (Gujarat)

3.48 Where assessee was unable to submit online application for refund of penalty amount due to technical glitches, was to be permitted to submit fresh application for refund and same was to be considered expeditiously - **Ms. Jas Nylons v. Assistant State Tax Officer** - [2025] 176 taxmann.com 163 (Kerala)

3.49 Where assessee exported goods upon payment of IGST and produced EPCG Certificate, matter was to be remanded back to Appellate Authority to consider additional evidence produced by petitioner and to pass a fresh de-novo order - **Maxwell Engineering Solutions (P.) Ltd. v. Assistant Commissioner of Central GST and Excise** - [2025] 176 taxmann.com 388 (Gujarat)

3.50 Where deficiency memo issued in response to refund claim was untraceable and refund remained unprocessed despite a reminder in 2023, refund was to be granted with statutory interest from date of application within two months - **Sisla Laboratories v. Deputy Commissioner of CGST** - [2025] 176 taxmann.com 432 (Delhi)

3.51 Where refund application was filed in May, 2019 but its rejection order dated 19-09-2019 came to assessee's knowledge only on 11-02-2025 through additional affidavit by Department, in instant writ proceeding seeking refund, assessee's appeal right could not be denied, and was allowed to file appeal under Section 107 - **Sisla Laboratories v. Deputy Commissioner of CGST** - [2025] 176 taxmann.com 432 (Delhi)

3.52 Refund of unutilized ITC could not be denied as IGST was paid on zero-rated exports; refund was admissible under Section 54 and to be computed as per Rule 89 of CGST Rules - **Syngenta India Limited v. Union of India** - [2025] 176 taxmann.com 609 (Bombay)

3.53 In case of manufacturing utilising multiple inputs, refund of unutilised ITC cannot be denied on other inputs having higher tax rate than that of principal output merely on ground that tax rate of principal input is not more than principal output - **MK Agrotech (P.) Ltd. v. Union of India** - [2025] 176 taxmann.com 600 (Karnataka)

3.54 While denying refund of tax paid on capital goods, both Adjudicating authority and appellate authority had failed to consider and give reasons for applicability of circulars quoted by assessee in reply to show cause notice and thus, passed non-speaking order, orders were to be set aside - **Binay Rice Mill Trade Name- Sharda Ram Industries v. State of Bihar** - [2025] 176 taxmann.com 592 (Patna)

3.55 Time limit of 60 days under Section 54(7) for processing refund is mandatory; as impugned refund rejection order was passed beyond this period, it was legally unsustainable and set aside, with a direction to refund amount along with interest - **Suraj Mangar v. Assistant Commissioner of West Bengal State Tax** - [2025] 176 taxmann.com 951 (Calcutta)



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

- 3.56** Where in annual return, instead of actual taxable value of Rs. 62.76 lakhs, assessee erroneously entered value as Rs. 627.65 lakhs and, therefore, assessee had been assessed to pay higher tax, matter was to be remanded back to respondent authority to pass fresh order - *Tvl.J K S Construction v. State Tax Officer - [2025] 176 taxmann.com 813 (Madras)*

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

- 3.57** Where recovery was made ignoring binding precedent in SIS Cash Services case and appeal under amnesty scheme was wrongly rejected, such recovery was held illegal; State directed to refund with 9% interest and ₹10,000 cost for causing litigation - *Great Eastern Hire Purchase (P.) Ltd. v. State of Bihar - [2025] 176 taxmann.com 39 (Patna)*

- 3.58** Where assessee failed to file GSTR-3B on time for March to May, 2023 and so authorities had passed order under section 62 causing demand on best-judgment assessment basis, though beneficial amendment to section 62 providing an additional period of time to file returns in GSTR-3B had come into effect vide Finance Act, 2023 w.e.f. 1-10-2023 after assessment order was passed, returns filed by assessee within extended period were to be accepted - *Sri. Beeragondanahalli Halagappa Somashekarappa v. State of Karnataka - [2025] 176 taxmann.com 690 (Karnataka)*

- 3.59** Where after best judgement assessment, assessee failed to remit tax and file return within 30 days and recovery of tax was made from assessee, no interference was called for as requirement under section 62 was to make deposit under section 62, thus interference caused will go against statutory provision - *SIS Cash Services (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 732 (Patna)*

SECTION 65 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - AUDIT - BY TAX AUTHORITIES

- 3.60** Where assessee challenged Order-in-Original on ground of non-supply of Audit Report before quantification of dues, it was held that such contentions could be raised before Appellate Authority; writ petition was not maintainable - *Unicure Remedies (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 527 (Gujarat)*

SECTION 66 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - AUDIT - SPECIAL AUDIT

- 3.61** Though petitioner failed to respond within time to special audit report u/s. 66, considering nature of special audit and quantum of demand, petitioner was permitted to file reply and granted opportunity of hearing in consonance with scheme of Section 66 - *HYT Engineering Company (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 313 (Delhi)*

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

- 3.62** Where it was alleged that search authorization lacked proper details and coercive recovery was made without statutory notice or order and later on, pre-SCN intimation u/s. 74(5) was issued, since appeal filed u/s. 107(1) remained pending, appellate authority was to be directed to decide appeal expeditiously - *Hukkeri Taluka Samagra Grameen Abhivraddi Sangh v. State of Karnataka - [2025] 176 taxmann.com 691 (Karnataka)*

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

- 3.63** Where accused was granted bail, in view of facts that chargesheet had already been filed and there was no likelihood of evidence being tampered as same was documentary in nature, there was no likelihood of accused being a flight risk and there was no averment of misuse or abuse of liberty of bail, petition for recall of bail order was to be dismissed - *DG of GST Intelligence v. Rakesh Kumar Goyal - [2025] 176 taxmann.com 144 (Delhi)*

- 3.64** Where respondent was granted bail in alleged ITC fraud case, and no evidence showed risk of flight, witness influence, or evidence tampering, nor any abuse of bail liberty, petition for recall of bail was unjustified and rightly rejected. - *Directorate General of GST Intelligence v. Sudhir Gulati - [2025] 176 taxmann.com 152 (Delhi)*

- 3.65** Where notice corresponding to section 35(3) of Bharatiya Nagarik Suraksha Sanhita, 2023 was not served prior to arrest and reasons to believe forming basis of arrest were not communicated to applicant-petitioner, matter was to be listed and interim bail was to be granted till disposal of petition - *Varun Goyal v. State of Assam - [2025] 176 taxmann.com 154 (Gauhati)*

- 3.66** Where investigation was over and charge-sheet had already been filed, accused was to be released on bail subject to conditions including deposit of 10 per cent of alleged amount - *Hitesh Madan v. State of Gujarat - [2025] 176 taxmann.com 438 (Gujarat)*

- 3.67** Where applicants were accused of creating and operating fake firms ITC fraud and had undergone seven months in custody while maximum punishment is five years, since investigation was complete and trial was yet to commence, bail was to be granted as witnesses being official were unlikely to be won over - *Sanjeev Dixit Alias Sanjeev Kumar v. Union of India - [2025] 176 taxmann.com 524 (Allahabad)*



3.68 Where allegation was that petitioner was engaged in creation of fake firms in name of his employees with intention to issue fake GST bills and committed fraud by passing ineligible ITC and obtained financial benefits which caused loss to State, anticipatory bail was to be granted when during entire period of investigation, petitioner was not taken in custody nor even warrant of arrest was sought for by Investigating Agency and another co-accused had already been granted regular bail by Co-ordinate Bench of High Court - **Raaj Jaiswal v. Directorate General of Goods and Services Tax Intelligence** - [2025] 176 taxmann.com 767 (Jharkhand)

SECTION 70 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SEARCH, SEIZURE, ETC. - POWER TO SUMMON FOR EVIDENCE AND DOCUMENTS

3.69 Where officials of Department had forcible taken away accused from custody of Warrant Officer and illegally detained accused and obstructed Warrant Officer in discharging his official duty, act and conduct of officials of Department was contemptuous and same was to be dealt with a heavy hand - **Barkha Bansal v. State of U.T Chandigarh** - [2025] 176 taxmann.com 160 (Punjab & Haryana)

3.70 Not providing opportunity to cross-examine witnesses would violate principles of natural justice; matter was to be remanded back to authority to proceed further at stage of cross-examination - **Paper Trade Links through its Proprietor Shri Sandeep Bhargava v. Union of India Department of Revenue Ministry of Finance** - [2025] 176 taxmann.com 529 (Madhya Pradesh)

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

3.71 Issuing summary of show cause notice and summary of order without issuing proper show cause notice and passing order, respectively amounted to violation of mandate of section 73 by proper officer - **Biswa Ranjan Borah v. State of Assam** - [2025] 176 taxmann.com 84 (Gauhati)

3.72 Summary of show cause notice and summary of order cannot substitute requirement of issuance of show cause notice and passing of order by proper officer under section 73(1) and 73(9) respectively - **Bitupon Doley v. State of Assam** - [2025] 176 taxmann.com 85 (Gauhati)

3.73 Where on earlier occasion, in respect of one item of demand, show cause notice was issued but dropped, while by impugned order demand was raised on same item, fresh order was to be passed - **Tvl. Honesty Autos v. State Tax Officer, Virudhunagar** - [2025] 176 taxmann.com 86 (Madras)

3.74 Where assessment order was passed on ground of suppression of turnover, wrong availment and utilization of ITC and delayed payment of tax and first appellate authority had rejected appeal, since Impugned orders were neither suffering from violation of principles of natural justice nor any jurisdictional error was committed by revenue authorities, remedy of filing appeal before Tribunal was available; writ petition was not maintainable - **Suraj Agency v. Union of India** - [2025] 176 taxmann.com 116 (Patna)

3.75 Where only a summary of SCN in DRC-01 with tax determination attachment was issued without proper, signed SCN, such initiation violated section 73 and rule 142(1)(a); summary of SCN cannot replace mandatory, duly authenticated SCN signed by Proper Office - **Haemotocon 2017 v. State of Assam** - [2025] 176 taxmann.com 140 (Gauhati)

3.76 Where demand order was passed on ground that evidence was not submitted by assessee in support of reply while assessee was not asked to submit such evidence, impugned order was not sustainable - **V. K. Pustak Bhandar and Stationers v. State of U.P.** - [2025] 176 taxmann.com 153 (Allahabad)

3.77 Summary of show cause notice and summary of order do not substitute requirement of issuance of show cause notice and passing of order as per mandate of section 73 by proper officer - **Phanidhar Borsaikia v. State of Assam** - [2025] 176 taxmann.com 158 (Gauhati)

3.78 Where assessment order was passed without issuing show cause notice under rule 142(1A), following judicial precedents, demand order was to be set aside - **Sri Shakthi Communications v. Assistant Commissioner of State Taxes** - [2025] 176 taxmann.com 159 (Andhra Pradesh)

3.79 Where objections raised by assessee which included claim that hiring/renting to GTAs is entitled to exemption in terms of Notification No. 12/2017, were not dealt with in impugned order and merely proposals made in show cause notice was reiterated, impugned order was to be set aside - **Tvl. P. Baskar v. Deputy State Tax Officer (Intelligence)** - [2025] 176 taxmann.com 208 (Madras)

3.80 Where impugned order was passed confirming demand without recording any reason and reiterating, rather cutting and pasting verbatim allegations in SCN to pass them of reasons supporting impugned order, same was to be set aside and matter was to be remanded for fresh consideration - **GlobeOp Financial Services (India) (P.) Ltd. v. Deputy Commissioner of State Tax, Mumbai** - [2025] 176 taxmann.com 213 (Bombay)

3.81 Where assessee failed to participate in proceedings before respondent-Assessment Authority prior to passing of impugned order, writ petition was to be disposed of by quashing impugned order subject to petitioner depositing 25 per cent of disputed tax confirmed vide impugned order - **Tvl. Sivan Hallow Bricks v. State Tax Officer** - [2025] 176 taxmann.com 323 (Madras)



- 3.82** In view of COVID pandemic, Apex Court vide its order dated 10.01.2022 (In Re: Cognizance for Extension of Limitation[2022] 134 taxmann.com 307 (SC)) had excluded period between 15.03.2020 to 28.02.2022 from computation of limitation period but impugned Notification Nos.09/2023 and 56/2023 issued under Section 168A of CGST Act had extended time for issuance of notice/order under sections 73 (2) and 73(10) for financial years 2017-18, 2018-19 and 2019-20 upto 31.12.2023, 30.04.2024 and 31.08.2024, respectively and thereby resulted in extinguishing vested right of action of authorities by providing for a shorter limitation; this suffers from vice of arbitrariness thereby offending Article 14 of Constitution - **Tata Play Ltd. v. Union of India - [2025] 176 taxmann.com 357 (Madras)**
- 3.83** Where an issue for a particular period was already covered by an earlier order, fresh proceedings in respect of same issue for same period was not sustainable; if there was an error apparent on face of record, it was for department to correct same by passing an appropriate order - **JR Enterprises v. State Tax Officer - [2025] 176 taxmann.com 441 (Madras)**
- 3.84** Where order under section 73 was passed based on audit observations despite Final Audit Report being in favour of assessee, such order was unsustainable and was accordingly quashed - **R K R Exports v. State of Karnataka - [2025] 176 taxmann.com 531 (Karnataka)**
- 3.85** Where assessee was undergoing Corporate Insolvency Resolution Process (CIRP) and resolution plan was approved by NCLT and affirmed by NCLAT, assessment order passed under section 73 for a year as well as show cause notice issued for another one were to be quashed - **Srei Equipment Finance Ltd v. State of UP - [2025] 176 taxmann.com 582 (Allahabad)**
- 3.86** Where impugned order was passed without considering reply of assessee and case of assessee was rejected with one-line observation, reply of assessee deserved proper consideration, therefore, impugned order was to be set aside and matter was to be remanded to pass fresh order - **RSA Impex LLP v. Commissioner of DGST - [2025] 176 taxmann.com 521 (Delhi)**
- 3.87** Where SCN was uploaded on portal and assessee being unaware could not respond to same and also no proper opportunity of hearing was granted before passing impugned order, same was to be set aside and assessee was to be granted time to respond to show cause notice - **India Steel v. Govt. of NCT of Delhi - [2025] 176 taxmann.com 597 (Delhi)**
- 3.88** Where for FY 2020-21, show-cause notice dated 28-10-2024 and order dated 20-2-2025 under section 73(1) were issued and same were challenged on ground that GSTR-9 for FY 2020-21 was not filed, since by insertion of rule 80(1A) time to file return for FY was extended till 28-2-2022, impugned SCN and order appeared to be within time specified; appeal to be filed - **Somenath Ghosh v. State of WB - [2025] 176 taxmann.com 525 (Calcutta)**
- 3.89** Where assessee filed reply to SCN manually, but same was not considered by AO and proposals in SCNs were confirmed, assessment orders were to be set aside - **Boldrocchi India (P.) Ltd. v. State Tax Officer (ST) - [2025] 176 taxmann.com 535 (Madras)**
- 3.90** Where assessee failed to respond to notices and preferring appeal within time due to physical disability and undergoing medical treatment including his bed ridden state, matter was to be remanded back to proper officer for affording an opportunity to assessee to file an appropriate response - **Sanjit Acharya v. Asst. Commissioner of Revenue, Directorate of Commercial Tax - [2025] 176 taxmann.com 44 (Calcutta)**
- 3.91** When there are disputed questions of fact involved in a case, HC should not exercise its jurisdiction under article 226 of Constitution of India; writ dismissed - **Akshat Steel v. State of Chhattisgarh - [2025] 176 taxmann.com 654 (Chhattisgarh)**
- 3.92** Where assessee claimed that he had made voluntary payment u/s. 73(5) but proper officer treated said payment as one made in compliance with SCN; matter was to be remanded back to proper officer for providing an opportunity to assessee to explain circumstances under which payment was made voluntarily - **Dharmendra Singh v. Dy. Commissioner of Revenue - [2025] 176 taxmann.com 649 (Calcutta)**
- 3.93** Where pursuant to issuance of SCN, assessee filed belated response and same was not considered by proper officer while passing adjudication order, proper officer ought to have considered said response, thus, matter was to be remanded for fresh adjudication on merits - **Nanda Kishor Saha @ Nand Kishore Saha v. Union of India - [2025] 176 taxmann.com 653 (Calcutta)**
- 3.94** Since due to technical glitches in GSTN, notices/orders uploaded in Tax Officer's interface were opened only under tab 'Additional Notices/Orders' on taxpayer's interface instead of appropriate tab 'Notices/Orders' and, thus, notices/orders were not noticed by assessee, ex-parte assessment order was to be quashed - **Ishan Snax (P.) Ltd. v. Assistant Commissioner of Revenue - [2025] 176 taxmann.com 658 (Calcutta)**
- 3.95** Bunching of SCN for more than one financial year is bad in law; if show cause notices/orders came to be issued/passed for more than one financial year, same is impermissible in law being issued/passe without any jurisdiction and same was liable to be quashed on ground of clubbing of show cause notices for more than one financial year - **Smt. R. Ashaarajaa v. Senior Intelligence Officer, Directorate General Of GST Intelligences - [2025] 176 taxmann.com 689 (Madras)**



3.96 Where assessee submitted that in order to save bar of limitation, only one day time was granted to comply with audit queries and thereafter only a day time was granted to comply intimation in Form DRC-01A, writ petition was to be admitted for hearing - **Sai Consulting Engineers (P) Ltd. v. Union of India - [2025] 176 taxmann.com 680 (Gujarat)**

3.97 Show cause notices for different period cannot be clubbed and single show cause notice cannot be issued for multiple periods; same is impermissible in law - **R A and Co v. Additional Commissioner of Central Taxes - [2025] 176 taxmann.com 731 (Madras)**

3.98 Show cause notice and assessment must be based on monthly or annual returns for a single financial year, as clubbing multiple years is impermissible as each year has a separate limitation period and may be subjected to separate treatment in procedure - **Ms R A and Co. v. Additional Commissioner of Central Taxes South Commissionerate, Chennai - [2025] 176 taxmann.com 800 (Madras)**

3.99 Where assessee challenged adjudication order on ground that opportunity of hearing was not provided however, assessee itself admitted that communications were received on two occasions calling upon assessee to appear for personal hearing but assessee did not make attempt to appear, writ petition could not be entertained - **Global Enterprise v. Additional Commissioner of CGST & CX - [2025] 175 taxmann.com 1085 (Calcutta)**

SECTION 73 OF THE FINANCE ACT, 1994 - RECOVERY OF SERVICE TAX NOT LEVIED OR PAID OR SHORT-LEVIED OR SHORT-PAID OR ERRONEOUSLY REFUNDED

3.100 Where letters fixing dates for personal hearing were duly sent to registered address of assessee but assessee failed to appear on scheduled dates and, hence, ex parte order was passed by Adjudicating Authority, since statutory remedy of appeal is available against impugned order, matter was not to be interfered with in writ petition - **Chandra Sekhar Singh v. Union of India - [2025] 176 taxmann.com 211 (Calcutta)**

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

3.101 Where a pre-show cause notice issued in Form GST DRC-01A, threatening to invoke proceedings under section 74 was pending over a year, proper officer should conclude proceedings and if benefit of waiver scheme introduced under section 128A would be available, should provide same - **Synthroma Laboratories v. State of West Bengal - [2025] 176 taxmann.com 117 (Calcutta)**

3.102 Where assessee challenged action of revenue, whereby section 74 was invoked, on ground that assessee had already paid taxes along with interest prior to issuance of show cause notice, matter was to be listed and in meantime, no coercive action was to be taken against assessee - **Ultratech Cement Ltd. v. Union of India - [2025] 176 taxmann.com 202 (Chhattisgarh)**

3.103 Order passed under Section 74 without supplying SCN attachment or granting personal hearing was in breach of Section 75(4) and principles of natural justice; matter was to be remanded for de novo adjudication after giving due opportunity of hearing to assessee - **Maruti Enterprise v. State of Gujarat - [2025] 176 taxmann.com 272 (Gujarat)**

3.104 Short payment of GST due to non-receipt of GST portion from PWD by government contractor cannot be treated as suppression; impugned order passed under Section 74 to be treated as passed under Section 73, as case involved no fraud or willful misstatement. - **Basavaraj V. Sajjan v. Deputy Director, Additional Director General, Directorate General of GST, Intelligence - [2025] 176 taxmann.com 21 (Karnataka)**

3.105 Where speaking order was passed, writ petition against same was not maintainable as issues raised would require adjudication into disputed questions of fact; appellant had to necessarily agitate appellate remedy available under Act - **Bazaar Style Retail Ltd. v. Additional Commissioner, CGST and Central Excise, Kolkata North Commissionerate - [2025] 176 taxmann.com 138 (Calcutta)**

3.106 Where on regime change, Provisional GSTIN was granted to petitioner which was allegedly misused for huge ITC fraud of Rs. 48 crores while petitioner claimed that they had closed old business and got registration for new one and had lodged FIR, since allegations required detailed examination of factual issues, writ was not maintainable; appeal remedy was to be availed - **Samyak Jain v. Superintendent (Adjudication), Central GST Delhi - [2025] 176 taxmann.com 523 (Delhi)**

3.107 Where only summary of show cause notice and summary of order were issued without a proper show cause notice under section 74(1) or affording opportunity of hearing, such summaries cannot substitute statutory requirements, and, hence, both summary of show cause notice and summary of order were to be quashed - **Air Transport Corporation Assam (P.) Ltd. v. State of Assam - [2025] 176 taxmann.com 610 (Gauhati)**

3.108 Where show cause notice was not served on assessee and no personal hearing was afforded to him prior to issuance of impugned order in original, same was to be set aside for breach of principles of natural justice - **Deepak Sales Corporation v. Additional Commissioner GST Delhi North - [2025] 176 taxmann.com 726 (Delhi)**



- 3.109** Where Petitioner inadvertently did not offset input tax credit balance against output tax liability from credit balance in electronic ledger, but it was not even case of authority that there was no credit balance in electronic credit ledger and that petitioner did not pay outstanding tax liability, there was no wilful mis-statement or suppression on part of petitioner to attract provisions of section 74 to levy interest and penalty - **Bhavani Tractor v. Union of India** - [2025] 176 taxmann.com 725 (Gujarat)
- 3.110** Where assessee had filed a 130 page reply to show cause notice but prior to passing of impugned order, no opportunity of personal hearing was provided to assessee as mandated under section 75(4), matter was to be re-adjudicated - **Laxmi Rolling and Strips (P.) Ltd. v. State Tax Officer (Intelligence)** - [2025] 176 taxmann.com 729 (Madras)
- 3.111** Order against law, facts and circumstances, etc, could be considered by appellate authority; hence, writ petition was not entertainable bypassing alternative remedy - **Khalghat Sendhwa Tollways (P.) Ltd. v. Union of India** - [2025] 176 taxmann.com 814 (Madhya Pradesh)
- 3.112** Dropping of proceedings of scrutiny of return under Section 61(3) does not bar initiation of proceedings under Section 74 if fraud, willful misstatement or suppression is later detected; since a specific case of fraud was made out against assessee, writ petition challenging Section 74 notice was rightly dismissed - **Amit Agarwal v. Assistant Commissioner, CGST & CX** - [2025] 176 taxmann.com 942 (Calcutta)
- SECTION 75 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEMANDS AND RECOVERY - GENERAL**
- 3.113** Where demand was raised without considering materials available on records and application for rectification was rejected without granting a proper hearing, matter was to be remanded to be considered afresh - **Larsen and Toubro Ltd. v. Commissioner of Delhi Goods and Service Tax** - [2025] 176 taxmann.com 142 (Delhi)
- 3.114** Where amount of tax, interest and penalty demanded in order was in excess of amount specified in notice, impugned order was to be set aside - **Pavan Traders v. State of U.P.** - [2025] 176 taxmann.com 157 (Allahabad)
- 3.115** Even if no request was made in writing by assessee for personal hearing, proper officer ought to have given assessee an opportunity of hearing prior to disposal of proceeding under section 73 when adverse order was contemplated against assessee - **Eminent Logistics v. Assistant Commissioner of State Tax, Ballygunge** - [2025] 176 taxmann.com 161 (Calcutta)

- 3.116** Whether a pre-show-cause notice was issued and uploaded in portal or not, show cause notice should provide a proper opportunity of personal hearing to assessee; where SCN fixed only a date for submission of reply but did not mention any date for personal hearing, which was essentially required by assessee to explain show-cause, adjudication order was to be set aside - **Anup Jindal v. Assistant Commissioner of Revenue** - [2025] 176 taxmann.com 209 (Calcutta)
- 3.117** Where show cause notice was uploaded on GST portal on 'Additional Notices Tab' and hence, petitioner did not get a proper opportunity to be heard and no reply to SCN could be filed by petitioner, order was to be set aside and matter was to be re-adjudicated - **N B Footcare v. Union of India** - [2025] 176 taxmann.com 207 (Delhi)
- 3.118** Where SCN lacked details of date, time, and venue of personal hearing and proceedings were only uploaded on portal, it violated Section 75(4) as well as dual mode requirement of Section 169; hence, impugned actions were set aside and authority was directed to provide assessee proper hearing - **Shree Shyam Trading Co. v. Union of India** - [2025] 176 taxmann.com 431 (Patna)
- 3.119** Order passed without affording an opportunity of hearing to assessee is not sustainable; matter was to be readjudicated - **IFGL Refractories Ltd. v. Assistant Commissioner of State Tax** - [2025] 176 taxmann.com 439 (Allahabad)
- 3.120** Where assessee failed to respond to SCN and reminders uploaded on GST portal, and impugned order showed variance with recovery notice, impugned order was to be quashed if assessee deposited 25% of disputed tax and filed reply - **Agri Tech Corporation v. State Tax Officer** - [2025] 176 taxmann.com 434 (Madras)
- 3.121** Where assessee failed to respond to DRC-01 notice and demand was confirmed, impugned order was quashed on condition that 25% of disputed tax be deposited in cash within 30 days; reply was to be filed and fresh orders be passed thereafter - **Tvi Sreevaari Agencies v. Deputy State Tax Officer, Devakottai** - [2025] 176 taxmann.com 433 (Madras)
- 3.122** Where assessee challenged demand order based on SCNs alleging GST discrepancies, while Assessing Authority had duly considered assessee's replies and provided opportunity of hearing, since liberty was already granted to assessee by Single Judge of High Court to file appeal without limitation objection, writ petition was rightly dismissed - **Indermani Minerals India (P.) Ltd. v. State of Chhattisgarh** - [2025] 176 taxmann.com 440 (Chhattisgarh)
- 3.123** Where in show-cause notice amount representing tax, interest and penalty was indicated as Rs. 23,69,062.50, but in order, demand was raised to tune of Rs. 41,84,920, matter was to be remanded back to authority - **Shri Ram Trading Company v. State of U.P.** - [2025] 176 taxmann.com 533 (Allahabad)



3.124 Where order u/s. 74 was passed based on section 67 search report without granting personal hearing despite written request, since granting opportunity of hearing u/s. 75(4) is mandatory in cases involving adverse decisions, matter was remanded for fresh consideration - **Vishnu Essence v. State of Madhya Pradesh - [2025] 176 taxmann.com 595 (Madhya Pradesh)**

3.125 Where appeal filed by assessee against assessment order was disposed of ex parte without considering merits of case, for sake of interest of justice and equity, matter was to be remanded back for proper adjudication - **Hotel Rudra v. Deputy Commissioner, State Tax - [2025] 176 taxmann.com 269 (Calcutta)**

SECTION 79 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEMANDS AND RECOVERY - MODES OF RECOVERY

3.126 Tax Recovery Notice issued only to bank of person owing money of person in default for recovery of tax due of person in default was not valid when no notice was addressed to person owing money of person in default - **Galaxy International v. Union of India - [2025] 176 taxmann.com 35 (Bombay)**

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

3.127 Where order of attachment was issued without taking into account that appeal had already been filed, instant writ petition filed against attachment was to be dismissed as infructuous on withdrawal of order of attachment in view of sub-section 7 of Section 107 - **Manoj Distributor v. Chief Commissioner, CT & GST - [2025] 176 taxmann.com 41 (Orissa)**

3.128 Provisional attachment order of bank account ceases to have effect after one year from date of order - **Ashok Kumar Vishwakarma v. Union of India - [2025] 176 taxmann.com 210 (Bombay)**

3.129 Assessee was unaware of notice and assessment order which were not served on assessee; as bank account was attached without notice, it should be lifted on deposit of tax dues; department had to pass fresh order after considering petitioner's reply - **M.Velusamy v. State Tax Officer - [2025] 176 taxmann.com 271 (Madras)**

3.130 Once an appeal is filed against order in original which is basis of attachment order and pre-deposit is made, there will be automatic stay on attachment order - **MJ Bizcrafts LLP v. CGST Delhi South Commissionerate - [2025] 176 taxmann.com 606 (Delhi)**

3.131 Where an order of provisional attachment of bank account of assessee had been passed, same ceased to have effect after expiry of one year from date of issuance of order, thus order of attachment was to be formally quashed - **Bytedance (India) Technology (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 657 (Bombay)**

SECTION 101 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ADVANCE RULING - APPELLATE AUTHORITY - ORDERS OF

3.132 Where AAAR dismissed appeal filed by assessee against order of AAR and while passing said order did not consider customer certificated and chartered engineer's certificate, such orders were to be set aside and matter was to be remanded to AAR for fresh consideration after giving opportunity to lead evidence - **HP India Sales (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 727 (Bombay)**

SECTION 103 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ADVANCE RULING - APPLICABILITY OF

3.133 Petitioner sought classification of 'Winkin Cow' flavored milk under Tariff Heading 0402, relying on binding precedent of AP High Court in Sri Vijaya Visakha case but AAAR rejected claim; Court directed petitioner to file a representation before appellate authority - **Britannia Industries Ltd. v. Commissioner of Commercial Taxes - [2025] 176 taxmann.com 386 (Madras)**

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

3.134 Order of Appellate Authority rejecting appeal on ground of delay without assigning any reason for rejecting application for condonation of delay was not sustainable - **Anil Kumar v. Union of India - [2025] 175 taxmann.com 1055 (Himachal Pradesh)**

3.135 Where assessee filed writ petition challenging impugned order in original instead of availing efficacious remedy of appeal under section 107, same could not be entertained, however liberty was to be granted to assessee to file appeal before Appellate Authority - **Eximio Services and Solutions (P.) Ltd. v. Superintendent of GST & Central Excise - [2025] 176 taxmann.com 34 (Madras)**

3.136 Challenges to order at distant point of time on merits or on account of violation of principles of natural justice cannot be countenanced; however, in view of precedent, assessee was allowed to file appeal on deposit 25 per cent of disputed tax - **Tvl.Altec Fabricators v. Assistant Commissioner, Tamil Nadu - [2025] 176 taxmann.com 114 (Madras)**

3.137 Where assessee submitted that it had several records to substantiate case on merit but did not get any opportunity to file documents to substantiate its case, in spite of delay, appeal was allowed to be filed on payment of appropriate pre-deposit - **Indian Spices v. State Tax Officer - [2025] 176 taxmann.com 141 (Madras)**

3.138 Where assessee pursued rectification before filing appeal against ITC mismatch order, delay of 67 days in appeal filing was held genuine and condonable; appellate authority was directed to admit appeal and decide on merits. - **Kaajal Agarwal v. State Tax Officer, Chennai - [2025] 176 taxmann.com 270 (Madras)**



- 3.139** Unilateral debit of disputed interest from cash ledger during pendency of appeal is impermissible under Section 107(7) of CGST Act; impugned order rejecting refund of said amount was unsustainable and authorities should re-credit disputed amount to Electronic Cash Ledger - **Britannia Industries Ltd. v. Assistant Commissioner of Commercial Taxes - [2025] 176 taxmann.com 310 (Karnataka)**
- 3.140** Where there was mismatch in tax amount between assessment and summary order and, hence, petitioner awaiting suo motu rectification, since delay in filing appeal being genuine, liberty was granted to assessee to file appeal - **Rohini Hotels (Madras) (P.) Ltd. v. Assistant Commissioner - [2025] 176 taxmann.com 322 (Madras)**
- 3.141** Where appeal against Section 73 order delayed by 330 days was dismissed for lack of sufficient cause, as assessee had some explanation, considering absence of Appellate Tribunal, appeal was sent to first appellate authority to be heard on merits on deposit of additional 10% of disputed tax - **Ralco Synergy (P.) Ltd. v. State of West Bengal - [2025] 176 taxmann.com 430 (Calcutta)**
- 3.142** Appellate Authority has no power to condone delay in filing appeal beyond prescribed period of three months plus an additional thirty days - **Malhotra Agro Industries v. Deputy Commissioner, State Goods and Service Tax - [2025] 176 taxmann.com 427 (Rajasthan)**
- 3.143** Requirement of pre-deposit of 10% of disputed tax for an appeal can be complied with by utilising amount available in electronic credit ledger i.e. through ITC - **Navnit Motors (P.) Ltd. v. Commissioner of CGST & Central Excise, (Appeals-III), Mumbai - [2025] 176 taxmann.com 601 (Bombay)**
- 3.144** Where adjudication orders were passed on 13-12-23, however same was uploaded electronically on 20-12-23 and date of postal communication was 3-1-24, going by date of postal communication, appeals instituted on 27-3-24 and 23-3-24 were within prescribed period, thus order rejecting appeals were to be set aside and matter was to be remanded - **Asics India (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 590 (Bombay)**
- 3.145** Where against cancellation of registration, appeal was filed after a delay of more than four months from date on which period of limitation expired or could have at best been extended, appeal was rightly dismissed as Appellate Authority had no jurisdiction to condone delay beyond prescribed period - **Lord's Bhaskar Ventures v. Union of India - [2025] 176 taxmann.com 605 (Patna)**
- 3.146** Where Commissioner (Appeals) while passing order did not consider or evaluate grounds raised in appeal, but addressed only one ground, such order was to be set aside and matter was to be remanded for fresh decision - **CMP Euro Technoplast (P.) Ltd. v. Union of India - [2025] 176 taxmann.com 684 (Bombay)**
- 3.147** Where appellate authority had disposed of appeal filed by assessee ex parte, for sake of interest of justice and equity, matter should be remanded back to concerned authority for proper adjudication - **Hotel Rudra v. Deputy Commissioner, State Tax - [2025] 176 taxmann.com 268 (Calcutta)**
- 3.148** Appeal filed by e-mail could not be dismissed on ground that self-certified copy of order-in-original was not filed within limitation period - **Yakult Danone India Pvt Ltd. v. Union of India - [2025] 176 taxmann.com 769 (Punjab & Haryana)**
- 3.149** Where appeal was delayed due to assessee's business closure and director's illness, since appellate Tribunal had not yet established, matter was remanded to Appellate Authority for hearing and disposal on merits - **Horizon Hi Tech Engicon Limited v. State of West Bengal - [2025] 175 taxmann.com 1058 (Calcutta)**
- 3.150** Where petitioner filed writ petition challenging demand order on ground of non-service of SCN and passing of order beyond limitation period, but was ready to file appeal if liberty was granted, petitioner was given liberty to file appeal - **Narender Kumar Singh v. GST Officer - [2025] 176 taxmann.com 816 (Delhi)**
- 3.151** Where appeal filed with delay was dismissed and assessee submitted that delay was due to medical condition of managing partner, since reason of delay provided by assessee appeared genuine, delay in filing appeal was to be condoned and appeal was to be restored before Appellate Authority - **Tvl. Bullmenn Motors v. Deputy Commissioner (CT), Coimbatore - [2025] 176 taxmann.com 809 (Madras)**
- 3.152** Appellate Authority erred in rejecting additional documents supporting refund of zero-rated supplies to Bhutan without cogent reasons; order set aside with direction to re-hear appeal considering all relevant documents - **P.B. Enterprise v. Union of India - [2025] 176 taxmann.com 156 (Calcutta)**
- 3.153** Where assessee preferred appeal with delay of one day and submitted that since last date was a Sunday, appeal could not be filed on last day, reason assigned by assessee appeared genuine, thus delay of 1 day in filing appeal was to be condoned and Appellate Authority was to be directed to decide appeal on merit - **Star Cones v. Deputy Commissioner (CT) GST-Appeal, Salem - [2025] 176 taxmann.com 878 (Madras)**

SECTION 108 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - REVISIONAL AUTHORITY, POWERS OF



3.154 As Notification No. 05/2020-State Tax by which Competent Officers were authorized as Revisional Authority by the State Government, was not in force on date of impugned order authorizing officer as Revisional Authority in impugned case and further, no reasons were recorded for exercising suo motu revision u/s. 108, impugned order was not sustainable - **Agrawal Agro Centre v. State of Chhattisgarh - [2025] 176 taxmann.com 807 (Chhattisgarh)**

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

3.155 Where assessee was issued recovery notices pursuant to order in appeal confirming original order, in view of fact that assessee had deposited amount in terms of guidelines of Circular No. 224/18/2024-GST, dated 11-7-2024, recovery notices were to be set aside as Appellate Tribunal had not been yet constituted - **Kusum Healthcare (P.) Ltd. v. Assistant Commissioner - [2025] 176 taxmann.com 598 (Delhi)**

SECTION 122 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - PENALTY - FOR CERTAIN OFFENCES

3.156 Where Notice in DRC-01 was replied back and petitioner had paid tax before impugned order was passed, but still penalty was imposed, since petitioner sought to file appeal, Appellate Authority should entertain appeal on merits, if filed within fifteen days - **M R Pro Tech (P.) Ltd. v. Additional Commissioner, Madurai - [2025] 176 taxmann.com 143 (Madras)**

3.157 Where assessee, a GST consultant, had knowingly enabled creation of fake firms for availing ITC of ₹285 crores fraudulently, penalties u/s. 122(1A), 122(3), and 125 were upheld; writ was not to be not entertained, but liberty was granted to pursue appellate remedy - **Bhupender Kumar v. Additional Commissioner Adjudication CGST Delhi North - [2025] 176 taxmann.com 356 (Delhi)**

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

3.158 Where assessee's tax liability was erroneously reflected as zero in Electronic Liability Ledger due to system error, resulting in rejection of its application for waiver of interest and penalty, in view of fact that assessee now willing to discharge tax liability, application for waiver u/s. 128A was to be reconsidered afresh - **Samita Panda v. Commissioner of CT & GST - [2025] 176 taxmann.com 682 (Orissa)**

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

3.159 Where tax was already paid, there was no question of tax evasion by assessee; even if e-way bill was not generated, penalty could not sustain if it was not shown that any tax amount was evaded - **Kunal Aluminum Company v. State of Himachal Pradesh - [2025] 176 taxmann.com 30 (Himachal Pradesh)**

3.160 Where on strength of Invoice and without generating E-Invoice and E-Way Bill, assessee transported goods for exporting same, though there was a breach of section 129; since goods were indeed exported, lesser penalty was justified as export incentive could not be denied for such venial breach - **Athiyan Exports v. State Tax Officer, Tirunelveli - [2025] 176 taxmann.com 137 (Madras)**

3.161 Petitioner, a registered person, falsely declared himself as unregistered in e-way bill to evade tax, and failed to provide valid delivery documents through authorized signatory; detention under Section 129 and consequent orders were held valid and reasoned, requiring no proof of mens rea for such deliberate contravention. - **Jageswar Saw v. Deputy Commissioner of Revenue - [2025] 176 taxmann.com 315 (Calcutta)**

3.162 In writ petition challenge to detention of goods in transit for weight discrepancy and absence of documents was correctly rejected as statutory appellate remedy was available; however, goods being perishable and not seized, should be sold via public auction and proceeds to be retained by department - **S.N. Trading Company v. Union of India - [2025] 176 taxmann.com 389 (Calcutta)**

3.163 Where petitioner had already paid penalty on detention of good and vehicle in transit and claimed refund of same but no final order was passed pursuant to GST MOV-07 notice, respondent-authority should pass order on merit - **STP Ltd. v. Deputy State Tax Officer - [2025] 176 taxmann.com 584 (Madras)**

3.164 Where petitioner's name was there in invoice and petitioner had approached authorities concerned for release of goods, it would be deemed that petitioner was owner of goods and, hence, penalty could not be imposed u/s. 129(1)(b) treating petitioner as not being owner of goods - **S.S. Enterprises v. State of U.P. - [2025] 176 taxmann.com 522 (Allahabad)**

3.165 Where penalty was imposed u/s. 129(3) on ground of misclassification of goods, it was held that in absence of dispute on valuation and with goods accompanying with proper documents, penalty was without legal basis; authorities ought to proceed u/s. 73 or 74 - **Tirupati Agro Commodities v. State of U.P. - [2025] 176 taxmann.com 526 (Allahabad)**

3.166 Where, SCN, opportunity of hearing and date of order imposing tax and penalty in respect of intercepted goods were of same date, assessee was not provided with opportunity to reply to SCN, such order was to be set aside for flagrant breach of principles of natural justice - **Tractors and Farm Equipment Ltd. v. Union of India - [2025] 176 taxmann.com 733 (Gujarat)**



3.167 Generation of only Part A of E-way bill is not enough for movement of goods unless Part B is generated as it is mandatory to generate 'Part B' of E-way bill before movement of goods to ensure that imported goods reached correct destination disclosed by dealer; since goods are transported by a registered person as a consignor, first duty is cast upon registered person to generate E-Way bill Part B; thus, seizure and penalty order held justified - **Vishalfab (India) (P.) Ltd. Unit 2 v. State of Madhya Pradesh** - [2025] 176 *taxmann.com* 734 (Madhya Pradesh)

SECTION 130 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - CONFISCATION OF GOODS OR CONVEYANCES AND LEVY OF PENALTY

3.168 Where provisional release request was not accepted and Section 130 proceedings were pending, Court directed appellant to file fresh application and respondent to decide it by considering legal contentions and Gujarat HC ruling in Dhanlaxmi Metals v. State of Gujarat [2022] 144 *taxmann.com* 53/[2023] 95 GST 165/[2022] 67 GSTL 63 (Gujarat) - **Ashok Parasuram Uthale v. Intelligence Officer** - [2025] 176 *taxmann.com* 266 (Kerala)

SECTION 132 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - OFFENCES - PUNISHMENTS FOR CERTAIN OFFENCES

3.169 Where accused was in custody for about 6 months and 24 days for alleged ITC fraud, since evidence to be rendered by department would essentially be documentary and electronic, which would be through official witnesses and there could not be any apprehension of tampering, intimidating or influencing witnesses, accused was entitled to be released on bail - **Manoj Gupta v. Union of India** - [2025] 176 *taxmann.com* 599 (Punjab & Haryana)

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

3.170 Due to non-functional portal, petitioner couldn't revise Excise Return electronically for transition of pre-GST credit inadvertently not claimed; petitioner having filed revised Excise Return manually and revised TRAN-1/2 per Supreme Court's ruling, authorities were directed to permit Cenvat credit transition as delay was due to technical constraints - **Johnson Matthey Chemicals India (P.) Ltd. v. Union of India** - [2025] 176 *taxmann.com* 316 (Bombay)

3.171 Where Asstt. Commissioner allowed Cenvat credit amount of pre-GST regime to be transitioned and credited in GST regime CGST ledger, while implementing said order, proper officer could not deduct any amount from Cenvat credit amount so allowed as ITC - **Debasish Chatterjee v. Superintendent of CGST & CX** - [2025] 176 *taxmann.com* 648 (Calcutta)

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

3.172 Where assessment order lacked DIN and officer's signature, it was held non-est and invalid per SC and HC rulings; accordingly, assessment order, summary, and garnishee notice based on it were to be set aside. - **Godavari Polymers (P.) Ltd. v. Commercial Tax Officer** - [2025] 176 *taxmann.com* 267 (Andhra Pradesh)

SECTION 161 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - RECORDS - RECTIFICATION OF MISTAKES

3.173 Where rectification application against denial of ITC was rejected without discussion, despite assessee's claim under newly inserted section 16(5), such summary rejection was unjustified; matter remanded for fresh order after considering submissions - **Tvl. Sri Balaji Metal Trading v. Deputy State Tax Officer-1** - [2025] 176 *taxmann.com* 139 (Madras)

3.174 Where there was some arithmetical error in order passed by adjudicating authority, whereby tax demand became more than taxable value of turnover, on writ petition filed by assessee, assessee was to granted liberty to file an application for rectification and same was to be considered without reference to limitation - **J.V.M. Industries v. State of Uttarakhand** - [2025] 176 *taxmann.com* 162 (Uttarakhand)

3.175 Where rectification application of assessee was dismissed and assessee challenged same on grounds of violation of natural justice, same could not be entertained as when such application was dismissed, there was no rectification at all and there was no question of invoking principles of natural justice under third proviso to section 161 - **Eminent Textiles Mills (P.) Ltd. v. State Tax Officer** - [2025] 176 *taxmann.com* 593 (Madras)

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

3.176 Where petition was filed challenging CBIC Notification Nos. 09/2023-CT and 56/2023-CT which extended period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before Supreme Court, challenge made by Petitioner would be subject to outcome of decision of Supreme Court - **Larsen and Toubro Ltd. v. Commissioner of Delhi Goods and Service Tax** - [2025] 176 *taxmann.com* 142 (Delhi)

3.177 Where petition was filed challenging CBIC Notification Nos. 09/2023-CT and 56/2023-CT which extended period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before Supreme Court, challenge made by Petitioner would be subject to outcome of decision of Supreme Court - **N B Footcare v. Union of India** - [2025] 176 *taxmann.com* 207 (Delhi)



3.178 Present petition challenged Notification No. 56/2023-CT and Notification No. 09-2023-CT issued by CBIC extending period of limitation for adjudication; since matter was pending consideration before Supreme Court, challenge made by Petitioner would be subject to outcome of decision of Supreme Court - **RSA Impex LLP v. Commissioner of DGST - [2025] 176 taxmann.com 521 (Delhi)**

3.179 Present petition challenged Notification No. 56/2023-CT issued by CBIC extending period of limitation for adjudication; since matter was pending consideration before Supreme Court, challenge made by Petitioner would be subject to outcome of decision of Supreme Court - **India Steel v. Govt. of NCT of Delhi - [2025] 176 taxmann.com 597 (Delhi)**

SECTION 169 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - NOTICE, SERVICE IN CERTAIN CASES

3.180 When there was no response from taxpayer to notice sent through a particular mode, Officer who was issuing notices should strictly explore possibilities of sending notices through some other mode as prescribed in section 169(1) of Act, preferably by way of RPAD; where show cause notice was issued to petitioner by way of uploading in GST portal, but it was not served through any other physical mode and, thus, petitioner being unaware, could not reply to show cause notice, impugned order passed on basis of said notice was to be set aside - **Tvl.Vels Film International v. Deputy Commercial Tax Officer (ST) - [2025] 176 taxmann.com 203 (Madras)**

3.181 Where show cause notice was issued to assessee by merely uploading same in GST portal and original of said notice was not furnished to assessee, nor was communications sent to assessee's e-mail id though assessee had voluntarily cancelled its registration, assessment order passed without affording an opportunity of personal hearing to assessee was not sustainable - **Tvl.Evershine Industries v. Assistant Commissioner - [2025] 176 taxmann.com 312 (Madras)**

3.182 Where show cause notice was uploaded in GST portal and, hence, same went unnoticed, in absence of notice served through any other mode, assessment order being passed without affording an opportunity of hearing, was to be set aside - **Tvl. Sri Mathuru Eswarar Traders v. Deputy State Tax Officer - [2025] 176 taxmann.com 318 (Madras)**

3.183 If notice/order is uploaded on common GST portal, same shall be considered as service on assessee in view of unambiguous provisions contained in Section 169 - **Bikash Panigrahi v. Commissioner Commercial Tax - [2025] 176 taxmann.com 656 (Orissa)**

3.184 When taxpayer did not respond to notice sent through GST portal, officer should have explored possibility of sending notice through other modes prescribed under section 169, preferably by RPAD; order passed without providing opportunity of personal hearing was not sustainable - **Insoorya Express Cargo v. Union of India - [2025] 176 taxmann.com 939 (Madras)**

3.185 When there was no response from taxpayer to notice sent through a particular mode, Officer issuing notices should strictly explore possibilities of sending notices through some other mode as prescribed in section 169(1) of Act, preferably by way of RPAD; assessment order passed without affording any opportunity of personal hearing to petitioner was to be remanded - **Tvl. Deva Enterprises v. Appellate Deputy Commissioner (ST)(GST) - [2025] 176 taxmann.com 935 (Madras)**

4. Customs, Excise and Service Tax Appellate Tribunal

SECTION 9 OF THE CENTRAL EXCISE ACT, 1944 - OFFENCES AND PENALTIES

4.1 Cenvat Credit could not be denied to branch office merely because bill of entry was in name of head office when capital goods had been used in branch office and head office had not availed Cenvat Credit on such goods - **Nando's Karnataka Restaurants (P.) Ltd. v. Commissioner of Central Excise, Goods & Service Tax - [2025] 176 taxmann.com 194 (Chandigarh - CESTAT)**

5. Authority for Advance Ruling

CLASSIFICATION OF GOODS

5.1 Gearbox supplied for use in fishing vessels (CTH 8902) attracts 5% GST under Sl. No. 252, Sch. I of Notif. 01/2017-CTR; if used otherwise, GST applies as per its respective tariff classification of gearbox - **Blue Rays Marine LLP, In re. v. - [2025] 176 taxmann.com 380 (AAR - KERALA)**

5.2 Marine engines (CTH 8407/8408) supplied for use in fishing vessels (CTH 8902) attract 5% GST under Sl. No. 252, Sch. I of Notif. 01/2017-CTR; otherwise, rate depends on applicable CTH of marine engines - **Blue Rays Marine LLP, In re. v. - [2025] 176 taxmann.com 380 (AAR - KERALA)**

5.3 Marine engines and spare parts supplied for fishing vessels (CTH 8902) attract 5% GST under Sl. No. 252, Sch. I of Notif. 1/2017-CTR; if used for other purposes, GST rate will depend on actual tariff classification - **Blue Rays Marine LLP, In re. v. - [2025] 176 taxmann.com 380 (AAR - KERALA)**

5.4 Where applicant arranged re-gasification of LNG owned by GAIL into RLNG through PLL on a subleased facility and did not own the goods, such activity amounted to back-to-back job work, making applicant a job worker of GAIL, taxable at 12% GST under Sl. No. 26(id) of Notif. 11/2017-CT(R) - **Bharat Petroleum Corporation Ltd., In re. v. - [2025] 176 taxmann.com 149 (AAR - GUJARAT)**



5.5 Where applicant supplied drinking water in bulk through tanker lorries after basic purification by filtration and chlorination and not in sealed containers, and such process was distinct from manufacture of mineral or aerated water, etc., supply qualified for GST exemption under Sl. No. 99 of Notification No. 02/2017-Central Tax (Rate) - **Hisham Transport, In re v. - [2025] 176 taxmann.com 723 (AAR - KERALA)**

5.6 Where applicant provided accredited vocational training aligned with National Skill Qualification Framework (NSQF) under qualification package approved by NCVET through TSSC, such services were not commercial coaching but skill development, rightly classifiable under SAC 999294 as education and training services n.e.c - **Britco Research Institute of Digital Communication Organising (P.) Ltd., In re v. - [2025] 176 taxmann.com 721 (AAR - KERALA)**

5.7 Where applicant provided vocational training aligned with NSQF qualification package approved by NCVET under aegis of TSSC, such core training services qualified for GST exemption under Sl. No. 69 of Notification No. 12/2017-Central Tax (Rate) - **Britco Research Institute of Digital Communication Organising (P.) Ltd., In re v. - [2025] 176 taxmann.com 721 (AAR - KERALA)**

CLASSIFICATION OF SERVICES

5.8 Supply of medicines and other supplies to in-patients: In case of in-patients, supply of medicines, implants and other supplies issued to patients during course of treatment fall under composite supply of healthcare services and are exempted - **Believers Church India, In re v. - [2025] 176 taxmann.com 379 (AAR - KERALA)**

5.9 Supply of medicines and other supplies to outpatients: Supply of medicines, implants and other supplies during course of treatment to outpatients in hospital fall under composite supply of healthcare services and are exempted - **Believers Church India, In re v. - [2025] 176 taxmann.com 379 (AAR - KERALA)**

5.10 Supply of medicines and other supplies for home: Supply of medicines, implants and other supplies to patients for consumption at home and for follow-up are not naturally bundled with provision of health care services and, therefore, exemption is not available - **Believers Church India, In re v. - [2025] 176 taxmann.com 379 (AAR - KERALA)**

SECTION 2 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEFINITIONS

5.11 Municipality is treated as local authority by virtue of definition provided under section 2(69) and for purposes of GST exemptions under Entry 3 of Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017 - **Akshara, In re v. - [2025] 176 taxmann.com 378 (AAR - KERALA)**

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

5.12 Fee collected by Directorate of Medical Education from medical and paramedical officers/staff for availing leave without allowance for private employment is not for provision of any goods or services and, therefore, does not constitute taxable supply - **Directorate of Medical Education, In re v. - [2025] 176 taxmann.com 381 (AAR - KERALA)**

5.13 While leasing of property constitutes a supply of service under GST Act, cancellation of a lease, in itself, does not constitute a taxable activity under CGST Act ; refund amount received by lessee proportionate to unexpired/unutilised portion of lease period is not liable to GST - **Indian Institute of Information Technology and Management, In re v. - [2025] 176 taxmann.com 724 (AAR - KERALA)**

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

5.14 Inspection and certification services by Directorate of Medical Education to self-financing institutions for granting NOC/EC for starting new Medical, Nursing, Dental colleges or new Courses and for enhancement of seats are not exempt as these services are rendered to institution itself, not to students/staff, and also before commencement of any educational activity; GST at 18% is applicable as per SAC 999799 - **Directorate of Medical Education, In re v. - [2025] 176 taxmann.com 381 (AAR - KERALA)**

5.15 Job work of cutting of metallic film rolls would be leviable to 12 per cent GST as per Sl. No. 26(id) of Notification No. 11/2017-Central Tax (Rate) since applicant has failed to establish that metallic film rolls, item supplied by principal is an item falling under textile and textile products (heading 50 to 63), - **Kanika Exim, In re v. - [2025] 176 taxmann.com 150 (AAR - GUJARAT)**

5.16 Where garlic was peeled and chopped after processing, it remained classifiable under HSN 0703 as per Chapter 07 notes and it did not fall under HSN 2005; product attracts nil GST - **Purnam Cuisines (P.) Ltd., In re v. - [2025] 176 taxmann.com 148 (AAR - GUJARAT)**

SECTION 12 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SUPPLY - TIME OF SUPPLY OF GOODS

5.17 Where work, invoice, and payment dispute pertained to pre-GST period, and interest and arbitration costs were awarded for commercial dispute without any supply under GST, no GST was payable on such amounts - **Shoft Shipyard (P.) Ltd., In re v. - [2025] 176 taxmann.com 145 (AAR - GUJARAT)**

SECTION 14 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SUPPLY - CHANGE IN RATE OF TAX

5.18 Repair and maintenance services for fishing vessels (CTH 8902) attract 5% GST w.e.f. 2 June 2021; prior to that, rate was 18%, based on time of supply under Section 14 of CGST Act - **Blue Rays Marine LLP, In re v. - [2025] 176 taxmann.com 380 (AAR - KERALA)**



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

5.19 Where electricity generated from solar power plant is used for powering mall's common facilities and cost of such common services is recovered from licensees through monthly common area maintenance invoices, applicant is eligible to avail input tax credit on procurement and installation of solar power plant - **Grand Centre Mall, In re v. - [2025] 176 taxmann.com 722 (AAR - KERALA)**

SECTION 17 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - INPUT TAX CREDIT - CREDIT AND BLOCKED CREDITS, APPORTIONMENT OF

5.20 Where re-gasification of LNG occurs in FSRU (ship), it qualifies as factory, and pipeline laid from ship to National Grid is outside factory premises; hence, ITC on goods/services used for constructing such Tie-in Pipeline is not admissible - **H-Energy Gateway (P.) Ltd., In re v. - [2025] 175 taxmann.com 656 (AAR - MAHARASHTRA)**

5.21 Fresh Water Storage Tank and Guard Pond/Effluent storage tank being functionally established as 'plant and machinery' integral to core operations of manufacturing gelatin from animal bones, restrictions under section 17(5)(c) and (d) of CGST Act cease to apply; therefore, input tax credit on goods and services used in their construction is admissible - **Nitta Gelatin India Ltd., In re v. - [2025] 176 taxmann.com 847 (AAR - KERALA)**

6. Appellate Authority for Advance Ruling

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

6.1 Where assessee had sought rectification of AAR ruling on product classification of Tapioca flour but failed to submit proof or documentary evidence about manufacturing process, matter was to be remanded to AAR for fresh examination with direction for submission of complete documents, as product classification depends on exact manufacturing process - **Tvl. V.S. Trading Company, In re v. - [2025] 176 taxmann.com 146 (AAAR - TAMILNADU)**



Comparative Analysis: Advance Rulings vs. Provisional Assessments in GST



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The Goods and Services Tax (GST) regime in India, while a significant step towards a unified tax system, is not without its complexities. Businesses often encounter ambiguities related to the classification of goods and services, valuation, or the applicability of notifications. To address these uncertainties, the GST law provides two distinct mechanisms: Advance Rulings and Provisional Assessments. While both aim to provide clarity, they differ significantly in their purpose, scope, and application. This comparative analysis delves into the merits, demerits, and usage of each mechanism to highlight their unique roles in ensuring tax certainty.

| Feature | Advance Ruling | Provisional Assessment |
|------------------------------|--|--|
| Purpose | To provide a binding decision on a specific question related to a future or proposed transaction. It is a proactive, preventative measure. | To allow a taxpayer to pay tax provisionally when they are unable to determine the correct tax liability at the time of supply. It is a reactive, temporary measure. |
| Legal Basis | Governed by Chapter XVII, Sections 95 to 106 of the CGST Act, 2017. | Governed by Chapter IX, Section 60 of the CGST Act, 2017. |
| Nature of Application | Voluntary application by the taxpayer. The application must be filed before the transaction takes place. | Mandatory application by the taxpayer when they are unable to determine the tax payable. The application is filed at the time of supply. |
| Scope of Inquiry | The questions must be on specific matters as defined under Section 97(2), such as: - Classification of goods/services - Applicability of notifications | The inquiry is limited to two specific aspects: - The value of the goods/services - The rate of tax applicable to the goods/services. |



| | | |
|-----------------------|--|--|
| | Determination of value of supply - Admissibility of Input Tax Credit (ITC) - Determination of liability to pay tax - Whether a person is required to be registered - Whether any particular thing done by the applicant with respect to goods or services amounts to or results in a supply of goods or services. | |
| Authority | The Authority for Advance Ruling (AAR) and the Appellate Authority for Advance Ruling (AAAR). | The proper officer (usually the jurisdictional tax officer). |
| Binding Effect | The ruling is binding on the applicant and the jurisdictional tax authorities. It is not binding on other taxpayers. | The provisional tax payment is not a final determination. The final assessment is binding on the taxpayer and the tax authorities. |
| Process | - The applicant files an application with the AAR. - AAR issues notice to the jurisdictional officer and the applicant. - After hearing both parties, the AAR passes a ruling within 90 days. - If dissatisfied, the applicant or the jurisdictional officer can appeal to the AAAR. - The AAAR's decision is final and binding. | - The taxpayer files a written request with the proper officer. - The proper officer passes an order allowing provisional payment and specifies the rate/value. - The taxpayer pays tax provisionally and executes a bond with security. - The proper officer conducts an inquiry and finalizes the assessment within 6 months (extendable). - Upon finalization, the taxpayer pays the differential tax (with interest) or receives a refund (with interest). |

Merits and Demerits: A Deeper Look

Merits of Advance Rulings:

- 1. Certainty and Planning:** This is the primary merit. Businesses get a legally binding decision on a tax matter before committing resources. This is invaluable for long-term planning, especially for new products, services, or business models.
- 2. Litigation Prevention:** By resolving a tax issue upfront, Advance Rulings significantly reduce the likelihood of future disputes and lengthy, expensive litigation.



3. **Attraction of Investment:** A transparent and predictable tax environment is a key factor for investors. Advance Rulings provide a clear framework, encouraging both domestic and foreign investment.
4. **No Interest or Penalty:** If a taxpayer follows a favorable advance ruling, they are shielded from interest and penalties, even if the ruling is later overturned by a higher court, as long as they acted in good faith.

Demerits of Advance Rulings:

1. **Authority Shopping:** There have been instances where different AARs have given conflicting rulings on the same or similar issues. This can lead to confusion and undermine the very purpose of certainty.
2. **Narrow Applicability:** The ruling is binding only on the applicant and the specific jurisdictional officer, not on the entire industry.
3. **Time and Cost:** The process, while shorter than litigation, can still be time-consuming and involve legal costs.
4. **Lack of Precedent:** Since rulings are not binding on other taxpayers, they do not create a legal precedent for the wider industry, limiting their broader impact.

Merits of Provisional Assessments:

1. **Business Continuity:** Its biggest advantage is that it allows a business to continue its operations without being stalled by a lack of clarity on tax rates or values.
2. **Immediate Solution:** It provides a quick, albeit temporary, solution to a real-time problem. This is critical for businesses with time-sensitive transactions.
3. **Flexibility:** It offers a pragmatic way for the taxpayer and the tax department to resolve a contentious issue without immediate legal proceedings.



Demerits of Provisional Assessments:

1. **Lack of Finality:** The assessment is provisional, which means the tax liability is not final. The taxpayer still has to worry about the final outcome and the possibility of paying a differential amount with interest.
2. **Administrative Burden:** The process involves executing a bond with security, which can be an administrative hassle and tie up the taxpayer's funds.
3. **No Prevention of Disputes:** It does not prevent disputes; it simply defers the final resolution. The risk of litigation remains, as the final assessment can be challenged.

Usage and Practical Application

- **When to Use an Advance Ruling:** A business should opt for an Advance Ruling when introducing a new product or service, undertaking a complex transaction with an unclear tax classification, or when the tax liability on a significant transaction is a major factor in business decisions. It is the ideal tool for proactive risk management.
- **When to Use a Provisional Assessment:** Provisional Assessment is best suited for situations where there is an immediate ambiguity at the time of supply, and the business needs to continue its operations without delay. For example, a business selling a product for which a tax rate notification is awaited, or the final valuation is dependent on future events, can use this mechanism.

Conclusion

Advance Rulings and Provisional Assessments, while both contributing to tax certainty, are not interchangeable. An Advance Ruling is a strategic, forward-looking tool for preventing disputes and providing a solid foundation for business decisions. It is a testament to the proactive approach of the GST law. A Provisional Assessment, on the other hand, is a tactical, reactive mechanism designed to keep the wheels of commerce turning in the face of immediate ambiguity. By understanding the distinct merits and demerits of each, businesses can strategically choose the right mechanism to navigate the complexities of GST, thereby ensuring compliance, minimizing risk, and fostering a more predictable business environment.



COMPANY AND SEBI LAWS UPDATES

1. STATUTORY UPDATES

- 1.1** MCA proposes extending Section 186 exemption to Finance Companies registered with IFSCA - **PUBLIC NOTICE NO. 1/32/2013-CLV(PAR), DATED 26-06-2025**

Editorial Note: MCA has proposed an amendment to Rule 11 of Companies (Meetings of Board and its Powers) Rules, 2014, which deals with loans and investments u/s 186 of Companies Act, 2013. The amendment proposes to extend the existing exemption from provisions of Section 186 (except sub-section 1), currently available to RBI-registered NBFCs engaged in lending or providing loan-related guarantees/securities in the ordinary course of business to Finance Companies registered with IFSCA Authority.

- 1.2** MCA amends Form CRL-1; introduces fields for subsidiary and holding company details, registered office address and email ID - **NOTIFICATION NO. G.S.R. 427(E) [F.NO. 01/13/2013-CL-V (VOL.V)], DATED 27-06-2025**

Editorial Note: The Ministry of Corporate Affairs (MCA) has notified the Companies (Restriction on Number of Layers) Amendment Rules, 2025. Form CRL-1, relating to the return regarding the number of layers, has been substituted. Under the revised Form CRL-1, details of subsidiary companies and holding companies are now required. Additionally, the address of the registered office of the company and the company's email ID must also be provided.

- 1.3** 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/2025/96, DATED 30-06-2025**

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 two months, i.e., till August 31, 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).

- 1.4** SEBI allows registered intermediaries to use 'e-KYC Setu System' of NPCI to perform Aadhaar-based e-KYC authentication - **PRESS RELEASE NO. 35/2025, DATED 30-06-2025**

Editorial Note: Currently, registered intermediaries in the securities market use the e-KYC services of the Unique Identification Authority of India (UIDAI) for Aadhaar-based digital KYC. To further enhance ease of doing business, they are now allowed to use the 'e-KYC Setu System' developed jointly by the National Payments Corporation of India (NPCI) and UIDAI. This system facilitates seamless digitization of customer onboarding and serves as an additional mechanism for performing digital KYC.

- 1.5** Shri Sunil Jayawant Kadam takes charge as an Executive Director of SEBI - **PR NO.37/2025, DATED 01-07-2025**

Editorial Note: Shri Sunil Jayawant Kadam assumed charge as Executive Director of SEBI in Mumbai. He will oversee the Information Technology Department, Office of Investor Assistance and Education, Department of Economic and Policy Analysis, General Services Department, Board Cell, RTI and Parliament Questions Cell, and matters relating to the National Institute of Securities Markets.

- 1.6** SEBI holds Municipal Bond Outreach Programme in Thiruvananthapuram to guide local bodies on urban market-based financing - **PRESS RELEASE NO. 36/2025, DATED 01-07-2025**

Editorial Note: SEBI conducted a Municipal Bond Outreach Programme in Thiruvananthapuram to strengthen urban financing. The event aims to equip Urban Local Bodies (ULBs) and stakeholders with insights into municipal debt securities, pool financing, and innovative market-based financing mechanisms. A key highlight at the Workshop has been the official launch of "The Green Book - On Climate Finance & Green Municipal Bonds" by the Vadodara Municipal Corporation (VMC).

- 1.7** SEBI opens a 6-month special window for investors to re-lodge rejected physical share transfer deeds - **CIRCULAR NO. SEBI/HO/MIRSD/MIRSD-POD/P/CIR/2025/97, DATED 02-07-2025**

Editorial Note: SEBI has announced a 6-month special window from July 7, 2025 till January 6, 2026, allowing shareholders to re-lodge transfer deeds that were lodged before April 1, 2019, but returned or rejected due to deficiencies in the process/documents or otherwise. During this period, the securities that are re-lodged for transfer must be issued only in demat mode. Further, listed companies and RTAs must ensure proper processing of these transfer-cum-demat requests.

- 1.8** SEBI mandates use of Common Contract Note with a single VWAP to enhance ease of doing business for institutional investors - **PRESS RELEASE NO. 38/2025, DATED 02-07-2025**



Editorial Note: To enhance the ease of doing business for institutional investors, a Common Contract Note (CCN) with a single Volume Weighted Average Price (VWAP) has been made mandatory, effective June 27, 2025. The erstwhile system required separate trade confirmations for each exchange resulting in complicated reconciliation, settlement, and regulatory compliance. Based on the representation received from market participants, SEBI decided to bring uniformity in post-trade communication.

1.9 Govt. notifies Unified Waqf Management Empowerment, Efficiency and Development Rules, 2025 - **NOTIFICATION NO. G.S.R. 442(E), DATED 03-07-2025**

Editorial Note: The Government has notified the Unified Waqf Management Empowerment, Efficiency and Development Rules, 2025, under the Unified Waqf Management, Empowerment, Efficiency and Development Act, 1995. The Rules provide for portal and database, monitoring of portal and database, enrolment on portal and database, filing of details of waqf on portal and database and other particulars under Section 3B, etc.

1.10 SEBI proposes 'Electronic Book Provider' platform for NPOs to raise funds on Social Stock Exchange - **DRAFT CIRCULAR,, DATED 03-07-2025**

Editorial Note: SEBI has proposed a dedicated SSE Electronic Book Provider (SSE-EBP) platform to facilitate fundraising by Not-for-Profit Organisations (NPOs) via Social Stock Exchange. The proposed framework aims to streamline the issuance of Zero Coupon Zero Principal instruments and other permitted securities by introducing a unified bidding and settlement mechanism. As per the draft circular, NPOs intending to raise Rs 50 lakh or more in a single issue or via shelf issues will have to use this platform.

1.11 MCA replaces e-form CSR-1 with web-based form effective July 14, 2025 - **NOTIFICATION NO. G.S.R. 452(E) [E-F. NO. 05/03/2022-CSR], DATED 07-07-2025**

Editorial Note: MCA has notified Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025, substituting Form CSR-1 with a web-based version, effective from July 14, 2025. Form CSR-1 is used for registration of entities intending to undertake CSR activities. The form continues to require details about the entity, including its type, date of incorporation, address, email, PAN, and information about directors, board of trustees, chairman, secretary & authorised representative of entity.

1.12 SEBI study shows YoY drop in Equity Derivatives Segment turnover, but notable growth seen over two years in index option - **PRESS RELEASE NO. 39/2025, DATED 07-07-2025**

Editorial Note: SEBI conducted a comparative study of trading growth in the Equity Derivatives Segment (EDS) vis-à-vis the Cash Market for Dec 2024-May 2025, after implementation of recent measures. Index options turnover declined 9% YoY (premium) and 29% (notional), but rose 14% and 42% respectively over two years. Individual turnover in premium terms fell 11% YoY but increased 36% compared to the same period two years ago, indicating a mixed growth trend.

1.13 SEBI issues updated Master Circular on 'REITs and InvITs' - **MASTER CIRCULAR SEBI/HO/DDHS-PoD-2/P/CIR/2025/99, DATED 11-07-2025**

Editorial Note: SEBI has issued an updated master circular on 'Real Estate Investment Trusts' (REITs) and 'Infrastructure Investment Trusts' (InvITs). This is done to enable stakeholders to have access to all applicable circulars at one place. This master circular consolidates all the existing circulars issued till July 11, 2025. The new master circular supersedes the previous master circular for REITs and InvITs and any subsequent circulars on the subject.

1.14 SEBI issues updated Master Circular for 'ESG Rating Providers' - **MASTER CIRCULAR NO. SEBI/HO/DDHS/DDHS-POD-2/P/CIR/2025/100, DATED 11-07-2025**

Editorial Note: SEBI has issued an updated master circular for 'ESG Rating Providers' (ERPs). This master circular specifies the procedural/ disclosure requirements and obligations for ERPs. It will enable the industry and other users to access all the applicable directions for ERPs in one place. This circular covers norms such as registration, approval, and surrender requirements for ERPs, rating operations, reporting and disclosures, internal audit for ERPs, and miscellaneous guidelines.

1.15 SEBI issues updated Master Circular on 'Credit Rating Agencies' - **MASTER CIRCULAR NO. SEBI/HO/DDHS/DDHS-POD2/P/CIR/2025/101, DATED 11-07-2025**

Editorial Note: SEBI has issued an updated master circular on 'Credit Rating Agencies' (CRAs). This circular is a compilation of all the existing circulars issued till date. This is done to enable the industry and other users to access all the applicable circulars/directions at one place. The circular covers norms such as registration requirements, rating operations, reporting and disclosures, internal audits for CRAs and miscellaneous guidelines.

1.16 SEBI issues updated Master Circular on Listing Obligations & Disclosure Requirements for NCS, Securitised Debt & CPs - **MASTER CIRCULAR NO. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/000000103, DATED 11-07-2025**



Editorial Note: The SEBI (LODR) Regulations, 2015, prescribe the continuous disclosure requirements for issuers of listed Non-convertible Securities, Securitised Debt Instruments and Commercial Paper. In this regard, SEBI has been issuing various circulars from time to time. In order to enable the stakeholders to have an access to all the applicable circulars/directions at one place, the provisions of the circulars issued till June 30, 2025 are consolidated in this Master Circular.

- 1.17** Jane Street credits Rs. 4,843 crores to escrow under SEBI order; seeks lifting of certain interim restrictions - **PRESS RELEASE NO. 40/2025, DATED 14-07-2025**

Editorial Note: Jane Street has informed SEBI that, in compliance with para 62.1 of the July 3, 2025 Interim Order, Rs. 4,843 crores has been credited to an escrow account with lien marked in favour of SEBI. It stated that this was done without prejudice to its rights and remedies under law. Jane Street has also requested SEBI to lift certain conditional restrictions imposed under the interim order. The request is under examination. SEBI reiterated its commitment to due process and market integrity.

- 1.18** SEBI may require certain categories of associated persons to obtain certification for engagement within specified timelines - **NOTIFICATION F. NO. SEBI/LAD-NRO/GN/2025/251, DATED 14-07-2025**

Editorial Note: SEBI has notified SEBI (Certification of Associated Persons in the Securities Markets) (Amendment) Regulations, 2025. As per the amended norms, the Board may specify such categories of associated persons to obtain requisite certificate for engagement or employment with classes of intermediaries and within such time as may be specified by Board. Also, no associated person must continue to be engaged in specified activities unless such a person holds a valid certificate as specified by Board.

- 1.19** SEBI grants renewal of recognition to 'Multi Commodity Exchange Clearing Corporation Limited' for three years - **NOTIFICATION F. NO. SEBI/LAD-NRO/GN/2025/250, DATED 14-07-2025**

Editorial Note: The market regulator SEBI, on being satisfied that it would be in the interest of the trade, and also in the public interest, has granted renewal of recognition to the 'Multi Commodity Exchange Clearing Corporation Limited' for 3 years commencing on the 31st day of July, 2025 and ending on the 30th day of July, 2028. The recognition is subject to a condition that the Stock Exchange must comply with the conditions specified by the SEBI.

- 1.20** SEBI and NISM launch National Financial Literacy Quiz 2025 for UG and PG students to enhance financial knowledge - **PRESS RELEASE NO. 41/2025, DATED 15-07-2025**

Editorial Note: The National Financial Literacy Quiz (NFLQ) 2025, conducted by SEBI in partnership with the National Institute of Securities Markets (NISM), is currently underway. As part of SEBI's broader efforts to promote financial awareness, the initiative aims to enhance financial literacy and securities market knowledge among UG and PG students across India. NFLQ 2025 saw 4,77,489 registrations, with 2,34,036 in the preliminary round and 1,67,623 qualifying for the Regional Rounds.

- 1.21** SEBI issues an updated Master Circular consolidating all applicable guidelines for Portfolio Managers as on March 31, 2025 - **MASTER CIRCULAR SEBI/HO/IMD/IMD-POD-1/P/CIR/2025/104, DATED 16-07-2025**

Editorial Note: SEBI has issued an updated Master Circular for Portfolio Managers, which compiles all circulars and directions issued up to March 31, 2025, into a single document. It covers registration, operating guidelines, investment norms, disclosure and reporting requirements, fees and charges, grievance redressal, and performance benchmarking. It also rescinds all the earlier issued circulars.

- 1.22** SEBI proposes review of mutual fund scheme categorisation to curb portfolio overlap - **DRAFT CIRCULAR, DATED 18-07-2025**

Editorial Note: SEBI has proposed to review the categorisation and rationalisation of mutual fund schemes to improve clarity, introduce new schemes, and address the issue of portfolio overlap among schemes. The proposal follows SEBI's observation of significant overlap in scheme portfolios. SEBI has proposed that MFs be permitted to offer value and contra funds, subject to a condition that no more than 50% of schemes' portfolios overlap at any point in time. Public comments may be submitted by 08.08.2025.

- 1.23** SEBI launches Securities Market Hackathon at Global Fintech Fest 2025 - **PR NO. 42/2025, DATED 18-07-2025**

Editorial Note: SEBI, in collaboration with BSE, CDSL, NSDL and KFinTech, has launched a Securities Market Hackathon at Global Fintech Fest 2025. The hackathon intends to bring together India's brightest minds to develop digital-first solutions for tackling real-world challenges in securities market. The theme for Hackathon is "Driving Innovation & tech-oriented solutions in securities market". The Hackathon allows participants to showcase their innovative solutions at Global Fintech Fest & win cash prizes.

- 1.24** SEBI launches 'Samuhik Prativedan Manch' to simplify compliance reporting for stock brokers with multiple memberships - **PRESS RELEASE NO. 43/2025, DATED 21-07-2025**



Editorial Note: SEBI and stock exchanges have launched the Samuhik Prativedan Manch, a unified technology based common reporting mechanism for stock-brokers to submit compliance reports through a single exchange. Brokers who are registered with multiple stock exchanges are currently required to submit compliance reports at all the Exchanges with which they are registered. They will now be able to submit compliance reports to the Samuhik Prativedan Manch at one exchange instead of multiple exchanges.

- 1.25** SEBI initiates action against Navbharat ad dated 13 July 2025 for promoting illegal dabba trading - **PRESS RELEASE NO. 44/2025, DATED 21-07-2025**

Editorial Note: SEBI has taken strong action against a Navbharat newspaper advertisement dated 13.07.2025 promoting illegal dabba trading. SEBI has issued a formal communication to Navbharat, expressing concern over the publication of an advertisement that encourages unlawful trading practices and potentially misleads investors. Further, a complaint has also been lodged with the cyber police, seeking appropriate legal action against the entity and other entities involved.

- 1.26** SEBI clarifies directions in Jane Street interim order; certain restrictions lifted post escrow compliance - **PRESS RELEASE NO. 45/2025, DATED 21-07-2025**

Editorial Note: SEBI has clarified that certain restrictions imposed on the Jane Street group under the interim order dated July 3, 2025, have ceased to apply upon the group's compliance with escrow requirements. The entities must still refrain from any manipulative or unfair practices, and stock exchanges are directed to closely monitor their dealings. The rationale for the directions has been explained under 'Balance of Convenience' in the said order.

- 1.27** SEBI notifies FAQs clarifying regulatory provisions for Research Analysts - **CIRCULAR NO. SEBI/HO/MIRSD/MIRSD-POD/P/CIR/2025/105, DATED 23-07-2025**

Editorial Note: SEBI has released FAQs to clarify regulatory provisions for Research Analysts (RAs) following the amendment to RA Regulations. Issued post public consultation, the FAQs address key compliance matters. RAs and research entities must now ensure that persons associated with research services obtain the relevant NISM certification within one year from the date of the circular, i.e., July 23, 2025.

- 1.28** SEBI and Mills launch 'SEBI vs SCAM' campaign to spread investor awareness and fight fraud in securities market - **PRESS RELEASE NO.46/2025, DATED 24-07-2025**

Editorial Note: SEBI, in collaboration with major Market Infrastructure Institutions and AMFI, has launched a joint investor awareness campaign titled 'SEBI vs SCAM'. This unified initiative aims to bolster investor protection and combat financial fraud and scams within the securities market. Key areas of focus for the campaign include raising awareness about red flags, verification protocols, trusted redressal mechanisms, and good digital practices.

- 1.29** SEBI Chairman Shri Tuhin Kanta Pandey leads Wreath Laying Ceremony to Commemorate 'Kargil Vijay Diwas' - **PRESS RELEASE NO.47/2025, DATED 26-07-2025**

Editorial Note: On the solemn occasion of the 26th Kargil Vijay Diwas, the Chairman, SEBI, Shri Tuhin Kanta Pandey, led a wreath-laying ceremony at the SEBI Head Office in BKC, Bandra, paying heartfelt tribute to the brave soldiers of the Indian Armed Forces who made the ultimate sacrifice during the Kargil War in 1999. SEBI is dedicated to national service beyond the financial domain and fostering strong ties with veterans and the security community.

- 1.30** New Digital Credit Assessment Model enables fast, objective, and fully digital MSME loan approvals using real-time data - **PRESS RELEASE, DATED 28-07-2025**

Editorial Note: The New Digital Credit Assessment Model for MSMEs was announced in the Union Budget 2024-25. The model envisioned that the public sector banks (PSBs) will build their in-house capability to assess MSMEs for credit, instead of relying on external assessment. It reduces paperwork, branch visits, and TAT, offering seamless processing for both Existing and New to Bank MSMEs. Over 98,000 loans were sanctioned between April and mid-July 2025.

- 1.31** SEBI issues a mechanism for monitoring compliance with minimum investment threshold under Specialized Investment Funds - **CIRCULAR NO. SEBI/HO/IMD/IMD-POD-1/P/CIR/2025/107, DATED 29-07-2025**

Editorial Note: SEBI has issued a mechanism for monitoring compliance with minimum investment threshold under Specialized Investment Funds (SIFs). Accordingly, in case of any active breach of threshold of Rs 10 lakh by investor including through transactions on stock exchanges or off-market transfers, all units of such investors held across investment strategies of SIF would be frozen for debit. Also, a notice of 30 calendar days must be given to investors to rebalance investments to comply with threshold.

- 1.32** SEBI extends timeline for complying with provisions w.r.t 'Safer participation of retail investors in Algorithmic Trading' - **CIRCULAR NO. SEBI/HO/MIRSD/MIRSD-POD/P/CIR/2025/108, DATED 29-07-2025**

Editorial Note: Earlier, SEBI, vide circular dated February 4, 2025, proposed a framework to facilitate safer participation of retail investors in Algorithmic Trading via Brokers. The circular was to come into effect



from August 1, 2025. In order to ensure the smooth implementation without any disruption to the market players and investors, SEBI has now extended the timeline for implementation of the circular. The circular shall come into effect from October 1, 2025.

- 1.33** SEBI allows NRIs to trade in exchange-traded derivatives without notifying names of clearing members - **CIRCULAR NO. SEBI/HO/MIRSD/MIRSD-POD/P/CIR/2025/109, DATED 29-07-2025**

Editorial Note: SEBI has decided to abolish the mandatory requirement of NRIs to notify the names of clearing members or obtain a custodial participant (CP) code for trading in exchange-traded derivatives. The decision, based on the recommendation received from the Brokers' Industry Standards Forum, aims to facilitate investment and provide convenience to NRIs for trading in exchange-traded derivatives, thereby enhancing operational efficiency.

- 1.34** Govt declares 'Shri Narayani (Kumbakonam) Nidhi Ltd' as Nidhi company u/s 406 of Companies Act, 2013 - **NOTIFICATION NO. S.O. 3528(E), DATED 30-07-2025**

Editorial Note: The Central Government has declared 'Shri Narayani (Kumbakonam) Nidhi Limited (CIN: U74999TN2017PLN120244)' as a "Nidhi" company under sub-section (1) of section 406 of the Companies Act, 2013. The company has its registered office in Kumbakonam, Tamil Nadu.

- 1.35** SEBI extends timeline for implementation of nomination-related provisions on joint account operation to August 8, 2025 - **CIRCULAR NO. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2025/110, DATED 30-07-2025**

Editorial Note: Earlier, SEBI, vide circular dated 10.01.2025, revised & revamped norms for existing nomination facilities in Indian Securities Market. The circular was to be implemented in 3 phases. Accordingly, SEBI vide circular dated February 28, 2025, deferred the implementation of certain provisions to Phase II (i.e. June 01, 2025) & Phase III (i.e. September 01, 2025). SEBI has now extended the timeline for implementation of Phase-II of Nomination Circular to August 8, 2025 & Phase-III to Dec 15, 2025.

- 1.36** SEBI proposes revised Guidelines for 'Capacity Planning and Real-Time Performance Monitoring' of MIIIs

Editorial Note: SEBI has proposed revised guidelines for capacity planning and the real-time performance monitoring framework for Market Infrastructure Institutions (MIIs). As per the proposal, the installed capacity of IT systems of MIIs dealing in commodity derivatives may initially be set at twice the projected peak load. Also, the guidelines

currently applicable to equity exchanges for capacity planning and real-time performance monitoring may be extended to commodity derivative exchanges.

- 1.37** SEBI proposes to ease lock-in requirement for conversion of private listed InvIT into public InvIT

Editorial Note: SEBI has proposed to remove the lock-in requirement on minimum sponsor contribution and lock-in on units held by the sponsor in excess of minimum contribution, on conversion of private listed InvIT into public InvIT. Also, SEBI has proposed that the procedure and disclosure requirements for public issue of units as applicable for a follow-on offer will apply for offer of units made to the public to convert a private listed InvIT into a public InvIT. Public comments may be submitted by 22.07.2025

- 1.38** SEBI proposes measures to expand the scope of activities of Credit Rating Agencies

Editorial Note: SEBI has released a consultation paper proposing measures for regulating activities of Credit Rating Agencies (CRAs). The extant CRA Regulations provide that a CRA must not carry out any activity other than rating of securities that are listed or proposed to be listed on a SEBI-recognised stock exchange. SEBI has proposed allowing CRAs to rate financial products regulated by other financial sector regulators & to rate unlisted securities even if no rating-related guidelines have been issued.

- 1.39** Promoter reclassification under LODR requires shareholders' nod if promoter & related persons hold over 1% of voting rights: SEBI

Editorial Note: A company sought informal guidance on whether shareholder approval is required for a promoter seeking reclassification where the promoter & persons related to promoter hold not more than 1% of total voting rights in a listed entity. SEBI clarified that as per Regulation 31A of LODR, reclassification is allowed. However, shareholder approval via ordinary resolution is mandatory if combined holding of promoters & related persons exceeds 1%. As the limit was crossed, a resolution must be passed.

- 1.40** Close-ended AIFs may invest during extended tenure if not restricted by fund documents and investors are informed in advance: SEBI

Editorial Note: A company sought informal guidance on whether a close-ended AIF can make new investments during its extended tenure or only liquidate existing ones. SEBI clarified that while AIFs are barred from investing during the liquidation and dissolution periods, no such restriction applies to the extended period under Regulation 13(6) of the AIF Regulations. Therefore, AIFs may invest during the extended tenure, subject to the fund documents permitting it and prior disclosures being made to investors.



1.41 MCA releases FAQ on 38 e-forms migrating to V3 portal from July 14, 2025, with key changes and filing guidance

Editorial Note: The MCA has released a detailed FAQ addressing the migration of 38 e-forms (Lot 3) from V2 to V3 portal, effective July 14, 2025. The document explains key differences in V3, including online and offline filing modes, linked filings, validation rules, Excel upload process, and transition handling of pending V2 forms. Stakeholders can refer to this FAQ for stepwise guidance on filing, common errors, and new features in the updated MCA system.

1.42 SEBI releases FAQs on Investor Service Requests processed by RTAs, covering KYC, transmission, demat, & related services

Editorial Note: The SEBI has introduced Frequently Asked Questions (FAQs) with respect to Investor Service Requests processed by Registrar to an Issue & Share Transfer Agents (RTAs). The document covers topics such as registration and updation of PAN, nomination, contact and bank details, signature, change in name, dematerialisation and rematerialisation of securities, transmission, transposition, grievance redressal, and e-voting for securities held in both physical and demat mode.

1.43 SEBI proposes a review of valuation of physical gold and silver held by Exchange Traded Funds

Editorial Note: SEBI has released a consultation paper on a proposal for review of the valuation of physical gold and silver in cases of gold and silver Exchange Traded Funds (ETFs). The proposed change is expected to bring uniformity to the valuation process of gold and silver throughout the mutual fund industry, for investments made by gold and silver ETFs, and to more closely align their valuation with the domestic prices of gold and silver. Public comments may be submitted by August 6, 2025.

1.44 SEBI proposes to ease Annual Report dispatch norms for Debenture Holders

Editorial Note: SEBI has issued a consultation paper aimed at simplifying compliance for issuers of non-convertible securities. The proposal involves replacing the existing requirement of sending a physical copy of the annual report to debenture holders without registered email addresses with a letter containing a web link and a QR code to access the report online. This aligns the norms with recent changes under Regulation 36(1)(b) for specified securities. The comments from the public are invited by 15th Aug,

2. SUPREME COURT

SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 - POWER TO ADJUDICATE

2.1 Where Adjudicating Officer imposed penalties on appellant-directors for violating provisions of SEBI Act and rules, but appellant failed to pay penalties within 45 day period specified in adjudication orders, since interest on penalties was to be paid from date of adjudication orders passed by Adjudicating Officer and, not from date of demand notice issued by Recovery Officer, they were liable to pay interest at 12 per cent per annum on unpaid penalty amounts for period of delay - **Jaykishor Chaturvedi v. Securities and Exchange Board of India - [2025] 176 taxmann.com 444 (SC)**

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

2.2 Limitation Act does not apply to conciliation proceedings under section 18(2) of MSME Act; however, for arbitration proceedings under section 18(3) of MSME Act, Limitation Act applies - **Sonali Power Equipments (P.) Ltd. v. Chairman, Maharashtra State Electricity Board - [2025] 176 taxmann.com 662 (SC)**

SECTION 439 OF THE CODE OF CRIMINAL PROCEDURE, 1973 - SPECIAL POWERS OF HIGH COURT OR COURT OF SESSION REGARDING BAIL

2.3 Where High Court passed strictures against appellant-Judicial Officer observing that he had granted bail to accused persons in a grossly inappropriate and cavalier manner while ignoring criminal record of accused, in view of fact that strictures were passed against appellant-Judicial Officer without providing him any opportunity of explanation or showing cause, same were to be expunged - **Kaushal Singh v. State of Rajasthan - [2025] 176 taxmann.com 701 (SC)**

3. HIGH COURT

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

3.1 Where petitioner brokers filed writ petition against show cause notices issued by SEBI to petitioners alleging violation of PFUTP Regulations, petition filed after nearly two years after impugned SCNs were issued were filed to delay and stall proceedings. - **Crosseas Capital Services (P.) Ltd. v. Securities and Exchange Board of India - [2025] 176 taxmann.com 446 (Bombay)**

SECTION 8 OF THE RIGHT TO INFORMATION ACT, 2005 - EXEMPTION FROM DISCLOSURE OF INFORMATION



3.2 Where information sought by respondent from Chief Public Information Officer (CPIO) of SEBI about those who have not been appointed as Public Interest Directors (PIDs) on boards of MII, BSE, NSE, MCX and MCX could cause an unwarranted invasion of privacy of such third parties as defined under section 2(n), and therefore, third-party procedure prescribed under section 11 must be followed, and accordingly, CIC's order directing disclosure of a list of rejected candidates was to be set aside and matter was to be remanded to CPIO to consider respondent's request afresh by following provisions of section 11 - **Securities and Exchange Board of India v. Central Information Commissioner - [2025] 176 taxmann.com 359 (Bombay)**

SECTION 9 OF THE CHIT FUNDS ACT, 1982 - COMMENCEMENT OF CHIT

3.3 Where pursuant to order of Court, a One-Man Committee was constituted to oversee identification, recovery and distribution of proceeds from sale of assets of various chit fund companies to verified claimants, Enforcement Directorate was directed to extend all necessary assistance to Committee, as and when sought, for purpose of implementation of various orders of Court, particularly with respect to identification, recovery and allied matters concerning assets of respective companies or any issue incidental thereto - **MPS Greenery Developers Ltd. v. Bhaskar Das Gupta - [2025] 176 taxmann.com 788 (Calcutta)**

SECTION 11 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 - FUNCTIONS OF BOARD

3.4 Where sale of auction property in favour of 'MPS Greenery Developers Ltd.' had not been challenged, order confirming subsequent auction sale of same property in favour of auction purchaser was not to be recalled - **MPS Greenery Developers Ltd. v. Bhaskar Das Gupta - [2025] 176 taxmann.com 787 (Calcutta)**

SECTION 17 OF THE ARBITRATION AND CONCILIATION ACT, 1996 - INTERIM MEASURES ORDERED BY ARBITRAL TRIBUNAL

3.5 Where arbitral tribunal passed an order under section 17 of Arbitration Act directing imposition of personal obligations on sole shareholder of One Person Company (OPC), since Shareholder of OPC could not be held liable to discharge obligations contracted by company, order directing him to make a deposit and to provide disclosures of his personal assets and liabilities was not sustainable - **Saravana Prasad v. Endemol India (P.) Ltd. - [2025] 176 taxmann.com 442 (Bombay)**

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

3.6 High Court declines to interfere with decision of Ministry of Corporate Affairs in shifting NCLT, Kolkata Bench to new location as same fall squarely within realm of policy formulation and administrative convenience - **NCLT Advocates Bar Association v. Union of India - [2025] 176 taxmann.com 829 (Calcutta)**

SECTION 458A OF THE COMPANIES ACT, 1956 - EXCLUSION OF CERTAIN TIME IN COMPUTING PERIODS OF LIMITATION

3.7 Where winding-up order was passed on 07.02.2017 and Statement of Affairs was filed on 03.12.2020, exclusion period under Section 458A began from that date, making application filed on 13.09.2023 for recovery from company in liquidation well within extended limitation period ending on 02.12.2024 - **Official Liquidator of United Breweries (Holding) Ltd. (In Liqn) v. Mysore Fruit Products (P.) Ltd. - [2025] 176 taxmann.com 238 (Karnataka)**

4. NCLAT

SECTION 66 OF THE COMPANIES ACT, 2013 - SHARE CAPITAL - REDUCTION OF

4.1 Where appellant company passed a special resolution for reduction of share capital by 100 per cent majority and none of creditors ever raised any objection, even RD and ROC did not object to such reduction, there was no impediment to grant permission to appellant for reduction of its shares by confirming special resolution - **Ulundurpet Expressways Pvt Ltd v. Regional Director - [2025] 176 taxmann.com 398 (NCL-AT)**

SECTION 241 OF THE COMPANIES ACT, 2013 - OPPRESSION AND MISMANAGEMENT - APPLICATION TO TRIBUNAL FOR RELIEF

4.2 Where appellants and respondents formed a company, which was engaged in construction and appellants accepted money from allottees but failed to complete construction of multi-storied building, NCLT had rightly passed an order giving control over company to respondents and removing appellants as directors of company for next three years. - **Vishwas Lakras v. Dharmendra Pal - [2025] 176 taxmann.com 698 (NCLAT- New Delhi)**

5. NCLT

SECTION 58 OF THE COMPANIES ACT, 2013 - TRANSFER OF SHARES - REFUSAL OF REGISTRATION AND APPEAL THERE AGAINST

5.1 Where petitioner filed an application for condonation of delay of 2509 days in filing petition under section 58 seeking direction to respondent to transfer of shares, since petitioner had failed to demonstrate sufficient cause under section 5 or good faith under section 14 to condone 2509 days delay, gross delay coupled with laches and procedural lapses disentitled petitioner to discretionary relief, and, therefore, instant application for



condonation of delay was to be dismissed - **Vinod Kumar Dua v. Sun Pharmaceuticals Industries Ltd.** - [2025] 175 taxmann.com 802 (NCLT - Ahd.)

SECTION 66 OF THE COMPANIES ACT, 2013 - SHARE CAPITAL - REDUCTION OF

- 5.2 Where petitioner company filed application u/s. 66 for reduction of its paid-up equity share capital to extent of 90 per cent to set off accumulated losses of company and all statutory compliances had been made u/s. 66 and no objections had been raised by creditors, application was to be allowed - **E Soft Consulting Ltd. v. Shareholders & Creditors** - [2025] 176 taxmann.com 745 (NCLT - Hyd.)

SECTION 97 OF THE COMPANIES ACT, 2013 - ANNUAL GENERAL MEETING - POWERS OF TRIBUNAL TO CALL

- 5.3 Where there exists permission of RoC to extend time for calling AGM, and AGM has been called within that period, alleged misrepresentation to RoC to obtain such permission would not be considered as default for purpose of section 97 - **Vidya Pracharanam (P.) Ltd., In re v.** - [2025] 175 taxmann.com 986 (NCLT - Kochi)

SECTION 241 OF THE COMPANIES ACT, 2013 - OPPRESSION AND MISMANAGEMENT - APPLICATION TO TRIBUNAL FOR RELIEF

- 5.4 Where respondent Nos. 6 and 7, as majority shareholders of company 'S' sought to sell their equity shares in line with Article 10(b) of Articles of Association and company's board offered these shares to all shareholders, including petitioners, on a pro-rata basis, and petitioners, though willing, failed to pay required amount for receiving their entitled shares, by stipulated deadline despite several opportunities and as a result, their entitlement lapsed, and shares were offered to Respondents 2 to 5, company's action was proper and in accordance with AoA and not oppressive to minority shareholders, i.e, petitioners - **Veera Bhoga Vasanta Rayalu Sabbavarapu v. Sunray Resorts (P.) Ltd.** - [2025] 175 taxmann.com 924 (NCLT - Amaravati)
- 5.5 Petition alleging oppression and mismanagement by petitioner-promoters of respondent-company was disposed of with directions to ensure equal ERP software access for all directors, conduct forensic audit on fund misappropriation allegations, and noting no case made out for lack of probity or exclusion from management. - **Ravi Arya v. Arya Iron and Steel Co. (P.) Ltd.** - [2025] 176 taxmann.com 73 (NCLT - Mum.)
- 5.6 Non-payment of rent alone would not automatically constitute oppression under section 242 of Companies Act, 2013 where same was not coupled with intent to harm or suppress member's rights. - **Arvind Srinivasan v. ZL Technologies india (P.) Ltd.** - [2025] 176 taxmann.com 403 (NCLT-Chennai)

- 5.7 Where respondents, majority shareholders of company, sought to sell their equity shares in line with Article 10(b) of Articles of Association and company's board offered these shares to all shareholders, including petitioners, on a pro-rata basis, and petitioners, though willing, failed to pay required amount for receiving their entitled shares, by stipulated deadline despite several opportunities and as a result, their entitlement lapsed, and shares were offered to shareholders, company's action was proper and in accordance with AoA and not oppressive to minority shareholders, i.e, petitioners - **Sri Veera Bhoga Vasanta Rayalu Sabbavarapu v. Sunray Green Space (P.) Ltd.** - [2025] 176 taxmann.com 498 (NCLT - Amaravati)

- 5.8 A shareholder can seek relief under section 241 for oppression and mismanagement however, to succeed petitioner must demonstrate that company's affairs are being conducted in a manner oppressive to him as a member or prejudicial to interests of company; where petitioner failed to prove that just and equitable grounds existed for granting relief, as stipulated under section 242, petition alleging oppression and mismanagement was to be dismissed - **Speed Project and Infrastructure Private Limited, Inre v.** - [2025] 176 taxmann.com 663 (NCLT - Hyd.)

SECTION 252 OF THE COMPANIES ACT, 2013 - REMOVAL OF NAME FROM REGISTER

- 5.9 Where name of respondent company was struck off from register of companies by RoC on application made by respondent company concealing fact about investigation having been ordered into its affairs by SEBI, which was in violation of MCA's Guidelines, application filed by RoC for restoration of name of respondent company was to be allowed - **Registrar of Companies v. Ecogreen Realestate (India) Ltd.** - [2025] 176 taxmann.com 868 (NCLT - Allahabad)

SECTION 271 OF THE COMPANIES ACT, 2013 - WINDING UP BY TRIBUNAL - CIRCUMSTANCES OF

- 5.10 Where petitioner-company had not come with clean hands and had misused process of law to jeopardize valuable rights of some other entities or their creditors by invoking provisions of section 271, petition filed under section 271 seeking to wind up itself was to be dismissed - **Emil Traders (P.) Ltd., In re v.** - [2025] 176 taxmann.com 744 (NCLT - Kochi)
- 5.11 Where petitioner company, with view to jeopardize arbitral awards or apprehending adverse decisions in arbitration proceedings, deliberately and with a conscious mind took decision to wind up, petitioner had not come with clean hands and was not entitled to any relief; as such, petition seeking winding up of company merited dismissal - **Gracious Coffee (P.) Ltd., In re v.** - [2025] 176 taxmann.com 747 (NCLT - Kochi)

SECTION 425 OF THE COMPANIES ACT, 2013 - TRIBUNAL AND APPELLATE TRIBUNAL - POWER TO PUNISH FOR CONTEMPT



5.12 Where complainants and contemnors were directors/shareholders of a reputed jewellery brand 'CKC' and complainants alleged contempt against contemnors for launching a competing jewellery business in violation of fiduciary duties and NCLT's interim status quo order, in view of fact that contemnors were continuing an existing business lawfully operated since 2005 and not initiating a new one; there was no violation of NCLT's order much less a wilful disobedience amounting to contempt, and hence, instant contempt petition was to be dismissed - **Dr. C. Vinod Hayagriv v. C. Krishniah Chetty & Sons (P.) Ltd.** - [2025] 176 taxmann.com 100 (NCLT-Beng.)

6. SEBI

SECTION 12A OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 - PROHIBITION OF MANIPULATIVE AND DECEPTIVE DEVICES, INSIDER TRADING AND SUBSTANTIAL ACQUISITION OF SECURITIES OR CONTROL

6.1 Where JS Group was involved in fraudulent and manipulative activities to influence security prices and benchmark indices for illegal profits, harming numerous small investors thus, total amount of unlawful gains earned by JS Group from alleged violations was to be impounded jointly and severally and entities were restrained from accessing securities market and were further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly - **JSI Investments Private Ltd., In re v.** - [2025] 176 taxmann.com 215 (SEBI)

REGULATION 15 OF THE SEBI (INVESTMENT ADVISERS) REGULATIONS, 2013 - GENERAL RESPONSIBILITY

6.2 Where noticee, an investment adviser registered with SEBI, was involved in providing unregistered investment advisory activities for more than two years through multiple entities, noticee had violated provisions of regulation 15 of Intermediaries Regulations and, therefore, suspension of registration of noticee as an investment adviser for a period of six months would be commensurate with violations committed by noticee - **Sumit Kumar Waghmare, In re v.** - [2025] 176 taxmann.com 397 (SEBI)

SECTION 23GA OF THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 - PENALTY FOR FAILURE TO CONDUCT BUSINESS IN ACCORDANCE WITH RULES, ETC.

6.3 Where BSE failed to ensure equal, unrestricted, transparent and fair access to information/data with regard to corporate announcements of listed companies to all persons as required under regulation 39(3) of Securities Contracts (Regulation) and it also enabled receipt of unpublished price sensitive information (UPSI) to paid clients and Listing Compliance Monitoring (LCM) before said information was available to viewers on BSE website, penalty of Rs. 25 lakh was to be imposed on BSE - **Bombay Stock Exchange Ltd., In re v.** - [2025] 175 taxmann.com 1077 (SEBI)



COMPETITION LAW

1. CCI

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

1.1 Where Federation of Publishers' and Booksellers' Associations in India (FPBAI) prescribed terms and conditions relating to credit period, interest rate, verification of prices etc. in circulars issued by it, act of FPBAI having effect of limiting or controlling market for book trade, was in contravention of provisions of section 3(1) read with section 3(3)(b) and FPBAI was guilty of contravention of provisions of section 3 - **Pranav Gupta, In re v. - [2025] 176 taxmann.com 62 (CCI)**

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

1.2 Where OP was in a dominant position in relevant market for manufacturing and sale of decorative paints in organized sector in India and OP was restraining its dealers from dealing with OP's

competitors like Informant by enforcing exclusivity upon such dealers, OP seemed to be prima facie causing an appreciable adverse effect on competition in India in contravention of section 4 and, therefore, Director General was directed to cause an investigation into matter. - **Grasim Industries Ltd. (Birla Paints Division) v. Asian Paints Ltd. - [2025] 176 taxmann.com 54 (CCI)**

1.3 Where informant filed information against OP i.e. Zomato alleging contravention of provisions of Act on ground that OP was charging inflated prices for food on OP's platform, charging of platform and other fees, thereby earning profits from treasury operations, since allegations largely pertained to levy of various kinds of charges viz. food charges, platform fees, delivery fees, tip etc., by OP, these did not appear to be unfair and discriminatory in nature, and, therefore, no prima facie case of contravention of provisions of section 4 was made out against OP - **Lalit Wadher v. Zomato Ltd. - [2025] 176 taxmann.com 396 (CCI)**



FEMA BANKING AND INSURANCE LAWS

1. STATUTORY UPDATES

- 1.1 RBI includes NSDL Payments Bank in Second Schedule of the RBI Act, granting it scheduled bank status - **NOTIFICATION NO. DOR.LIC.NO.S2196/16.13.215/2025-26, DATED 19-06-2025**

Editorial Note: The Reserve Bank of India has included NSDL Payments Bank Limited in the Second Schedule of the RBI Act, 1934, granting it scheduled bank status. The notification was issued under clause (a) of sub-section (6) of Section 42 of the RBI Act.

- 1.2 IFSCA prescribes submission process for changes in operations, management, or registration of REs by Finance Cos - **CIRCULAR (E) FILE NO. IFSCA-FCR0FCR/5/2025-BANKING/01, DATED 01-07-2025**

Editorial Note: IFSCA has issued a Guidance Note on the submission of requests pertaining to changes that require prior approval or intimation to the Authority. The note outlines the process and documentation required for such submissions, including changes in management, name, activities, and voluntary surrender of registration. The provisions of this Circular shall come into force with immediate effect.

- 1.3 RBI bars lenders from levying pre-payment charges on all floating rate loans and advances granted to individuals and MSEs - **CIRCULAR NO. DOR.MCS.REC.38/01.01.001/2025-26, DATED 02-07-2025**

Editorial Note: The RBI has issued the (Pre-payment Charges on Loans) Directions, 2025 to promote fair lending and ease credit access for Micro and Small Enterprises (MSEs). Now, no pre-payment charges shall be levied on loans granted to individuals for non-business purposes, with or without co-obligants. Further, REs cannot charge for pre-payments initiated by themselves. These Directions will apply to all loans and advances sanctioned or renewed on or after January 1, 2026.

- 1.4 Govt allows IDFC First Bank Ltd to hold over 30% stake in Niraj Kakad Constructions till July 7, 2030 - **NOTIFICATION NO. S.O. 3018(E) [F. NO. 7/57/2019-BOA-I], DATED 07-07-2025**

Editorial Note: The Central Government, on the recommendation of the Reserve Bank of India, has exempted IDFC First Bank Ltd. from the applicability of the provisions of Section 19(2) of the Banking Regulation Act, 1949, with respect to its holding of shares exceeding 30% of the paid-up capital of Niraj Kakad Constructions Pvt. Ltd. This exemption is effective from the date of publication in the Official Gazette and shall remain in force until July 7, 2030.

- 1.5 IFSC Authority notifies IFSCA (TechFin and Ancillary Services) Regulations, 2025 - **NOTIFICATION NO. IFSCA/GN/2025/005, DATED 08-07-2025**

Editorial Note: The IFSC Authority has notified the IFSCA (TechFin and Ancillary Services) Regulations, 2025. These regulations aim to provide a regulatory framework for TechFins and Ancillary Service Providers to make arrangements for carrying out any of the financial services listed in Section 3 of the IFSCA Act, 2019. The regulations cover norms related to registration, Code of Conduct, and the requirement of a Principal Officer and Compliance Officer.

- 1.6 RBI releases draft 'Novation of OTC Derivative Contracts' Directions, 2025 on its website - **PRESS RELEASE NO. 2025-2026/682, DATED 09-07-2025**

Editorial Note: RBI has released the draft 'Novation of OTC Derivative Contracts' Directions, 2025 on its website. The term 'Novation' refers to the replacement of a market maker with another market maker in an OTC derivative contract between two counterparties (transferor, who steps out of the existing deal, and remaining party). The directions outline the guidelines and mechanism for undertaking novation along with documentation and reporting requirements. Comments may be submitted by August 1, 2025

- 1.7 RBI allows use of 'CareEdge IFSC Ltd.' ratings for Basel III risk-weighting of claims on non-resident corporates from IFSC - **CIRCULAR NO. DOR.STR.REC.39/21.06.008/2025-26, DATED 10-07-2025**

Editorial Note: RBI has permitted all Scheduled Commercial Banks (excluding Local Area Banks, Payments Banks and RRBs) to use credit ratings of 'CareEdge Global IFSC Limited' for assigning risk weights to claims on non-resident corporates originating from IFSC, in line with Basel III capital regulations. Previously, only Fitch, Moody's, and Standard & Poor's were permitted. Risk weights corresponding to CareEdge ratings range from 20% for AAA-rated exposures to 150% for those rated BB & below.

- 1.8 RBI invites feedback on draft directions to simplify shipping bill closure in Export Data Processing System - **PRESS RELEASE NO. 2025-26/705, DATED 11-07-2025**

Editorial Note: To ease compliance for small exporters, the Reserve Bank of India has released draft directions to simplify the process of closing shipping bills in the Export Data Processing and Monitoring System. With the growing number of export transactions, the move aims to streamline reconciliation of small-value exports. Stakeholders may submit their feedback by July 31, 2025, through the RBI website or via email.

- 1.9 Gold/silver pledged voluntarily won't breach collateral-free loan norms for Agriculture & MSME sectors: RBI - **CIRCULAR NO. FIDD.CO.FSD.BC.NO.08/05.05.010/2025-26, DATED 11-07-2025**



Editorial Note: The Reserve Bank of India (RBI) has clarified that loans against voluntary pledge of gold and silver as collateral by borrowers, sanctioned by banks up to the collateral-free limit for Agriculture and MSME sectors, will not be treated as a violation of collateral-free loan guidelines.

- 1.10 RBI includes 'NSDL Payments Bank Limited' in the list of Scheduled Banks under Schedule II of RBI Act, 1934 - **CIRCULAR NO. DOR.RET.REC.40/12.07.160/2025-26, DATED 17-07-2025**

Editorial Note: In the exercise of the powers conferred under section 42 of the Reserve Bank of India Act, 1934, the RBI has directed the inclusion of the 'NSDL Payments Bank Limited' in the list of Scheduled Banks. Now, the bank will be covered under the second schedule of the RBI Act.

- 1.11 Govt. authorises Chennai DRAT Chairperson to discharge Delhi DRAT functions for 'Mrs. Rajni Gulati' case - **ORDER S.O. 3271(E) [F. NO. 09/22/2023-DRT], DATED 18-07-2025**

Editorial Note: The Central Government has authorised the Chairperson of the Debts Recovery Appellate Tribunal, Chennai, to discharge also the functions of the Chairperson of the Debts Recovery Appellate Tribunal, Delhi, for deciding the appeal in the matter of 'Mrs. Rajni Gulati Vs Canara Bank & Ors. This is in addition to his being the Chairperson of the Debt Recovery Appellate Tribunal, Chennai.

- 1.12 RBI assigns SBI as Lead Bank Responsibility for "Keyi Panyor and Bichom" - **CIRCULAR NO. FIDD.CO.LBS.BC.NO.14/02.08.001/2025-26, DATED 18-07-2025**

Editorial Note: Earlier, the Government of Arunachal Pradesh, vide Gazette Notification No.Law/Legn-5/2024 dated February 23, 2024 had notified the formation of two new districts in the state of Arunachal Pradesh. Now, the RBI has decided to assign the lead bank responsibility for the new districts, 'Keyi Panyor' and 'Bichom' to the State Bank of India (SBI). Further, there is no change in the Lead Banks of the other districts in the state of Arunachal Pradesh.

- 1.13 RBI issues draft master directions on 'Digital Banking Channels Authorisation' - **PRESS RELEASE NO. 2025-26/752, DATED 21-07-2025**

Editorial Note: The RBI has issued draft Master Directions on 'Digital Banking Channels Authorisation'. These directions cover guidelines on technological aspects of digital banking, general instructions, compliance, customer conduct, and related matters. They also outline norms regarding exemptions, interpretations, repeals, and prudential requirements. Comments may be submitted until August 11, 2025.

- 1.14 IFSCA notifies IFSCA (Procedure for making regulations and subsidiary instructions) Regulations, 2025 - **NOTIFICATION NO. IFSCA/GN/2025/006, DATED 21-07-2025**

Editorial Note: IFSCA has notified IFSCA (Procedure for making regulations and subsidiary instructions) Regulations, 2025. "Subsidiary instruction" means an instrument approved by Authority or such other officer to whom such power is delegated and issued in the form of a circular, guideline, framework or any other instrument by whatever name called. The regulations cover norms relating to the procedure for public consultation, approval of regulations & subsidiary instructions and amendment of regulations.

- 1.15 ED files FEMA case against Myntra for alleged Rs. 1,654 crore FDI violation by disguising retail as wholesale operations - **PRESS RELEASE, DATED 23-07-2025**

Editorial Note: The ED has filed a case under FEMA against Myntra Designs Pvt Ltd, its affiliates, and directors for alleged contravention of FDI rules totalling Rs. 1,654 crores. The agency claims Myntra misrepresented its business as 'wholesale cash & carry' to receive FDI, but routed nearly all sales through a related entity, Vector E-Commerce, for direct retail. Myntra has denied receiving any official complaint so far but has pledged full cooperation with authorities.

- 1.16 Govt issues updated Security Manual for Licensed Defence Industries, 2025, replacing 2014 version - **PRESS NOTE NO. 3 (2025 SERIES) [F. NO. P-61012/30/2023-IL], DATED 23-07-2025**

Editorial Note: The Department for Promotion of Industry and Internal Trade has released the updated Security Manual for Licensed Defence Industries (SMLDI), 2025. The revised manual supersedes the earlier 2014 version and is available on the Department of Defence Production's website. All companies holding Industrial Licenses must comply with this updated manual before starting production of licensed items.

- 1.17 RBI includes 'Deogiri Nagari Sahakari Bank' and 'Ahmednagar Merchant's Co-op. Bank' in the list of Scheduled Banks - **CIRCULAR NO. RBI/2025-26/69&70 DOR.RET.REC.41&42/12.07.160/2025-26, DATED 25-07-2025**

Editorial Note: In the exercise of the powers conferred under section 42 of the RBI Act, 1934, the RBI has directed the inclusion of the 'Deogiri Nagari Sahakari Bank Ltd., Chhatrapati Sambhajinagar' and 'Ahmednagar Merchant's Co-op. Bank Ltd., in the list of Scheduled Banks. Now, the banks will be covered under the second schedule of the RBI Act.

- 1.18 RBI issues draft master directions on 'Business Authorization for Co-operative Banks' - **PRESS RELEASE NO. 2025-2026/793, DATED 28-07-2025**

Editorial Note: RBI has issued draft Master Directions on Business Authorization for Co-operative Banks. The draft Master Directions cover general guidelines, guidelines for business authorization such as opening a new place of business, opening a branch under the automatic route, opening an extension counter (EC), closure of a place of business, and display or change in the name of a co-operative bank. They also cover reporting norms. Public comments are invited till August 25, 2025.



- 1.19 RBI caps RE investment in AIFs at 10% individually and 20% collectively of fund's corpus - **CIRCULAR NO. DOR.STR.REC.43/21.04.048/2025-26, DATED 29-07-2025**

Editorial Note: RBI has notified RBI (Investment in AIF) Directions, 2025. Now, no RE shall individually contribute more than 10 per cent of the corpus of an AIF Scheme. Further, collective contribution by all REs in any AIF Scheme shall not be more than 20 per cent of the corpus of that scheme. These Directions shall come into force from January 1, 2026, or from any earlier date as decided by a RE as per its internal policy

- 1.20 IFSCA issues framework for Transition Bonds, recognising them as ESG-labelled debt under Listing Regulations - **CIRCULAR NO. F. NO. IFSCA-DSF0SFHB/2/2025-CAPITAL MARKETS, DATED 29-07-2025**

Editorial Note: IFSC Authority has issued a framework for Transition Bonds, recognising them as ESG-labelled debt securities under the Listing Regulations. This follows Expert Committee recommendations and public consultation. Transition finance is emerging as a key tool to help hard-to-abate sectors raise funds for their shift from brown to green. As on June 30, 2025, USD 15.43 Bn of ESG-labelled debt securities were listed on IFSC exchanges, comprising 25% of total debt listings.

- 1.21 Govt notifies 01.08.2025 as effective date for revised 'substantial interest' limit under Banking Laws to Rs. 2 cr or 10% of capital - **NOTIFICATION S.O. 3494(E)/F. NO. 7/19/2023-BOA-I], DATED 29-07-2025**

Editorial Note: Earlier, Central Government had notified Banking Laws (Amendment) Act, 2025. Now, Govt. has notified 1st day of August, 2025 as the date on which the provisions of sections 3,4,5,15,16,17,18,19 and 20 of the said Act. As per the amendment, the threshold for determining "substantial interest" under the Banking Regulation Act, 1949, in relation to a company, now stands revised from five lakh rupees to two crore rupees or ten percent of paid-up capital, whichever is less.

2. SUPREME COURT

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

- 2.1 Where appellant bank took possession of secured asset, a commercial property under section 13(4) of SARFAESI Act, and thereafter, High Court directed restoration of possession of secured asset to first respondent on ground that he was a tenant of secured asset, without considering evidence adduced by first respondent with regard to pre-existing tenancy and also conduct of first respondent in failing to take prompt steps to protect his interest in secured asset, impugned order passed by High Court was to be set aside - **PNB Housing Finance Ltd. v. Manoj Saha - [2025] 176 taxmann.com 445 (SC)**

- 2.2 Framework for Revival and Rehabilitation of MSMEs, 2015 does not prohibit a lending bank from classifying a defaulting MSME account as NPA or issuing a demand notice under Section 13(2) of SARFAESI Act without identifying 'incipient stress' in MSME's account - **Shri Shri Swami Samarth Construction & Finance Solution v. Board of Directors of NKGSB Co-op. Bank Ltd. - [2025] 176 taxmann.com 949 (SC)**

SECTION 13 OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 - PENALTIES

- 2.3 SLP dismissed as withdrawn against impugned order of High Court that where petitioner was appointed as Vice President of Board of Control for Cricket in India (BCCI) and Chairman of IPL governing body, a subcommittee of BCCI and adjudicating authority under FEMA imposed penalty upon petitioner, writ of mandamus could not be issued to BCCI to pay penalty imposed on petitioner, as for purpose of alleged indemnification of petitioner in context of penalties imposed upon petitioner by ED, there was no question of discharge of any public function - **Lalit Kumar Modi v. Board of Control for Cricket in India - [2025] 176 taxmann.com 549 (SC)**

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

- 2.4 Notice issued to partners of a firm is deemed notice to partnership firm also; Where partnership firm issued cheque for discharging debt which was dishonoured, partners of firm were jointly and severally liable along with firm for offence under section 138 - **Dhanasingh Prabhu v. Chandrasekar - [2025] 176 taxmann.com 443 (SC)**
- 2.5 Where appellant filed a complaint under section 138 against respondents for dishonour of cheques issued by them for an amount of Rs. 14 lakhs for purchase of 'Desi Ghee' and at stage when complainant was yet to be cross-examined, an amendment application to amend complaint was moved to change 'Desi Ghee (milk products)' to 'milk' and Trial Court allowed amendment, High Court erred in quashing proceedings on ground that amendment sought changed nature of complaint - **Bansal Milk Chilling Centre v. Rana Milk Food (P.) Ltd. - [2025] 176 taxmann.com 794 (SC)**
- 2.6 Where appellant filed complaint under section 138 of Negotiable Instruments Act against respondent on ground that cheques issued by respondent had been dishonoured when same were deposited by appellant at Kotak Mahindra Bank, Mumbai branch, appellant was fully justified in filing his complaint cases before jurisdictional Court at Mangalore as at time of presentation of cheques appellant maintained his account with Kotak Mahindra Bank at its Mangalore Branch. - **Prakash Chimanlal Sheth v. Jagruti Keyur Rajpopat - [2025] 176 taxmann.com 795 (SC)**



3. HIGH COURT

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

- 3.1 Where petitioner was arrayed as an accused in supplementary prosecution complaint filed by ED on basis that she had received and enjoyed proceeds of crime, since case was registered by ED under PMLA and charges were yet to be framed, plea of petitioner to quash ECIR could not be accepted - **Jacqueline Fernandez v. Directorate of Enforcement** - [2025] 176 taxmann.com 126 (Delhi)
- 3.2 In view of section 8 of General Clauses Act, 1897, references to offences under IPC, as contained in Schedule to PMLA, are to be read as references to corresponding provisions under Bharatiya Nyaya Sanhita (BNS), 2023, which has replaced IPC from 1-7-2024, so as to ensure that enforcement of PMLA continues without any disruption or ambiguity. - **Nagani Akram Mohammad Shafi v. Union of India** - [2025] 176 taxmann.com 282 (Bombay)
- 3.3 Where ED initiated investigation under PMLA against applicant, a senior journalist and director of company owning digital media platform, in view of fact that applicant was respectable man aged about 75 years having roots in society and evidence was essentially documentary in nature, thus considering prolonged nature of investigation, applicant was to be admitted to anticipatory bail by Investigating Officer/Arresting Officer in event of arrest - **Prabir Purkayastha v. Directorate of Enforcement** - [2025] 176 taxmann.com 855 (Delhi)

SECTION 9 OF THE FOREIGN EXCHANGE REGULATION ACT, 1973 - RESTRICTIONS ON PAYMENTS

- 3.4 Where appellant was 'person resident outside India' as defined under section 2(q) of FERA, 1973 and was involved in financial transactions concerning sale and purchase of shares of an Indian company without obtaining prior permission of RBI, there was violation of FERA, 1973 and, therefore, impugned orders by Special Director and Tribunal imposing penalties upon appellant for alleged violation was justified - **Neha Shroff v. Union of India** - [2025] 176 taxmann.com 94 (Bombay)

SECTION 13 OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 - PENALTIES

- 3.5 Where petitioner was appointed as VP of Board of Control for Cricket in India (BCCI) and Chairman of IPL governing body, a subcommittee of BCCI and adjudicating authority under FEMA imposed penalty upon petitioner, writ of mandamus could not be issued to BCCI to pay penalty imposed on petitioner, as for purpose of alleged indemnification of petitioner in context of penalties imposed upon petitioner by ED, there was no question of discharge of any public function - **Lalit Kumar Modi v. BCCI** - [2025] 176 taxmann.com 248 (Bombay)

SECTION 26E OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 - PRIORITY TO SECURED CREDITORS.

- 3.6 Where CGST authorities had attached mortgaged property of principal borrower for recovery of Government dues, since secured creditor had a priority vis-a-vis statutory dues of CGST authorities, CGST authorities had acted irregularly in attaching property in question and were directed to make over possession of secured asset unto and in favour of secured creditor - **CFM Asset Reconstruction (P.) Ltd. v. Assistant Commissioner, CGST & C.EX, Durgapur-i Division** - [2025] 176 taxmann.com 572 (Calcutta)

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

- 3.7 Where in a complaint filed against applicant, complainant gave a legal notice as contemplated under Section 138(b) through power of attorney holder, however power of attorney holder was not having personal knowledge of facts giving rise to proceedings under section 138 even though he was working as Manager of complainant firm, impugned summoning order passed by Additional Chief Judicial Magistrate against applicant in complaint case under section 138 was to be quashed - **Aarti Industries v. State of U.P.** - [2025] 170 taxmann.com 107 (Allahabad)

4. SAFEMA

SECTION 2(1)(u) OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - PROCEEDS OF CRIME

- 4.1 Proceeds of crime would also include property equivalent in value to property derived from criminal activity relating to scheduled offence, even though acquired through legitimate and known sources of income - **ICICI Bank v. Joint Director, Directorate of Enforcement** - [2025] 176 taxmann.com 453 (SAFEMA - New Delhi)

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

- 4.2 Where appellant, a permanent resident of India, purchased agricultural land in India from his earnings abroad and a show cause notice was issued to appellant for contravention of section 6(3)(i) of FEMA, read with regulation 3(a) of FEM (Acquisition and Transfer of Immovable Property in India) Regulations, 2000, penalty of Rs. 8 lakhs imposed upon appellant was to be reduced to Rs. 2 lakhs, as appellant might not have been aware about provisions of FEMA - **Pradeep Mishra v. Special Director, Directorate of Enforcement** - [2025] 176 taxmann.com 876 (SAFEMA - New Delhi)

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



4.3 Where ED attached properties of accused persons, including properties of appellants and appellants alleged that attached properties were purchased by them from legit sources of income and not from proceeds of crime, since appellants failed to provide any documentary evidence, it could not be accepted that they purchased properties from legal sources of income - **Sarju Yadav v. Deputy Director Directorate of Enforcement, Patna - [2025] 175 taxmann.com 1066 (SAFEMA - New Delhi)**

4.4 Property in hands of person not implicated as an accused can be attached if it is falling under definition of 'proceeds of crime' - **Pratap B. Sarnaik v. Deputy Director, Directorate of Enforcement - [2025] 176 taxmann.com 840 (SAFEMA - New Delhi)**

4.5 Where appellant had received 9.5 crores out of proceeds of crime and utilized major part to clear its loan amount, property was liable to be provisionally attached to secure proceeds of crime till conclusion of Trial - **Abdul Karim Ibrahim Jaka v. Deputy Director, Directorate of Enforcement - [2025] 176 taxmann.com 835 (SAFEMA - New Delhi)**

SECTION 6 OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 - CAPITAL ACCOUNT TRANSACTIONS

4.6 Where respondent company received foreign inward remittances and reported same to RBI and allotted shares and filed Form FC-GPR within stipulated time period, however, FC-GPR filed by respondent had not been taken on record by RBI owing to pending clarifications from respondent, respondent only committed a technical error and, therefore, there was no ground to enhance penalty amount over and above amount that had already been imposed - **Union of India v. Peritus Corporation (P.) Ltd., Hyderabad - [2025] 176 taxmann.com 11 (SAFEMA - New Delhi)**

4.7 Where appellant company engaged in audit practice had received FDI running in crores in name of grant under licence, though said inward remittance was in contravention of Act and Regulations made therein, penalty of Rs. 230 crores imposed on appellant was excessive and disproportionate to allegations against appellant and, therefore, penalty was to be reduced from Rs. 230 crores to Rs. 80.50 crores - **PricewaterhouseCoopers (P.) Ltd. v. Special Director, Directorate of Enforcement - [2025] 176 taxmann.com 559 (SAFEMA - New Delhi)**

SECTION 8 OF THE FOREIGN EXCHANGE REGULATION ACT, 1973 - RESTRICTIONS ON DEALING IN FOREIGN EXCHANGE

4.8 Where appellant was dealing in sale/purchase of foreign currencies and gold in black market and documents relating to same were recovered from his premises, penalty was rightly imposed on him for contravention of section 8(1) of FERA, 1973 - **Praveen Sharma v. Special Director, Directorate of Enforcement, Delhi - [2025] 176 taxmann.com 285 (SAFEMA - New Delhi)**

SECTION 13 OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 - PENALTIES

4.9 Where appellant, Deputy General Manager of Andhra Bank was subjected to penalty under section 13(1) of FEMA for bank's remittance towards hiring foreign satellite transponders without prior approval from Ministry of Information and Broadcasting, however, appellant claimed he was not posted at concerned branch when violation occurred, since there was no evidence to prove that he was not posted there at relevant time, his appeal was dismissed - **Laxmi Narayan Rath v. Additional Director Directorate of Enforcement, Chennai - [2025] 176 taxmann.com 825 (SAFEMA - New Delhi)**

4.10 Where respondent Directorate imposed penalty on appellants on ground that they were beneficiaries of foreign trust 'Ambrunova' and had not disclosed income received from said trust in their Income Tax returns, however, no evidence was produced by respondent to prove that appellants were connected with Ambrunova Trust or they were beneficiary of such trust, impugned order imposing penalty on appellants was to be set aside - **Ambrish Manoj Dhupelia v. Special Director, Directorate of Enforcement - [2025] 176 taxmann.com 834 (SAFEMA - New Delhi)**

SECTION 19 OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 - APPEAL TO APPELLATE TRIBUNAL

4.11 Where Adjudicating Authority had imposed a penalty of Rs. 12.50 crore each on respondents for contravention of section 7 and 8 of FEMA, since total penalty imposed on respondents was 25 crores, which was about 200 per cent more than contravened amount, appeal filed by ED for enhancement of penalty amount was to be dismissed - **Union of India v. Bharat Kumar - [2025] 176 taxmann.com 419 (SAFEMA - New Delhi)**



INSOLVENCY AND BANKRUPTCY CODE

1. STATUTORY UPDATES

- 1.1 IBBI mandates 'Information Memorandum' to disclose avoidance transactions and related filings under CIRP Regulations - **NOTIFICATION NO. F. NO. IBBI/2025-26/GN/REG128, DATED 04-07-2025**

Editorial Note: The IBBI has amended the CIRP Regulations to mandate that the information memorandum under Regulation 36 include details of all identified avoidance transactions or instances of fraudulent or wrongful trading, along with subsequent filings before the Adjudicating Authority. Further, a resolution plan shall not assign such transactions unless they were disclosed in the information memorandum and intimated to all prospective resolution applicants prior to the submission deadline.

- 1.2 Govt. appoints Dr. Anju Rathi Rana, Law Secretary as ex-officio member to represent Ministry of Law & Justice in IBBI - **NOTIFICATION F. NO. 30/03/2016-INSOLVENCY, DATED 07-07-2025**

Editorial Note: The Central Government has appointed Dr. Anju Rathi Rana, Law Secretary as the ex-officio member in the Insolvency and Bankruptcy Board of India (IBBI) to represent the Ministry of Law & Justice in the said Board.

- 1.3 IBBI withdraws Form IP-1 for all IBC processes with effect from 14th July 2025 - **CIRCULAR NO. IBBI/CIRP/86/2025, DATED 14-07-2025**

Editorial Note: IBBI, vide this circular, has withdrawn the requirement for submission of Form IP-1 in relation to all processes under the IBC, 2016, with effect from 14th July 2025. Earlier, reporting was required through Form IP-1 to monitor assignments. However, IPs are now required to report their appointments under CIRP, Liquidation, Voluntary Liquidation, Personal Guarantors' processes, and Financial Service Providers' proceedings through the Assignment Module on the IBBI electronic portal.

2. SUPREME COURT

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

- 2.1 Application filed under section 7 cannot be rejected on ground that financial creditor has not filed record of default from an information utility; concept of pre-existing dispute is not relevant with regard to financial debt when debt is due on corporate debtor and he commits default - **Vijay Kumar Singhania v. Bank of Baroda - [2025] 176 taxmann.com 552 (SC)**

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

- 2.2 Where no objection was raised by successful resolution applicant, one week's time was granted to appellant to comply with order of Adjudicating Authority, as affirmed by NCLAT to handover property to successful resolution applicant - **Nazru S. Basheer v. Pancard Clubs Ltd. - [2025] 176 taxmann.com 59 (SC)**

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

- 2.3 Entries in balance sheets can constitute a valid acknowledgment of debt under section 18 of Limitation Act - **IL & FS Financial Services Ltd. v. Adhunik Meghalaya Steels (P.) Ltd. - [2025] 176 taxmann.com 948 (SC)**

3. HIGH COURT

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

- 3.1 Where moratorium was declared and liquidation process was initiated much prior to issuance of cheque by corporate debtor, directors of corporate debtor company could not be held liable for offence punishable under section 138 of Negotiable Instruments Act - **Yatendra Singh v. Ganga Iron and Steel Trading Company Ltd. - [2025] 176 taxmann.com 242 (Bombay)**
- 3.2 Where NCLT had placed applicant company under moratorium and prohibited initiation of any sort of proceedings against company during subsistence of CIRP, suit for recovery of possession, eviction and injunction filed against applicant company during subsistence of moratorium period was to be rejected - **Mohota Industries Ltd. v. Smt. Vibha w/o Mayank Agrawal - [2025] 176 taxmann.com 707 (Bombay)**

4. NCLAT

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

- 4.1 Application filed under section 7 cannot be rejected on ground that financial creditor has not filed record of default from an information utility; concept of pre-existing dispute is not relevant with regard to financial debt when debt is due on corporate debtor and he commits default. - **Vijay Kumar Singhania v. Bank of Baroda - [2025] 176 taxmann.com 175 (NCLAT- New Delhi)**



4.2 Where charge (security interest) of financial creditor was registered with CERSAI but was not registered with RoC under section 77 of Companies Act, 2013, financial creditor was to be treated as secured financial creditor - ***Bizloan (P.) Ltd. v. Amit Chandrashekar Poddar*** - [2025] 176 *taxmann.com* 221 (NCLAT- New Delhi)

4.3 Where appellant/financial creditor advanced interest free loan to corporate debtor to discharge its liabilities towards secured financial creditors and said loan was acknowledged by corporate debtor as it was reflected in its balance sheet as unsecured loan, said amount fell within definition of default on part of corporate debtor and, therefore, NCLT had committed a patent error in dismissing application filed under section 7. - ***Pancham Studios (P.) Ltd. v. Konark Aquatics & Exports (P.) Ltd.*** - [2025] 176 *taxmann.com* 506 (NCLAT- New Delhi)

SECTION 7 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - INITIATION BY FINANCIAL CREDITOR

4.4 Where application filed under section 7 was not modified to comply with amended provisions within stipulated time, application would be deemed to have been withdrawn - ***Hari Om Dixit v. Ajit Srivastava*** - [2025] 176 *taxmann.com* 276 (NCLAT- New Delhi)

SECTION 8 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - DEMAND BY OPERATIONAL CREDITOR

4.5 Where demand notice of unpaid operational debt was issued by operational creditor to corporate debtor but same was addressed to Key Managerial Personnel (KMP) of corporate debtor and not to corporate debtor, said notice could not be deemed to have been delivered to corporate debtor - ***Visa Coke Ltd. v. Mesco Kalinga Steel Ltd.*** - [2025] 176 *taxmann.com* 399 (NCLAT- New Delhi)

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

4.6 PMLA provides its own adjudicatory process and remedy for challenging attachments, which is separate from IBC and, therefore, issuance of provisional attachment order(PAO) by ED under PMLA after initiation of CIRP does not violate moratorium under section 14 of IBC - ***Anil Kohli v. Directorate of Enforcement*** - [2025] 176 *taxmann.com* 218 (NCLAT- New Delhi)

SECTION 27 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - RESOLUTION PROFESSIONAL- REPLACEMENT BY COMMITTEE OF CREDITORS

4.7 Suspension of authorisation for assignment (AFA) by Bye-Law 23A would not debar RP to continue with pending/obligatory assignments and RP would only be prohibited to take new assignments - ***Girish Siriram Juneja of RP, Hindusthan National Glass & Industries Ltd. v. Soneko Marketing (P.) Ltd.*** - [2025] 176 *taxmann.com* 274 (NCLAT- New Delhi)

SECTION 35 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE LIQUIDATION PROCESS - LIQUIDATOR- POWERS AND DUTIES OF

4.8 Ordinarily payment is to be made by by successful bidder in 90 days but in extraordinary circumstances, NCLT can allow further time to successful bidder; where there were compelling circumstances which constrained Liquidator from securing sale consideration of auction land within 90 days, these special circumstances arising out of conversion imbroglio, restraint orders of Bombay High Court and IAs pending before NCLT did form justifiable ground for Liquidator not to cancel auction sale even though balance sale consideration had not been received. - ***Sushil Jejani v. Pasad Dharap*** - [2025] 176 *taxmann.com* 759 (NCLAT- New Delhi)

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

4.9 Where claim was raised by appellant at belated stage, after plan was approved and corporate debtor was sold as a going concern, claim could not be entertained - ***Joint Commissioner of Commercial Taxes & GST v. Smt. Anuradha Bisani*** - [2025] 176 *taxmann.com* 24 (NCLAT- Chennai)

SECTION 52 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE LIQUIDATION PROCESS - SECURED CREDITOR IN

4.10 Where appellant/secured creditor had realised its security interest in respect of mortgaged property of corporate debtor by invoking provisions of SARFAESI Act, 2002, it was obliged to contribute towards workmen's dues in accordance with section 326(1)(b) of Companies Act, 2013 - ***Cosmos Co-Operative Bank Ltd. v. CS Anaghaanasingaraju*** - [2025] 176 *taxmann.com* 297 (NCLAT- New Delhi)

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

4.11 Where appellant/stakeholder alleged that in transfer application only IRP was made a party and appellant, being a stakeholder, was neither heard nor made a party, since appellant was not a party to proceedings before Adjudicating Authority, it was not necessary for President of NCLT to hear appellant while passing order in transfer application - ***Imbulle Realtors (P.) Ltd. v. Sanjeev Kumar, Director (Power Suspended) of Realanchor Developers (P.) Ltd.*** - [2025] 176 *taxmann.com* 668 (NCLAT- New Delhi)


SECTION 138 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - INDIVIDUAL/FIRM'S BANKRUPTCY - DISCHARGE ORDER

- 4.12 Where more than two years had elapsed and bankruptcy trustee had not filed an application for discharge of bankrupt as mandated under section 138(1)(a), Adjudicating Authority was to be directed to consider application filed by bankrupt and take a decision with regard to discharge - **Anil Syal v. Ajay Gupta** - [2025] 176 taxmann.com 293 (NCLAT- New Delhi)

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

- 4.13 Excise Authorities would have first charge on property of assessee, except with respect to cases under Section 529A of Companies Act, 1956; Recovery of Debts Due to Banks and Financial Institutions Act, 1993; and SARFAESI Act, 2002 and IBC, 2016 - **GST & Central Excise angul Division v. Dinesh Sood** - [2025] 176 taxmann.com 19 (NCLAT- New Delhi)

5. NCLT

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

- 5.1 Where existence of a financial debt was clearly established and corporate debtor failed to discharge outstanding financial debt despite repeated demands and reminders, financial creditor was entitled to move CIRP application against corporate debtor and same was to be admitted. - **Yes Bank v. Kkspun India Ltd.** - [2025] 176 taxmann.com 455 (NCLT - New Delhi)

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

- 5.2 Where applicants/allottees sought exclusion of flats purchased by them from liquidation estate of corporate debtor, since property in question was within ambit of liquidation estate and applicants or any third person had no right over property in question, their request for exclusion of property could not be allowed - **MIR Realtors (P.) Ltd. v. Smt. Annie Abraham** - [2025] 176 taxmann.com 754 (NCLT - Kochi)

SECTION 47 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE LIQUIDATION PROCESS - UNDERVALUED TRANSACTIONS- APPLICATION BY CREDITOR IN CASES OF

- 5.3 Where applicant-operational creditor alleged that there were certain undervalued transactions in respect of which no action was taken by RP as he was acting in collusion with suspended Board of Directors and wanted to save them from rigors of section 47, since applicant had not brought forward any document or evidence on basis of which it could be even prima facie be ascertained that some transactions were falling under section 47 which were not acted upon by RP, application was to be dismissed - **Amit Sangal v. Kairav Anil Trivedi, RP Prince MFG Industries Private Limited** - [2025] 172 taxmann.com 865 (NCLT - Mum.)

SECTION 53 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE LIQUIDATION PROCESS - ASSETS, DISTRIBUTION OF

- 5.4 Where applicant bank wrongfully retained Rs.8.58 crore from 28-09-2021 to 25-10-2022, a period of over 12 months, causing loss to liquidation estate,hence ICICI Bank was to be directed to pay interest for amount withheld by it as a lien for period it was withheld - **ICCI Bank Ltd. v. Oceanic Tropical Fruits (P.) Ltd.** - [2025] 176 taxmann.com 505 (NCLT- Chennai)

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

- 5.5 Where One Time Settlement (OTS) agreement between financial creditor and corporate debtor did not absolve personal guarantor from liabilities under Deed of Guarantee, personal guarantor remained liable even after any variation in terms of loan agreement and thus, application filed under section 95 was to be admitted - **State Bank of India v. Dr. Goli Nagasaina Rao** - [2025] 176 taxmann.com 20 (NCLT - Amaravati)

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

- 5.6 Where account of corporate debtor had been classified as NPA on 30-9-2013 but default had been acknowledged by corporate debtor on several occasions, CIRP application filed on 15-3-2020 was not barred by limitation - **Punjab National Bank v. Karnal Agriculture Industries Ltd.** - [2025] 172 taxmann.com 864 (NCLT - New Delhi)

SECTION 241 OF THE COMPANIES ACT, 2013 - OPPRESSION AND MISMANAGEMENT - APPLICATION TO TRIBUNAL FOR RELIEF

- 5.7 Where moratorium was in force against IL&FS, NCLT could not issue any direction or order to applicant to allow institution of proceeding against IL&FS and recovery of adjudicated amounts in form of set-off; however, applicant could still report matter to SFIO for investigation into IL&FS's charges - **New Tirpur Area Development Corporation Ltd. v. Infrastructure Leasing and Financial Services** - [2025] 175 taxmann.com 1064 (NCLT - Mum.)



ACCOUNT AND AUDIT UPDATES

- 1.1** ICAI invites stakeholder comments on IASB's post-implementation review of IFRS 16 (Leases)

Editorial Note: ICAI has invited comments on the post-implementation review of IFRS 16 on Leases. The IASB's Request for Information (RFI), released in June 2025, seeks stakeholder feedback on whether IFRS 16 is achieving its objectives of transparency, comparability, and cost-effectiveness. ICAI urges Indian stakeholders, preparers, auditors, analysts, and regulators to review the RFI and submit comments by 31 August 2025.

- 1.2** ICAI invites public comments on draft amendments to Regulation 204 of the Chartered Accountants Regulations, 1988

Editorial Note: ICAI has invited public comments on draft amendments to Regulation 204 of the Chartered Accountants Regulations, 1988, concerning post-qualification courses. The proposed changes aim to formally include Forensic Investigation as a recognised specialization under ICAI's framework. Stakeholders can submit their suggestions by 31st July 2025 through the official link provided.

- 1.3** ICAI releases exposure draft of revised guidance note on Tax Audit under section 44AB of the Income-tax Act, 1961

Editorial Note: ICAI has issued the exposure draft of the revised guidance note on Tax Audit under Section 44AB of the Income-tax Act, **1961**, incorporating updates from recent amendments and judicial interpretations. Key revisions include changes to Form 3CD clauses, new clause insertions, and clarified audit thresholds. The draft aims to guide professionals in conducting tax audits accurately. Stakeholder comments are invited by July 20, 2025, via the ICAI website.

- 1.4** ICAI releases FAQs to clarify the implementation of Guidance Note on Financial Statements of Non-Corporate Entities

Editorial Note: The Institute of Chartered Accountants of India (ICAI) has issued a set of FAQs to clarify the implementation of its Guidance Note on Financial Statements of Non-Corporate Entities, effective from April 1, 2024. These FAQs address key areas such as applicability, presentation requirements, auditor responsibilities, and exemptions. They aim to support consistent and transparent financial reporting among non-corporate entities.

- 1.5** NFRA approves amendments to Ind AS 109: Key changes focused on derecognition and asset classification

Editorial Note: The NFRA has approved key amendments to Ind AS 109, focusing on derecognition of financial liabilities via electronic payments and clearer rules for classifying financial assets at amortised cost. The changes aim to align with IFRS 9 and enhance clarity in applying the SPPI test. These amendments will be effective from April 1, 2026, once notified by the MCA.

- 1.6** ICAI invites comments on tentative agenda decisions from IFRS Interpretations Committee on IFRS 18 and IFRS 9

Editorial Note: ICAI's ASB invites comments on three Tentative Agenda Decisions from the IFRS Interpretations Committee. These relate to updates under IFRS 18 replacing IAS 1, treatment of pre-contract transaction costs under IFRS 9, and clarification on embedded prepayment options in financial liabilities. Comments can be submitted via the ICAI portal by August 25, 2025.

- 1.7** ASB of ICAI forms Expert Panel to resolve accounting issues under Guidance Note for Non-Corporate Entities

Editorial Note: The Institute of Chartered Accountants of India (ICAI) has constituted an Expert Panel under the Accounting Standards Board (ASB) to support the application of the Guidance Note on Financial Statements of Non-Corporate Entities, effective from April 1, 2024. The panel is intended to address accounting issues and ensure consistency in the application of the Guidance Note. Queries may be submitted via email, and FAQs are regularly updated on the ICAI website.

- 1.8** ICAI releases revised July 2025 edition of Technical Guide on Accounting for CSR Expenditure

Editorial Note: ICAI has released the Revised July 2025 Edition of its Technical Guide on Accounting for CSR Expenditure. The guide provides updated guidance on recognition, measurement, presentation, and disclosure of CSR spend, in line with the Companies Act, 2013. It covers accounting for unspent amounts, expenditure through implementing agencies, surplus treatment, and tax implications, serving as a practical reference for professionals and corporates.



Spotting Multibaggers Using a Techno- Funda Approach



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Introduction

Identifying the next multibagger before it explodes is the holy grail for every long- term investor. At Financial Sarthis, a SEBI-registered research advisory (RA - INH000017091), we specialize in using a Techno-Funda approach—a powerful blend of fundamental analysis and technical chart patterns. With over a decade of corporate experience and a growing digital investor community, our mission is to guide investors toward high-conviction, data-backed stock ideas.

What Makes a Stock a Multibagger?

A multibagger is a stock that multiplies its value several times over—5x, 10x, or even 20x. Legendary Indian investors like Rakesh Jhunjhunwala achieved massive success by riding such long-term compounding stories. Our mantra: “Time in the market beats timing the market.”

To identify such stocks early, we apply a two-layered strategy:

1. Fundamentals: Rising revenues, expanding margins, profitability trends, and low valuations (Price to Earnings, Price to Sales, Price to Book etc.).
2. Technical: Long-term breakout patterns on the chart, often missed by traditional fundamental-only approaches.

When both align—and especially if the stock shows divergence (strong business performance but stagnant price or vice versa)—it becomes a candidate for serious consideration.



Deep-Dive Examples of Techno-Funda Multibaggers

1. Transformer & Rectifiers India Ltd

- **Return: ~1000% in 14 months**
 - Breakout Insight: After trading sideways for over 16 years, the stock broke out in August 2023 around ₹87. Within 14 months, it soared to ₹1048.
 - Industry Context: Manufactures a wide range of transformers critical to India's expanding power infrastructure.
 - Fundamentals: From March 2020 to March 2023, the company doubled its revenue. Net profit jumped multi-fold.
 - Valuation: Extremely attractive before breakout, trading below historical P/E levels.
 - Q Lesson: A fundamentally solid company with an industry tailwind, once technically confirmed by a breakout, becomes a perfect multibagger recipe



2. Titagarh Wagons Ltd

- **Return: ~900% from Dec'22 to Jun'24**
 - Trigger: A 15-year breakout above ₹184 in December 2022 led to a price move to ₹1900.
 - Sector Tailwind: Massive government push on rail infrastructure.
 - Promoter Action: Promoters increased their stake aggressively.
 - Valuation Insight: Trading at multi-year valuation lows.
 - Q Lesson: Stake increases by promoters plus valuation comfort often signal an inflection point.



3. REC Ltd (Rural Electrification Corporation)

- **Return: ~300% in 12 months**
 - Breakout: ₹166 in 2023 to ₹650
 - Fundamental Divergence: Sales and profits rose steadily, but the stock remained range-bound.
 - Catalyst: Government-led infrastructure financing push.

Lesson: Divergence between business performance and stock price is often the calm before a storm.



4. GE Vernova (GET_D)

- **Return: Over 12x**
 - Industry: Power Transmission and Distribution
 - Trigger: A 15-year technical breakout



- Financials: Turned profitable after consistent losses
- Valuation: Still attractive at breakout
- Q Lesson: Turnaround stories with technical breakout often deliver massive upside once sentiment shifts.



5. CUPID Ltd

- **Return: ~600% in under 7 months**
- Trigger: 8-year breakout
- Change in Management: New promoters brought fresh vision.
- Valuation: Low P/E at breakout
- Q Lesson: Structural changes like promoter transitions can spark fresh growth cycles.





Other High-Gainers on Techno-Funda Radar

| Stock | From Price | To Price | Gain |
|------------|------------|----------|-------|
| JWL | ₹93 | ₹700 | ~7.5x |
| HindCopper | ₹175 | ₹400 | ~2.3x |
| PFC | ₹150 | ₹580 | ~3.8x |
| JBM Auto | ₹250 | ₹2400 | ~9.6x |
| CG Power | ₹110 | ₹870 | ~7.9x |
| OFSS | ₹5000 | ₹12500 | ~2.5x |
| HFCL | ₹27 | ₹170 | ~6.3x |

Disclaimer:

Investment in securities market is subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, Enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.



PMLA Oversight



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In any constitutional democracy, especially one as large and diverse as India, enforcement agencies that wield coercive powers must be subject to independent oversight – both parliamentary and administrative. Yet, in the case of the Prevention of Money Laundering Act, 2002 (PMLA), there is virtually no external check. In this chapter, we review the common checks and balances claimed for the PMLA, and the ways they are sidestepped.

1. **“Any attachment under the Prevention of Money Laundering Act, 2002 (PMLA) needs to be confirmed by the Adjudicating Authority (AA). The AA is a quasi-judicial forum and hence impartial by nature.”**

Section 6 of the PMLA envisages that the AA shall consist of a Chairperson and two members – at least one of whom will have experience in the field of law. In reality, the Adjudicating Authority consists of a **single-member bench who is an IRS** – not from the field of law.

Most tribunals in the country operate under the Ministry of Law, to prevent any conflict of interest. For example, the Income Tax Appellate Tribunal (ITAT) comes under the **Ministry of Law**. However, the AA takes administrative support from the Ministry of Finance – the same as the ED. This is not just oversight – it's institutional incest.

A Right to Information request revealed that **only 2.1% of 1,518 Provisional Attachment Orders filed by the ED have been struck down** by the AA. This is not “independent application of mind.” This is rubber-stamp adjudication. And the consequences are dire – properties are seized, bank accounts are frozen, businesses collapse – all before a court trial even begins.

The Supreme Court, in cases like *Union of India v. R. Gandhi* and *Swiss Ribbons v. Union of India*, has made it abundantly clear: adjudicatory bodies must not be under the administrative thumb of the ministries that appear before them.



The Supreme Court warned in *L. Chandra Kumar v. Union of India (1997)*, judicial independence is not just a matter of structure – it's about function. Tribunals, especially those dealing with life-altering powers like asset seizure and forfeiture, must be both independent and perceived to be independent.

Telangana High Court observed in *VANPIC Ports Pvt. Ltd. v. ED*, the AA often issues mechanical, copy-pasted orders, lifting language directly from the ED's "reasons to believe" and reproducing them word-for-word in its Show Cause Notice and attachment confirmation. In plain English: **the ED writes the script, and the Adjudicating Authority reads it out loud.**

Article 50 of the Constitution, part of the Directive Principles of State Policy, mandates that the judiciary be separated from the executive. Because justice demands independence. It demands that no one be a judge in their own cause - *nemo judex in causa sua*.

The Adjudicating Authority, as it currently exists, is not a safeguard. It's a bureaucratic backroom posing as a courtroom.

2. **"There's an appellate. If someone is unhappy with the tribunal's decision, they can always appeal to a higher forum. There's the Appellate Tribunal after the AA, and the High Courts after that, and the Supreme Court after that."**

Judicial appeals are not a substitute for fairness. Appeals are expensive, time-consuming, and emotionally exhausting. The very fact that one has to appeal to get a fair hearing is the problem. If the lower-level adjudication is biased or compromised, the damage is already done – especially when businesses are shut down, assets are seized, and reputations are destroyed in the meantime. **Oversight that arrives only after injustice is not oversight. It is eulogy.**

The damage here isn't just legal. It's moral. When business owners and professionals see their properties taken, not after a fair trial, but through an administrative order issued by someone who isn't even required to have legal training – faith in the system crumbles. **We don't need more layers of appeal. We need first-instance fairness.**

And perhaps most importantly, we need to remember that **a truly democratic state doesn't just prosecute crime – it protects its citizens from abuse of power.**



3. Press Releases by the ED

The illusion of judicial oversight is further shattered when one examines the ED's conduct outside the courtroom. The ED routinely issues press releases naming accused persons and alleging money laundering even before filing prosecution complaints (chargesheets). Meaning – the ED makes a public declaration of guilt before an investigation. A declaration of arrest is also a declaration of success – before any trial has even begun.

This openly prejudices the courts, violates the principle of presumption of innocence (a bedrock of **Article 21, Constitution of India**), and constitutes potential criminal contempt under **Section 2(c) of the Contempt of Courts Act, 1971**.

In *Re: P.C. Sen (1969)*, the Supreme Court held that prejudicial media commentary can constitute contempt of court.

Yet, no restraint is visible when the ED publicly narrates cases like completed stories, pre-empting judicial findings. The watchdog has become the storyteller – and the verdict writer. ED trials often end only in increased TRPs, while the legal trial never begins.

4. Summons

Another method the ED uses to circumvent fairness is through abusive issuance of summons. Summons under Section 50 of PMLA (invoking powers of a civil court under the CPC) are issued **without reasonable notice**. In multiple cases, notices were served after the time of appearance had already lapsed. Summons are issued across city and state borders, violating Order V, Rule 19A of the CPC, which limits such practices to prevent harassment. The ED hence, routinely operates outside of its jurisdiction.

The result: the accused are forced into logistical impossibilities, made to travel across states at short notice, and labelled *non-cooperative* when they fail. "Due process," in this system, has been reduced to a theatrical formalism.



5. Vigilance

Unlike the **CBI**, which is at least notionally under the supervision of the Central Vigilance Commission (CVC), the ED enjoys a freedom from accountability that is unmatched. It functions under the Ministry of Finance, and yet none of its procedural norms, internal audits, or patterns of investigation are subject to regular legislative review. No parliamentary committee examines the ED's performance, misuse of powers, pendency of cases, conviction rates, or complaints from citizens. It is a black box wrapped in impunity.

We now turn to the internal vigilance mechanism – a system so flawed that it would be ridiculous if it weren't so dangerous. In most government departments, vigilance is overseen by a Chief Vigilance Officer (CVO) – typically operating independent of the agency, tasked with reviewing misconduct, procedural violations, and abuse of power. But in the ED, **the CVO is the Director of Enforcement himself.**

Let that sink in: **the chief of the ED is also in charge of investigating complaints against the ED.** In other words, the watchdog reports to itself.

This is not just an administrative quirk – it is a violation of every known principle of natural justice, constitutional governance, and basic common sense. It undermines the very idea of vigilance, which is built on independence, insulation, and the ability to scrutinize without fear or favor.

A system where the ED is both the actor and the auditor creates a total collapse of internal accountability. Complaints from citizens, lawyers, and even other departments about procedural abuse – such as misuse of arrest powers, failure to provide ECIRs, or arbitrary attachment of property – are either ignored or dismissed summarily. There is no credible investigation, no transparency, and certainly no action.

When the person being abused by the system asks for redress, the system responds with silence. Because the judiciary will take months. The tribunal is toothless. The High Court is slow. The CVO? He's the one who signed the arrest warrant.

What we're looking at here is not just a lack of vigilance – it's a deliberate design to avoid it. A system where the ED is accountable to no one but itself, and where the government has no institutional interest in reform, because the ED serves political ends far more effectively than it serves public justice.



In any healthy democracy, a law with such extraordinary powers — powers to arrest, to seize, to interrogate — must be accompanied by extraordinary safeguards. But here, we have the opposite: extraordinary powers and no safeguards. The fox is guarding the henhouse and the farmer has stopped asking questions. This is not how oversight works. This is how unconstitutional fiefdoms are born.

Not a single detailed report on ED's performance has ever been tabled before Parliament. No whitepaper. No independent audit. What PMLA offers today is not real judicial or parliamentary oversight. It is self-reinforcing administrative machinery, disguised in the trappings of law. The ED investigates. The ED's colleague adjudicates. The ED narrates guilt to the media. And when challenged, the ED says: *Appeal if you dare.*

Until there is first-instance fairness, until investigative and adjudicatory functions are separated, and until the courts demand and enforce real accountability, the PMLA will not just punish the guilty – it will destroy faith in justice itself.



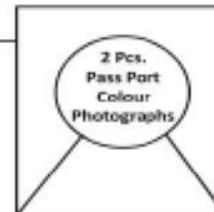
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(Registered under Societies Registration Act, 1961. Registration No. 5/60583 of 1988-89)

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APPLICATION FOR MEMBERSHIP



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)

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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%).

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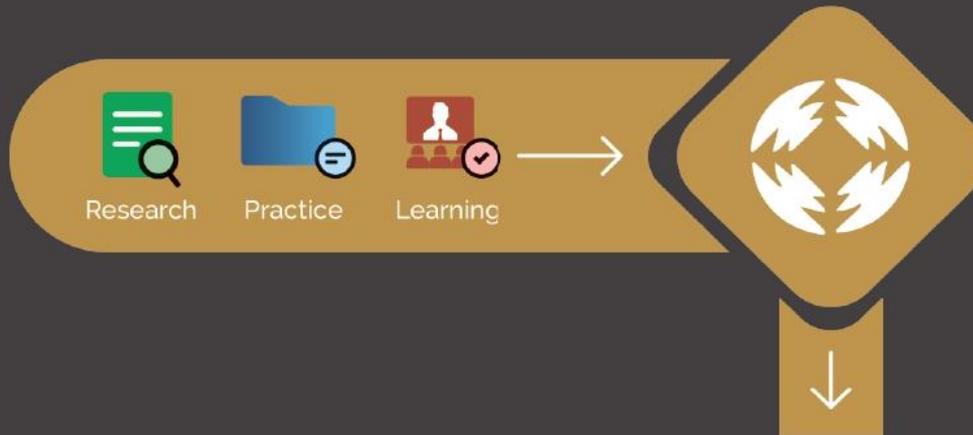
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