

....From the desk of President



Dear Esteemed Members,

Warm greetings!

As we welcome July 2025, I extend my heartfelt gratitude to all of you for your unwavering support and active participation, which continue to enliven and enrich our Association.

1. Phuket–Krabi Tour

Our **June 1st 2025 to – June 6th 2025** excursion to Phuket and Krabi was a resounding success! Nearly 40 members and their families reveled in the stunning beauty of sea and land, strengthening bonds and creating lasting memories. Thank you for being part of this wonderful experience.

2. Professional Development in June, 2025

- A **4-hour CA CPE session** at our DTPA Conference Hall generated rich discussion about *Financial Statements of Non-Corporate Entities* and *Recent Amendments in Company Law*.
- Our **GST workshop** from **23rd June 2025 to 30th June 2025**, held in hybrid mode at the DTPA Conference Hall, attracted excellent participation, reaffirming our dedication to professional excellence.

3. Upcoming TDS Outreach Program– 15th July, 2025

On **15 July 2025, Tuesday**, we will host an Outreach Programme on TDS at our DTPA Conference Hall featuring Learned CIT (TDS), **Dr Raghuvver Mandappa**, and his **esteemed team**. Chaired by our Past President **Adv. Dr Paras Kochar**, the seminar will delve into the latest developments, compliances, prosecution, compounding, and practical aspects of TDS. Members-submitted queries will be addressed, ensuring a highly relevant and engaging session. Lets join to up-grade and up-skill ourselves.

4. Membership Drive

Our DTPA's current membership stands proudly at **1,967**. We are so close to reaching the landmark of **2,000!** I call upon each of you—let's unite in encouraging peers and colleagues to join our vibrant DTPA community. Together, we can cross this significant milestone in July, 2025.

5. Regulatory Updates

- **CBDT Chairman's Extension:** The Government of India has extended the tenure of Shri **Ravi Agrawal**, Chairman of CBDT, by one year up to **30 June 2026**, ensuring continued leadership in direct tax policy and administration.
- **RBI Monetary Policy:** The recent **Repo Rate cut** announced by the Reserve Bank of India is expected to support credit growth and stimulate economic activity.
- **MCA Compliance Reforms:** In a significant digital compliance development, the **Ministry of Corporate Affairs (MCA)** is all set to roll out **38 new company forms** on the **MCA V3 Portal** with effect from **14th July 2025**. This includes **13 annual filing forms** and **6 audit-related forms**, aimed at enhancing ease of doing business and improving transparency in corporate governance.

6. 43rd Annual Conference – 23 August, 2025

Mark your calendars for our **flagship 43rd Annual Conference**, themed "*Tax, Tech & Transformation – Redefining Professional Excellence*", to be held on **23 August 2025, Saturday** at **Hotel Taj Bengal, Kolkata**. Your presence, insights, and active involvement will make this event a defining success. Please attend, contribute, and help us set new standards of excellence.

7. E-Journal Rewards Scheme

To foster thought leadership, we have launched our **Rewards Scheme for contributing to our monthly E-Journal:**

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

will be recognized in our forthcoming Annual General Meeting. I encourage our esteemed members to participate and share their expertise.

Let us carry forward the momentum of June and embrace July with renewed energy and collective purpose. I look forward to your continued engagement in our journey of growth, excellence, and community.

With warm regards,

CA Barkha Agrawal

President

3rd July, 2025

Glimpses of Study Circle Meeting on 18th June 2025 at DTPA Conference Hall



Glimpses of 1st Day of 7 Days Comprehensive GST Training Program on 23rd June 2025 at DTPA Conference Hall



Glimpses of 2nd Day of 7 Days Comprehensive GST Training Program on 24th June 2025 at DTPA Conference Hall



Glimpses of 3rd Day of 7 Days Comprehensive GST Training Program on 25th June 2025 at DTPA Conference Hall



Glimpses of 4th Day of 7 Days Comprehensive GST Training Program on 26th June 2025 at DTPA Conference Hall



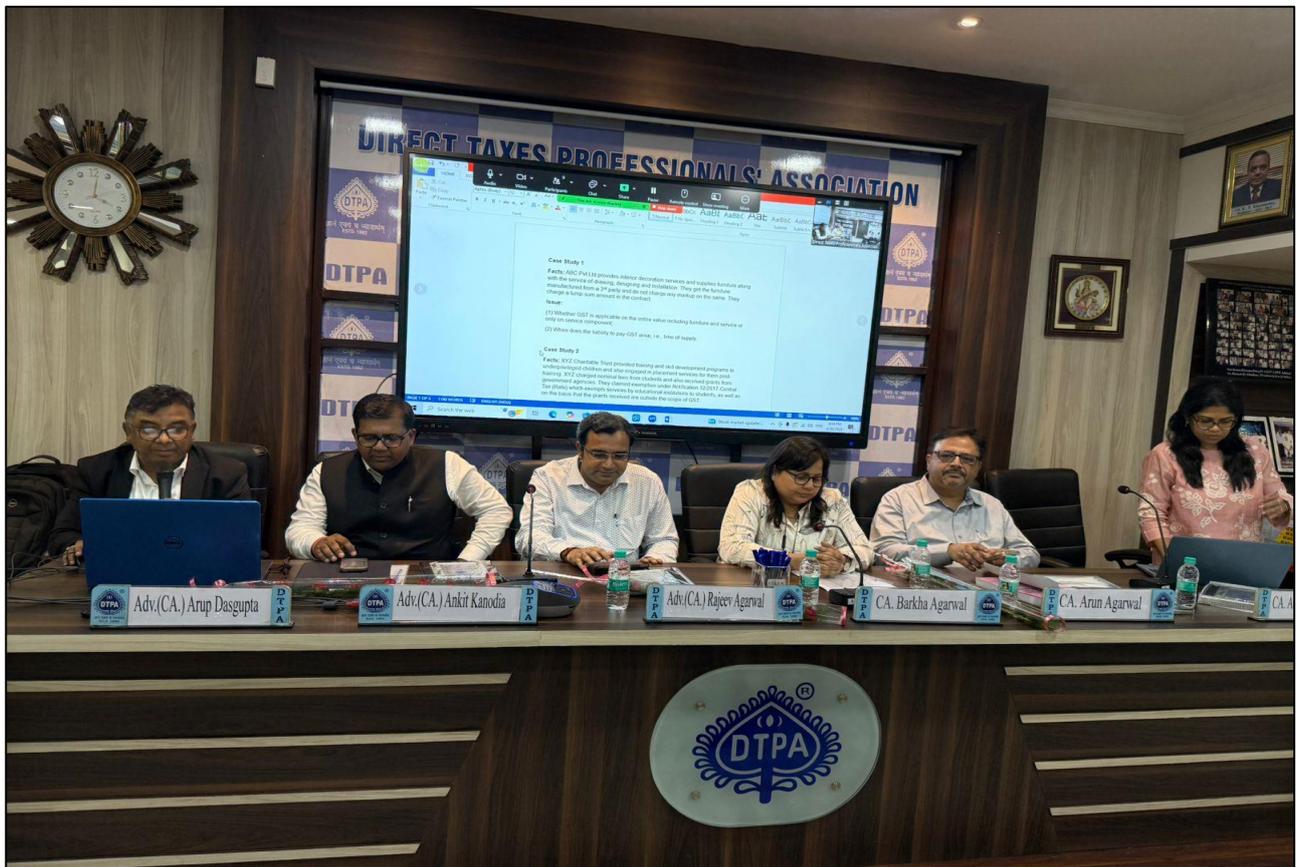
Glimpses of 5th Day of 7 Days Comprehensive GST Training Program on 27th June 2025 at DTPA Conference Hall



Glimpses of 6th Day of 7 Days Comprehensive GST Training Program on 28th June 2025 at DTPA Conference Hall



Glimpses of 7th Day of 7 Days Comprehensive GST Training Program on 30th June 2025 at DTPA Conference Hall



Forthcoming Programs of Direct Taxes Professionals' Association



DTPA CA CPE Study Circle of EIRC of ICAI

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

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TDS Outreach Program by Ld. CIT (TDS) with his Team



DR. RAGHUVeer MANDAPPA, LD. CIT (TDS)

15th July 2025, Tuesday

Venue : DTPA Conference Hall

Time : 3 PM - 6 PM

“3 CPE Hours”

Participation Charges - Rs. 200/-



Dr. (Adv) Paras Kochar
Chairman

CA Barkha Agarwal
Convenor

CA Manju Lata Shukla
Deputy Convenor



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

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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**

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

Scan
QR Code
To Pay



3, Govt. Place (West), Income Tax Building, Ground Floor, Kolkata - 700 001
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	March-25		(c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A applies or (d) an assessee who is required to furnish a report under section 92E. Note: The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025.
31st July 2025	April-24 to March-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) * * The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025
31st July 2025	April-24 to March-25		Furnishing of statement for exercising the option to pay tax at a concessional rate under section 115BBF for income in the nature of royalty arising from patent developed and registered in India (if the assessee is required to submit return of income by July 31, 2025)* * The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.
31st July 2025	April-24 to March-25		Furnishing of declaration by a taxpayer claiming deduction under section 80GG in respect of the rent paid for residential accommodation (if the assessee is required to submit return of income by July 31, 2025) * * The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.
31st July 2025	April-24 to March-25		Reporting of details of funds received from eligible persons (either directly or through Alternative Investment Fund) in the previous year 2024-25 (if the assessee is required to submit return of income by July 31, 2025)* * The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.
31st July 2025	April-24 to March-25		Furnishing of certificate by a resident individual being a patentee claiming deduction under section 80RRB in respect of royalty income on patents (if the assessee is required to submit return of income by July 31, 2025)* * The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.
31st July 2025	April-24 to March-25		Furnishing of particulars for claiming relief under section 89 (if the assessee is required to submit return of income by July 31, 2025) * * The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.
31st July 2025	April-24 to March-25		Furnishing of statement for exercising the option to claim relief under section 89A for income arising from retirement benefit account maintained in a notified country at the time of withdrawal or redemption (if the assessee is required to submit return of income by July 31, 2025)*

			<p>* The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.</p>	
	31st July 2025	April-24 to March-25	<p>Exercising the option to opt-out from the new tax regime under section 115BAC, (if assessee is required to submit return of income by July 31, 2025)*</p> <p>* The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.</p>	
	31st July 2025	April-24 to March-25	<p>Exercising the option to opt for alternative tax regime under section 115BAD and 115BAE by co-operative society (if assessee is required to submit return of income by July 31, 2025)*</p> <p>* The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.</p>	
	31st July 2025	April-24 to March-25	<p>Furnishing of details of attribution of capital gain taxable under section 45(4) to the capital asset remaining with the firm, AOP, or BOI after reconstitution (if the firm, AOP, or BOI is required to furnish return of income by July 31, 2025)*</p> <p>* The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.</p>	
	31st July 2025	April-24 to March-25	<p>Submission of a report from a Chartered Accountant for the previous year 2024-25 relating to the arm's length price of the remuneration paid by an eligible investment fund to the fund manager (if the assessee is required to submit return of income by July 31, 2025) *</p> <p>* The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025.</p>	
	31st July 2025	April-24 to March-25	<p>Furnishing of certificate by a resident individual being an author (including a joint author) claiming deduction under section 80QQB in respect of royalty income (if the assessee is required to submit return of income by July 31, 2025) *</p> <p>* The due date for furnishing the return of income for Assessment year 2025-26 has been extended from July 31, 2025, to September 15, 2025, vide Circular no. 06/2025, dated 27-05-2025. Accordingly, the due date for submission of this form/report shall stand extended to September 15, 2025</p>	
	31st July 2025	April 25 – June 25	<p>Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2025.</p>	
Statute	Due dates	Compliance Period	Return	Turnover/Complying Taxpayer
GST	10th July 2025	June-25	GSTR-7	Monthly Return by Tax Deductor for June 2025
	10th July 2025	June-25	GSTR-8	Monthly Return by E-Commerce Operators for June 2025
	11th July 2025	June-25	GSTR-1	<p>1. Summary of Outward Supplies where turnover exceeds Rs. 5 Crore during preceding year or who have not chosen QRMP scheme</p> <p>2. Registered person, with aggregate turnover of less than INR 5 Crore during preceding year, opted for monthly filing of return under QRMP.</p>
	13th July 2025	June-25	GSTR-5	Summary of Outward taxable supplies and tax payable by a non-resident taxable person

	13th July 2025	June-25	GSTR-6	Details of ITC received and distributed by an ISD
	18th July 2025	April 25 – June 25	CMP-08	CMP-08 for Quarter Apr 25- Jun 25 (For Composite Taxpayers)
	20th July 2025	June-25	GSTR-5A	Summary of outward taxable Supplies and tax payable by a Person supplying OIDAR services
	20th July 2025	June-25	GSTR-3B	Due Date for filling GSTR – 3B return for the month of June 2025 for the taxpayer with Aggregate turnover exceeding INR 5 crores during previous year
	20th July 2025	June-25	GSTR-3B	Due Date for filling GSTR – 3B return for the month of June 2025 for the taxpayer with Aggregate turnover less than INR 5 crores during previous year and not opted for QRMP Scheme.
	28th July 2025	June-25	GSTR-11	GSTR-11 for the m/o June 2025 (Statement of inward supplies by persons having Unique Identification Number (UIN)).
	31st July 2025	July 25 – September 25	-	Last date for opt-in / opt-out QRMP Scheme for quarter July - Sep 2025.
Statute	Due dates	Compliance Period	Details	
Prof. Tax on Salaries	21st July 2025	June-25	Professional Tax (PT) on Salaries for June 2025	
ESI & PF	15th July 2025	June-25	Provident Fund (PF) & ESI Returns and Payment for June 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 dtpaejournal@gmail.com from you will guide us to move further and motivate in touching new heights in professional excellence.

				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 June 2025	
ESI & PF	15th August 2025	July-25	Provident Fund (PF) & ESI Returns and Payment for June 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:

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

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

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

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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 July 2025 is the last date for feedback in respect of our E-Journal of July 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. dtpejournal@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

CA. Barkha Agrawal	Adv. (CA) Giridhar Dhelia	CA. Mohan Lal Gupta
President-DTPA	Chairman, DTPA-Journal Sub-Committee	Co- Chairman, DTPA-Journal Sub-Committee
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DIRECT TAXES

1. STATUTORY UPDATES

- 1.1 Govt. notifies 'Ten Year Zero Coupon Bond of REC Ltd.' as zero coupon bond - **NOTIFICATION S.O. 2447(E) [NO. 52 /2025/F. NO. 300164/5/2024-ITA-1], DATED 30-05-2025**

Editorial Note : The Central Government has notified the 10-year zero coupon bond issued by REC Ltd. as eligible under section 2(48) of the Income-tax Act. These bonds, totaling Rs.5,000 crore (discounted by Rs. 2,200 crore), will be issued by 31st March 2027.

- 1.2 CBDT notifies 'Secretary to the Government of Maharashtra, Women and Child Development' as specified authority u/s 138 - **NOTIFICATION NO. S.O. 2479(E) [NO. 54/2025/F.NO. 225/213/2024/ITA-II], DATED 03-06-2025**

Editorial Note : The Central Board of Direct Taxes (CBDT) has notified 'Secretary to the Government of Maharashtra, Women and Child Development' as specified authority u/s 138 for the purposes of sharing of information for identifying eligible beneficiaries under the Mukhyamantri Mazi Ladki Bahin Yojana.

- 1.3 CBDT specifies mechanism of sharing info. for identifying beneficiaries under "Mukhyamantri Mazi Ladki Bahin Yojana" - **ORDER F. NO. 225/213/2024-ITA-II, DATED 06-06-2025**

Editorial Note : The Central Board of Direct Taxes (CBDT) has specified mechanism of sharing information to the Secretary to the Government of Maharashtra, Women and Child Development, in connection with sharing information about Income Tax payers for identifying eligible beneficiaries under "Mukhyamantri Mazi Ladki Bahin Yojana"

- 1.4 CBDT extends time-frame for processing of ITRs for AY 2023-24 - **ORDER F. NO. 225/205/2024/ITA-II, DATED 09-06-2025**

Editorial Note : The Board has relaxed the time-frame for processing the returns of AY 2023-24 filed under section 139, for which the date of sending intimation under section 143(1) has lapsed. The Board has directed that the intimation under section 143(1) shall be sent to the assessee concerned by 30.11.2025.

- 1.5 CBDT notifies 'Greater Noida Industrial Development Authority' for Sec. 10(46A) exemption - **NOTIFICATION S.O. 2528(E) [NOTIFICATION NO. 55/2025/F. NO. 300195/33/2024-ITA-I(PART)], DATED 10-06-2025**

Editorial Note : The Central Board of Direct Taxes (CBDT) has notified "Greater Noida Industrial

Development Authority" an authority constituted under the U.P. Industrial Area Development Act, 1976 (U.P. Act No.6 of 1976), for the purposes of the section 10(46A)

- 1.6 Govt. notifies 'Ten Year Zero Coupon Bond of NABARD' as zero coupon bond - **NOTIFICATION S.O. 2576(E) [NO. 56 /2025/ F.NO.300164/4/2024-ITA-1], DATED 12-06-2025**

Editorial Note : The Central Government has notified the 10-year zero-coupon bond issued by the National Bank for Agriculture and Rural Development (NABARD) as eligible under section 2(48) of the Income-tax Act. These bonds, totaling Rs. 19,500 crore, will be issued by 31st March 2027.

- 1.7 CBDT issues guidelines for mandatory selection of returns for complete scrutiny in FY 2025-26 - **CIRCULAR F. NO. 225/37/2025/ITA-I, DATED 13-06-2025**

Editorial Note : The CBDT has released guidelines for compulsory selection of returns for Complete Scrutiny during the financial year 2025-26.

- 1.8 CBDT notifies certain entities for Section 10(46) exemption - **NOTIFICATION NO. 2687(E)[NO. 57/2025/F. NO. 300196/35/2022-ITA-I], DATED 16-06-2025**

Editorial Note : The Central Board of Direct Taxes (CBDT) has notified 'Himachal Pradesh Board of School Education', 'Treasurer Charitable Endowments, Haryana' and 'Haryana Real Estate Regulatory Authority, Gurugram' for the purpose of section 10(46) exemption

- 1.9 CBDT notifies 'Karnataka Electricity Regulatory Commission' for Section 10(46A) exemption - **NOTIFICATION S.O. 2690(E) [NO. 60/2025/F.NO.300195/17/2025-ITA-I], DATED 16-06-2025**

Editorial Note : The Central Board of Direct Taxes (CBDT) has notified Karnataka Electricity Regulatory Commission, Bengaluru for the purpose of section 10(46) exemption.

- 1.10 CBDT specifies the manner of furnishing information to Ministry of Petroleum & Natural Gas - **ORDER [F.NO.225/305/2016/ITA.II (PART)], DATED 17-06-2025**

Editorial Note : The Central Board of Direct Taxes (CBDT) has specified the manner of furnishing information by the Director General of Income-tax (Systems), New Delhi, to the Joint Secretary (Marketing), Ministry of Petroleum & Natural Gas (MoP&NG).

- 1.11 CBDT notifies 'Puducherry Planning Authority' for Section 10(46A) exemption - **NOTIFICATION S.O. 2710(E) [NO. 61/2025/F. NO. 300195/4/2024-ITA-I], DATED 17-06-2025**

Editorial Note : The Central Board of Direct Taxes (CBDT) has notified Puducherry Planning Authority for the purpose of section 10(46) exemption.

- 1.12 CBDT notifies specified IFSC units and the nature of payments to them that are not subject to TDS - **NOTIFICATION S.O. 2768(E) [NO. 67 /2025/ F. NO. 275/38/2025-IT(B)], DATED 20-06-2025**

Editorial Note : The Central Board of Direct Taxes (CBDT) has notified the list of payments on which no tax is required to be deducted by a payer to a payee who is an International Financial Services Centre (IFSC) Unit. The notification has been issued in exercise of the powers conferred by sub-section (1F) of section 197A read with sub-sections (1A) and (2) of section 80LA of the Income-tax Act, 1961.

- 1.13 Govt. notifies protocol amending India-Oman DTAA - **NOTIFICATION S.O. 2858(E) [NO. 69/2025/F. NO. 501/6/1991-FTD-II], DATED 25-06-2025**

Editorial Note : The Government of India has notified protocol amending the DTAA between the Republic of India and the Sultanate of Oman for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

- 1.14 CBDT relaxes time limit for processing of valid ITRs filed pursuant to condonation of delay u/s 119(2)(b) - **CIRCULAR NO. 7/2025 [F. NO.225/30/2025/IT A-II], DATED 25-06-2025**

Editorial Note : The Board has relaxed the time limit for processing ITR filed under section 119(2)(b). Due to technical issues, many such returns could not be processed within the statutory time, causing refund delays. The Board has now allowed those returns filed on or before 31.03.2024 to be processed by 31.03.2026. However, this relaxation does not apply to cases where assessment or reassessment has already been completed for the relevant year.

2. SUPREME COURT

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

- 2.1 Where subsequent to cancellation of agreement of sale of land, assessee filed its revised return declaring nil income, since income had not accrued to assessee in real sense, no hypothetical income of assessee could be brought to tax - **Commissioner of Income-tax v. Lok Housing and Construction Ltd. - [2025] 175 taxmann.com 848 (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. Sales Force.com Singapore Pte. Ltd. - [2025] 175 taxmann.com 751 (SC)**

SECTION 51 OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - ADVANCE MONEY RECEIVED

- 2.3 Forfeiture of earnest money arising out of agreement to sale a property is not liable to tax - **Commissioner of Income-tax v. Meera Goyal - [2025] 175 taxmann.com 748 (SC)**

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

- 2.4 Notice issued in SLP against order of High Court that where Assessing Officer issued reopening notice based on information received from investigation wing that investment made by KKR Mauritius in assessee was assessee's own black money and that there had been round tripping since later KKR's shareholding in assessee was bought back by holding company, since assessee failed to place full contours of arrangement between assessee and KKR Mauritius before Assessing Officer during original assessment, reopening notice was valid - **Dalmia Power Ltd. v. Assistant Commissioner of Income-tax - [2025] 175 taxmann.com 845 (SC)**

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

- 2.5 SLP dismissed against order of High Court that where contents of satisfaction note did not disclose any information which would lead authorities to have a reason to believe that any of contingencies as contemplated by section 132(1)(a) to (c) were satisfied, search and seizure action was to be quashed and set aside as it did not fulfil jurisdictional pre-conditions specified in section 132 - **Director of Income-tax II (Investigations) v. Echjay Industries (P.) Ltd. - [2025] 175 taxmann.com 846 (SC)**

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

- 2.6 SLP dismissed on ground of delay against order of High Court that where revenue filed an application for condonation of delay of 944 days in filing appeal before High Court, since nothing new was pleaded in application for revenue to take a different stand, same was to be dismissed - **Principal Commissioner of Income-tax, Central-1 Kolkata v. Gujarat NRE Coke Ltd. - [2025] 175 taxmann.com 819 (SC)**

3. HIGH COURT

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

3.1 Where assessee-trust was formed for construction of flats for its members and it collected transfer fees from new members and interest on investment, since assessee was not carrying on any commercial activity, it was entitled to exemption under section 11 - **Commissioner of Income-tax (Exemption) v. Kutchi Sarvodaya Nagar** - [2025] 175 taxmann.com 647 (Bombay)

SECTION 2(24) OF THE INCOME-TAX ACT, 1961 - INCOME - DEFINITION OF

3.2 Where assessee acquired shares of a company in exchange of his interest in a not for profit organisation, provisions of section 2(24)(iv) were inapplicable and, therefore, difference between intrinsic value of shares and amount paid by assessee for acquiring shares could not be taxed as perquisites - **Commissioner of Income-tax v. Naresh K Trehan** - [2025] 174 taxmann.com 1222 (Delhi)

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

3.3 Any sum paid by a member to acquire rights of club is a capital receipt, therefore, one time life membership fee received by assessee club from its members was a capital receipt - **Chennai Corporate Club (P) Ltd. v. Asstt. Commissioner of Income-tax** - [2025] 175 taxmann.com 286 (Madras)

3.4 Interest subsidy received by assessee from State Government during year was to be treated as capital receipt and not as revenue receipt - **Principal Commissioner of Income-tax Central-2 v. Birla Corporation Ltd.** - [2025] 175 taxmann.com 637 (Calcutta)

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

3.5 Where assessee, a US company, provided repair and maintenance services of aircraft equipment to Indian airline operators, since said services did not involve any transfer of technology, know-how or skill, receipts from repair and maintenance services were not taxable as FIS under article 12(4) of India-USA DTAA - **Commissioner of Income-tax, International Taxation-1 v. Goodrich Corporation** - [2025] 175 taxmann.com 177 (Delhi)

3.6 Where assessee paid survey fees to various non-resident surveyors outside country, since entire services of surveyors were rendered outside country, assessee was not liable to deduct TDS on survey fees paid by it to surveyors - **Principal Commissioner of Income-tax - 4 v. Cholamandalam MS General Insurance Company Ltd.** - [2025] 175 taxmann.com 452 (Madras)

3.7 Where assessee, an insurance company, made payments towards reinsurance premium to non-resident reinsurers (NRRs) without deducting tax at source, since brokers were acting as independent entities

merely playing role of facilitators, no tax at source was to be deducted on these payments, thus, impugned payments made by assessee to NRRs could not be disallowed under section 40(a)(i) - **Principal Commissioner of Income-tax - 4 v. Cholamandalam MS General Insurance Company Ltd.** - [2025] 175 taxmann.com 452 (Madras)

3.8 Where assessee, a UK based company, provided IT infrastructure and software development services to its Indian AE, since AE did not acquire any copyright in software, cross charges paid by Indian AE could not be construed as royalty within scope of article 13(3) of India-UK DTAA - **AECOM Intercontinental Holdings UK Ltd. v. Income-tax Officer** - [2025] 175 taxmann.com 351 (Delhi)

3.9 Where assessee, a UK based company, provided management and governance supports functions to its Indian AE, since services rendered did not make available technical knowledge, experience, skill, know-how, or processes to AE, same could not be considered as FTS - **AECOM Intercontinental Holdings UK Ltd. v. Income-tax Officer** - [2025] 175 taxmann.com 351 (Delhi)

SECTION 10(10C) OF THE INCOME-TAX ACT, 1961 - VOLUNTARY RETIREMENT PAYMENTS

3.10 Where assessee, employee of State Bank of Travancore, opted for Exit Option Scheme (E.O.S) framed by bank and received certain amount, since clauses in E.O.S did not strictly conform to mandate of rule 2BA, impugned exemption under section 10(10C) was rightly disallowed - **N G Gangadevi v. Commissioner of Income-tax** - [2025] 175 taxmann.com 558 (Kerala)

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

3.11 Where assessee claimed exemption under section 10(23C)(vi), however, filed Form 10BB with delay, since assessee inadvertently filed Form 10B instead of Form 10BB, same would not show any hardship, and thus, application for condonation was to be rejected - **Silver Rock Educational Charitable Society, Victoria International School v. Commissioner of Income-tax (Exemptions)** - [2025] 175 taxmann.com 530 (Punjab & Haryana)

SECTION 10(26) OF THE INCOME-TAX ACT, 1961 - SCHEDULE TRIBES

3.12 Where assessee failed to satisfy three conditions laid down in section 10(26), he was not entitled to claim exemption of his entire income - **Mehmood Askari v. Union of India** - [2025] 175 taxmann.com 75 (Jammu & Kashmir and Ladakh)

SECTION 10B OF THE INCOME-TAX ACT, 1961 - EXPORT ORIENTED UNDERTAKING

3.13 Tribunal statutorily obliged to consider appeals on merits and dismissal of appeal for non-prosecution without considering merits of appeal would be legally unsustainable - **Cool Minds Technologies (P.) Ltd. v. Assistant Commissioner of Income-tax** - [2025] 175 taxmann.com 916 (Kerala)

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

- 3.14 Where Commissioner issued a notice under section 263 on ground that assessee-trust did not qualify for exemption under section 11, since Assessing Officer had raised 34 questions under section 142(1) and assessee had given an explanation and also submitted materials, but there was no discussion or finding on said 34 questions in assessment order, Assessing Officer should be taken as having accepted assessee's explanation and, thus, impugned order passed by Commissioner under section 263 was to be quashed - **Commissioner of Income-tax v. Vellore Institute of Technology** - [2025] 175 taxmann.com 277 (Madras)

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

- 3.15 Where assessee, an educational society, had obtained exemption under section 10(23C)(iiiad) from beginning which showed that it was aware of statutory requirement, and in spite of that, it did not think it necessary for seeking registration under section 12A, and had not given cogent and justifiable reasons for delay in applying for registration, impugned order denying retrospective registration was to be upheld - **Maheswara Educational Society v. Director of Income Tax Exemptions** - [2025] 175 taxmann.com 74 (Telangana)

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

- 3.16 Methodology for computation under section 44, read with Rule 5 of First Schedule, excludes specifically application of section 14A; therefore, reference to section 14A does not arise in context of computation of profits and gains of insurance businesses - **Principal Commissioner of Income-tax - 4 v. Cholamandalam MS General Insurance Company Ltd.** - [2025] 175 taxmann.com 452 (Madras)

SECTION 17 OF THE INCOME-TAX ACT, 1961 - SALARIES - PERQUISITES

- 3.17 Where assessee, an employee of FIPL, received one-time compensation from parent company FPS towards loss in value of stock options due to disinvestment of a subsidiary, such voluntary payment was in nature of capital receipt, not exigible to tax, and could not be treated as perquisite under section 17(2)(vi), since assessee neither exercised options nor was there any allotment or transfer of shares in his favour - **Manjeet Singh Chawla v. Deputy Commissioner of TDS** - [2025] 175 taxmann.com 778 (Karnataka)

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

- 3.18 Assessee would be entitled to depreciation at 60 per cent on UPS - **Principal Commissioner of Income-tax - 4 v. Cholamandalam MS General Insurance Company Ltd.** - [2025] 175 taxmann.com 452 (Madras)

- 3.19 Where assessee purchased new plant and machinery but put it to use for a period less than 180 days, assessee would be entitled to claim only 50 per cent initial depreciation in year of purchase and remaining 50 per cent in subsequent assessment year in view of provisions of section 32(1)(iia) - **Principal Commissioner of Income-tax Central-2 v. Birla Corporation Ltd.** - [2025] 175 taxmann.com 637 (Calcutta)

- 3.20 Where assessee-company set up a beverages division, however, commercial production could not be commenced due to some public agitation, since assessee had completed all required formalities for start of commercial production of beverages division and had even done a trial run, merely because commercial production could not commence due to circumstances for which assessee was not responsible, claim of depreciation could not be denied solely on that basis - **Commissioner of Income-tax - I v. Sakthi Sugars Ltd.** - [2025] 175 taxmann.com 799 (Madras)

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

- 3.21 Provisions of section 35(2AB)(1) refer only to "expenditure incurred" by company and do not draw any distinction or impose ineligibility on account of expenditure being in nature of "work-in-progress." - **Nitta Gelatin India Ltd. v. Union of India** - [2025] 175 taxmann.com 795 (Kerala)

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

- 3.22 Where assessee, an investment company, promoted a company (BICL) which availed loan from ICICI and assessee pledged its shares to ensure loan repayment by BICL and later BICL paid only part of amount and assessee decided to write off unpaid amount as bad debts, loss incurred by assessee was for business expediency of group company and thus, should be treated as having been incurred for purpose of business and directly relatable to business of assessee and eligible for deduction as loss or bad debt - **Commissioner of Income-tax v. Star Investments (P.) Ltd.** - [2025] 175 taxmann.com 274 (Madras)

- 3.23 Where Assessing Officer issued reopening notice on ground that amount of bad debts written off was also shown as provisions in trial balance and thus, bad debt written off claim was not correct, since issue of bad debts was considered by Assessing Officer while passing original assessment order, impugned reopening notice was based on mere change of opinion and was to be set aside - **Devaraj Ramasamy Mani v. Assistant Commissioner of Income-tax** - [2025] 175 taxmann.com 907 (Madras)

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

- 3.24 Where assessee incurred expenses for development of land which included expenses for levelling/filling of land, road

development, repairing of compound wall and repairing of old damaged well and overhead tank, since development work had taken place and all contractors who were engaged in development work admitted receipt of money and work done by them, expenses were to be allowed. - **Commissioner of Income-tax (Appeals)-VIII v. Bharat Promoters - [2025] 175 taxmann.com 636 (Madras)**

3.25 Where assessee paid commission to broker, and broker confirmed receipt in letter and purchaser corroborated in sworn statement, factual findings of lower authorities accepting assessee's claim towards brokerage expenses could not be faulted. - **Commissioner of Income-tax (Appeals)-VIII v. Bharat Promoters - [2025] 175 taxmann.com 636 (Madras)**

3.26 Where additional sugarcane price paid by assessee-sugar factory to sugarcane growers as a result of government order passed under relevant clause of sugarcane control order had been crystallized only when assessee received government order fixing cane price during May and June 2005, such additional price paid by assessee to sugarcane growers was allowable as expenditure in assessment year 2006-07 - **Commissioner of Income-tax - I v. Sakthi Sugars Ltd. - [2025] 175 taxmann.com 799 (Madras)**

3.27 Where assessee-sugar manufacturer made payment to cane farmers as an agreed price over and above statutory minimum price and also price fixed under Clause 5A of Sugarcane (Control) Order, 1966 and treated such excess amount paid to sugarcane growers as intangible asset under name of 'goodwill', since said payment was made by assessee for procurement and uninterrupted supply of sugarcane and expenditure was closely related to business of assessee, claim of said expenditure could not be denied only on ground that assessee treated said payment as advance to farmers under nomenclature of 'goodwill' - **Commissioner of Income-tax - I v. Sakthi Sugars Ltd. - [2025] 175 taxmann.com 799 (Madras)**

3.28 Mark-to-market loss on swap contract was allowable where loans were converted into foreign currency loan to take benefit of low interest rate and loss recognized on account of foreign exchange fluctuation as per notified Accounting Standard 11 was an accrued and subsisting liability and not merely a contingent or hypothetical liability - **Principal Commissioner of Income-tax v. Adani Power Maharashtra Ltd. - [2025] 175 taxmann.com 715 (Gujarat)**

SECTION 40(a)(ia) OF THE INCOME-TAX ACT, 1961 - BUSINESS DISALLOWANCE - INTEREST, ETC., PAID TO A RESIDENT WITHOUT DEDUCTION OF TAX AT SOURCE

3.29 Where Principal Commissioner invoked revision on ground that Assessing Officer had not disallowed commission payments to agents which were being

made without deducting tax at source under section 194H, merely because Assessing Officer had issued notices, to which replies were submitted it could not be said that Assessing Officer had examined impugned transaction in detail during course of assessment proceedings, therefore, impugned exercise of jurisdiction under section 263 by Principal Commissioner was justified - **Principal Commissioner of Income-tax v. TE Connectivity India (P.) Ltd. - [2025] 175 taxmann.com 405 (Karnataka)**

SECTION 40(b) OF THE INCOME-TAX ACT, 1961 - BUSINESS DISALLOWANCE - INTEREST SALARY, ETC. PAID BY FIRM TO PARTNER

3.30 Where Commissioner issued a notice under section 263 alleging that by amending partnership deed to include one more partner, status of assessee had changed from a partnership firm to an Association of Persons (AOP) and, therefore, he directed Assessing Officer to disallow salary paid to partners as same could not be allowed as deduction under section 40(b), since no figures had been given in notice to suggest that average rate of income tax on total income of AOP would be far higher than average rate of income tax applied to partnership firm, Commissioner was not justified in his view - **Deloitte Haskins & sells v. Assistant Commissioner of Income-tax - [2025] 175 taxmann.com 718 (Madras)**

SECTION 44 OF THE INCOME-TAX ACT, 1961 - INSURANCE BUSINESS

3.31 Profit on sale of investment by insurance company is not taxable in India - **Principal Commissioner of Income-tax - 4 v. Cholamandalam MS General Insurance Company Ltd. - [2025] 175 taxmann.com 452 (Madras)**

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

3.32 Where assessee adopted DCF method for determining FMV of shares issued by it which was one of methods that could be adopted by assessee under rule 11UA(2)(b) for determining FMV of unquoted equity shares, FMV determined by assessee was to be accepted - **Principal Chief Commissioner of Income-tax-1 v. A.H. Multisoft (P.) Ltd. - [2025] 175 taxmann.com 46 (Delhi)**

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

3.33 Where assessee traded in shares of two companies which led to short-term capital loss (STCL) and reopening notice was issued on ground that information was received from Investigation Wing that shares of these two companies were penny stock and it was being rigged to provide bogus STCL, since information on basis of which reassessment notice was issued was general in nature and did not point towards involvement of assessee in arrangement of providing accommodation entry by contriving bogus STCL, impugned reassessment notice was unjustified - **Sanjay Kaul v. Income-tax Officer - [2025] 175 taxmann.com 384 (Delhi)**

3.34 Where a reopening notice was issued to assessee on ground that he had received accommodation entries in form of cash loans through one 'M', and department stated that it did not act on statement of 'M' and treated it as only circumstantial evidence, and Assessing Officer declined to furnish said statement or provide opportunity to cross-examine 'M', in absence of any tangible material or live link between 'M' and assessee, reopening of assessment was to be held bad in law - **Principal Commissioner of Income-tax v. Prasant Desai** - [2025] 175 taxmann.com 648 (Calcutta)

3.35 Where Assessing Officer issued a reopening notice on ground that assessee had entered into bogus transactions with one NJ and assessee filed objections against said notice, however, Assessing Officer instead of disposing of objections raised by assessee, passed a reassessment order, since there had been a breach of principles of natural justice, matter was to be remanded back to Assessing Officer for fresh consideration - **Kalpesh R. Varia HUF v. Income-tax Officer** - [2025] 175 taxmann.com 645 (Bombay)

3.36 Where Principal Commissioner invoked jurisdiction under section 263 on ground that Assessing Officer had failed to make proper enquiry in respect of share capital received by assessee-company, however, Tribunal noted that in second round of assessment proceedings, Assessing Officer had called for complete details of share capital, share premium, and investors, and said details were filed to his satisfaction, view taken by Assessing Officer in second round was permissible under law and Tribunal rightly granted relief to assessee - **Principal Commissioner of Income-tax, Central v. Pearl Tracom (P.) Ltd** - [2025] 175 taxmann.com 863 (Calcutta)

3.37 Where Assessing Officer issued reopening notice against assessee on ground that as per investigation carried out by SFIO in NSEL, it was revealed that assessee was one of clients who had claimed bogus loss on client code modification, since despite being granted opportunity assessee did not produce any evidence to show that it was not beneficiary of client code modification, reopening was justified - **Principal Commissioner of Income-tax - 2 v. Seaside Projects (P.) Ltd.** - [2025] 175 taxmann.com 891 (Calcutta)

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

3.38 Where seized diaries contained recordings of receipts, which pertained to booking of flats and additions made were not solely on basis of diaries alone but also on basis of reconciling material as found in diaries and formal books of account maintained by assessee, it would be erroneous to construe diaries as a random paper or dumb documents that did not reveal any information - **Shri Om Sai Infrapromoters (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 175 taxmann.com 155 (Delhi)

3.39 Where assessee, a member of Khasi Scheduled Tribe, claimed exemption under section 10(26), however Assessing Officer treated certain deposits as unexplained income and raised tax demand, later assessee's bank accounts were frozen by income tax authorities, since assessee's appeal along with stay application were already pending before Commissioner (Appeals), no coercive action could be taken against assessee - **Mitchell Wankhar v. Union of India** - [2025] 175 taxmann.com 886 (Meghalaya)

SECTION 69B OF THE INCOME-TAX ACT, 1961 - UNDISCLOSED INVESTMENTS

3.40 Where Assessing Officer issued show cause notice based on information that assessee had given huge unsecured loans and thereafter, made addition under section 69B, since insufficient time of just 1 day was granted to assessee to respond to show cause notice, impugned order was in violation of principles of natural justice and matter was to be remanded back to pass fresh order - **Vibgyor Vinimay (P.) Ltd. v. Additional/Joint/Deputy/Assistant Commissioner of Income-tax/Income-tax Officer/National Faceless Assessment Centre, Delhi** - [2025] 175 taxmann.com 643 (Bombay)

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

3.41 Where assessee's assessment was sought to be reopened on ground that as per information received from GST department assessee had made bogus purchases from dummy company, however, Assessing Officer had completely disregarded explanation and evidence furnished by assessee and rejected same merely on assumption that information available on portal was correct, impugned reopening notice issued against assessee was to be set aside - **Devat and Ram Company (P.) Ltd. v. Income-tax Officer** - [2025] 175 taxmann.com 72 (Delhi)

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

3.42 Where Tribunal held that assessee had a PE in India, however, Tribunal was not apprised of MAP determination which was subsequently commenced wherein it was recorded that competent authorities of both countries had solely agreed to an exercise of profits attribution for assessment years 2002-03 to 2004-05 and 2006-07 to 2012-13 and issue of PE remained untouched, since Tribunal had proceeded on basis that its determination for assessment years 2006-07 and 2008-09 had survived, matter was to be remanded back for fresh consideration - **Convergys Customer Management v. Commissioner of Income-tax** - [2025] 175 taxmann.com 639 (Delhi)

3.43 Where assessee earned salary income from Bangladesh on which tax was duly paid, delay in filing Form No. 67 was to be condoned and assessee was to be allowed to claim credit of tax paid at Bangladesh - **Deepak Pragjibhai Gondaliya v. Principal Commissioner of Income-tax Vadodara 1** - [2025] 175 taxmann.com 985 (Gujarat)

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

- 3.44 Where assessee's captive power generating unit supplied electricity to its industrial unit, market value for computing deduction under section 80-IA should be based on price charged by SEB to consumers in open market - *Principal Commissioner of Income-tax Central-2 v. Birla Corporation Ltd.* - [2025] 175 *taxmann.com* 637 (Calcutta)

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

- 3.45 Provisions of section 115JB which enables company to compute book profits are not applicable to insurance companies - *Principal Commissioner of Income-tax - 4 v. Cholamandalam MS General Insurance Company Ltd.* - [2025] 175 *taxmann.com* 452 (Madras)

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

- 3.46 Where search conducted on petitioner-trust and its general secretary revealed that there were common office bearers between trust and political party, consequently, Investigation Wing ordered transfer of cases under section 127 to Commissioner(Exemptions), since prior agreement between heads of transferor and transferee officers was missing, further as five years have lapsed and separate assessments have been completed against petitioners, impugned transfer orders were to be quashed and matter was to be remanded to Commissioner (Exemptions) - *DMK Charitable Trust v. Principal Chief Commissioner of Income-tax (Exemptions)* - [2025] 175 *taxmann.com* 287 (Madras)

**SECTION 131 OF THE INCOME-TAX ACT, 1961 -
 DISCOVERY, PRODUCTION OF EVIDENCE, POWER
 REGARDING**

- 3.47 An authorized officer under section 132, who had already taken action under clauses (i) to (v) of sub-section (1) of section 132, could not have issued notice under section 131(1A) post-search operations as action envisaged under clauses (i) to (v) of sub-section (1) of section 132 had already been taken prior to issuance of this notice and sub-section (1A) of section 131 prohibited any action by him after stage of clauses (i) to (v) of sub-section (1) of section 132 had been crossed - *Pramod Swarup Agarwal v. Principal Director of Income-tax* - [2025] 175 *taxmann.com* 121 (Allahabad)

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

- 3.48 Where revenue conducted search and seizure operation under section 132 at premises of assessee on ground of non-payment of capital gains tax for sale of shares

under Offer For Sale (O.F.S.), since there was no information in satisfaction note referable to section 132(1)(b) nor clause (a) and (c), impugned warrant of authorization and search operation were to be quashed - *Pramod Swarup Agarwal v. Principal Director of Income-tax* - [2025] 175 *taxmann.com* 121 (Allahabad)

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

- 3.49 Where assessee inadvertently omitted TDS refund amounts due to an oversight committed by his accountant while filing return of income and sought condonation of delay in filing return, since denial of interest on refund due to delay in filing return would not diminish assessee's substantive right to receive principal refund, delay in filing return was to be condoned - *Suryakant Khodidas Panchal v. Principal Commissioner of Income-tax* - [2025] 175 *taxmann.com* 81 (Gujarat)
- 3.50 Where assessee filed revised return under section 139(9) in time and revenue neither rejected it nor communicated any defect, refund could not be denied merely due to discrepancy between return filed and TDS collected/deposited by deductors - *Mukesh Garg v. Assistant Commissioner of Income-tax* - [2025] 175 *taxmann.com* 142 (Delhi)

- 3.51 Where petitioner, a Non-Resident Indian (NRI) did not file his return of income for Assessment year 2021-22 within due date specified under section 139(1) as he was unable to travel to India due to Covid-related travel restrictions, Commissioner ought to have condoned delay in filing petitioner's return of income for relevant assessment year - *Sunil Kumar Dalichand Bilakhia v. Commissioner of Income-tax (IT and TP)* - [2025] 175 *taxmann.com* 801 (Gujarat)

- 3.52 Where assessee's ITR was rejected on ground that it was not accompanied by Tax Audit Report (TAR), since entire controversy had arisen on account of checking incorrect box in return which had no implication on assessment of income, delay in filing revised ITR was to be condoned and assessee should be allowed to file revised ITR to cure aforesaid defect - *Nikon Finlease (P.) Ltd. v. Principal Commissioner of Income-tax* - [2025] 175 *taxmann.com* 867 (Delhi)

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

- 3.53 Where assessee requested an extension to file reply to show cause notice as his Authorised Representative was hospitalized due to which assessee was unable to collect all supporting documents, however Assessing Officer passed assessment order without granting time for filing reply and without providing opportunity of personal hearing, impugned order was to be set aside for violation of principles of natural justice - *Manoj Kiron Kumar Lulla v. Assessment Unit, National E. Assessment Centre* - [2025] 175 *taxmann.com* 792 (Madras)

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

3.54 Where assessee sought adjournment of hearing on ground that assessee and his family members were found positive for Covid-19 and were home quarantined when video conferencing was scheduled and Assessing Officer without considering adjournment sought by assessee, passed order under section 143(3) without providing any opportunity of hearing to assessee, impugned assessment order was to be quashed and set aside - **Junedbhai Abdulgani Memon v. National E-Assessment Centre - [2025] 175 taxmann.com 382 (Gujarat)**

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

3.55 Where DRP's proceedings was issued on 10-6-2022, uploaded in ITBA portal on 22-6-2022 and communicated to Assessing Officer on 4-7-2022, last date for passing impugned assessment order would have expired on 31-8-2022 and, thus, assessment order passed on 19-8-2022 was within period of limitation - **Extreme Networks India (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 641 (Madras)**

3.56 Assessing Officer is bound to adhere to time limit stipulated in sub-section (13) of section 144C and assessment order issued in breach of it shall be set aside - **IBS Software Services (P.) Ltd. v. Union Of India - [2025] 175 taxmann.com 668 (Kerala)**

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

3.57 Where assessee, a poor tailor, was issued reopening notice and all notices were uploaded in e-portal, since assessee had no occasion to open portal nor was he aware that he had to file return, ex-parte order passed by Assessing Officer was to be set aside and assessee was to be given one more opportunity to put forth his case - **Santhamani v. Assessment Unit, Income Tax Department, National Faceless Assessment Centre - [2025] 175 taxmann.com 650 (Madras)**

3.58 Proceedings u/s. 148A as also under section 148 ought to have been issued and proceeded in a faceless manner - **Southern Power Distribution Company of Telangana Ltd. v. ACIT - [2025] 175 taxmann.com 800 (Telangana)**

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

3.59 Where AO issued notice u/s. 148A and section 148 in a non-faceless manner, in contravention to amended provisions, notice issued u/s. 148A as also section 148 were to be set aside - **Escientia Life Sciences Capital Corporate Services Ltd. v. Union of India - [2025] 175 taxmann.com 807 (Telangana)**

3.60 Proceedings under sections 148A and 148 ought to be issued and proceeded in a faceless manner in view of amendment to Income-tax Act by Finance Act, 2021 with effect from 1-4-2021 - **A.P. Fastners (P.) Ltd. v. Assessment Unit - [2025] 175 taxmann.com 899 (Telangana)**

3.61 Where Assessing Officer had concluded that claim of assessee was not acceptable in light of information provided by Investigation Directorate, however, no reasons whatsoever had been provided by Assessing Officer to dislodge case made out by assessee, impugned order and notice under section 148 could not be sustained and same were to be set aside and matter was to be remanded back to Assessing Officer for a fresh decision on merits - **Castle Suppliers (P.) Ltd. v. Union of India - [2025] 175 taxmann.com 913 (Calcutta)**

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

3.62 Where High Court in Brahm Datt v. Asstt. CIT [2018] 100 taxmann.com 324/[2019] 260 Taxman 380 (Delhi) had held that provisions of section 149(1)(c) would not have any retrospective operation, however, revenue argued that above decision was passed in ignorance of Explanation to section 149, which clarified that provision would be applicable for 'any assessment year' beginning on or before 1-4-2012, since said decision might require consideration by larger Bench, matter was to be placed before Chief Justice to constitute a larger bench - **U.K. Paints (Overseas) Ltd. v. Assistant Commissioner of Income-tax - [2025] 175 taxmann.com 104 (Delhi)**

SECTION 156 OF THE INCOME-TAX ACT, 1961 - NOTICE OF DEMAND

3.63 Where assessee, a charitable trust, filed appeal against assessment demand along with condonation petition within extended limitation period granted by Supreme Court, but Commissioner (Appeals), NFAC dismissed it in limine without considering condonation request or binding court orders, such dismissal was held unjustified and matter was to be remanded for fresh adjudication - **Happy Science Bodhgaya India v. Principle Chief Commissioner, Income-tax - [2025] 175 taxmann.com 997 (Patna)**

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

3.64 Where assessee paid Common Area Maintenance (CAM) charges to a company which operated a Mall, since CAM charges were not paid for use of land/building but were paid for carrying out work for maintenance of common area/facilities that were available along with lease premises, same could not be characterized and/or brought within meaning of 'rent' as defined in section 194-I and would fall within meaning of 'work' as defined under section 194-C - **Commissioner of Income-tax (TDS)-1 v. Liberty Retail Revolutions Ltd. - [2025] 175 taxmann.com 35 (Delhi)**

SECTION 194D OF THE INCOME-TAX ACT, 1961 - DEDUCTION OF TAX AT SOURCE - INSURANCE COMMISSION

- 3.65 Assessee insurance company was not liable to deduct tax at source on commission paid by it to several insurance companies for receipt of reinsurance premium from them - **Principal Commissioner of Income-tax - 4 v. Cholamandalam MS General Insurance Company Ltd.** - [2025] 175 taxmann.com 452 (Madras)

SECTION 239 OF THE INCOME-TAX ACT, 1961 - REFUNDS - LIMITATION

- 3.66 Where revenue authorities rejected belatedly filed application for condonation of delay in filing refund application, since revenue authorities had not duly considered provisions of paragraph 6 of CBDT Circular No. 9/2015, dated 9-6-2015 while declining claim for refund, impugned order passed by revenue authorities was to be set aside - **Principle Commissioner of Income-tax v. Vivek Krishnamoorthy** - [2025] 175 taxmann.com 681 (Karnataka)

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

- 3.67 Where Assessing Officer adjusted demand raised with respect to assessment year 2017-18 out of refunds determined for assessment years 2021-22 and 2024-25, since assessee's appeal for assessment year 2017-18 was pending before Commissioner (Appeals), till disposal of same demand ought to be stayed and thus, adjustment of refund against outstanding demand was bad in law - **Rajeshwar Bullion Trading v. Assistant Commissioner of Income-tax** - [2025] 175 taxmann.com 889 (Bombay)

SECTION 245D OF THE INCOME-TAX ACT, 1961 - SETTLEMENT COMMISSION -PROCEDURE ON APPLICATION UNDER SECTION 245C

- 3.68 Where High Court by impugned order set aside settlement order passed by Income Tax Settlement Commission (ITSC) on ground that assessee had not made true and full disclosure as required under provisions of Act, since ITSC was satisfied that assessee had made a true and full disclosure, impugned order was to be set aside - **Dr. Kamala Selvaraj v. Income-tax Settlement Commission** - [2025] 175 taxmann.com 812 (Madras)

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

- 3.69 There is no provision for rejecting an appeal for non-appearance of appellant, hence, irrespective of question whether appellant had appeared or not, appellate authority had to take decision by strictly following mandate contemplated under section 250(6) which could only be a decision answering points raised in appeal - **Anandan N. v. Commissioner of Income-tax (Appeals)** - [2025] 175 taxmann.com 408 (Kerala)

SECTION 271AA OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - PENALTY FOR FAILURE TO KEEP AND MAINTAIN INFORMATION AND DOCUMENT IN RESPECT OF INTERNATIONAL TRANSACTION UNDER SECTION 92D

- 3.70 Where penalty order under section 271AA was passed by an officer who had not heard assessee through video conferencing, there was clear breach of principles of natural justice and, thus, impugned penalty order was to be set aside and matter was to be remanded back to provide a fresh opportunity of hearing to assessee by same officer who had heard assessee through video conference - **GFL Ltd. v. Assessment Unit, Income-tax Department** - [2025] 175 taxmann.com 809 (Gujarat)

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

- 3.71 Where assessee was charged for offence under section 276C(2) and he claimed that he was unable to pay his tax liability as his entire capital had been taken by his brother-in-law, however, there was no evidence to support his claim, it was established beyond reasonable doubt that non-payment of Income Tax dues was wilful and not on account of financial inability - **Harish Chadha v. State** - [2025] 175 taxmann.com 288 (Delhi)

SECTION 278AA OF THE INCOME-TAX ACT, 1961 - OFFENCE AND PROSECUTION - PUNISHMENT NOT TO BE IMPOSED IN CERTAIN CASES

- 3.72 Where respondents failed to deposit TDS collected at prescribed time and defence advanced by respondents was that it was undergoing an acute financial crisis, Trial Court was justified in acquitting respondents as they had satisfactorily demonstrated existence of a 'reasonable cause' for delay in depositing TDS, within meaning of section 278AA - **Income-tax Officer v. MKY Constructions (P.) Ltd.** - [2025] 175 taxmann.com 47 (Delhi)

4. TRIBUNAL

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

- 4.1 Where land sold by assessee was situated 16 kms from municipality, and certificate from Village Administrative Officer confirmed it as agricultural land and cultivation of groundnut was recorded in land records, impugned land was agricultural land, exempt from taxation - **Parasmal Ravindra Kumar v. Income-tax Officer** - [2025] 175 taxmann.com 95 (Chennai - Trib.)
- 4.2 Where assessee sold agricultural land and claimed that same was not a capital asset, in absence of evidence regarding distance of land from Greater Hyderabad Municipal Corporation (GHMC) limits, matter was to be remanded to Assessing Officer to verify distance for determining whether land was a capital asset - **Krishna Kishore Reddy Manyam v. Income-tax Officer** - [2025] 175 taxmann.com 448 (Hyderabad - Trib.)

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

- 4.3** Where assessee was established under a special statute enacted by Maharashtra State Legislature, namely, Mumbai Metropolitan Region Development Authority Act, 1974 (MMRDA Act) and was set up for development of Mumbai Metropolitan Region, development functions carried out by assessee for entire Mumbai Metropolitan Region fell within ambit of term 'advancement of general public utility' i.e. charitable purpose as contained in section 2(15) - **DCIT (Exemption) v. Mumbai Metropolitan Region Development Authority** - [2025] 175 taxmann.com 204 (Mumbai - Trib.)
- 4.4** Where assessee was a development authority created for development of Bangalore and assessee's primary object was urban development and activity of forming layouts and allotting sites was incidental to this object, said activity could not be construed as trade or commerce, therefore, assessee's activities were charitable in nature and not hit by proviso to section 2(15), and assessee would be entitled for exemption u/s. 11 and 12 - **ACIT (Exemptions) v. Bangalore Development Authority** - [2025] 175 taxmann.com 385 (Bangalore - Trib.)
- 4.5** Where Commissioner (Exemption) rejected application of trust for registration u/s. 12A on ground that objects of trust were restricted for benefits of its members and were not for benefit of public at large, therefore, they did not fall under category of charitable object as per provision of section 2(15), since all objects of trust had not been considered in totality, matter was to be remanded back to Commissioner (Exemption) to allow another opportunity to explain objects and demonstrate as to how they were covered under category of charitable object as per provision of section 2(15) - **Vilayat GIDC Industries Association v. CIT (Exemption)** - [2025] 175 taxmann.com 450 (Ahmedabad - Trib.)
- 4.6** Where Commissioner (Exemption) rejected assessee's application for registration u/s. 12A on ground that all beneficiaries of assessee-trust belonged to a particular religious community, since assessee had not selected particular community for granting benefits and it was also not case of Commissioner (Exemption) that assessee had restrained other communities from availing benefits, said rejection was liable to be set aside - **NSS Taluk Union Adoor v. CIT (Exemption)** - [2025] 175 taxmann.com 796 (Cochin - Trib.)
- 4.7** Where assessee-society was created to provide services to its members, advise on taxation matters and provide assistance and guidance in import and export formalities, since assessee conducted various programmes of general utility for benefit of society at large, assessee was eligible for registration u/s. 12A - **Chamber of Industrial and Commercial Undertakings v. CIT (Exemptions)** - [2025] 175 taxmann.com 806 (Amritsar - Trib.)

- 4.8** Where assessee was established for welfare, development and rehabilitation of ex-servicemen and their dependants and it provided various financial assistance to ex-servicemen and their dependants including education, scholarships, financial assistance for medical treatments etc., activities of assessee were charitable activities and, thus, assessee was eligible for registration under section 12AA - **Kerala State Ex-Servicemen Development and Rehabilitation Corporation v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 813 (Cochin - Trib.)

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

- 4.9** Where Assessing Officer treated unaccounted cash found during search as deemed dividend under section 2(22)(e), since cash belonged to assessee's company, was duly offered to tax by said company, was not advanced as loan or advance to assessee, and was not used for personal benefit by assessee, addition made under section 2(22)(e) was to be deleted - **Dr. HM Venkatappa v. Deputy Commissioner of Income-tax** - [2025] 175 taxmann.com 574 (Bangalore - Trib.)

SECTION 2(24) OF THE INCOME-TAX ACT, 1961 - INCOME - DEFINITION OF

- 4.10** Where assessee, engaged in manufacturing and trading of jewellery, had set up an undertaking in a backward area and was entitled to 10-year excise duty exemption from date of commercial production, such exemption was a capital receipt for assessment year 2016-17 and hence not chargeable to tax under normal provisions of the Act - **DCIT v. P.C. Jeweller Ltd.** - [2025] 175 taxmann.com 281 (Delhi - Trib.)
- 4.11** Where assessee-trust did not enjoy registration under section 12AA, donations received towards building fund would not qualify for exemption under section 11 and would be taxable in view of provisions of section 2(24) - **SNDP Yogam Kozhencherry Union v. Income-tax Officer** - [2025] 175 taxmann.com 402 (Cochin - Trib.)

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

- 4.12** Where assessee, MMRDA, received lease premium against property from various parties and lease premium was reported in balance sheet as payment to Government of Maharashtra, it could not be held as income of assessee and was a liability payable to Government of Maharashtra - **DCIT (Exemption) v. Mumbai Metropolitan Region Development Authority** - [2025] 175 taxmann.com 204 (Mumbai - Trib.)
- 4.13** Where assessee-company entered into a sub-license agreement with a company (TIL), granting it a non-exclusive right to manufacture and sell a restricted range of pumps and parts, and in consideration thereof, TIL was required to pay royalty for use of brand name, since impugned royalty sum did not reach assessee at all, remained uncollected, and was ultimately written off in its books as bad debt, Assessing Officer was not justified in treating same as assessee's undisclosed professional income - **Weir Mineral (India) (P.) Ltd. v. DCIT** - [2025] 175 taxmann.com 407 (Delhi - Trib.)

**SECTION 5 OF THE INCOME-TAX ACT, 1961 -
INCOME - ACCRUAL OF**

- 4.14 Where assessee was employed with Indian company and rendering services abroad, since there was no iota of evidence brought on record by AO suggesting that income had accrued or had origin in India, therefore, income received by assessee by way of salary in India as well abroad was not to be taxed in India - **Partha Mukherjee v. ITO - [2025] 175 taxmann.com 798 (Kolkata - Trib.)**

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

- 4.15 Where AO on basis of information received from FRRO determined residential status of assessee as 'Resident in India' for tax purposes, since FRRO is an authorized Government agency to keep a track upon movement of foreigners and citizens at country's borders, data of FRRO which showed that assessee had stayed in India for more than 182 days, could not be doubted and same could be relied upon for calculating period of stay of assessee in India - **DCIT, Central v. M. Mahadevan - [2025] 175 taxmann.com 383 (Chennai - Trib.)**

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

- 4.16 Receipts earned by assessee-company, a tax resident of Netherlands, from providing data transmission services via space segment capacity on satellites did not fall within term of royalty under ITA and article 12 of India-Netherlands DTAA - **New Skies Satellites BV. v. Deputy Commissioner of Income-tax, International Taxation - [2025] 175 taxmann.com 143 (Delhi - Trib.)**
- 4.17 Where services rendered by assessee, a US based LLP, to Indian company did not satisfy 'make available' test as they did not consist of development and transfer of a technical plan or technical design, same would fall within meaning of article 12(5)(e) of DTAA between India and USA and hence benefit of article 15 could not be denied to assessee - **Ernst and Young U.S. LLP v. ACIT - [2025] 175 taxmann.com 150 (Delhi - Trib.)**
- 4.18 Payments made towards internet, broadband and bandwidth charges to foreign parties did not constitute royalty under section 9(1)(vi) and, therefore, did not attract TDS under section 195 - **Deputy Commissioner of Income-tax v. Hinduja Global Solutions Ltd. - [2025] 175 taxmann.com 411 (Mumbai - Trib.)**
- 4.19 Where assessee, a US based company, was engaged in business of facilitating education through online medium and provided online courses to its Indian customers, since assessee was an aggregation service provider and did not provide technical services through its online platform, receipts from online courses would not be taxable in India - **Coursera Inc. v. ACIT, International Taxation - [2025] 175 taxmann.com 71 (Delhi - Trib.)**

- 4.20 Reimbursement of secondment charges paid to AE would not attract TDS as per provisions of section 195, as 'fees for technical services' where seconded employees had worked under control and supervision of assessee and assessee had merely reimbursed actual salary to its AE - **Caterpillar India (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 572 (Chennai - Trib.)**
- 4.21 Where assessee, a UAE based bank, advanced External Commercial Borrowing (ECB) loans to Indian customers directly through head office without involvement of Indian branches which constituted its PE in India, assessee could claim set off of current year business loss of PE against interest income earned from Indian customers on ECB loans, since treaty itself provided for taxability of income in terms with domestic law provisions - **Abu Dhabi Commercial Bank PJSC Wework India Management (P.) Ltd. v. Deputy Commissioner of Income-tax (International Taxation) - [2025] 175 taxmann.com 420 (Mumbai - Trib.)**
- 4.22 Rights entitlement is distinct from shares and, therefore, short-term capital gains earned by assessee, a Saudi Arabian company, on sale of rights entitlement vis-à-vis its shares of Indian company is only taxable in resident State, i.e. Saudi Arabia, as per provisions of article 13(6) of India-Saudi Arabia DTAA - **General Organization for Social Insurance v. ACIT (International Taxation) - [2025] 175 taxmann.com 179 (Mumbai - Trib.)**
- 4.23 Where assessee, an Ethiopian airline, had merely provided access to standard flight simulator facility in Ethiopia to Indian pilots through a Dubai-based entity having a group entity in India, without rendering any customized services, receipts could not be treated as fees for technical services (FTS) - **Ethiopian Airlines Group v. ACIT, Intl. Taxation - [2025] 175 taxmann.com 640 (Delhi - Trib.)**
- 4.24 Where assessee, engaged in broadcasting business, had entered into agreement with a UK company for rendering of transponder services, payment made by assessee to said company for transponder services was not taxable as royalty in India and, therefore, assessee was not required to deduct TDS on such payments - **Asst. Commissioner of Income-tax (International Taxation) v. United Home Entertainment (P.) Ltd. - [2025] 175 taxmann.com 377 (Mumbai - Trib.)**
- 4.25 Where assessee, US based company, engaged in business of licensing broadcasting rights, received consideration on account of live coverage, same would not qualify as royalty income in terms article 12 of DTAA between India and US - **Trans World International LLC v. DCIT - [2025] 175 taxmann.com 703 (Delhi - Trib.)**
- 4.26 Where assessee, US based company, received consideration for bundled rights both for broadcasting live and recorded coverage, since broadcast of recorded event was available on other medium and other rights were available which related to recorded coverage only, it was appropriate to allocate 10 per cent of receipts towards recorded events as royalty and 90 per cent towards live coverage - **Trans World International LLC v. DCIT - [2025] 175 taxmann.com 703 (Delhi - Trib.)**

4.27 Where assessee, a Mauritius based company, earned capital gain on sale of equity-oriented mutual funds in India, said capital gains could not be said to be out of alienation of 'shares' and, thus, same would not be taxable in India as per article 13(3A) of India-Mauritius DTAA - **Emerging India Focus Funds, Apex Financial Services (Mauritius) Ltd. v. ACIT, Int. Tax - [2025] 175 taxmann.com 1013 (Delhi - Trib.)**

SECTION 10(5) OF THE INCOME-TAX ACT, 1961 - LEAVE TRAVEL CONCESSION

4.28 Where assessee failed to deduct tax at source in respect of reimbursement of LTC paid to employees in respect of foreign travel, since said reimbursements were not exempt under section 10(5) and assessee failed to establish reasonable cause under section 273B, demand raised under sections 201(1) and 201(1A) was rightly sustained - **State Bank of India v. Income-tax Officer(TDS)-II - [2025] 175 taxmann.com 403 (Lucknow - Trib.)**

SECTION 10(10B) OF THE INCOME-TAX ACT, 1961 - RETRENCHMENT COMPENSATION

4.29 Where assessee had opted BSNL Retirement Scheme 2019 and received total emoluments of Rs. 30.17 lakhs, since scheme was in fact retrenchment scheme in garb of VRS scheme, amount received by assessee was, in fact, compensation on account of retrenchment and was exempt under section 10(10B) - **Harish Kumar v. Income-tax Officer - [2025] 175 taxmann.com 379 (Chandigarh - Trib.)**

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

4.30 Only receipts of individual educational institutions to be considered for exemption under section 10(23C)(iiiad); if not allowable, only net surplus after allowing expenditure for earning income had to be treated as income - **Sukanti Educational and Charitable Trust v. IncomeTax Officer - [2025] 175 taxmann.com 564 (Kolkata - Trib.)**

4.31 Where assessee claimed exemption u/s. 10(23C)(iiiab) and AO added entire cash deposits in bank account, interest income and payment to hotel and restaurant bills to income of assessee without allowing any expenditure, even if exemption u/s. 10(23C)(iiiab) was not allowed, entire deposits could not have been added without considering income on commercial basis and after allowing expenditure, therefore, order of AO was to be set aside and issue was to be remitted back to him - **University of North Bengal v. DCIT, Exemption - [2025] 175 taxmann.com 680 (Kolkata - Trib.)**

4.32 Where assessee-university was established by State Legislature Act and was substantially financed by Government to extent of 31.76 per cent, it was eligible for exemption u/s. 10(23C)(iiiab) - **Guru Nanak Dev University v. DCIT - [2025] 175 taxmann.com 810 (Chandigarh - Trib.)**

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

4.33 Where assessee claimed exemption under section 10(38) in respect of long-term capital gain (LTCG) earned on sale of shares, since assessee had purchased shares as a genuine investor and not to avail accommodation entry to claim exempt LTCG and assessee had effected sale of shares through registered stock broker and copies of contract notes were available on record, impugned reopening of assessment on ground that assessee had earned LTCG on sale of shares through accommodation entries was unjustified - **Sangita Ben Mardia v. Income-tax Officer - [2025] 175 taxmann.com 78 (Mumbai - Trib.)**

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

4.34 Where Assessing Officer made addition to income of assessee-trust, imparting education, on account of notional interest on interest free loans advanced by assessee to related parties, since Commissioner (Appeals) had erred in not analytically examining issue and Assessing Officer had erred in denying exemption as a whole to assessee, matter was to be remanded back to Assessing Officer for fresh adjudication - **ACIT (Exemptions) v. K.C. Social Welfare Trust - [2025] 175 taxmann.com 63 (Chandigarh - Trib.)**

4.35 Explanation 5 to section 11(1), inserted by Finance Act, 2021 with effect from assessment year 2022-23 restricts set off of brought forward deficit against income of current year, however, restriction imposed by Explanation 5 to section 11(1) is prospective and applicable only from assessment year 2022-23 onwards - **Hyderabad Metropolitan Development Authority v. Assistant Commissioner of Income-tax (Exemptions) - [2025] 175 taxmann.com 139 (Hyderabad - Trib.)**

4.36 No deduction shall be allowed in respect of GST/ST paid on receipt which had not been offered as income - **Hyderabad Metropolitan Development Authority v. Assistant Commissioner of Income-tax (Exemptions) - [2025] 175 taxmann.com 139 (Hyderabad - Trib.)**

4.37 Where a charitable institution utilises borrowed fund towards its object, and such utilization is not claimed as application of income in year of utilization, then repayment of such loan could be treated as application of income in year of repayment - **Hyderabad Metropolitan Development Authority v. Assistant Commissioner of Income-tax (Exemptions) - [2025] 175 taxmann.com 139 (Hyderabad - Trib.)**

4.38 Where assessee had acted as an agent of state government in so far as sale of land was concerned and corresponding receipts had not been offered as income, TDS corresponding to such receipts could not be treated as application of income - **Hyderabad Metropolitan Development Authority v. Assistant Commissioner of Income-tax (Exemptions) - [2025] 175 taxmann.com 139 (Hyderabad - Trib.)**

- 4.39** Where assessee, a development authority, received certain amount towards development charges, since there was no restriction that assessee could not utilise 85 per cent of development charges or assessee had no liberty over 85 per cent of development charges and only mode of utilisation was prescribed by Government, entire amount collected by assessee towards development charges was liable to be treated as revenue receipts - **Hyderabad Metropolitan Development Authority v. Assistant Commissioner of Income-tax (Exemptions)** - [2025] 175 taxmann.com 139 (Hyderabad - Trib.)
- 4.40** Where CPC denied exemption under section 11 to assessee-trust and processed return whereby total income was determined, since gross collection for year could not be taxed as income and deduction was to be allowed for matching expenditure incurred by assessee in carrying out its activities during year, matter was to be remanded back to Assessing Officer for purpose of verification of records and details of assessee to allow claim of expenditure and depreciation made by it so as to bring to tax net surplus for year - **SCMS Maritime Training Institute v. Income -tax Officer** - [2025] 175 taxmann.com 372 (Mumbai - Trib.)
- 4.41** Where assessee-trust filed its return of income claiming exemption under section 11 and Assessing Officer denied exemption on sole ground that audit report in Form No. 10B was not furnished along with return or subsequently up to time of assessment, since audit was completed in time and there was no adverse finding by AO on merits of exemption, exemption could not be denied solely on ground of belated filing of audit report - **Health Foundation and Research Centre v. ACIT** - [2025] 175 taxmann.com 447 (Ahmedabad - Trib.)
- 4.42** Where assessee-trust filed Form 10B with a minor delay, grant of exemption could not be denied only on account of said delay if said Form was available with AO prior to issue of notice u/s. 143(1) - **Barwala Panjrapole v. ITO** - [2025] 175 taxmann.com 895 (Ahmedabad - Trib.)
- 4.43** Where AO denied exemption u/s. 11 on account of mismatch in details of registration under section 12A provided in ITR and Form 10AC and assessee claimed that there was an inadvertent error on part of its tax consultant who had mistakenly entered details in Form 10AC issued for registration u/s. 80G, matter was to be remanded back to file of Commissioner (Appeals) for carrying out necessary verification - **Barwala Panjrapole v. ITO** - [2025] 175 taxmann.com 895 (Ahmedabad - Trib.)
- 4.44** Where audit report in Form No. 10B was not uploaded within due date of filing return u/s. 139(1), however, same was available before AO at time of processing of return, claim of exemption u/s. 11 was to be allowed - **AMPI Foundation v. DDIT, CPC, Bengaluru** - [2025] 175 taxmann.com 989 (Kolkata - Trib.)
- 4.45** Where assessee had not been granted exemption under section 11 as there was delay in filing audit report in Form No. 10B along with return of income but same was available at time of processing of return, claim under section 11 could not be denied - **Riddhi Seva Kendra v. ADIT** - [2025] 175 taxmann.com 991 (Kolkata - Trib.)
- SECTION 12A OF THE INCOME-TAX ACT, 1961 - CHARITABLE OR RELIGIOUS TRUST - REGISTRATION OF**
- 4.46** Where assessee's claim on medical relief expenditure and donation to similar trust as per details submitted in written submission and paper book had not been examined by Commissioner (Exemption), order of Commissioner (Exemption) rejecting application of assessee in Form No. 10 for grant of registration under section 12A(1)(ac)(iii) could not be sustained and same was to be set aside to his file to pass a fresh order - **Society on Promotion Activation and Research for Scientific Social Helps v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 283 (Delhi - Trib.)
- 4.47** Where registration granted to assessee was cancelled for reason that assessee was not having any registration under section 12A on date of filing of application in Form 10A and had obtained registration under section 12A(1)(ac)(i) on false information that it was registered under section 12A which amounted to violation as per clause (g) of Explanation to section 12AB(4), since said provisions of clause (g) was inserted by Finance Act, 2023 with effect from 1-4-2023, and further, when assessee applied for fresh registration in Form 10A, order cancelling registration granted earlier was pending before Tribunal for adjudication, issue was to be restored to file of Commissioner for fresh consideration - **Sinhagad Technical Education Society v. PCIT (Central)** - [2025] 175 taxmann.com 375 (Pune - Trib.)
- 4.48** Where Commissioner (Exemption) rejected assessee-trust's application for registration under section 12A and approval under section 80G on ground of non-response to notices, since assessee had offered a credible explanation for such non-compliance citing genuine constraints owing to its rural location and lack of access to digital infrastructure and delay and default were neither deliberate nor contumacious, in interest of justice, matter was to be remanded back to Commissioner (Exemption) for a fresh decision - **Shenalma Gaushala Trust v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 449 (Ahmedabad - Trib.)
- 4.49** Where Commissioner (Exemptions) rejected assessee's application for registration under section 12A(1)(ac)(iii) and cancelled provisional registration observing that assessee had failed to establish genuineness of its activities, since rejection of application was made on account of non-compliance made by assessee, order of Commissioner (Exemptions) was to be set aside and matter was to be remanded back for deciding application afresh - **Sri Maheswari Dharmsala v. CIT (Exemptions)** - [2025] 175 taxmann.com 563 (Kolkata - Trib.)

4.50 Requirement of registration of byelaw is not necessary for registration of trust under section 12A - **NSS Taluk Union Adoor v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 796 (Cochin - Trib.)

4.51 Where Commissioner (Exemption) rejected application of assessee-trust for registration under section 12A(1)(ac)(iii) on ground that assessee had failed to furnish documentary evidence to enable him to satisfy about genuineness of activities of trust and whether activities were in consonance with objects of trust, since assessee could not pursue its case before Commissioner (Exemption) by filing necessary evidences and documents, one more opportunity was to be given to assessee to file relevant documents/evidences and to plead its case before Commissioner (Exemption) - **Goodwill Foundation Charitable Trust v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 881 (Surat - Trib.)

4.52 Where order of Commissioner (Exemption) in rejecting application for registration under section 12A was set aside, order of Commissioner (Exemption) in rejecting application for approval under section 80G was also to be set aside and matter was to be remitted back for fresh order after deciding application under section 12A - **Goodwill Foundation Charitable Trust v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 881 (Surat - Trib.)

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

4.53 Where assessee-trust applied for regularization of provisional registration under section 12A(1)(ac)(iii) and Commissioner (Exemption) rejected application for regularization on ground that assessee failed to furnish complete and satisfactory details of donors and their confirmations and that genuineness of donations was not proved, since genuineness of donations has to be seen at time of assessment and not at time for registration of trust, rejection of application for regularization on questioning genuineness of donation by recourse to section 115BBC was beyond scope of enquiry - **Ideal Relief Trust v. Commissioner of Income-tax, Exemption** - [2025] 174 taxmann.com 1220 (Delhi - Trib.)

4.54 Where Commissioner (Exemption) cancelled provisional registration of assessee-trust on ground that assessee failed to give proper justification for regularization of provisional registration, since assessee-trust had been granted registration under Rajasthan Public Trust Act, 1959, matter was to be remanded back to provide one more opportunity to assessee to adduce documents before Commissioner (Exemption) - **Tharwani & Gurnani Foundation v. CIT (Exemption)** - [2025] 175 taxmann.com 275 (Jaipur - Trib.)

4.55 Where Commissioner (Exemption) cancelled provisional registration granted to trust on ground that trust was created for benefit of a particular religious community or caste, since he had neither examined financial statements nor recorded any findings on actual application of income in support of alleged violation under clause (d) of Explanation to section 12AB, matter was to be remanded back to him to decide issue afresh - **Leuva Patidar Samaj Seva Trust Ode v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 279 (Ahmedabad - Trib.)

4.56 Non-commencement of activities at time of filing application or at time of passing order for grant of registration under section 12AB cannot be sole reason for denial of registration without considering proposed activities of assessee trust - **Ujwal Foundation v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 276 (Hyderabad - Trib.)

4.57 Where Commissioner (Exemption) rejected application of assessee-trust for registration under section 12AB on ground that assessee failed to satisfy conditions laid down under section 12AB(1)(b)(ii), since assessee's claim that it was not afforded a full and effective opportunity to present updated and corrected documents, as well as evidentiary materials to establish charitable character of its activities was to be considered, rejection of registration under section 12AB was premature - **Baroda Lakkad Pitha Punch Property Baroda v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 386 (Ahmedabad - Trib.)

4.58 Where assessee-trust was formed to serve community of serving and retired military personnel and their families without distinction of religion, caste, or creed, it was entitled to registration under section 12AB and approval under section 80G - **Fighting first Trust v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 456 (Hyderabad - Trib.)

4.59 Where assessee-trust had commenced its charitable activities and invested funds for future application in fixed deposits in prescribed mode during first year, registration under section 12AB was to be granted - **Dhwani Shristi Foundation v. Commissioner of Income-tax (Exemptions)** - [2025] 175 taxmann.com 454 (Bangalore - Trib.)

4.60 Where assessee-trust was granted provisional registration under section 12A(1)(ac)(i) which was valid till assessment year 2026-27 and provisional approval under section 80G(5) which was allowed till 2024-25 and assessee had applied for final registration and approval before expiry of said periods but Commissioner rejected applications on ground that applications of assessee were premature, since there was no bar to move an application before period of six months from expiry of provisional registration and approval under above said sections, matter was to be remanded back for consideration of applications on merits - **Shree Kedareshwar & Shree Gyaneshwar Mahadev v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 520 (Surat - Trib.)

- 4.61** Where assessee-trust's application for registration under section 12AB was rejected on ground that assessee did not comply with submissions of required documents/information, since Commissioner (Exemptions) denied opportunity of hearing on ground that personal hearing was not required and submissions could be made through electronic mode, matter was to be remanded to pass fresh order - **Care of Animals and Society v. CIT (Exemption) - [2025] 175 taxmann.com 565 (Indore - Trib.)**
- 4.62** Where Commissioner (Exemption) rejected assessee-trust's application for registration u/s. 12AB on ground that assessee had already claimed exemption in its ITRs for financial years, however, Commissioner (Exemption) did not conclusively examine whether such exemption was actually claimed u/s. 11, 12 or clause (23C) of section 10, mere reflection of income under head 'exempt' in ITR without a finding on legal source of exemption was insufficient to invoke a statutory bar of such consequence - **Aruna Kishor Foundation v. CIT(Exemption) - [2025] 175 taxmann.com 569 (Ahmedabad - Trib.)**
- 4.63** Where Commissioner (Exemption) rejected assessee-trust's first application for registration u/s. 12AB on ground that assessee was not eligible to apply u/s. 12AB as it had already claimed exemption in its ITRs for earlier years, since assessee filed second set of applications under impression that CBDT Circular No. 07/2024, dated 25-4-2024 permitted a fresh application where earlier applications had been rejected, second application was to be dismissed as infructuous - **Aruna Kishor Foundation v. CIT(Exemption) - [2025] 175 taxmann.com 569 (Ahmedabad - Trib.)**
- 4.64** Where Commissioner (Exemption) rejected application of assessee for registration u/s. 12AB without giving any finding, since order was incomplete and inconclusive, matter was to be remanded back for fresh adjudication - **Chaganam Lalithamma & Bhaskar Rao Memorial Trust v. Dy. CIT - [2025] 175 taxmann.com 638 (Hyderabad - Trib.)**
- 4.65** Power to cancel registration vests only with CIT (Exemption) and PCIT had no jurisdiction to do so or to cancel registration retrospectively. - **Lala Sher Singh Memorial Jeevan Vigyan Trust Society v. PCIT(Central)-3 - [2025] 175 taxmann.com 671 (Delhi - Trib.)**
- 4.66** Where Commissioner (Exemption) rejected application for registration of assessee-trust on ground that assessee did not file any response to notices and failed to prove genuineness of its activities, since notices were only uploaded on income tax portal without actual service to assessee in its email address or on its postal address, matter was to be restored for de-novo consideration - **Alumni Association of Indubhai Parekh School of Architecture v. CIT (Exemption) - [2025] 175 taxmann.com 804 (Rajkot - Trib.)**

- 4.67** Where Commissioner (Exemptions) rejected assessee-trust's application for registration under section 12AB on ground that certain objects of trust deed indicated that trust intended to carry out commercial activities, since no nexus was established between financial statements and objected clauses, nor any actual deviation was demonstrated from charitable purpose, rejection of registration based on speculative and partial reading of trust deed was to be set aside - **Pragati Education and Charitable Trust v. Commissioner of Income-tax (Exemption) - [2025] 175 taxmann.com 896 (Ahmedabad - Trib.)**
- 4.68** Where assessee initially filed online applications for registration under section 12A and for approval under section 80G under incorrect clauses and upon rejections and recognising that earlier applications were filed under incorrect statutory clauses, assessee filed corrected applications under appropriate provisions, since assessee had not filed a revision or appeal against earlier orders instead, second applications were made suo motu under correct provisions within extended compliance period stipulated by CBDT, they ought to be decided on merits - **Shree Kadava Patel Gau Seva Samaj Jamvali v. CIT (Exemption) - [2025] 175 taxmann.com 1010 (Ahmedabad - Trib.)**

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

- 4.69** Only investments which yield exempt income during relevant previous year shall be taken into consideration for computing average value of investments for purpose of rule 8D - **Geecee Ventures Ltd. v. DCIT - [2025] 174 taxmann.com 1285 (Mumbai - Trib.)**
- 4.70** Disallowance u/s. 14A should be restricted to extent of exempt income earned during previous year - **Parasmal Ravindra Kumar v. ITO - [2025] 175 taxmann.com 95 (Chennai - Trib.)**
- 4.71** Where assessee had not earned any exempt income during year, no disallowance u/s. 14A was to be made - **Emerson Electric Company (India) (P.) Ltd. v. DCIT - [2025] 175 taxmann.com 199 (Mumbai - Trib.)**
- 4.72** Where assessee earned exempt dividend income and suo moto disallowed certain expenditure, disallowance under rule 8D(2)(iii) was to be computed with reference to component closing value of investment which actually yielded dividend income during year - **DCIT v. Phillips Carbon Black Ltd. - [2025] 175 taxmann.com 352 (Kolkata - Trib.)**

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

- 4.73** Where assessee entered into two separate agreements i.e. one for renting premises on lease and another for providing maintenance services, maintenance charges received by assessee were distinct from letting out of property and, therefore, same was to be taxed as business income - **Bindumalyam Panduranga Allanharinarayan v. ITO - [2025] 175 taxmann.com 388 (Bangalore - Trib.)**

**SECTION 23 OF THE INCOME-TAX ACT, 1961 -
INCOME FROM HOUSE PROPERTY - ANNUAL
VALUE**

- 4.74 Where property is not let out for entire year, Assessing Officer would be justified in considering fair rental value for determining annual value of house property as per provisions of section 23(1)(a) as assessee had not provided/furnished any fair rental value - *Bindumalyam Panduranga Allharinarayan v. Income-tax Officer* - [2025] 175 taxmann.com 388 (Bangalore - Trib.)

**SECTION 28 OF THE INCOME-TAX ACT, 1961 -
BUSINESS - COMMENCEMENT OF /CARRYING ON
OF**

- 4.75 Where assessee received a settlement amount, since neither terms of settlement agreement nor any other material on record suggested that assessee had entered into any agreement for not carrying out any activity in relation to any business or profession for which it had been compensated, said amount could not be considered as income under section 28(va)(a) - *Pankaj Inder Wadhwa v. Income-tax Officer* - [2025] 175 taxmann.com 144 (Mumbai - Trib.)
- 4.76 Where assessee, involved in manufacturing and trading of packaging materials entered into a joint venture agreement with a partnership firm, PACCESS USA, for carrying out business activities and received certain amount from a Swedish company, since said company was never a part of joint venture agreement and joint venture agreement automatically got terminated on dissolution of PACCESS LLC, formerly known as PACCESS USA, in year 2013, payment received by assessee was not on account of termination of contract relating to any business carried on by assessee or modification in terms with contract relating to any such business and, thus, would not fall within ambit of section 28(ii)(e) - *Pankaj Inder Wadhwa v. Income-tax Officer* - [2025] 175 taxmann.com 144 (Mumbai - Trib.)

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

- 4.77 Actual commencement of revenue generating activity does not have any bearing for determining date of setting up of business and expenses incurred after date of setting up of business are eligible for deduction - *Deputy Commissioner of Income-tax v. Aricent Technologies (Holding) (P.) Ltd.* - [2025] 175 taxmann.com 196 (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**

- 4.78 Where Assessing Officer made an addition to income of assessee under section 28(iv) on account of current liability shown by assessee in its balance sheet which included sum payable to CRB Capital Markets Ltd. on account of cancellation of agreement entered into with it

for sale of ten flats, since no documentary evidences were placed on record to establish correct factual position for accounting treatment given by assessee in its books of account, matter was to be remitted back to Assessing Officer to revisit entire issue - *Morparia and Ranka Construction Co. v. Income-tax Officer* - [2025] 175 taxmann.com 203 (Mumbai - Trib.)

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

- 4.79 Where assessee-company had got certain assets on lease from HPFS, since terms of lease agreement made it fairly evident that this was not a case of finance lease as was being claimed by assessee, assessee being lessee was not eligible to claim benefit of depreciation on leased assets under section 32 - *Assistant Commissioner of Income-tax v. Aditya Birla Financial Shared Services Ltd.* - [2025] 175 taxmann.com 156 (Mumbai - Trib.)
- 4.80 Coal mines are considered as plant and machinery for depreciation purposes and civil works essential for coal extraction are integral to mining operations and, therefore, assessee was eligible for depreciation at 15 per cent on civil works relating to excavation of coal - *Singareni Collieries Company Ltd. v. ACIT* - [2025] 175 taxmann.com 561 (Hyderabad - Trib.)

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

- 4.81 Where Assessing Officer disallowed investment made by assessee, engaged in power generation, in new plant and machinery under section 32AC, since power generation was not a qualifying activity under section 32AC and no corresponding amendment was made despite amendment in section 32(1)(ia), disallowance was justified. - *Singareni Collieries Company Ltd. v. ACIT* - [2025] 175 taxmann.com 561 (Hyderabad - Trib.)

**SECTION 35D OF THE INCOME-TAX ACT, 1961 -
PRELIMINARY EXPENSES**

- 4.82 Where assessee had incurred share issue expenses and claimed deduction of 1/5th of said expenses under section 35D, Commissioner (Appeals) was justified in allowing claim of assessee by following Tribunal's order for earlier years - *DCIT v. P.C. Jeweller Ltd.* - [2025] 175 taxmann.com 281 (Delhi - Trib.)

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

- 4.83 Where assessee failed to furnish any documentary evidence to demonstrate that loan was given for business purposes, interest paid on said loan could be disallowed under section 36(1)(iii) - *Adroit Corporate Service (P.) Ltd. v. Commissioner of Income-tax* - [2025] 174 taxmann.com 1228 (Mumbai - Trib.)

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

4.84 Where employee's contribution towards PF and ESIC was paid after due date stipulated under respective Acts, same was to be disallowed in terms of section 36(1)(va) - **Adroit Corporate Service (P.) Ltd. v. Commissioner of Income-tax - [2025] 174 taxmann.com 1228 (Mumbai - Trib.)**

4.85 Employee contributions to PF/ESI deposited beyond statutory due date, as prescribed under relevant Acts, are not allowable as deduction under section 36(1)(va), even if such payment is made before due date for filing return - **Yes Bank Ltd. v. Additional commissioner of Income-tax (Appeals) - [2025] 174 taxmann.com 1187 (Mumbai - Trib.)**

SECTION 36(1)(viiia) OF THE INCOME-TAX ACT, 1961 - BAD DEBTS, IN CASE OF BANKS

4.86 Where assessee was a co-operative bank, it was eligible for deduction under section 36(1)(viiia) even if assessee had no rural branches - **Income-tax Officer v. Sutex Co-operative Bank Ltd. - [2025] 175 taxmann.com 376 (Surat - Trib.)**

SECTION 36(1)(viii) OF THE INCOME-TAX ACT, 1961 - FINANCIAL CORPORATION, RESERVE CREATED BY

4.87 Where assessee, a co-operative bank, claimed deduction under section 36(1)(viii) on amount transferred to special reserve for long-term finance, since assessee fulfilled all four conditions required for claiming deduction under said section, namely, impugned transfer to special reserve did not exceed 20 per cent of profit, assessee was a specific entity which included a co-operative bank, assessee was engaged in business of banking and assessee was engaged in providing long-term finance, assessee was eligible for deduction under section 36(1)(viii) - **Income-tax Officer v. Sutex Co-operative Bank Ltd. - [2025] 175 taxmann.com 376 (Surat - Trib.)**

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

4.88 Where assessee-company, engaged in real estate development and construction, had shown substantial expenses under various heads such as site expenses, miscellaneous expenses, travelling and conveyance expenses, sale promotion expenses and interest on TDS, since none of expenses was capital or personal in nature, expenses were to be allowed - **DCIT Central Circle-4(3) v. Era Realtors (P.) Ltd. - [2025] 175 taxmann.com 180 (Mumbai - Trib.)**

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

4.89 Where assessee-company, engaged in manufacture of carbon black, obtained corporate membership of clubs for its directors and senior employees, since activities undertaken by directors and senior employees in such clubs were in nature of business meetings, networking,

brand building, dealings and business gatherings between suppliers/customers and/or senior executives of assessee-company, club membership and club service expenses borne by assessee were to be allowed as deduction under section 37(1) - **Deputy Commissioner of Income-tax v. Phillips Carbon Black Ltd. - [2025] 175 taxmann.com 352 (Kolkata - Trib.)**

4.90 Where assessee, a development authority, claimed deduction on account of prior period expenses and Assessing Officer disallowed same, since assessee was held to be outside purview of proviso to section 2(15) and also eligible for exemption under section 11, prior period expenses were allowable - **Assistant Commissioner of Income Tax (Exemptions) v. Bangalore Development Authority - [2025] 175 taxmann.com 385 (Bangalore - Trib.)**

4.91 Where interest on late payment of service tax was not of penal nature and assessee was eligible for exemption under section 11, said interest would be an allowable expenditure under section 37(1) - **Assistant Commissioner of Income Tax (Exemptions) v. Bangalore Development Authority - [2025] 175 taxmann.com 385 (Bangalore - Trib.)**

4.92 Where assessee-NBFC, engaged in providing intercorporate loans and business of investment activity, incurred Portfolio Management Services (PMS) expenses by way of fee to portfolio managers, same was to be treated as expenses incurred wholly and exclusively in connection with business and allowable under section 37(1) - **Deputy Commissioner of Income-tax v. Meenakshi Mercantiles Ltd. - [2025] 175 taxmann.com 581 (Kolkata - Trib.)**

4.93 Where interest paid under section 23 of MSMED Act was already disallowed by assessee, Assessing Officer could not have made disallowance of such interest as such disallowance would amount to double disallowance - **Sri Devi Tool Engineers (P.) Ltd. v. Assistant Director of Income-tax, CPC - [2025] 175 taxmann.com 678 (Mumbai - Trib.)**

4.94 Where assessee incurred certain IT support charges which were paid as licence fee for use of software, which was renewable on a yearly basis and were not paid were not for acquiring any right in software, same were to be allowed as revenue expenditure - **Assistant Commissioner of Income-tax-16(1) v. Matrix Publicities and Media India (P.) Ltd. - [2025] 175 taxmann.com 706 (Mumbai - Trib.)**

4.95 Settlement fees paid to SEBI for some technical violation without admitting guilt was allowable as business expenditure - **Goldman Sachs (India) Securities (P.) Ltd. v. ACIT - [2025] 175 taxmann.com 803 (Mumbai - Trib.)**

4.96 Where assessee claimed deduction on account of payment for gratuity liability, however, Assessing Officer disregarded actuarial report and concluded that deduction shall not be allowed as required evidence were not furnished, Assessing Officer was to be directed to verify fact and allow appropriate relief to assessee - **Goldman Sachs (India) Securities (P.) Ltd. v. ACIT - [2025] 175 taxmann.com 803 (Mumbai - Trib.)**

4.97 Where assessee claimed ESOP expenses on accrual basis, same was to be allowed as deduction - **Goldman Sachs (India) Securities (P.) Ltd. v. ACIT - [2025] 175 taxmann.com 803 (Mumbai - Trib.)**

4.98 Where assessee-company claimed deduction on account of payment made to six parties for services rendered by them and Assessing Officer disallowed said expenditure on ground that there was no sign board on premises of these parties to establish commercial activity, since all creditors replied to notice issued by Assessing Officer and confirmed transactions and further, all creditors had shown income received from assessee in their respective return of income filed under section 44AD, impugned disallowance was unjustified - **DCIT v. Air Charter Services P. Ltd. - [2025] 175 taxmann.com 901 (Delhi - Trib.)**

4.99 Where assessee claimed deduction of prior period expenses, since nothing was brought on record to disprove explanation of assessee that these were genuine payment accounted in its books of account for relevant year and crystallized during relevant year, claim was to be allowed - **Mahakoshal Refractories (P.) Ltd. v. ITO - [2025] 175 taxmann.com 673 (Mumbai - Trib.)**

4.100 Where assessee-company, made advance payment for purchase of land adjacent to its existing factory premises for expansion purpose, however deal never went through and amount became irrecoverable, since said expense was made with view to gain direct and immediate benefit to its business, it was an allowable deduction u/s. 37(1) - **Mahakoshal Refractories (P.) Ltd. v. ITO - [2025] 175 taxmann.com 673 (Mumbai - Trib.)**

SECTION 40 OF THE INCOME-TAX ACT, 1961 - AMOUNTS NOT DEDUCTIBLE

4.101 Where assessee deposited interest on enhanced compensation payable to pattadars as per Civil Court's directions, since as per CBDT Circulars responsibility for TDS lay with Land Acquisition Officer or Collector and not with assessee, disallowance under section 40(a)(ia) was not sustainable - **Singareni Collieries Company Ltd. v. ACIT - [2025] 175 taxmann.com 561 (Hyderabad - Trib.)**

SECTION 40(a)(i) OF THE INCOME-TAX ACT, 1961 - BUSINESS DISALLOWANCE - INTEREST, ETC., PAID TO A NON-RESIDENT WITHOUT DEDUCTION OF TAX AT SOURCE

4.102 Where assessee-company made payment by way of salary to a non-resident employee and deducted tax at source u/s. 192, since AO had not brought any adverse material on record to show that during employment, said non-resident employee had rendered his services which could be classified as technical services, disallowance u/s. 40(a)(i) r.w.s. 195 was not justified - **Emerson Electric Company (India) (P.) Ltd. v. DCIT - [2025] 175 taxmann.com 199 (Mumbai - Trib.)**

4.103 Where assessee-company paid certain amount to a foreign company towards management fees and had duly deducted and deposited appropriate TDS, no addition could be made under section 40(a)(i) and same could not be treated as unexplained expenditure under section 69C - **Assistant Commissioner of Income-tax-16(1) v. Matrix Publicities and Media India (P.) Ltd. - [2025] 175 taxmann.com 706 (Mumbai - Trib.)**

4.104 Where AO accepted contentions of assessee that payment made to a foreign company towards certification fees for products was not chargeable to tax in India and had not made any disallowance u/s. 40(a)(i), however, while computing total taxable income AO inadvertently took income computed u/s. 143(1) which inter alia included disallowance u/s. 40(a)(i), since issue had been examined in scrutiny proceedings, impugned disallowance made by CPC deserved to be deleted - **Sigma Electric Manufacturing Corporation (P.) Ltd. v. ITO - [2025] 174 taxmann.com 1225 (Pune - Trib.)**

SECTION 40A OF THE INCOME-TAX ACT, 1961 - EXPENSES OR PAYMENTS NOT DEDUCTIBLE IN CERTAIN CIRCUMSTANCES.

4.105 Where assessee made a grant to an educational society to provide educational facilities to children of its employees, since said expenditure was incurred to discharge a statutory obligation under National Coal Wage Agreement (NCWA) and was not a mere welfare expense, disallowance made u/s. 40A(9) was to be deleted. - **Singareni Collieries Company Ltd. v. ACIT - [2025] 175 taxmann.com 561 (Hyderabad - Trib.)**

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

4.106 Where assessee failed to furnish any documentary evidence to demonstrate that service tax and GST amounts were paid on or before due date for filing return of income, said amounts would be disallowed u/s. 43B - **Adroit Corporate Service (P.) Ltd. v. CIT - [2025] 174 taxmann.com 1228 (Mumbai - Trib.)**

4.107 Where assessee made payment towards gratuity fund after tax audit report but before extended due date for filing return, same would qualify for deduction u/s. 43B - **Yes Bank Ltd. v. Additional CIT (Appeals) - [2025] 174 taxmann.com 1187 (Mumbai - Trib.)**

4.108 No disallowance could be made u/s. 43B when entire income of assessee was eligible for exemption u/s. 11 - **ACIT (Exemptions) v. Bangalore Development Authority - [2025] 175 taxmann.com 385 (Bangalore - Trib.)**

4.109 Where assessee had opening liability on account of bonus/commission and paid amount of bonus during relevant year, assessee would be entitled to deduction u/s. 43B with respect to bonus paid during year provided required supporting documentary evidence in this regard was furnished - **Sri Devi Tool Engineers (P.) Ltd. v. ADIT, CPC - [2025] 175 taxmann.com 678 (Mumbai - Trib.)**

SECTION 44AD OF THE INCOME-TAX ACT, 1961 - PRESUMPTIVE TAXATION

4.110 Where Assessing Officer made additions on account of bogus purchases, since assessee had opted for presumptive taxation under section 44AD, he was not under any obligation to explain individual entry of purchases as its gross receipts remained undisputed and thus, additions were to be deleted - **Lakshmanram Bheemaji Purohit v. Income-tax Officer - [2025] 175 taxmann.com 996 (Bangalore - Trib.)**

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

4.111 Where Assessing Officer issued notice under section 148 on ground that assessee had entered into a land development agreement with a developer and had relinquished ownership right over share of land in terms of land development agreement and, thus, capital gains arising out of such transfer had escaped assessment, Commissioner (Appeals) was to be directed to provide one more opportunity to assessee to substantiate her claim - **Kaushalya Devi v. Income-tax Officer - [2025] 175 taxmann.com 201 (Kolkata - Trib.)**

4.112 Where Assessing Officer found that assessee was required to offer capital gains as a result of transfer of his rights in respect of plot of land but assessee had not offered said capital gains for taxation and brought short-term capital gains into tax, since case of brother of assessee involving similar issue for same assessment year had already been sent back to file of Assessing Officer to decide issue afresh, in interest of justice, matter was to be remanded back to Assessing Officer to decide issue afresh - **Hemantkumar Gajanan Lad v. Income-tax Officer - [2025] 175 taxmann.com 200 (Pune - Trib.)**

4.113 Where assessee claimed long-term capital loss on sale of shares and facts revealed that valuation of shares was intentionally brought down by assessee to avoid true incidence of taxes, matter was to be remanded back to Assessing Officer for readjudication - **Deputy Commissioner of Income-tax, Central v. M. Mahadevan - [2025] 175 taxmann.com 383 (Chennai - Trib.)**

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

4.114 Where assessee inadvertently offered LTCG arising out of transfer of capital asset to its subsidiary as chargeable to tax under section 45, in view of provisions of section 47(iv) capital gains arising on said sale was not taxable, thus, Assessing Officer was to be directed to refund taxes paid on said LTCG - **Assistant Commissioner of Income-tax v. Samast Vikas Ltd. - [2025] 175 taxmann.com 145 (Delhi - Trib.)**

SECTION 48 OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - COMPUTATION OF

4.115 Where assessee claimed deduction for indexed cost of improvement but failed to furnish supporting documentary evidence and claim was based only on rough note book entries, Commissioner (Appeals) was justified in disallowing such claim - **Krishna Kishore Reddy Manyam v. Income-tax Officer - [2025] 175 taxmann.com 448 (Hyderabad - Trib.)**

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

4.116 Where assessee sold two residential flats and claimed exemption under section 54 on capital gains arising from sale of flats and invested in purchase of another new flat from her husband, since assessee had purchased new flat within stipulated time period of two years after date on which transfer of original asset took place, claim of exemption u/s. 54 was to be allowed to assessee - **Kavita Manoj Damani v. ITO - [2025] 175 taxmann.com 723 (Mumbai - Trib.)**

4.117 Where assessee was continuously engaged in purchase and sale of properties and he could not bring any material on record to substantiate his claim that he was maintaining two separate portfolios i.e. one for investment and another for trading purpose, income from sale of immovable properties was to be treated as business income - **Natha Pandit Raut v. DCIT - [2025] 174 taxmann.com 731 (Pune - Trib.)**

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

4.118 Where assessee claimed exemption u/s. 54B in respect of agricultural land purchased in name of his brother, since requirement of ownership in assessee's name is a mandatory condition, assessee could not claim exemption u/s. 54B for land purchased in name of his brother, as statute does not recognize such an arrangement for purpose of exemption - **Jobanji Thakor v. ITO - [2025] 175 taxmann.com 62 (Ahmedabad - Trib.)**

4.119 Where assessee claimed exemption u/s. 54B, Commissioner (Appeals) rightly restricted exemption to amounts recorded in registered sale deeds and excluded higher amounts mentioned in agreements to sell - **Krishna Kishore Reddy Manyam v. ITO - [2025] 175 taxmann.com 448 (Hyderabad - Trib.)**

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

4.120 Where assessee sold an agricultural land and received sale proceeds in a staggered manner over multiple years and accordingly reinvested capital gains in agricultural land as and when funds were available, delay in reinvestment was merely procedural and not substantive, as intent and purpose of law to encourage reinvestment of capital gains into specified assets had been duly fulfilled, exemption u/s. 54F and 54B could not be denied solely on ground of non-adherence to strict time limits - **Jobanji Thakor v. ITO - [2025] 175 taxmann.com 62 (Ahmedabad - Trib.)**

4.121 Assessee would be entitled to claim exemption under section 54F qua purchase of multiple floors/flats/units being part of one house in same building or a duplex or triplex house consisting of multiple floors/flats/units in same building - **Mrs. Chanda Runwal v. ACIT - [2025] 175 taxmann.com 141 (Mumbai - Trib.)**

4.122 Where assessee had purchased a residential house and submitted capital gains computation, mere typographical error in claiming deduction under section 54 instead of section 54F did not disentitle her from relief and limitation of claiming deduction in return applies only to Assessing Officer and not to Appellate Authority which can allow correct claim if facts on record support it. - **Seema Srivastava v. Income-tax Officer - [2025] 175 taxmann.com 374 (Patna - Trib.)**

4.123 Assessee was entitled to claim exemption under section 54F for investments made in new house property up to date of filing belated return under section 139(4), and not merely up to due date for filing return under section 139(1), even if investments were made after sale of original property - **Krishna Kishore Reddy Manyam v. Income-tax Officer - [2025] 175 taxmann.com 448 (Hyderabad - Trib.)**

4.124 Where assessee sold shop in February 2012 and purchased residential flat in April 2016, assessee had claimed exemption under section 54F contending that it booked flat in December 2010, benefit of section 54F was to be allowed if substantial payment for said flat was made during relevant period or within two years from date of sale of shop - **Saurabh Khanna v. Income-tax Officer - [2025] 175 taxmann.com 529 (Delhi - Trib.)**

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

4.125 Where assessee purchased a flat from a builder and there was no discrepancy in purchase value declared by assessee, addition made under section 56(2)(vii)(b) by Assessing Officer being difference between set forth value and stamp duty valuation of property was not sustainable - **Sudha Agrawal v. Income-tax Officer - [2025] 175 taxmann.com 64 (Mumbai - Trib.)**

4.126 Where assessee purchased shares of a company for a total consideration of Rs. 1 and Assessing Officer found that shares were traded on stock exchange and lowest price traded was Rs. 22.88 per share, mere fact that shares were in lock-in was not sufficient to come to conclusion that market value shall be determined in a manner similar to that of unquoted shares i.e. in accordance with rule 11UA - **Assistant Commissioner of Income-tax v. Ajay Singh - [2025] 175 taxmann.com 134 (Delhi - Trib.)**

4.127 Where assessee claimed amount received was with respect to relinquishing rights over land on which it had

symbolic possession and was LTCG, however he failed to submit any details in form of settlement agreement or deed of relinquishing of right in property, amount received by assessee was to be treated as income from other sources - **Hiren Rameshbhai Patel v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 152 (Ahmedabad - Trib.)**

4.128 Where reopening notice issued on 29-7-2022 for assessment year 2017-18 under new regime was beyond period of three years, however approval was obtained by Principal Commissioner which was not a proper sanction as per provision of section 151(ii) of amended law, said notice was invalid and was to be quashed - **Rahat Mohammed Riyazuddin Shaikh v. Income-tax Officer - [2025] 175 taxmann.com 149 (Mumbai - Trib.)**

4.129 Where Assessing Officer added entire share premium received by assessee-company from its shareholders as income from other sources under section 56(2)(vii)(b) and Commissioner (Appeals) dismissed appeal on ground that assessee had not made any application requesting for additional evidence as mentioned in appellate order, impugned order was to be restored to file of Commissioner (Appeals) to pass an order de novo after affording a reasonable opportunity of being heard to assessee as well as to Assessing Officer - **Ashok Bricks Industries (P.) Ltd. v. Assistant Commissioner of Income-tax - [2025] 175 taxmann.com 158 (Cuttack - Trib.)**

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

4.130 Where assessee's case was selected for limited scrutiny on two issues, namely, unsecured loans and credit card payments, however Principal Commissioner raked up three issues, namely, increase in opening capital balance, credit card payments, and unsecured loans, since there was no detail available on record which suggested that limited scrutiny case was converted into full scrutiny, impugned revisionary proceedings were to be quashed - **Sanjeev Garg v. Principal Commissioner of Income-tax - [2025] 175 taxmann.com 79 (Chandigarh - Trib.)**

4.131 Where assessee had given a bifurcation of return of income but whether same was related to difference in respect of income from other sources or not had not been discussed by Commissioner (Appeals) in order dated 1-11-2024, this issue needed adjudication and hence matter was to be remanded back to file of Commissioner (Appeals) for deciding whether this issue arose from same addition or not and decide as per Income Tax provisions - **Madhya Gujarat Vij Co. Ltd. v. Dy. CIT - [2025] 175 taxmann.com 93 (Ahmedabad - Trib.)**

4.132 Where cash deposits forming basis of addition under section 68 were already included in turnover declared by assessee under section 44AD, and Assessing Officer had not shown that such deposits were different from business receipts, impugned addition as sustained by Commissioner (Appeals) was to be deleted - **Jatin Arora v. Income-tax Officer - [2025] 175 taxmann.com 92 (Delhi - Trib.)**

- 4.133** Where share capital received by assessee from two companies was considered bogus on ground that these companies had not complied by filing returns with ROC and were accommodation entry providers, since said companies were in existence in ROC portal and were having huge shares capital and reserves in their balance sheets, non-compliance by these companies itself could not be reason to treat receipt of share capital money as bogus - **Colorado Chattels (P.) Ltd. v. ITO** - [2025] 175 taxmann.com 122 (Delhi - Trib.)
- 4.134** Where assessee received refund for surrender of life insurance policy and relevant details of amount received from surrender of policy as well as earlier payment made to insurance company was submitted to revenue authorities, such exempt income could not be treated as unexplained money under section 68 - **Hiren Rameshbhai Patel v. Deputy Commissioner of Income-tax** - [2025] 175 taxmann.com 152 (Ahmedabad - Trib.)
- 4.135** Where pursuant to search, assessee-trust treated corpus donation as voluntary contribution since it could not furnish confirmation letter from donors and Assessing Officer treated said contribution as undisclosed income for purpose of penalty levied under section 271AAB, since Assessing Officer failed to issue jurisdictional notice under section 271AAB(1A) and instead issued notice under section 271AAB(1), impugned penalty was to be quashed - **St. Joseph's Educational Trust v. Deputy Commissioner of Income-tax** - [2025] 175 taxmann.com 284 (Chennai - Trib.)
- 4.136** Where Assessing Officer, relying on findings of Investigation Wing, added entire sale proceeds from alleged bogus LTCG on penny stock transactions to income of assessee, since merely identifying scrip as penny stock without correlating phenomenal price rise with assessee's own transactions could not justify addition, matter was to be remanded for fresh verification - **Sohan Banwarilal Kumawat v. Income-tax Officer** - [2025] 175 taxmann.com 651 (Mumbai - Trib.)
- 4.137** Where Assessing Officer found that assessee was in practice of accepting on money from its customer for sale of residential Flats in various project over and above sale consideration booked by assessee in their books of account and Assessing Officer estimated on money in group and made addition, since Assessing Officer had not made addition on basis of any evidence in his possession, there was no justification for making addition on basis of extrapolation - **DCIT Central Circle-4(3) v. Era Realtors (P.) Ltd.** - [2025] 175 taxmann.com 180 (Mumbai - Trib.)
- 4.138** Where Assessing Officer held that assessee had violated conditions of section 47(xiiib)(f) by transferring share capital and reserves and surplus to partners' accounts upon conversion to LLP, and treated same as

unexplained credit in hands of assessee under section 68, since nature and source of credit was not unexplained, impugned addition was not justified. - **ITO v. NICAF LLP** - [2025] 175 taxmann.com 1001 (Mumbai - Trib.)

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

- 4.139** Where Assessing Officer made addition under section 69A on account of cash deposited by assessee in bank account, since contrary claims had been made on factual aspect as regards availability of funds with help of cash flow statement, matter was to be remanded to file of Commissioner (Appeals) to decide issue afresh - **Akshat Loyalka v. Income-tax Officer, Exemption** - [2025] 175 taxmann.com 42 (Jaipur - Trib.)
- 4.140** Where assessee's only source of income was from agriculture and there were certain cash deposits made in bank accounts, other cash transactions (i.e. both cash withdrawals including bearer cheque transactions and cash deposits) were to be worked out separately to consider peak negative cash balance, if any, to arrive at income of assessee and same should be set off with agricultural income and remaining sum, if any, was to be brought to tax as unexplained money under section 69A - **Shakti Singh v. NFAC, Delhi** - [2025] 175 taxmann.com 48 (Delhi - Trib.)
- 4.141** When assessee has already declared source for cash deposits in books of account, Assessing Officer/Commissioner (Appeals) cannot invoke provisions of sections 68 or 69A - **Mohit Sukhija v. NFA** - [2025] 175 taxmann.com 94 (Delhi - Trib.)
- 4.142** Where source of cash deposits, being cash sales, was duly recorded in books maintained in regular course, Assessing Officer could not invoke provisions of section 69A for making addition when assessee had already offered explanation regarding nature and source of deposits and substantiated same with documentary evidences - **Digvijay Chemicals Ltd. v. Commissioner of Income-tax (A)-3** - [2025] 175 taxmann.com 159 (Delhi - Trib.)
- 4.143** Where assessee, a two wheeler agency firm, received cash from various persons and proved source of cash deposits by providing name, identity, address, PAN and confirmation letters of persons from whom it received said cash, Assessing Officer and Commissioner (Appeals) erred in confirming addition of such cash deposits as unexplained money under section 69A read with section 115BBE - **DSA Motors v. ITO** - [2025] 175 taxmann.com 161 (Chennai - Trib.)
- 4.144** Where assessee-trust, running an educational institution, made cash deposit in specified bank notes during demonetisation period and AO treated certain amount of cash deposit as unexplained money, since AO had no occasion to examine veracity of explanation filed by assessee, matter was to be remanded back to AO to examine veracity of explanation tendered in support of cash deposit during demonetisation period - **Sree Narayana Public School v. ITO** - [2025] 175 taxmann.com 399 (Cochin - Trib.)

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

- 4.145** Where assessee had filed her return of income and had sufficient sources of funds for making payment towards purchase of flat and had adequately explained source of investment through documentary evidence, namely maturity proceeds of fixed deposits credited to bank account, however, she was unable to present her case effectively before Assessing Officer as well as Commissioner (Appeals), matter was to be restored to file of Assessing Officer for a fresh examination - **Rekha shah v. National Faceless Appeal Centre (NFAC)/ITO** - [2025] 175 taxmann.com 205 (Mumbai - Trib.)

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

- 4.146** Section 70(2) does not make any further classification between transactions where STT was paid and transactions where STT was not paid and, therefore, short-term capital loss (on which STT was paid) could be set off against short-term capital gains (on which STT was not paid) - **iShares ESG Aware MSCI ETF v. Deputy Commissioner of Income-tax(International Taxation)-2(2)(2)** - [2025] 175 taxmann.com 289 (Mumbai - Trib.)

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

- 4.147** Where assessee claimed set off of brought forward business loss against short term capital gain from sale of depreciable business assets, since there were no specific provisions under Act which clearly provided that short term capital gains assessable under section 50 could be set off against brought forward business losses, impugned disallowance of set off by CPC was correct - **Pradeep Kisanlal Boob v. ACIT** - [2025] 175 taxmann.com 97 (Pune - Trib.)
- 4.148** Where assessee foreign company filed its return of income belatedly due to certain technical difficulties on Income-tax portal and claimed credit of prepaid taxes that was duly reflected in Form No. 26AS, Commissioner (Appeals) was not justified in rejecting claim of carry forward of current year's business loss to subsequent year, without considering bona fide hardship faced by assessee - **China Kunlun Contracting and Engineering Corporation v. Deputy Director of Income Tax (CPC)** - [2025] 175 taxmann.com 136 (Mumbai - Trib.)

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

- 4.149** Where assessee-university was established solely for carrying out charitable activity of education and was granted approval under section 10(23C), since

assessee had satisfied conditions for grant of approval under section 10(23C)(vi), nature of activities of assessee being charitable in nature could not be disputed while granting approval under section 80G(5) - **Mahindra University v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 290 (Hyderabad - Trib.)

- 4.150** Where Commissioner (Exemption) rejected application of assessee-trust for approval under section 80G on ground that assessee failed to prove that activities of trust were for charitable purposes as per section 2(15), since matter in respect of rejection of application under section 12A was being remanded back to file of Commissioner (Exemption) for fresh consideration, matter in respect of rejection of application under section 80G was also to be remanded back to file of Commissioner (Exemption) for fresh consideration - **Society on Promotion Activation and Research for Scientific Social Helps v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 283 (Delhi - Trib.)
- 4.151** CSR expenses incurred by way of donation given to any eligible charitable trust (except for Swachh Bharat Kosh and Clean Ganga Fund) would be eligible for deduction under section 80G - **Deputy Commissioner of Income-tax v. Phillips Carbon Black Ltd.** - [2025] 175 taxmann.com 352 (Kolkata - Trib.)
- 4.152** Where Commissioner (Exemption) rejected application of assessee-trust for approval under section 80G on ground that presence of certain phrases such as "religious and charitable activities" in trust deed was conclusive of religious character, since Commissioner (Exemption) had not undertaken a purposive reading of trust deed in its entirety or examined whether such objects had ever been acted upon, rejection of application was premature and matter was to be remanded back for fresh adjudication - **Baroda Lakkad Pitha Punch Property Baroda v. Commissioner of Income-tax (Exemption)** - [2025] 175 taxmann.com 386 (Ahmedabad - Trib.)
- 4.153** Where assessee-trust filed an application seeking approval under section 80G(5)(iii) and Commissioner (Exemption) rejected same on ground that assessee was not established solely for charitable purposes, since Commissioner (Exemption) had failed to deal with material placed on record by assessee in response to show cause notice issued by him, impugned order was to be set aside and matter was to be restored to file of Commissioner (Exemption) with a direction to examine assessee's application afresh in accordance with law - **Shri Umedkumari Mandir Trust v. Commissioner of Income-tax, (Exemption)** - [2025] 175 taxmann.com 406 (Ahmedabad - Trib.)
- 4.154** Where assessee satisfied conditions prescribed under section 80G in respect of donees, claim of assessee for deduction of CSR expenses/contributions under section 80G was to be allowed - **Deputy Commissioner of Income-tax v. Hinduja Global Solutions Ltd.** - [2025] 175 taxmann.com 411 (Mumbai - Trib.)

- 4.155** Where Commissioner (Exemptions) had not brought any material on record to show that assessee-trust's activities were not genuine or that conditions as specified under section 80G(5) were not fulfilled, approval under section 80G could not be denied - ***Dhwani Shristi Foundation v. Commissioner of Income-tax (Exemptions)*** - [2025] 175 taxmann.com 454 (Bangalore - Trib.)
- 4.156** Where assessee trust was established with objective of promoting and disseminating basic tenets of Indian culture and spiritual teachings, Commissioner (Exemption) was not justified in denying approval to assessee under section 80G holding that objects of assessee trust were religious in nature - ***Rajinibhai Kanada Memorial Foundation v. Commissioner of Income-tax (Exemption)*** - [2025] 175 taxmann.com 401 (Ahmedabad - Trib.)
- 4.157** Where Commissioner (Exemption) rejected application of assessee-trust for approval under section 80G(5) on ground that assessee-trust had spent more than 5 per cent of its total income on religious purposes, since Commissioner (Exemption) had not provided any opportunity to assessee to explain nature of event expenses, matter was to be remanded back to his file - ***Rajinibhai Kanada Memorial Foundation v. Commissioner of Income-tax (Exemption)*** - [2025] 175 taxmann.com 401 (Ahmedabad - Trib.)
- 4.158** Where Commissioner (Exemption) rejected assessee's application for grant of approval under section 80G on ground that assessee did not have valid registration under section 12A, application was filed belatedly and full details of activities, beneficiaries and expenses were not furnished, since assessee contended that it was having valid registration under section 12A and there was a minor delay of 27 days in light of CBDT Circular No. 7/2024, dated 25-4-2024, extending date for such application, issue was to be remanded back to Commissioner (Exemption) for fresh adjudication - ***Baburao Chandere Social Foundation v. CIT (Exemption)*** - [2025] 175 taxmann.com 571 (Pune - Trib.)
- 4.159** Commissioner (Exemption) could not summarily dispose of application under section 80G along with section 12AB rejection, without recording any satisfaction or finding in terms of section 80G(5) - ***Aruna Kishor Foundation v. Commissioner of Income-tax (Exemption)*** - [2025] 175 taxmann.com 569 (Ahmedabad - Trib.)
- 4.160** Where matter of registration under section 12AB had been remanded for fresh adjudication, its application for approval under section 80G was also to be remanded to Commissioner (Exemption) for reconsideration - ***Chaganam Lalithamma & Bhaskar Rao Memorial Trust v. Dy. CIT*** - [2025] 175 taxmann.com 638 (Hyderabad - Trib.)
- 4.161** Where assessee-trust was established for educational purposes and it applied for approval under section 80G, merely because assessee-trust being an educational institution which received tuition and other fees along with hostel fees, approval under section 80G could not be denied specially when it was established for charitable purposes within meaning of section 2(15) and registration under section 12A had already been granted after verifying genuineness of activities carried out by assessee - ***Dr. T.M.A. Pai Foundation v. Commissioner of Income-tax (Exemptions)*** - [2025] 175 taxmann.com 719 (Bangalore - Trib.)
- 4.162** Where assessee-trust was established for charitable purposes within meaning of section 2(15) and registration under section 12A had already been granted after verifying genuineness of activities carried out by trust, approval under section 80G could not be denied on ground that assessee-trust reported surplus every year which was not utilized towards charitable purposes - ***Academy of General Education v. Commissioner of Income-tax (Exemptions)*** - [2025] 175 taxmann.com 714 (Bangalore - Trib.)
- 4.163** Scope of enquiry by Commissioner (Exemptions) while dealing with application for grant of approval under section 80G extends only to satisfaction of genuineness of activities of such trust/institutions and fulfilment of all conditions laid down in clauses (i) to (v) of section 80G(5) and it does not cover examination of surplus accumulation or its utilization. - ***City Hospital Charitable Trust v. CIT (Exemptions)*** - [2025] 175 taxmann.com 716 (Bangalore - Trib.)
- 4.164** Where Commissioner (Exemptions) rejected application for approval under section 80G(5)(iii) solely on ground that registration under section 12AB was not granted, since order denying registration was set aside, rejection of section 80G approval was also rendered unsustainable and required reconsideration - ***Pragati Education and Charitable Trust v. Commissioner of Income-tax (Exemption)*** - [2025] 175 taxmann.com 896 (Ahmedabad - Trib.)

SECTION 80-IA OF THE INCOME-TAX ACT, 1961 - DEDUCTIONS - PROFITS AND GAINS FROM INFRASTRUCTURE UNDERTAKINGS

- 4.165** Deduction under section 80-IA is to be allowed from gross total income and same cannot be restricted to income computed under head 'Profits and gains of business or profession' - ***Geecee Ventures Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 174 taxmann.com 1285 (Mumbai - Trib.)
- 4.166** Deduction under section 80-IA was to be allowed with reference to gross total income and not to business income alone - ***Deputy Commissioner of Income-tax v. Phillips Carbon Black Ltd.*** - [2025] 175 taxmann.com 352 (Kolkata - Trib.)
- 4.167** Where assessee-company, engaged in owning and operating container freight services (CFS), claimed deduction under section 80-IA on rental income earned from providing office space to various user agencies at its CFS, since user

agencies were covered under permission letter granted by Ministry of Commerce, rental income earned from CFS was considered as income earned from business of eligible industrial undertaking and, hence, was eligible for deduction under section 80-IA - **Seabird Marine Services (P.) Ltd. v. Assistant Commissioner of Income-tax - [2025] 175 taxmann.com 373 (Rajkot - Trib.)**

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

4.168 Where Assessing Officer reopened case of assessee, a cooperative society, on ground of large cash deposit in bank accounts but reassessment was ended with a disallowance of deduction claimed under section 80P, since no addition was made on account of cash deposit, disallowance made by Assessing Officer was not sustainable in law - **Balithal Gram Seva Sahakari Samiti Ltd. v. Income-tax Officer - [2025] 175 taxmann.com 41 (Jaipur - Trib.)**

4.169 Where assessee, a cooperative society carrying out banking business, claimed deduction under section 80P on interest income earned from fixed deposits with cooperative bank, Assessing Officer was to verify mandatory requirement for making FD as per provision of Karnataka Cooperative Societies Act, 1959 and if deposit was found within limit of mandatory requirement, then interest earned from such deposit be allowed - **Income-tax Officer v. Sahakara Nagar Credit Co-operative Society Ltd. - [2025] 175 taxmann.com 77 (Bangalore - Trib.)**

4.170 Where assessee, a cooperative society, claimed deduction under section 80P on rental income, commissions and small other income heads, since said income was not arising from business of assessee as envisaged under section 80P, disallowance was to be confirmed - **Income-tax Officer v. Sahakara Nagar Credit Co-operative Society Ltd. - [2025] 175 taxmann.com 77 (Bangalore - Trib.)**

4.171 Where assessee, a cooperative society, had three classes of members, namely, regular members, associate members and nominal members, since as per section 18 of Karnataka Cooperative Societies Act, 1959, a cooperative society was legally allowed to admit nominal and associate members, their presence would not break mutuality principle - **Income-tax Officer v. Sahakara Nagar Credit Co-operative Society Ltd. - [2025] 175 taxmann.com 77 (Bangalore - Trib.)**

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

4.172 Where assessee filed return declaring income which included certain foreign income taxable at special rates under DTAA, however, Assessing Officer processed return at normal rates without considering special DTAA

rate, since Commissioner (Appeals) merely directed assessee to file rectification application, matter was to be remanded back for proper adjudication of DTAA claim - **Suresh Krishnamoorthy v. Income-tax Officer - [2025] 175 taxmann.com 679 (Cochin - Trib.)**

4.173 Where assessee, a tax resident of Qatar, earned freight income from Indian voyages and claimed TDS credit, since income on which TDS was deducted was not chargeable to tax in India due to provisions of article 8 of India-Qatar Double Tax Avoidance Treaty and nil income reported by assessee was accepted by revenue, assessee should be given credit of TDS amount under section 199(1) - **Milaha Integrated Maritime and Logistics v. Deputy Commissioner of Income-tax (IT) - [2025] 175 taxmann.com 674 (Mumbai - Trib.)**

SECTION 91 OF THE DIRECT TAX VIVAD SE VISHWAS SCHEME, 2024 - FILING OF DECLARATION AND PARTICULARS TO BE FURNISHED

4.174 Where assessee opted to settle case of quantum assessment under DTVSV 2024 and only order for full and final settlement of tax arrears under sub-section (2) of section 92 read with section 93 of Finance (No.2) Act, 2024 was awaited, pending appeal of assessee filed before Tribunal was to be withdrawn - **LM Wind Power Blades (India) (P.) Ltd. v. DCIT - [2025] 175 taxmann.com 584 (Bangalore - Trib.)**

SECTION 92A OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - ASSOCIATE ENTERPRISE, MEANING OF

4.175 Where assessee had AE relationship with Australian company only for period of 2 months during relevant year, TPO was not justified in computing margins for entire period of 12 months, and matter was to be remanded back to TPO for fresh consideration - **Inlogic Technologies (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 721 (Chennai - Trib.)**

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

4.176 AMP expenditure incurred by assessee was not an international transaction and thus, consequent adjustments under BLT method on protective and under TNMM intensity method on substantive basis were to be deleted - **UCWEB Mobile (P.) Ltd. v. Assessment Unit, Income Tax Department - [2025] 175 taxmann.com 146 (Delhi - Trib.)**

4.177 Where assessee had sold goods to its AE and reflected outstanding receivables in its books, but was a debt-free company and had also undertaken transactions with Indian parties on behalf of AE, and since local parties were not paid till date and a net receivable existed, no notional interest could be charged on such outstanding receivables. - **D S Trading Co. v. Income-tax Officer - [2025] 175 taxmann.com 1007 (Ahmedabad - Trib.)**

4.178 Corporate guarantee given by assessee on behalf of its AE in absence of any expenditure being incurred by assessee, would not constitute an international transaction within meaning of section 92B - **Deputy Commissioner of Income-tax v. CCL Products (India) Ltd.** - [2025] 175 taxmann.com 805 (Visakhapatnam - Trib.)

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

4.179 Market value of power supplied by captive power plant to assessee's manufacturing unit should be computed by considering rate at which State Electricity Board supplied power to industrial consumers in open market - **Deputy Commissioner of Income-tax v. Phillips Carbon Black Ltd.** - [2025] 175 taxmann.com 352 (Kolkata - Trib.)

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

4.180 In RPM product similarity is not a vital aspect for carrying out comparability analysis, but operational comparability is to be seen and therefore, product differentiation does not materially affect gross profit margin - **Troy Chemicals India (P.) Ltd. v. Commissioner of Income-tax (Appeals), NFAC** - [2025] 175 taxmann.com 99 (Mumbai - Trib.)

4.181 If Foreign Exchange Fluctuations are in relation to trading items and emanating from international transactions, direct value derived from it cannot be treated as non-operating loss/gain - **Vodafone Global Services (P.) Ltd. v. ACIT** - [2025] 175 taxmann.com 100 (Pune - Trib.)

4.182 Where assessee-company was engaged in business of providing telecommunication networking services (ITES) and selected company was also engaged in business of providing ITES to its clients abroad which was supported by revenue from operations, it was a good comparable to assessee - **Vodafone Global Services (P.) Ltd. v. ACIT** - [2025] 175 taxmann.com 100 (Pune - Trib.)

4.183 Where assessee-company was engaged in business of providing telecommunication networking services (ITES) and selected company was doing both BPO and KPO services, said company was incomparable to assessee-company - **Vodafone Global Services (P.) Ltd. v. ACIT** - [2025] 175 taxmann.com 100 (Pune - Trib.)

4.184 Where assessee-company was engaged in business of providing telecommunication networking services (ITES), a company providing e-publishing services could not be considered as a good comparable - **Vodafone Global Services (P.) Ltd. v. ACIT** - [2025] 175 taxmann.com 100 (Pune - Trib.)

4.185 Where assessee-company was engaged in business of providing telecommunication networking services, a company engaged in rendering business processing and outsourcing services in field of healthcare, could not be a good comparable - **Vodafone Global Services (P.) Ltd. v. ACIT** - [2025] 175 taxmann.com 100 (Pune - Trib.)

4.186 Where assessee had already factored impact of receivables on working capital and, further, on its pricing/profitability, no adjustment could be made on account of outstanding receivables - **UCWEB Mobile (P.) Ltd. v. Assessment Unit, Income Tax Department** - [2025] 175 taxmann.com 146 (Delhi - Trib.)

4.187 Where assessee issued CCDs to its AE and paid interest on same, since CCDs were distinct and separate from share capital and partook character of debt till conversion into equity, TPO was not justified in treating CCDs as equity and determining ALP of interest paid as nil - **UCWEB Mobile (P.) Ltd. v. Assessment Unit, Income Tax Department** - [2025] 175 taxmann.com 146 (Delhi - Trib.)

4.188 Where assessee provided I.T. services to its AEs and received revenue from operations entered with AEs in Foreign Exchange, gain due to foreign exchange fluctuation being directly linked to revenue receipt, there was no reason to exclude foreign exchange gain as non-operating - **Volkswagen Group Technology Solutions India (P.) Ltd. v. National Faceless Assessment Center, Delhi** - [2025] 175 taxmann.com 207 (Pune - Trib.)

4.189 Where assessee, a commercial bank, had issued guarantee to customer based on counter guarantee issued by its associated enterprises (AEs) and had benchmarked this transaction using TNMM as MAM, since data under CUP method was not available and data of margins under TNMM was readily available, it was appropriate to apply TNMM method as MAM, and thus, no transfer pricing adjustment was required - **Australia and New Zealand Banking Group Ltd. v. Deputy Commissioner of Income-tax (International Taxation)** - [2025] 175 taxmann.com 198 (Mumbai - Trib.)

4.190 Where assessee was engaged in business of developing of exporting of software for providing engineering services; information technology enabled services (ITES) and manufacturing of horns and electric motors for elevators applications, company, MCI was to be included in final set of comparables - **Emerson Electric Company (India) (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 175 taxmann.com 199 (Mumbai - Trib.)

4.191 Where ratio of RPT of company, UBM, was less than 25 per cent in financial years 2015-16, 2016-17 and 2017-18, TPO should have included UBM in final set of comparables - **Emerson Electric Company (India) (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 175 taxmann.com 199 (Mumbai - Trib.)

4.192 Where TPO had applied an export filter while selecting comparable companies and had accepted only those companies which had 100 per cent revenue for export of

ITES, since company, Bhilwara, qualified filter applied by TPO, he was required to retain this comparable - **Emerson Electric Company (India) (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 199 (Mumbai - Trib.)**

4.193 Forex loss should be treated as operating expense while computing margins of assessee as well as comparable companies - **Caterpillar India (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 572 (Chennai - Trib.)**

4.194 Where average capacity utilization of comparable companies was as high as 62.38 per cent and even industry average capacity was around 70 per cent whereas capacity achieved by assessee was only 23 per cent, idle capacity adjustment was allowable to assessee - **Caterpillar India (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 572 (Chennai - Trib.)**

4.195 Where selected company was engaged in acquisition/purchase of hardware and software including software as a service and it earned income from products and services, said company could not be accepted as valid comparable to assessee rendering software services - **Caterpillar India (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 572 (Chennai - Trib.)**

4.196 Where TPO applied CUP method and held that ALP of intra-group services would be nil on ground that assessee failed to establish rendition of intra-group services as well as benefits derived from said services, since proper benchmarking was not available in public domain for CUP method, TNMM would be MAM for benchmarking said services - **Bostik India (P.) Ltd. v. DC/ACIT - [2025] 175 taxmann.com 583 (Bangalore - Trib.)**

4.197 Cash flow hedge revenue, not directly related to business operations, was to be treated as non-operating in nature - **Mylan Laboratories Ltd. v. ACIT - [2025] 175 taxmann.com 577 (Hyderabad - Trib.)**

4.198 Once receivables from AEs were treated as international transactions, interest was to be imputed at USD LIBOR plus 200 bps after 90 days, and only for period of actual delay - **Mylan Laboratories Ltd. v. ACIT - [2025] 175 taxmann.com 577 (Hyderabad - Trib.)**

4.199 Where assessee had paid interest on ECBs at LIBOR plus 500 bps, which was within RBI limits, TPO was not justified in applying LIBOR plus 200 bps and making adjustment - **Mylan Laboratories Ltd. v. ACIT - [2025] 175 taxmann.com 577 (Hyderabad - Trib.)**

4.200 Where assessee issued Compulsory Convertible Debentures (CCDs) to its AE at 9.5 per cent interest, which was below prevailing PLR and consistent with

past accepted practice, TPO was not justified in arbitrarily estimating interest at 50 per cent of coupon rate - **Mylan Laboratories Ltd. v. ACIT - [2025] 175 taxmann.com 577 (Hyderabad - Trib.)**

4.201 Where assessee treated goodwill as an intangible asset used in business and claimed depreciation, amortisation was to be considered as operating cost for PLI benchmarking - **Mylan Laboratories Ltd. v. ACIT - [2025] 175 taxmann.com 577 (Hyderabad - Trib.)**

4.202 Where assessee's functions across segments were highly integrated, TNMM at entity level was justified, but only transactions covered under APA could be excluded while benchmarking and not entire segments - **Mylan Laboratories Ltd. v. ACIT - [2025] 175 taxmann.com 577 (Hyderabad - Trib.)**

4.203 Issue of equity shares by an Indian entity to its non-resident AEs being on capital account, transfer pricing provisions under Chapter X would not apply to such transaction - **DCIT CC-4(3) v. Era Realtors (P.) Ltd. - [2025] 175 taxmann.com 180 (Mumbai - Trib.)**

4.204 Where assessee advanced loan to its AE in Dubai, however, it was not clear from documents placed on record as to what was currency in which loan would be repaid, assessee was directed to furnish relevant documents in support to establish currency in which repayment of loan was to take place and based on such evidences TPO would consider manner in which interest attributable to such loan was to be computed - **Gemini Property Developers india LLP v. Income-tax Officer - [2025] 175 taxmann.com 642 (Mumbai - Trib.)**

4.205 Where assessee received management services from its AE and availing of various services from AE and its benefit had been duly substantiated with documentary evidence by assessee, TPO was not justified in treating arm's length price of international transaction pertaining to payment of management service fees to AE to be nil by applying 'rendition test' and 'benefit test' - **DCIT v. ISS Facility Services India (P.) Ltd. - [2025] 175 taxmann.com 669 (Mumbai - Trib.)**

4.206 Where TPO accepted plea of assessee that global client management services were indeed provided to assessee by its AE but only accepted 50 per cent of amount paid by assessee to its AE, since no method under section 92C(1) was followed by TPO for making partial adjustment in respect of payment of global client management fee and same was done merely on ad-hoc basis, TPO was to be directed to delete said transfer pricing adjustment - **DCIT v. ISS Facility Services India (P.) Ltd. - [2025] 175 taxmann.com 669 (Mumbai - Trib.)**

4.207 If assessee availed some of services listed out in composite agreement, it is suffice to prove consideration paid to AE and in case of intra group service payment, TPO does not have an authority to decide whether assessee has derived any benefit from these services or not and authority of TPO is restricted only to determine whether international transaction was at ALP - **NTT India (P.) Ltd. v. Assessment Unit/NFAC/DCIT Circle 15(1)(2) - [2025] 175 taxmann.com 945 (Mumbai - Trib.)**

4.208 Where due to COVID lockdown, goods imported by assessee could not be cleared on timely basis which led to payment of demurrage and detention charges, since demurrage charges were an extraordinary cost, same shall be treated as non-operating in nature - ***D S Trading Co. v. Income-tax Officer*** - [2025] 175 taxmann.com 1007 (Ahmedabad - Trib.)

4.209 Where assessee supplied instant coffee to its AEs and non-AEs in 11 different sizes and charged high price in respect of 6 sizes, however, TPO made ALP adjustment by only comparing price in case of two sizes out of 11 sizes without any proper reasoning for choosing only said two sizes, impugned adjustment made by Assessing Officer was to be deleted - ***Deputy Commissioner of Income-tax v. CCL Products (India) Ltd.*** - [2025] 175 taxmann.com 805 (Visakhapatnam - Trib.)

4.210 Where there was uniformity in act of assessee in not charging interest from both AEs and non-AEs and no undue credit advantage was given to AEs, no adjustments could be made in ALP on account of interest not charged on delayed receivables from AEs - ***Deputy Commissioner of Income-tax v. CCL Products (India) Ltd.*** - [2025] 175 taxmann.com 805 (Visakhapatnam - Trib.)

SECTION 92CA OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - REFERENCE TO TPO

4.211 Reference made by Technical Unit to TPO for determining ALP of international transaction would be in accordance with provisions of Act - ***UCWEB Mobile (P.) Ltd. v. Assessment Unit, Income Tax Department*** - [2025] 175 taxmann.com 146 (Delhi - Trib.)

SECTION 115BBE OF THE INCOME-TAX ACT, 1961 - TAX ON INCOME REFERRED TO IN SECTION 68 TO SECTION 69D

4.212 Where Tribunal held that amended provisions of section 115BBE are prospective in nature and not applicable for assessment year 2017-18, miscellaneous application filed by revenue for rectification of said order of Tribunal which was to review said order and not rectify any apparent mistakes from record under section 254(2) was to be dismissed - ***Deputy Commissioner of Income-tax v. Sanjaybhai Mansukhbhai Patel*** - [2025] 175 taxmann.com 522 (Surat - Trib.)

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

4.213 Excise duty exemption being purely a capital receipt, and not covered within ambit of section 2(24)(xviii), could not be included in book profits for purpose of computing Minimum Alternate Tax (MAT) under section 115JB. - ***DCIT v. P.C. Jeweller Ltd.*** - [2025] 175 taxmann.com 281 (Delhi - Trib.)

4.214 Where capital reduction was carried out by assessee-company for nil consideration, there would not be

deemed dividend under section 2(22)(d) on losses/crystallised losses and said transaction would also not be covered under section 115QA as capital reduction was carried out for nil consideration - ***Seabird Marine Services (P.) Ltd. v. Assistant Commissioner of Income-tax*** - [2025] 175 taxmann.com 373 (Rajkot - Trib.)

4.215 Written-off amount made by assessee in his books of account, where asset does not exist in books of account, does not fall under clause (i) of Explanation 1 to section 115JB(2), for purpose of computing book profit - ***Seabird Marine Services (P.) Ltd. v. Assistant Commissioner of Income-tax*** - [2025] 175 taxmann.com 373 (Rajkot - Trib.)

4.216 Interest subsidy received by assessee under Technology Upgradation Fund (TUF) scheme was a capital receipt and same was not to be included while computing book profit under section 115JB - ***ACIT-6(1)(1) v. Alok Industries Ltd.*** - [2025] 175 taxmann.com 664 (Mumbai - Trib.)

SECTION 115-O OF THE INCOME-TAX ACT, 1961 - TAX ON DIU STRIBUTED PROFITS OF DOMESTIC COMPANIES

4.217 Where assessee-company paid DDT on dividend declared by it and claimed credit of same, since assessee was not claiming benefit of low tax rate prescribed under DTAA, Assessing Officer should grant credit of DDT after verification of challan and Form 26AS and re-compute applicable interest/demand, if any, accordingly - ***Geecee Ventures Ltd. v. Deputy Commissioner of Income-tax*** - [2025] 174 taxmann.com 1285 (Mumbai - Trib.)

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

4.218 Where assessee's vehicle was intercepted by Surveillance Team and cash of Rs. 10 lacs was found in it during election and thereafter requisition was made under section 132A, since procedure prescribed in rule 112F as clarified by CBDT had not been complied with and no certificate had been issued by Investigation Officer, Assessing Officer could not have issued notices under section 153A for six earlier assessment years - ***Vijay Madan Varma v. Assistant Commissioner of Income-tax*** - [2025] 174 taxmann.com 1261 (Mumbai - Trib.)

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

4.219 Where Assessing Officer passed a rectification order to add amount of Rs. 5.30 lakhs to income of assessee on basis of investment in mutual fund, since investment in mutual fund was made by wife of assessee and name of assessee was appearing only as second holder and not as primary holder, impugned rectification order was to be set aside - ***Brig. (Retd.) Jitendra Kumar Narang v. Income-tax Officer*** - [2025] 175 taxmann.com 45 (Pune - Trib.)

4.220 Where Assessing Officer passed an order under section 154 making addition on account of investment in purchase of mutual fund to income of assessee, since Assessing Officer

neither issued notice of hearing to assessee nor provided any opportunity of hearing to assessee before making amendment in order passed under section 143(3), order passed under section 154 was bad in law and deserved to be set aside - **Brig. (Retd.) Jitendra Kumar Narang v. Income-tax Officer - [2025] 175 taxmann.com 45 (Pune - Trib.)**

SECTION 194LD OF THE INCOME-TAX ACT, 1961 - INCOME BY WAY OF INTEREST ON CERTAIN BONDS AND GOVERNMENT SECURITIES

4.221 Where assessee, a foreign company, had subscribed to debt instruments i.e., Non-Convertible Debentures (NCDs), Compulsory Convertible Debenture (CCDs) and Optionally Convertible Debenture (OCDs) issued by its Associated Enterprises (AEs) in India and earned interest income on aforesaid investment in debentures, since what was important for purpose of section 194LD was that security should be rupee denominated, assessee was to be granted benefit of section 194LD in regard to OCD/CCDs also - **Amplus Energy Solutions Pte Ltd. v. ACIT, Circle international tax 1(1)(1) - [2025] 175 taxmann.com 1070 (Delhi - Trib.)**

SECTION 195 OF THE INCOME-TAX ACT, 1961 - DEDUCTION OF TAX AT SOURCE - PAYMENT TO NON-RESIDENT

4.222 Where assessee was a non-resident and its income was subject to tax deduction at source under section 195, it could not be held to be in default in payment of its advance tax liability and, thus, interest under section 234B was not leviable on it - **Deputy Commissioner of Income-tax v. Formula one Marketing II Ltd. - [2025] 175 taxmann.com 91 (Delhi - Trib.)**

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

4.223 Where assessee-trust claimed refund of TDS on ground that TDS deducted was reflected in name of its trustee who had not claimed credit for same, Assessing Officer was to be directed to give due credit to assessee-trust if credit of TDS was in name of trustee and details were given whether money were credited by trustee into account of trust - **Urmilaben H. Dave Disc Family Trust v. Income-tax Officer - [2025] 175 taxmann.com 83 (Ahmedabad - Trib.)**

4.224 Where Assessing Officer denied TDS credit on ground that transactions were not supported with documentary evidences and explanations and assessee submitted that he had filed application for admission of additional evidence along with details/information substantiating claim which could not be submitted before lower authorities, additional evidence submitted by assessee was to be admitted for consideration - **Anil Vasantrao Deshpande v. National e-Assessment Centre, Delhi - [2025] 175 taxmann.com 568 (Panaji - Trib.)**

SECTION 244A OF THE INCOME-TAX ACT, 1961 - REFUNDS - INTEREST ON

4.225 Where assessee inadvertently offered LTCG arising out of transfer of capital asset to its subsidiary as chargeable to tax under section 45 and later claimed that said sale was not taxable, since delay for determination of refund was attributable to assessee, assessee would not be entitled for interest on refund under section 244A - **Assistant Commissioner of Income-tax v. Samast Vikas Ltd. - [2025] 175 taxmann.com 145 (Delhi - Trib.)**

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

4.226 Where assessment order was served on assessee on 7-8-2023 and due date for filing of appeal was 15-9-2023 and assessee filed appeal on 25-8-2023, Commissioner (Appeals) was not right in dismissing appeal on ground of delay - **Madhya Gujarat Vij Co. Ltd. v. Dy. CIT - [2025] 175 taxmann.com 93 (Ahmedabad - Trib.)**

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

4.227 Where Commissioner (Appeals) had passed order in concurrence of order of Assessing Officer without himself going into merits of case, his order was in violation of provisions of section 250(6) - **Ananda Kondu Akhade v. Income-tax Officer - [2025] 175 taxmann.com 69 (Pune - Trib.)**

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

4.228 Where Tribunal dismissed assessee's appeal ex parte due to non-appearance of assessee and same was noted by Tribunal while disposing of appeal and ultimately same was dismissed without giving an opportunity of being heard to assessee, ex parte order was to be recalled and matter was to be remanded back to Assessing Officer for a fresh decision on merits - **Kamla Devi v. Income-tax Officer - [2025] 175 taxmann.com 43 (Jaipur - Trib.)**

4.229 Where there was a delay of 464 days in filing of appeal by assessee before Tribunal and reason stated by assessee in his affidavit showed that assessee was prevented by reasonable cause in not filing appeal within stipulated time, delay in filing of appeal was to be condoned - **Ananda Kondu Akhade v. ITO - [2025] 175 taxmann.com 69 (Pune - Trib.)**

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

4.230 Where AO made disallowances u/s. 35(2AB) and levied penalty on assessee, since assessee disclosed all particulars of above disallowances in its ITR and no details mentioned in ITR were found to be incorrect or erroneous, penalty u/s. 270A was not leviable for under reporting of income - **Akums Drugs and Pharmaceuticals Ltd. v. Asst/DCIT - [2025] 175 taxmann.com 135 (Delhi - Trib.)**

4.231 Where Assessing Officer issued show cause notice under section 274 read with section 270A against assessee stating both under reporting and misreporting of income which were two distinct faults with different consequences, said notice was vague and thus, levy of penalty was held to be ab initio void - **St. Joseph's Educational Trust v. Deputy Commissioner of Income-tax - [2025] 175 taxmann.com 284 (Chennai - Trib.)**

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

4.232 Mere claim of expenditure which was not accepted by revenue, that itself would not amount to furnishing inaccurate particulars regarding income of assessee and no penalty under section 271(1)(c) could be levied - **Pradeep Garg v. Income-tax Officer - [2025] 175 taxmann.com 44 (Jaipur - Trib.)**

SECTION 271DA OF THE INCOME-TAX ACT, 1961 - PENALTY FOR FAILURE TO COMPLY WITH PROVISIONS OF SECTION 269ST

4.233 Where assessee, a tractor dealer, received cash payments exceeding Rs. 2 lakhs from farmers for purchase of tractors, since assessee furnished all

details in respect of sales made by it to various farmers and kept particulars of farmers proving their identity, ID Proof, Aadhar No., land revenue record and agricultural land holding of all farmers, etc. and there was no allegation by Assessing Officer that unaccounted income and black money was introduced by assessee in form of cash sales, impugned penalty under section 271DA imposed on assessee for contravention of section 269ST was to be deleted - **Delta Farm Services v. Income-tax Officer - [2025] 175 taxmann.com 61 (Delhi - Trib.)**

5. Foreign Court

SECTION 411 OF THE TAXES CONSOLIDATION ACT 1997 - GROUP RELIEF

5.1 Where taxpayer companies' parent company was a single member Delaware limited liability company (LLC) which was not liable to tax in US and, therefore, was not resident in US within meaning of article 4 of DTA between Ireland and US, taxpayer companies were not entitled to group relief under section 411 of Taxes Consolidation Act, 1997 - **Susquehanna International Securities Ltd. v. REVENUE COMMISSIONERS. - [2025] 175 taxmann.com 1054 (CA - UK)**

GST & INDIRECT TAXES

1. STATUTORY UPDATES

- 1.1** Delhi GST Dept. shall not pass ex-parte order between 02-06-2025 to 30-06-2025: Circular - **CIRCULAR NO. L&J/MISC/T&T/2024-25/285-86, DATED 03-06-2025**

Editorial Note : The Delhi Government has issued circular to inform that Sales Tax Bar Association will observe a summer break from 02/06/2025 to 30/06/2025, during which no ex-parte orders will be passed due to non-appearance of Counsel/Advocates. The officers should utilize this period for finalizing pending tasks like file weeding and clearing backlogs.

- 1.2** CBIC clarifies exemption of DIN quoting for GST communications with RFN: Circular - **CIRCULAR NO. 249/06/2025-GST [F. NO. GST/INV/DIN-UTILITY/2022-23], DATED 09-06-2025**

Editorial Note : The CBIC has issued a circular stating that communications generated through the GST common portal with a verifiable Reference Number (RFN) do not require a Document Identification Number (DIN). This modifies earlier circulars to avoid redundancy, as RFN serves as a valid, electronically verifiable identifier. Such communications, compliant with Section 169 of the CGST Act, 2017, are deemed valid without DIN.

- 1.3** Delhi GST Dept. issues guidelines for mandatory conduct of virtual personal hearings: Circular - **DT&T CIRCULAR NO. F.3(640)/GST/P&R/2025/348-55, DATED 13-06-2025**

Editorial Note : The Delhi Government has issued a circular mandating virtual personal hearings for all GST proceedings to ensure transparency and efficiency. These hearings will be conducted via platforms such as WEBEX or Google-Meet, with strict protocols in place for both taxpayers and authorities. Physical appearances have been eliminated, except in rare cases approved by the Zonal Incharge.

- 1.4** CBIC clarifies Review and Appeal Process for CAA orders under CGST Act: Circular - **CIRCULAR NO. 250/07/2025-GST [F. NO. CBIC-20010/22/2025-GST], DATED 24-06-2025**

Editorial Note : The CBIC has issued a circular clarifying procedures for review, revision, and appeals of Orders-in-Original by Common Adjudicating Authorities under the CGST Act, 2017. The Principal Commissioner or Commissioner overseeing the CAA is the reviewing and revisional authority, with appeals handled by the Commissioner (Appeals) in the same jurisdiction. DGGI input may be sought before final decisions.

- 1.5** Auto-populated liabilities in GSTR-3B to become non-editable from July 2025; corrections to be made via GSTR-1A: Advisory

Editorial Note : The GSTN has issued an advisory informing taxpayers that effective from July 2025 tax period for which form GSTR 3B will be furnished in August, 2025, the auto-populated tax liabilities in Form GSTR-3B drawn from GSTR-1, GSTR-1A, or IFF will become non-editable. Consequently, any correction to the auto-populated liability must be carried out through GSTR-1A before filing GSTR-3B.

- 1.6** GSTN will prohibit filing of GST returns post three-year expiry from due date in July 2025: Advisory

Editorial Note : GSTN has issued an advisory stating that GST returns (GSTR-1, GSTR-3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR-7, GSTR-8, GSTR-9) cannot be filed after three years from their due date, as per the Finance Act, 2023. This restriction will apply on the GST portal from the July 2025 tax period. Taxpayers must review records and file pending returns promptly to comply.

- 1.7** GST Portal enables system validation for QRMP taxpayers to ensure compliance with refund application filing: Advisory

Editorial Note : The GST Portal implemented a system validation where the IFF invoices for the first two months of a quarter were not recognized while filing refund application. Also, the system was prompting QRMP taxpayers to file return for first two months of current quarter. The technical glitches have been resolved enabling the QRMP taxpayers to file refund applications for invoices with submitted GSTR-3B, while invoices with pending GSTR-3B filings should be excluded.

- 1.8** GSTN issues advisory on amnesty application filing under Section 128A

Editorial Note : GSTN has issued an advisory stating that, as of now, 3,02,658 amnesty applications have been filed under Section 128A. However, some taxpayers are facing technical challenges on the GST portal. To address this, GSTN has provided an alternate filing mechanism and urges taxpayers to report any issues promptly via the GST Self-Service Portal.

- 1.9** GSTN advises taxpayers to file SPL-01/SPL-02 despite payment details and demand amount mismatch

Editorial Note : The GSTN has issued an advisory addressing technical issues in auto-populating payment details in Table 4 of Forms SPL-01/SPL-02. Issues arise with payments made via demand orders, pre-deposits, or GSTR 3B. Taxpayers are instructed to proceed with filing applications, as the GST portal allows submissions despite mismatches, and to upload payment details as attachments for verification by jurisdictional officers.

- 1.10 GSTN to launch E-Way Bill 2.0 Portal from 1st July 2025 that features enhanced E-Way Bill functionalities

Editorial Note : The GSTN has announced the launch of the E-Way Bill 2.0 Portal from 1st July 2025, offering real-time synchronisation alongwith seamless interoperability with the existing portal. It will enable cross-portal operations such as bill generation, validity extension, and transporter updates, ensuring business continuity during technical disruptions.

- 1.11 GSTN issues advisory on handling inadvertently rejected records in IMS

Editorial Note : The GSTN has issued an advisory addressing the handling of inadvertently rejected records in the Invoice Management System (IMS). The recipients can request suppliers to refile wrongly rejected invoices, debit notes, or credit notes in GSTR-1A or subsequent GSTR-1/IFF amendment tables to avail or reverse ITC, with no additional liability for suppliers as differential values are zero.

- 1.12 ICAI launches Practical Guide to GST Disputes to empower CAs in litigation and representation

Editorial Note : The ICAI has launched Practical Guide to GST Disputes to help Chartered Accountants effectively handle GST litigation and representation. The guide covers stages from audit to appeal, emphasizes ethical practice, and explains principles of natural justice and evidence under GST law. It aims to strengthen CAs' role in dispute resolution with practical and legal insights.

2. HIGH COURT

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

- 2.1 Where assessee had provided design and engineering services to its group companies located outside India, same would qualify as export and thereby zero rated supplies; petitioner would be eligible for refund of unutilized ITC on account of such zero rated supplies - **Sundyne Pumps and Compressors India (P.) Ltd. v. Union of India** - [2025] 175 taxmann.com 685 (Bombay)

SECTION 2(4) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ADJUDICATING AUTHORITY

- 2.2 Where petitioner having GST registration and place of business at Indore where search was conducted and further, materials in question were supplied and received in Indore, merely on ground that assessing authority who has passed order in original is stationed at Bhopal, it cannot be held that HC Bench at Indore has no jurisdiction to entertain WP; since authority is situated in Bhopal, Principal Bench at Bhopal also has jurisdiction to entertain WP - **Goyal Trading Co. v. Union of India** - [2025] 174 taxmann.com 1279 (Madhya Pradesh)

SECTION 2(13) OF THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 - INTERMEDIARY

- 2.3 Where Master agreement between Indian software development service provider and its overseas US service recipient clarified that performance by Service Provider would be that of an independent service provider, and nothing in Master Agreement would create or imply an agency relationship between Service Provider and US recipient, nor would this Agreement be deemed to constitute a joint venture or partnership between Parties and service Provider would have no authority (and would not hold itself out as having authority) to bind overseas entity and Service Provider would not make any agreements or representations on behalf of overseas entity, petitioner was not an 'intermediary' - **Athene Technologies India LLP v. State of Karnataka** - [2025] 175 taxmann.com 102 (Karnataka)

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

- 2.4 Where Central Tax authority had initiated proceedings prior in point of time, State Taxes authority could not proceed by carrying out raid and sealing premises of assessee for same cause; only Central Tax authority had jurisdiction and authority to deal with assessee - **Shivalik International v. Joint Commissioner of State Tax and Excise-cum-Proper Officer** - [2025] 175 taxmann.com 479 (Himachal Pradesh)

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

- 2.5 Transfer of leasehold rights of Plot is not taxable under GST as said transaction is equivalent to "sale of land" exempt under Entry 5, Schedule III of the CGST Act, 2017; in Gujarat Chamber of Commerce and Industry v. Union of India [2025] 170 taxmann.com 251 (Gujarat) such assignments are declared non-taxable under GST - **Life Sciences Chemicals v. Union of India** - [2025] 175 taxmann.com 540 (Gujarat)

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

- 2.6 Where for levying GST, findings arrived at by adjudicating authority determining higher turnover of Rs. 694 crore as against assessee's claim of Rs. 116 crore required verification of disputed facts as to what assessee had declared in Form GSTR-1 and what was supplied by way of an information along with reply to show cause notice, instant writ petition was not to be entertained and assessee was to be relegated to alternative remedy of appeal - **Manpasand Beverages Ltd. v. Jt Commissioner** - [2025] 175 taxmann.com 542 (Gujarat)
- 2.7 Paragraph 3(iv) of Notification No. 5050-F(Y) is confined in its application to pre-GST contracts; where petitioner had already made payment of GST amount against gross bills for period 1-7-2017 to 31-3-2019 out of their own pocket, Government Department should reimburse GST component as per paragraph 4 of said Notification - **Pinki Construction v. Additional District Magistrate, Uttar Dinajpur (ZP)** - [2025] 175 taxmann.com 460 (Calcutta)

2.8 Where GST reimbursement was denied to petitioner-government works contractor in GST regime by applying paragraph 3(iv) of Notification No. 5050-F(Y), dated 16-8-2017 issued by Finance Department (Audit Branch), Government of West Bengal and petitioner-contractor claimed that said para 3(iv) is confined in its application to Pre-GST contracts and cannot be invoked to deny reimbursement in respect of contracts executed after 1-7-2017 which are expressly governed by paragraph 4 of very same Notification, Secretary, Public Works Department should revisit issue of reimbursement of GST component in light of Paragraph 4 of said Notification - ***Pinki Construction v. Executive Engineer, North Bengal Development Department - [2025] 175 taxmann.com 458 (Calcutta)***

SECTION 13 OF THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 - SUPPLY - PLACE OF SUPPLY - SERVICES WHERE LOCATION OF SUPPLIER/RECIPIENT IS OUTSIDE INDIA

2.9 Supply of data hosting services provided by service providers located in India to cloud computing service providers located outside India would constitute export - ***Amazon Data Services India (P.) Ltd. v. Assistant Commissioner of CGST - [2025] 175 taxmann.com 103 (Delhi)***

SECTION 15 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SUPPLY - TAXABLE SUPPLY, VALUE OF

2.10 Where Overseas Group Entity seconded employees to assessee and no invoices were raised by petitioner in connection with services provided by foreign entity, Coordinate Bench held that value of such services will be 'deemed' to have been declared as 'nil'; since said decision was not challenged by Department, refund claim was to be granted to assessee - ***Thales India (P.) Ltd. v. Assistant Commissioner of CGST, Delhi - [2025] 175 taxmann.com 118 (Delhi)***

2.11 Discounts given by manufacturers to retailers, prima facie, could not be considered as a consideration for services rendered by retailer to promote goods of manufacturer - ***Vardhman Electronics v. Additional Commissioner, CGST Delhi West - [2025] 175 taxmann.com 148 (Delhi)***

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

2.12 Where fraudulent availment of ITC is involved, writ petition would not be maintainable in view of earlier decision of High Court - ***MHJ Metaltechs (P.) Ltd. v. Central Goods and Services Tax Delhi South - [2025] 174 taxmann.com 1277 (Delhi)***

2.13 Where registration of supplier firm was cancelled subsequent to supply to petitioner-assessee and on inquiry, it was found that no tax was deposited by supplier with Government pursuant to issuance of tax invoice before ITC was claimed, demand was justified - ***Trendships Online Services (P.) Ltd. v. Commissioner Commercial Taxes - [2025] 175 taxmann.com 34 (Allahabad)***

2.14 Merely because a taxpayer availed benefit of credit available in IGST under heads CGST and SGST, there cannot be wrong availment of ITC; where impugned demand order was passed upon assessee for excess claim of ITC and appeal had already been filed, Appellate Authority should dispose of appeal expeditiously considering judicial precedents - ***Grand Hyundai v. State Tax Officer - [2025] 175 taxmann.com 307 (Kerala)***

2.15 Electronic Credit Ledger is in nature of a wallet with different compartments for CGST, SGST and IGST; while utilising ITC for payment of tax under one head, eligible ITC can be claimed under different heads - ***Maniserry Jayachandran v. Union of India - [2025] 175 taxmann.com 21 (Kerala)***

2.16 When purchaser has purchased through tax invoices and made payments through banking channel, thus, discharging his duties diligently, but selling dealer does not deposit tax with government, it is onus upon assessing authority to duly communicate about said fact to his counterpart of selling dealer for initiating action against selling dealer and give benefit to purchaser - ***R.T. Infotech v. Additional Commissioner Grade 2 - [2025] 175 taxmann.com 189 (Allahabad)***

2.17 Where against order passed by Additional Commissioner, raising allegations of fraudulent availment of ITC, petitioner filed writ petition, since similar issue had been decided in past holding that writ petition should not be entertained in such cases, petitioner should avail appellate remedy - ***Superb Industries v. Additional Commissioner CGST - [2025] 175 taxmann.com 32 (Delhi)***

2.18 Where ITC of IGST was denied on ground of mismatch between GSTR-2A and GSTR-3B, since issue of non-availability of utility for submission of IGST at relevant point in time, had not been considered while passing impugned order, petitioner ought to be given an opportunity for fresh adjudication - ***Ypsomed India (P.) Ltd. v. Commissioner of Delhi Goods and Services Tax - [2025] 174 taxmann.com 1284 (Delhi)***

2.19 Where without considering genuineness of transaction by examining relevant documents, ITC claim of assessee had been rejected vide impugned order solely on ground that registration of supplier had been cancelled retrospectively, such order was to be set aside and matter was to be remanded - ***Himalaya Communication (P.) Ltd. v. Union of India - [2025] 175 taxmann.com 324 (Himachal Pradesh)***

2.20 Where adjudicating authority failed to consider reply to show-cause notice along with other documents uploaded by assessee, impugned order in original was to be set aside and

matter was to be remitted for fresh adjudication - **D.R. Patnaik v. Commissioner, GST and Central Excise - [2025] 175 taxmann.com 464 (Orissa)**

- 2.21** Insofar as cases involving fraudulent availment of ITC are concerned, considering burden on exchequer and nature of impact on GST regime, writ jurisdiction ought not to be usually exercised in such cases; appeal before appellate authority would provide a full-fledged remedy - **Rohtas Trading Co. v. Additional Commissioner, CGST - [2025] 175 taxmann.com 219 (Delhi)**
- 2.22** Where assessee was aware of search and investigation but did not file any reply to notice or give explanation to allegations of fraudulent transactions by fake billing, rather alleged that no SCN and no hearing notices were served while a second email which was produced by Department was not even placed on record in writ petition, writ petition was not to be entertained as there was lack of clean hands and need for factual adjudication - **Aushta Enterprises v. Union of India - [2025] 174 taxmann.com 1264 (Delhi)**
- 2.23** Where assessee filed instant petition challenging assessment order denying ITC on ground that supplier had collected tax from assessee and failed to remit same to government, thus no case had been made out under section 74, same was to be dismissed as ITC was to be reversed in such cases and burden to prove genuineness of transaction was on purchasing dealer - **Tvl. Global Offset Printers v. Assistant Commissioner (ST)(FAC) - [2025] 175 taxmann.com 613 (Madras)**
- 2.24** Where impugned order held that assessee had availed excess ITC based on good-less invoices, writ petition could not be entertained as matter involved fraudulent ITC and writ jurisdiction ought not to be exercised in such cases - **Pankaj Polymers v. Commissioner of CGST, Delhi North - [2025] 175 taxmann.com 341 (Delhi)**
- 2.25** Where impugned order was passed against assessee for mismatch of credit availed in GSTR-3B and GSTR-2A, and assessee sought an opportunity to explain mismatch arising out of discount given by supplier, which went unnoticed while filing reply, mismatch of credit availed being interconnected with discount given by supplier, writ petition was not maintainable - **Tvl. PSVS Timbers v. Superintendent, CGST & Central Excise, Tirunelveli - [2025] 175 taxmann.com 939 (Madras)**

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

- 2.26** Where assessee challenged AAR order holding that claim ITC on construction / reconstruction of breakwater wall used for protecting vessel from tides

would not be allowed, in view of retrospective amendment to law by Finance Act, 2023, matter was to be remanded to AAR for fresh consideration - **Konkan LNG Ltd. v. Commissioner of State Tax - [2025] 175 taxmann.com 605 (Bombay)**

- 2.27** Where assessee had wrongly availed ITC but never utilised it and on being pointed out by Anti-Evasion wing, reversed same in its entirety but made an inadvertent error in Form GST DRC 03, such error could be permitted to be corrected; and benefit of reversal was to be granted to assessee - **Kamdhenu Udyog (P.) Ltd. v. Deputy Commissioner of Revenue - [2025] 175 taxmann.com 684 (Calcutta)**
- 2.28** Where proper officer determined ITC reversal without advertent to formulae for computation of ITC in respect of inputs or input services and reversal thereof as provided in rules 42 and 43, also assessee failed to provide reconciliation statement, matter was to be remanded back to Adjudicating Authority for fresh decision - **Hemraj Rice Mill v. Assistant Commissioner, CGST & CX, Bardhaman - [2025] 175 taxmann.com 788 (Calcutta)**
- 2.29** Question whether building constructed for letting on lease would be within meaning of 'plant' as is contemplated under section 17(5)(d) of GST Act, is to be decided by Assessing Officer; impugned order was to be quashed and proceedings were to be restored to Assessing Officer with opportunity to assessee to file a fresh reply - **V R Sundara Murthy v. Commercial Tax Officer, Bangalore - [2025] 175 taxmann.com 929 (Karnataka)**
- 2.30** Where assessee builder reversed ITC in terms of Section 17(2) of GST Act to extent same was attributable to exempt supplies, respondent-authority could not have assumed jurisdiction to issue demand notice on ground that petitioner had failed to reverse ITC; matter was to be remanded back to verify reversal of ITC - **Sharda Construction v. State of Gujarat - [2025] 175 taxmann.com 337 (Gujarat)**

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

- 2.31** Where Show Cause Notice issued for cancellation of GST registration of assessee-company did not specify provisions of Act and Rules allegedly violated so as to enable assessee to give a proper reply, SCN was completely untenable in law; in view of medical exigency faced by Director and fact that no business was carried out, cancellation of GST Registration would only be with effect from date of SCN - **Rasi Innovation Pvt Ltd v. Superintendent, Delhi GST - [2025] 175 taxmann.com 30 (Delhi)**
- 2.32** Where assessee company's GST registration was cancelled due to non-filing of returns during insolvency proceedings, revocation application filed by new management of assessee-company formed as a result of resolution process, was to be reconsidered on filing of returns - **UM Green Lighting (P.) Ltd. v. Commissioner Delhi Goods and Services Tax - [2025] 175 taxmann.com 759 (Delhi)**

- 2.33** Where assessee neither appeared for personal hearing nor moved for adjournment on date fixed in notice, cancellation of registration could not be said to be bad on ground of not providing opportunity of personal hearing - **Bhaiyalal Contractors v. State of UP - [2025] 175 taxmann.com 54 (Allahabad)**
- 2.34** Where in writ petition challenging order cancelling registration, issue of limitation in filing appeal was decided and review petition was filed by assessee on ground that issue regarding absence of signature on cancellation order was not decided, in view of fact that it was digitally signed and name and designation of officer was appearing clearly, review petition was without merit - **Aditya Madaan v. Commissioner CGST GST Commissionerate Delhi - [2025] 175 taxmann.com 109 (Delhi)**
- 2.35** Where assessee had applied for cancellation of GST registration but he subsequently passed away, department should consider said application and pass order - **Yogesh Bansal v. Assistant Commissioner Ward 63 State Goods and Service Tax - [2025] 175 taxmann.com 120 (Delhi)**
- 2.36** Where 6 months back, State GST department had issued show cause notice to assessee and suspended registration but despite repeated request for restoration, State GST department gave no response, rather took plea that Central GST department had issued an alert, State GST department was directed to take decision within 1 month after receiving reply from assessee, - **ST Enterprises v. Commissioner of State GST and VAT - [2025] 175 taxmann.com 115 (Delhi)**
- 2.37** Where Show cause notice was issued for cancellation of registration on ground of non-filing of return for continuous period of six months, whereas order of cancellation was passed on a totally new ground that no business was performed on declared place, impugned order was to be set aside - **Pragya Publicity Center v. State of U.P. - [2025] 175 taxmann.com 188 (Allahabad)**
- 2.38** Where assessee's registration was cancelled for non-filing of returns for more than six months, on assessee furnishing all pending returns and making full payment of tax dues along with interest and late fee, concerned authority should consider application of assessee for restoration of registration - **Nuruddin Ahmed Pathan v. State of Assam - [2025] 175 taxmann.com 216 (Gauhati)**
- 2.39** Where petitions for quashing SCN and for stay were alleged to have been filed by fictitious persons using forged Aadhaar cards, matter was to be listed - **S R Enterprises v. Principal Commissioner of Goods and Service Tax, East Delhi - [2025] 175 taxmann.com 190 (Delhi)**
- 2.40** Where assessee was ready and willing to furnish all pending returns and to make full payment of tax along with applicable interest and late fee, concerned authority should drop proceedings and pass order for restoration of GST registration - **Debasish Boruah v. Union of India - [2025] 175 taxmann.com 317 (Gauhati)**
- 2.41** Where registration was cancelled for non-filing of returns for a continuous period of six months, on furnishing all pending returns and making full payment of tax dues along with applicable interest and late fee, cancelled registration was to be restored - **Dilip Sharma v. Union of India - [2025] 175 taxmann.com 319 (Gauhati)**
- 2.42** Where proper officer, while cancelling GST registration, had not assigned any reason, order was not in conformity with procedure prescribed in Form GST REG-19, matter was to be re-adjudicated - **Bibhawori Baruah v. Union of India - [2025] 175 taxmann.com 316 (Gauhati)**
- 2.43** Where SCN was issued seeking to cancel registration of petitioner-firm on ground that petitioner-firm was found to be non-functional during investigation but petitioner prayed that there may be a fresh inspection of premises, petitioner was to be granted a personal hearing and proceedings were to be concluded within three months as as petitioner's firm had come to a standstill due to suspension of registration - **Alfa Enterprises v. Principal Commissioner - [2025] 175 taxmann.com 463 (Delhi)**
- 2.44** Where Assessee's registration was cancelled due to non-filing of returns which assessee pleaded due to financial constraint and physical sickness, since impugned order was passed without any hearing and assessee was ready to pay all dues, matter was to be re-adjudicated - **Sarany v. Commercial Tax Officer, Mudukulathur - [2025] 175 taxmann.com 415 (Madras)**
- 2.45** Where registration was cancelled for non-filing of returns for more than six months, GST registration of assessee was allowed to be restored on payment of tax, interest, penalty and fine and filing of all pending returns - **Venkatesan v. Commercial Tax Officer, Villupuram - [2025] 175 taxmann.com 552 (Madras)**
- 2.46** Where assessee's GST registration was cancelled, same was allowed to be restored on payment of tax, interest, penalty and fine and filing of all pending returns - **MSA Corporation v. Superintendent of CGST and Central Excise, Sivakasi - [2025] 175 taxmann.com 556 (Madras)**

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

- 2.47** Where assessee's registration was cancelled, in view of fact that assessee had submitted his GST returns up to month in which his registration was cancelled and had paid dues, department should intimate assessee if any statutory dues were still pending and upon payment of said dues, GST registration of assessee should be restored - **Jenia Namchoom v. Union of India - [2025] 174 taxmann.com 1274 (Gauhati)**

2.48 Where assessee's application for revocation of cancelled registration was pending for a long time and personal hearing was not granted, it was to be directed that after affording assessee a personal hearing, revocation application was to be decided within two months - **Aniankita Export (P.) Ltd. v. Superintendent Range - 126, Delhi (West) Commissionerate - [2025] 175 taxmann.com 223 (Delhi)**

2.49 Where assessee's GST registration was cancelled without issuing any show-cause notice to them, authorities should verify whether any further amount was due from assessee and on payment of same, registration should be restored - **Devendra Singh Rathore v. CGST and CX, Arunachal Pradesh - [2025] 175 taxmann.com 228 (Gauhati)**

2.50 Where registration of assessee was cancelled, assessee was to be allowed to approach competent authority for restoration of registration subject to completing requisite formalities such as filing of returns, deposit of tax etc. - **Paramjeet Singh v. Union Territory of J & K - [2025] 175 taxmann.com 469 (Jammu & Kashmir and Ladakh)**

2.51 Where due to severe mental stress and physical illness, petitioner was unable to conduct business and file returns and further, assessee was unaware of SCN which was not served in physical form and was uploaded on GST portal and, hence, assessee was unable to respond to subsequent SCN, since reasons appeared to be genuine, cancelled registration was to be restored - **Palaniswamy Gayathri v. Assistant Commissioner, Tirupur - [2025] 175 taxmann.com 779 (Madras)**

2.52 Where assessee's application for revocation of cancellation of registration was rejected for non-appearance, in view of fact that assessee could not appear due to health issues, assessee was to be given another opportunity; however, assessee was to be directed to pay cost as he approached High Court belatedly - **Mohamed Hanifa Anwar Ali v. Assistant Commissioner of CGST and C Excise - [2025] 175 taxmann.com 724 (Madras)**

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

2.53 Where assessee utilized IGST credit for payment of CGST and SGST liabilities, but same was disallowed, in view of fact that ITC in electronic credit ledger could be treated as a common pool, which might be utilised for payment of different types of taxes such as CGST, SGST, and IGST, matter was to be re-adjudicated - **S & D Sales Marketing v. Deputy Commissioner of State Tax, PALAKKAD - [2025] 175 taxmann.com 509 (Kerala)**

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

2.54 Where writ petition was filed against order confirming demand of interest and imposing penalty for delayed payment of tax, assessee was to be directed to pay interest, however liberty was granted to challenged impugned order insofar imposition of penalty was concerned - **G.P. Construction v. Commissioner CGST and Central Excise - [2025] 175 taxmann.com 933 (Madras)**

2.55 Where tax amount was credited in Electronic Cash Ledger before due date, no interest liability would arise even if said tax amount is debited later while filing return after due date - **Tamilnadu State Transport Corporation (Villupuram) Ltd. v. Additional Commissioner of Central Tax, Chennai - [2025] 175 taxmann.com 628 (Madras)**

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

2.56 Where appellate authority had permitted refund and department had not challenged same, department could not withhold refund on basis of its opinion under section 54(11) for purported protection of Revenue's interest - **JVG Technology (P.) Ltd. v. Commissioner CGST - [2025] 174 taxmann.com 1275 (Delhi)**

2.57 Where in 2018 under wrong understanding of distribution of ITC through ISD, assessee inadvertently deposited money in Electronic Cash Ledger, but till 2025, department had not refunded same, department was directed to credit assessee's bank account with refund amount along with 6% interest for default/delayed period; if department failed to credit said amount to bank account of assessee by date stipulated by court, interest would be liable to be paid at rate of 18 per cent per annum thereafter - **Matrix Cellular (International) Services (P.) Ltd. v. Principal Commissioner State Tax - [2025] 175 taxmann.com 26 (Delhi)**

2.58 Where department had alleged delay in refund process as there was delay in issuance of acknowledgement and also in issuance of refund after issuance of acknowledgement, department was to be directed to process refund by next date of hearing - **M.D. Securities (P.) Ltd. v. Sales Tax Officer Avato - [2025] 175 taxmann.com 55 (Delhi)**

2.59 Refund claim of unutilised ITC cannot be denied merely because business is closed - **SICPA India (P.) Ltd. v. Union of India - [2025] 175 taxmann.com 371 (SIKKIM)**

2.60 By Notification No. 20/2024, CGST (2nd Amdt.) Rules, 2024 had been notified and as per Rule 10 of said Rules, Rule 96(10) of CGST Rules, 2017 has been omitted with prospective effect; recommendations of GST Council to omit Rule 96(10) prospectively would apply to all pending proceedings and cases - **Addwrap Packaging (P.) Ltd. v. Union of India - [2025] 175 taxmann.com 592 (Gujarat)**

2.61 Where petitioner repeatedly asked for and submitted final representation seeking refund of IGST paid on exports,

Competent Authority was to be directed to pass final orders on merits - **Mahavir Distributors v. Commissioner of Customs** - [2025] 175 taxmann.com 606 (Madras)

SECTION 56 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - REFUND - DELAYED REFUNDS, INTEREST ON

- 2.62 Interest for delay in processing refund would be granted for entire period except for period which petitioner took to respond to deficiency memo - **M S G S Industries v. Commissioner of Central Tax and GST** - [2025] 175 taxmann.com 24 (Delhi)

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

- 2.63 Where despite final report having been published by Central Authority, State authority initiated audit proceeding against assessee for self same period, writ petition of assessee was to be listed and state authorities were to be restrained from proceeding further till disposal of petition - **Niraj Kumar Jaiswal v. Deputy Commissioner of State Tax, Bureau of Investigation (S.B.)/H.Q.** - [2025] 175 taxmann.com 466 (Calcutta)

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

- 2.64 Where DGGI and Income Tax Department had issued their respective notices, petitioner firms were free to defend their position with said Departments by replying to concerned show cause notices; no ground for interference with ongoing proceedings was made out - **N.P. Industries v. Union of India** - [2025] 175 taxmann.com 215 (Delhi)

- 2.65 Where taxpayer was registered and only a notice in DRC-1A was issued, but no show cause had yet been issued, taxpayer was not entitled to any interim order - **Moushumi Sen v. Union of India** - [2025] 175 taxmann.com 397 (Calcutta)

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

- 2.66 Where investigation about alleged ITC fraud was taken up by department way back in year 2020, but no criminal complaint had been filed till date, bail granted to accused person was to be upheld - **Directorate General of GST Intelligence v. Sunny Jain** - [2025] 175 taxmann.com 116 (Delhi)

- 2.67 Where petitioners involved in racket of fake invoicing, thereby causing loss to government exchequer through fraudulent ITC claims, were in custody for more than 6 months, in view of fact that evidence to be rendered by respondent would essentially be documentary and

electronic, which would be through official witnesses and there was no apprehension of tampering, intimidating or influencing witnesses, bail was to be granted subject to appropriate conditions - **Narinder Kumar Joshi v. Directorate General, Goods & Service Tax Intelligence** - [2025] 175 taxmann.com 186 (Punjab & Haryana)

- 2.68 Where accused was involved in large scale GST evasion and other co-accused persons were evading notices and there was possibility of applicant tampering with evidence, bail application was to be rejected - **Ravi Goyal v. State of M.P.** - [2025] 175 taxmann.com 218 (Madhya Pradesh)

- 2.69 Where applicant was arrested even before complaint was registered and was in jail since one and a half month, in view of fact that statements were recorded, relevant documents were seized and assessee had also deposited 1.73 crore with department, applicant was to be released on regular bail - **Akash Parshottambhai Patel v. State of Gujarat** - [2025] 175 taxmann.com 321 (Gujarat)

- 2.70 Where petitioners were accused of committing offence by running a racket of issuing fake invoices and claiming ITC without supply of goods, in view of fact that evidence in case of this nature would essentially be documentary and electronic through official witnesses and thus, there could not be any apprehension of tampering, intimidating or influencing witnesses; petitioners were entitled to be released on bail - **Pawan Kumar v. State of Punjab** - [2025] 175 taxmann.com 187 (Punjab & Haryana)

- 2.71 Where applicants were arrested in a complaint alleging fraudulent avilment of ITC much over Rs. 5 crores clearly crossing statutory threshold for denial of bail at threshold stage, since evidences were largely electronic and documentary which presented unique vulnerabilities while investigation was ongoing, it was not appropriate to grant bail to assessee - **Samir Kumar Sahu v. Union of India** - [2025] 175 taxmann.com 478 (Orissa)

- 2.72 Where accused was in custody for over two and half months for offence of issuing fake invoices and claiming ITC and ultimately making evasion of GST, in view of fact that charge sheet had already been filed while trial was not yet started and trial would take long time as 46 witnesses were to be examined, in absence of extraordinary circumstances, bail was to be granted as trial would take long time - **Rajesh Agarwal v. State of Rajasthan** - [2025] 175 taxmann.com 610 (Rajasthan)

- 2.73 Where charge-sheet was filed and trial might take considerable time, assessee was to be enlarged on bail - **Ankur Agrawal v. Union of India** - [2025] 175 taxmann.com 666 (Rajasthan)

- 2.74 Where in respect of alleged offence committed by accused, bulky documents were relied upon by Authority, trial was likely to take considerable time; accused was granted conditional bail - **Mahesh Sharma v. Union of India** - [2025] 175 taxmann.com 735 (Rajasthan)

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

- 2.75** Summary of show cause notice in GST DRC-01 is not a substitute of show cause notice to be issued under section 73(1); order passed without issuance of show cause notice and without giving opportunity of hearing was not sustainable - **Merle Construction and Marketing (P.) Ltd. v. State of Assam** - [2025] 174 *taxmann.com* 1271 (Gauhati)
- 2.76** Summary of show cause notice issued under GST DRC-01 is not a substitute of show cause notice issued under section 73(1) of CGST Act, 2017; summary of order passed without giving opportunity of hearing is not sustainable - **Assam Enterprise v. State of Assam** - [2025] 174 *taxmann.com* 1273 (Gauhati)
- 2.77** In absence of service of reminder notice, petitioner was denied opportunity to put up its defence so as to justify no liability of tax qua business of trading and sale under GST; demand order passed by assessing officer was to be taken as notice to enable assessee to file objections and place its documents before assessing officer for consideration - **Som Fragrances (P.) Ltd. v. State of U.P.** - [2025] 175 *taxmann.com* 59 (Allahabad)
- 2.78** Where impugned order was passed without considering reply of assessee and without providing proper opportunity of hearing to assessee, said order was to be set aside and matter was to be remanded for reconsideration - **Supper Club v. Govt. of NCT of Delhi** - [2025] 175 *taxmann.com* 117 (Delhi)
- 2.79** An incorrect description of a document, by itself, does not negate its substantive content; SCN issued under section 73 of CGST Act could not be quashed merely because document was inadvertently titled as 'Summary of Show Cause Notice', particularly when reminders given to petitioner made it clear that earlier document was a SCN - **Pankaj Garg v. Sales Tax Officer** - [2025] 175 *taxmann.com* 217 (Delhi)
- 2.80** Where impugned order was passed after duly affording opportunity to file reply and attend personal hearing, assessee should challenge same filing appeal before appellate authority - **Bharat Construction and Tank Cleaner v. Commissioner Delhi Goods and Service Tax** - [2025] 175 *taxmann.com* 225 (Delhi)
- 2.81** Where Petitioner was given sufficient opportunities to be heard, writ petition against order raising demand could not be sustained as impugned order was appealable under section 107 - **Electromag v. Avato Ward 63 State Goods and Service Tax** - [2025] 175 *taxmann.com* 229 (Delhi)
- 2.82** Where assessee filed reply to show cause notice, but without considering same, authority passed order confirming demand and attaching bank account based on a presumption that assessee has not filed reply and therefore, it was deemed to be assessee's agreement with show cause notice, impugned order was to be set aside - **Assam Auto Spares v. State of Assam** - [2025] 175 *taxmann.com* 322 (Gauhati)
- 2.83** Writ petition filed against order passed under section 73(9) was not maintainable as an appeal remedy is provided under section 107 of CGST Act - **R.S. Enterprises v. Assistant Commissioner of Commercial Taxes** - [2025] 175 *taxmann.com* 342 (Karnataka)
- 2.84** Where impugned order was passed by adjudicating authority in a detailed manner and after consideration of all facts and circumstances available before authority, same merited no interference of writ Court; challenge to impugned order was to be raised before appellate authority - **Goyal Brothers v. Commissioner Delhi Goods and Service Tax** - [2025] 175 *taxmann.com* 320 (Delhi)
- 2.85** Where demand order indicated that reply filed by assessee was not satisfactory as supporting documents like e-way bill, invoices, bank statements, purchase register, etc. were not submitted, impugned order did not merit any interference in writ petition; same was to be challenged in appeals - **M V Metals v. Commissioner Delhi Goods and Service Tax** - [2025] 175 *taxmann.com* 332 (Delhi)
- 2.86** Where impugned demand order was passed without considering assessee's reply and, thus, without providing reasons for holding assessee's reply as non-satisfactory, demand order was to be set aside and matter was to be remanded for reconsideration - **Puneet Goyal v. Union of India** - [2025] 174 *taxmann.com* 1278 (Delhi)
- 2.87** Where notice was issued to assessee raising demand of IGST along with SGST and CGST, however impugned order was passed disclosing no demand of IGST and substantially increasing CGST and SGST amount, matter was to be listed and impugned order was to remain stayed till next date of hearing - **Ntt Cloud Voice and Communications India (P.) Ltd. v. State of U.P.** - [2025] 175 *taxmann.com* 467 (Allahabad)
- 2.88** Where irregularities highlighted against assessee pertained to availing ITC under wrong heads, fresh order was to be passed after affording assessee a reasonable opportunity of hearing - **Golden Traders v. Assistant State Tax Officer** - [2025] 175 *taxmann.com* 603 (Kerala)
- 2.89** Where mismatch between GSTR1 and GSTR 3B returns was alleged and tax demand was confirmed without considering remittance made by assessee by way of debit from ECL, matter was to be re-adjudicated - **Tvl. Prabha Drug House v. Assistant Commissioner (ST) (FAC)** - [2025] 175 *taxmann.com* 780 (Madras)

2.90 Where proper officer passed ex parte order without affording assessee an opportunity of personal hearing despite assessee having sought adjournment and request for personal hearing, said order was to be set aside and matter was to be remanded - **Howrah Chemical & Solvent v. Joint Commissioner, Commercial Taxes - [2025] 175 taxmann.com 789 (Calcutta)**

2.91 Where company decided to close its business and went into voluntary liquidation and Liquidator had informed department to submit claims but authority issued notice raising demand in name of said company after it was dissolved, proceedings against dissolved company was not tenable - **Pratik Surendrakumar Shah v. State of Gujarat - [2025] 175 taxmann.com 781 (Gujarat)**

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

2.92 Demand for different financial years cannot be raised through a consolidated order; department should issue separate demands for each financial year - **India News Media (P.) Ltd. v. Assistant Commissioner Okhla Division CGST Delhi - [2025] 174 taxmann.com 1269 (Delhi)**

2.93 Where in first round, SCN was issued only with respect to transactions involving Petitioner's proprietary concern and another concern, but subject matter of second SCN was of a much bigger network of entities alleged to be fraudulently availing ITC of Rs.1,000 crores, second SCN was valid; challenge against second order being appealable WP was not maintainable - **Preeti Khanna v. Additional Commissioner of CGST - [2025] 175 taxmann.com 29 (Delhi)**

2.94 Where during investigation, petitioner admitted to issuing invoices to certain firms without knowing actual delivery locations or verifying genuineness of recipient firms and despite receipt of SCN and all Relied Upon Documents and grant of multiple opportunities for personal hearing, petitioner failed to file any reply to notice or appear on schedule dates, writ petition against impugned order u/s. 74 was not maintainable; as issues involved disputed question of facts, appellate remedy might be availed by assessee - **Sheetal and Sons v. Union of India - [2025] 175 taxmann.com 597 (Delhi)**

2.95 Where in case of ITC fraud creating fake firms, assessee was aware of proceedings before adjudicating authority, but had not made any efforts on its own to appear for personal hearing, WP against order passed u/s. 74 could not sustain; assessee was to be relegated to remedy of filing appeal - **Ramesh Kumar Wadhera v. DD Int Directorate General of GST Intelligence - [2025] 175 taxmann.com 113 (Delhi)**

2.96 In **Vadilal Enterprises Ltd. v. State of U.P.** [Writ Tax No. 2486 of 2025, dated 23-5-2025], same officer in identical circumstances, while deciding notice u/s. 73, finding paucity of time, left issues undecided and issued notice u/s. 74; following said order, in instant case also notice issued u/s. 74 was to be quashed - **Bharat Mint & Allied Chemicals v. State of U.P. - [2025] 175 taxmann.com 182 (Allahabad)**

2.97 When none of exceptional circumstances like breach of fundamental rights, violation of principles of natural justice, excess of jurisdiction or challenge to vires of statute or delegated legislation were established, WP challenging order-in-original could not be entertained; decision in case pending before HC in **Quest Infotech Pvt. Ltd. & Anr. v. Union of India** [W.P.(C) No. 4392 of 2025, dated 30-5-2025] would bind future proceedings, if assessee chose to go in appeal against impugned order - **Jasmeet Trading Company v. Additional Commissioner, CGST, Delhi North - [2025] 175 taxmann.com 210 (Delhi)**

2.98 Where demand qua reversal of availed ITC and demand qua utilisation of ITC were one and same thing but two had been separately demanded in impugned order, assessee was to be relegated to Appellate Authority - **Lala Shivnath Rai Sumerchand Confectioner (P.) Ltd. v. Additional Commissioner, CGST Delhi-West - [2025] 175 taxmann.com 211 (Delhi)**

2.99 In case of alleged avilment of fraudulent ITC, question involved as which of entities of assessee i.e., Delhi entity or Gurgaon entity availed of ITC and what would be impact of same, such questions required a closer scrutiny of facts; appellate remedy being available writ petition could not be entertained - **VAB Apparel LLP v. Additional Commissioner, Adjudication (DGGSTI) - [2025] 175 taxmann.com 221 (Delhi)**

2.100 Merely because department had sought further explanation, and not a word was indicated that petitioner had committed fraud or given wilful misstatement or suppressed material facts, which are ingredients based on which provisions of section 74 can be invoked, notice issued u/s. 74 could not be sustained - **Vadilal Enterprises Ltd. v. State of U.P. - [2025] 175 taxmann.com 784 (Allahabad)**

2.101 Where several parties in collusion with each other had enabled false avilment of ITC and along with petition filed by assessee, four other petitions arose from same SCN which was sent along with entire set of Relied upon Documents to one of petitioners but assessee had falsely submitted that no SCN was issued to assessee at all and had, thus, concealed fact, petition seeking exercise of writ jurisdiction was not to be entertained - **Sharad Narula Proprietor v. Union of India - [2025] 175 taxmann.com 513 (Delhi)**

2.102 Where assessee submitted that they had paid disputed tax long before issuance of SCN together with interest and therefore, imposition of penalty was not acceptable, since disputed questions of fact were involved, WP was to be dismissed and appeal remedy was to be availed - **Viha Hotels (P.) Ltd. v. Assistant Commissioner of GST and Central Excise - [2025] 175 taxmann.com 730 (Madras)**

2.103 Where notice issued to assessee was uploaded on portal under view additional notice tab and assessee having failed to notice same could not file reply resulting in impugned order fastening liability of tax and penalty, same was to be treated as notice to enable assessee to file his objections and fresh decision was to be taken - **Vedika Guest House v. State of U.P.** - [2025] 175 taxmann.com 860 (Allahabad)

SECTION 75 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEMANDS AND RECOVERY - GENERAL

2.104 A mere plea by Petitioners that opportunity for three hearings were not given cannot be accepted when admittedly one of hearings was in fact attended by Petitioners - **MHJ Metaltechs (P.) Ltd. v. Central Goods and Services Tax Delhi South** - [2025] 174 taxmann.com 1277 (Delhi)

2.105 Where impugned order recorded that no reply was filed by assessee and personal hearing was not availed either, considering reminder being issued, it was only after sufficient opportunities were provided, that Adjudicating Authority had proceeded to pass impugned order ex-parte; HC would not interfere with impugned order under writ jurisdiction; however, impugned order was appealable u/s. 107 - **Parshuram Yadav v. Superintendent GST officer** - [2025] 175 taxmann.com 28 (Delhi)

2.106 Where assessee did not respond to SCN in time and by time a reply was sent, order-in-original was passed though not yet uploaded on portal but assessee's reply available with AO was not taken into consideration and further assessee's application for rectification was rejected without communicating any reasons, impugned order-in-original and order rejecting rectification application were to be set aside - **Upendra Mahato v. Union of India** - [2025] 175 taxmann.com 695 (Calcutta)

2.107 Where demand created against assessee in impugned order was in excess of demand proposed in SCN, same could not be sustained for being in violation of section 75(7) - **Unique Computer & Communication Shop v. State of U.P.** - [2025] 175 taxmann.com 119 (Allahabad)

2.108 Where SCN 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 - **Landmark Traders (P.) Ltd. v. Union of India** - [2025] 175 taxmann.com 110 (Delhi)

2.109 Where during reactivation process of cancelled registration as per HC's order, assessee received a letter stating that there was a liability of Rs. 37,58,737 pending against assessee, since assessee was not aware of said order raising demand of tax, interest and penalty, assessee was permitted to file appeal - **Chetan Asrani v. Sales Tax Officer** - [2025] 175 taxmann.com 183 (Delhi)

2.110 Where SCN 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 - **Zana International v. Union of India** - [2025] 175 taxmann.com 222 (Delhi)

2.111 Where demand of ITC fraudulently availed was raised and penalties were imposed which assessee challenged on ground that SCN and impugned order was passed by different authorities; and that consolidated SCN was issued for multiple financial years and consequent impugned order was passed, since these pleas could be raised in appeal, assessee should file appeal; WP was not maintainable - **Mahavir Metal House v. Additional Commissioner, CGST, Delhi North** - [2025] 175 taxmann.com 213 (Delhi)

2.112 Where SCN 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 - **Menka Chaturvedi v. Sales Tax Officer Avato, Delhi** - [2025] 175 taxmann.com 214 (Delhi)

2.113 Where very specific issues were raised by assessee in reply to SCN that no excess ITC was claimed but same were not considered in impugned order, personal hearing was to be afforded to assessee - **Adam Smith Commodities (P.) Ltd. v. Commissioner of Delhi GST** - [2025] 175 taxmann.com 291 (Delhi)

2.114 Where Petitioner submitted that intimation notices, show cause notices and reminder notices were not served on petitioner by tender or sending by RPAD, instead these were uploaded in GST Portal, thereby, assessee was unaware of demand proceedings, an opportunity to object to same was to be granted to assessee, subject to deposit of disputed tax - **Tvl. Sri Kumaran Tiles Bazaar v. Deputy State Tax Officer - I** - [2025] 175 taxmann.com 331 (Madras)

2.115 Where assessee submitted that assessee had filed a reply to SCN, but assessee did not get a proper opportunity to be heard, matter deserved to be re-adjudicated - **Bee Sons Traders v. Commissioner Delhi GST** - [2025] 175 taxmann.com 323 (Delhi)

2.116 Where SCN and all other allied communications were uploaded only on GST portal under wrong tab and, hence, assessee was not aware of issuance of it and failed to respond, concerned authority should have explored possibility of sending notices by way of other modes prescribed in section 169 of GST Act, preferably by way of RPAD; Asst. order passed without affording any opportunity of personal hearing to assessee was not sustainable - **Tvl. Dee Dee Creations v. Deputy State Tax Officer, Tiruppur** - [2025] 175 taxmann.com 318 (Madras)

2.117 Where in adjudication proceedings, neither assessee filed any reply nor adjudicating authority provided any opportunity of personal hearing to assessee, matter was to be re-adjudicated - **Ms Millenia Lifescience v. Avato Ward 53 SGST** - [2025] 175 taxmann.com 333 (Delhi)

2.118 Where show cause notice was uploaded only on GST portal and assessee was not aware of issuance of said show cause notice and hence, failed to respond, concerned authority should have explored possibility of sending notices by way of other modes prescribed in section 169 of GST Act, preferably by way of RPAD; assessment order passed without affording any opportunity of personal hearing to assessee was not sustainable - *Tvl. S.M. Tex v. Deputy State Tax Officer-2* - [2025] 175 taxmann.com 336 (Madras)

2.119 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 - *Sparkle Gold v. Commissioner of Delhi Goods and Services Tax* - [2025] 175 taxmann.com 343 (Delhi)

2.120 Where show cause notice was uploaded only on GST portal and assessee was not aware of issuance of said show cause notice and hence, failed to respond, concerned authority should have explored possibility of sending notices by way of other modes prescribed in section 169 of GST Act, preferably by way of RPAD; assessment order passed without affording any opportunity of personal hearing to assessee was not sustainable - *Venkateswara Textiles & Readymades v. Deputy State Tax Officer-1* - [2025] 175 taxmann.com 346 (Madras)

2.121 Where against assessee authorities contemplated an adverse order, but opportunity of personal hearing was not given to assessee and assessment order was passed, since order affected civil rights of assessee, assessment order was not sustainable; matter was to be remanded - *Sri Sai Vishwas Polymers v. Deputy Commissioner* - [2025] 175 taxmann.com 477 (Uttarakhand)

2.122 Where assessee's registration was cancelled and it stopped business and thus, it was unaware notice and consequent demand order, impugned order was to be set aside; matter was to be re-adjudicated on merit of assessee's reply to show cause notice - *Sri Ganapathy Textiles v. Deputy State Tax Officer, Karur* - [2025] 175 taxmann.com 553 (Madras)

SECTION 76 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEMANDS AND RECOVERY - TAX COLLECTED BUT NOT PAID TO GOVERNMENT

2.123 Where assessee informed authorities that it was unable to avail and utilize ITC while discharging its Output Tax liability due to non-filing of GSTR-1 by service provider, GST authorities were bound to take action against R-6 under sub-section (2) of section 76 forthwith - *R.K. Transport & Constructions Ltd. v. State of Jharkhand* - [2025] 175 taxmann.com 609 (Jharkhand)

SECTION 78 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEMANDS AND RECOVERY - INITIATION OF RECOVERY PROCEEDINGS

2.124 Where recovery of GST demand from Electronic Credit/Cash Ledger was made within four days of dismissal of appellate order without waiting for mandatory three-month period to pay u/s. 78 and without waiting for period allowed for filing second appeal before Tribunal u/s. 112 on pre-deposit of 10% of demand, recovery action was to be quashed and refund of excess amount beyond 10% of demand was to be refunded - *S.A.B. Engg Works v. State of U.P.* - [2025] 175 taxmann.com 510 (Allahabad)

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

2.125 Where authorities had recovered approximately 90 per cent of disputed amount of tax even before expiry of ordinary period for filing appeal, authorities were to be restrained from recovering any further sum from assessee; matter was to be listed - *Sigma Power Product (P.) Ltd. v. Additional Commissioner of Revenue* - [2025] 175 taxmann.com 480 (Calcutta)

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

2.126 Where assessee sought quashing of impugned order passed pursuant to GST audit and de-freeze bank accounts, since freezing of accounts was causing considerable hardship to assessee, WP filed by assessee was to be listed and accounts were to be de-frozen - *Bombay Dyeing and Manufacturing Company Ltd. v. State of Maharashtra* - [2025] 175 taxmann.com 226 (Bombay)

2.127 Provisional attachment order passed by Assistant Commissioner, who was assigned such function by Commissioner, was valid - *NRM Metals (India) (P.) Ltd. v. Union of India* - [2025] 175 taxmann.com 340 (Gujarat)

2.128 Where appeal was filed against final order and final order was stayed, order to freeze bank accounts would automatically be stayed and accounts were to be de-frozen - *Unity Traders v. Principal Additional Director-DGGI* - [2025] 175 taxmann.com 345 (Delhi)

2.129 Cash credit account is a liability which an account holder owes to bank for availing loan facility and, therefore, it cannot be construed as property belonging to account holder; cash credit account would not be governed by section 83 of GST Act - *Skytech Rolling Mill (P.) Ltd. v. Joint Commissioner of State Tax Nodal* - [2025] 175 taxmann.com 551 (Bombay)

SECTION 93 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - TAX, INTEREST OR PENALTY, LIABILITY TO PAY IN CERTAIN CASES

2.130 Where SCN was issued and tax determination was made after death of proprietor of assessee-firm, since no notice was issued to legal representative, such determination could not be sustained - *Samban Pharma v. Deputy Commissioner* - [2025] 175 taxmann.com 58 (Allahabad)

2.131 Assessment order passed against deceased person without hearing legal heir, was to be set aside and fresh order was to be passed after reply to show cause notice was filed by legal heir - **Sahaya Kapil Bosco v. Deputy State Tax Officer, Nagercoil - [2025] 175 taxmann.com 727 (Madras)**

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

2.132 Where on appeal, AAAR upheld advance ruling of AAR regarding valuation of refurbished old/used car and tax liability but dealt with issue of availment of input tax credit travelling beyond grounds of challenge in appeal and had made observations regarding availment of ITC, observations made beyond grounds of appeal were to be expunged while main order of AAAR was to be upheld - **Tej Jain v. Chief Commissioner of CGST - [2025] 175 taxmann.com 398 (Rajasthan)**

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

2.133 If during investigation, assessee had deposited certain amount with GST Department, for utilising same as pre-deposit required for filing appeal, assessee should present Form DRC 03A before Adjudicating Authority and obtain his confirmation - **AB Players Exports (P.) Ltd. v. Commissioner, CGST, Delhi West - [2025] 174 taxmann.com 1262 (Delhi)**

2.134 Where violation of principles of natural justice for not providing opportunity to cross-examine witnesses was pleaded, same is liable to be examined by appellate authority after examining record and relevancy of deposition of witnesses; Appellate authority is competent to decide issue; writ petition was to be dismissed - **Goyal Trading Co. v. Union of India - [2025] 174 taxmann.com 1279 (Madhya Pradesh)**

2.135 Where assessee challenged order dismissing appeal of assessee on ground that notices and order in original were not communicated to assessee thus there was delay in filing same, however records revealed that notices and order were conveyed to assessee, petition of assessee was to be dismissed - **Pharmaceutical and Medical Devices Bureau of India (PMBI) v. State of Haryana - [2025] 175 taxmann.com 543 (Punjab & Haryana)**

2.136 Where two orders in original were passed in case of assessee however amount in respect of second order was also duplicated in first order, assessee was to be permitted to pre-deposit only amount in respect of first order while filing appeal and no deposit was to be made in respect of second order; Amount paid by assessee during investigation was to be adjusted towards pre-deposit - **Rajesh Tanwar v. Commissioner, CGST, Delhi West - [2025] 175 taxmann.com 112 (Delhi)**

2.137 There is no provision in GST Act or no notification empowering authority not passing judgement on date fixed, but on a later date, to which neither any notice was issued nor assessee was heard; impugned order was to be quashed and matter was to be remanded back for deciding issue de novo - **Sun Glass Works (P.) Ltd. v. State of UP - [2025] 175 taxmann.com 192 (Allahabad)**

2.138 On merger and obtaining new registration, resulting company is to be treated as assessee; when adjudication order was passed in name of merged company and same was not uploaded on portal and manual appeal was filed by petitioner resulting company, Appellate Authority should admit same; all orders passed in connection with aforesaid appeal must be uploaded on petitioner's portal in name of petitioner. - **Ultratech Cement Ltd. v. Commissioner (Appeals), CGST & CE - [2025] 175 taxmann.com 193 (Calcutta)**

2.139 There is no provision in GST Act or no notification empowering authority not passing judgement on date fixed, but on a later date, to which neither any notice was issued nor assessee was heard; impugned order was to be quashed and matter was to be remanded back for deciding issue de novo - **Sun Glass Works (P.) Ltd. v. State of U.P. - [2025] 175 taxmann.com 191 (Allahabad)**

2.140 Where for multiple years a common SCN was issued upon assessee in respect of wrongful availment of ITC through issuance of good-less invoices and also a common order was passed, assessee was to be permitted to file one consolidated appeal before Appellate Authority - **Delhi Foils v. Additional Commissioner - [2025] 175 taxmann.com 227 (Delhi)**

2.141 Where allegations are of fraudulent availment of ITC and supply of goods-less invoices, pre-deposit requirement for filing appeal could not be waived - **Rohan Aggarwal v. Commissioner of CGST, Delhi North - [2025] 175 taxmann.com 11 (Delhi)**

2.142 Where for delay in filing appeal against demand order, assessee assigned reason that summary order was passed in ex parte and, hence, they remained unaware of said order and unable to file appeal within time, since reasons shown by assessee appeared to be genuine, delay was to be condoned - **Hitech CNC Engineering v. Dy Commissioner (Commercial Tax) (FAC), Salem - [2025] 175 taxmann.com 326 (Madras)**

2.143 Although SC has held that there is no scope of entertaining WP after expiry of limitation, HC has taken consistent stand to allow petitioner to file an appeal in certain circumstances, subject to pre-deposit of 25% of disputed tax; petitioner permitted to file appeals before Appellate Commissioner - **Thirumalai Balaji Constructions v. Deputy Commissioner (ST) - [2025] 175 taxmann.com 344 (Madras)**

2.144 Where Appellate Authority mechanically relying on section 107(4) dismissed appeal holding that Appellate Authority had no power to condone delay beyond extended period of one month, such reasoning could not be accepted and order passed by Appellate Authority was to be set aside - **Carry Co. v. Union of India - [2025] 175 taxmann.com 578 (Calcutta)**

2.145 Where an appellate remedy was provided however assessee failed to take benefit of same and approached writ court without proper explanation, writ petition could not be entertained, however liberty was to be granted to approach Appellate Authority within four weeks - *R. P. Techsoft International (P.) Ltd. v. Deputy Commissioner of Revenue* - [2025] 175 taxmann.com 608 (Calcutta)

2.146 Where pleading financial catastrophe and huge financial crunch and liabilities, assessee failed to make payment of pre-deposit as was required under section 107(6), Appellate Authority could not have accepted appeal filed by assessee - *I-Karb E-Sol (P.) Ltd. v. Joint Commissioner of State Tax Behala Charge* - [2025] 175 taxmann.com 604 (Calcutta)

2.147 Where pre-deposit amount was inadvertently deposited after disposal of appeal, in view of fact that assessee had a further statutory remedy in form of appeal before appellate tribunal but appellate tribunal had not yet been constituted, matter was to be remanded back to appellate authority for decision on merit - *Lumens Leathers India Ltd. v. Superintendent of CGST & CX* - [2025] 175 taxmann.com 554 (Calcutta)

2.148 Where assessee filed appeal belatedly under relevant Scheme while in interregnum, amount was recovered from assessee's credit ledger but it was not appropriately adjusted against principal tax demand i.e., it was not appropriately given credit in Form GST APL-04, there being no clarity in appellate order, it was to be remanded back to appellate authority for reconsideration - *Mahesh Kumar Mishra v. Union of India* - [2025] 175 taxmann.com 555 (Calcutta)

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

2.149 Where appeal was filed after a delay of 7 months and 20 days and medical reasons cited for delay were not comprehensive enough to cover entire period of delay, application for condonation of delay was to be rejected - *Ram Kumar Sinhal v. State of West Bengal* - [2025] 175 taxmann.com 725 (Calcutta)

SECTION 117 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - HIGH COURT - APPEAL TO

2.150 Writ petition filed beyond statutory period of limitation was to be dismissed on not only on ground of laches but also because assessee admitted tax liability in reply to show cause notice - *Tvl. M. Reddiapatti Industries Sales Society v. Deputy State Tax Officer, Aruppukottai Assessment Circle, Virudhunagar* - [2025] 175 taxmann.com 936 (Madras)

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

2.151 Where assessee was imposed penalty for receiving invoices or bills without actual supply of goods or services from fake firms, assessee was free to avail of its remedies u/s. 107; WP could not be entertained - *Standard Cartons Pvt Ltd v. Commissioner Central Tax* - [2025] 175 taxmann.com 31 (Delhi)

SECTION 125 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - PENALTY - GENERAL PENALTY

2.152 Where impugned order was passed imposing penalty against assessee, in view of fact that in SCN, date of filing reply and date of personal hearing was one and same, assessee had not been provided proper hearing opportunity, thus impugned order was to be set aside - *Kahna Bartan Bhandar v. State of U.P.* - [2025] 175 taxmann.com 579 (Allahabad)

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

2.153 On strength of a mere recovery of an e-way bill, which appears to have been raised without any movement of goods from driver of vehicle, vehicle could not have been impounded - *Om Logistics Ltd. v. Deputy State Tax Officer* - [2025] 175 taxmann.com 56 (Madras)

2.154 Where goods were intercepted during stock transfer when goods were coming from one place for installation at petrol pump at another place, said goods could not be detained and no penalty could be imposed when e-way bill and delivery challan were generated and produced before passing of order of detention and there was no finding regarding evasion of tax though at time of interception no e-way bill or delivery challan was accompanying goods - *T.K. Printers v. Additional Commissioner Grade 2* - [2025] 175 taxmann.com 12 (Allahabad)

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

2.155 Proceedings u/s. 130 of GST Act cannot be put to service if excess stock is found at time of survey; in such cases, proceedings u/s. 73/74 should be initiated - *Janta Machine Tools v. State of U.P.* - [2025] 174 taxmann.com 1270 (Allahabad)

2.156 Where after search, assessee wrote to DGGI that he was ready to deposit tax and penalty for provisional release of seized goods and DGGI directed assessee to deposit same and submit DRC-03 for release of seized goods but at this stage assessee prayed for provisional release of goods subject to furnishing a bank guarantee, as communication of DGGI was not an adjudication order, GST Department should proceed to issue a SCN for imposition of tax and penalty - *Shashi Kumar Choudhary v. Deputy Director Directorate General of GST Intelligence* - [2025] 174 taxmann.com 1281 (Delhi)

2.157 If excess stock is found, proceedings u/s. 73 and 74 would come into play and proceedings u/s. 130 of GST Act could not be initiated - *Raj Steel v. State of U.P.* - [2025] 175 taxmann.com 111 (Allahabad)

2.158 If excess stock is found, proceedings under section 73 and 74 will come into play and proceedings under Section 130 cannot be initiated - **Maa Amila Coal Depot v. State of Uttar Pradesh** - [2025] 175 *taxmann.com* 185 (Allahabad)

2.159 Where goods and conveyance was confiscated alleging that neither supplier of petitioner, nor supplier of supplier was found during spot visit of their places of business and that there was movement of goods with an intention to evade payment of tax, since existence of relationship between two entities was a disputed question of fact, petitioner was to be directed to avail remedy appeal - **Shree Devidayal Metals v. State of Gujarat** - [2025] 175 *taxmann.com* 184 (Gujarat)

2.160 Where vehicle carrying goods of assessee was confiscated and assessee filed instant writ petition seeking release of goods, in view of availability of alternate remedy of appeal, writ petition was not maintainable - **Sri Padmavati Energy Solutions India (P.) Ltd. v. State of Karnataka** - [2025] 175 *taxmann.com* 611 (Karnataka)

2.161 Where in order confiscating order itself, option was given for release of goods on payment which was not availed instead assessee filed appeal, as authority had sent notice for auction sale, opportunity was to be granted again to assessee to avail option of getting goods released by making payment of fine in lieu of confiscation - **Nikhil Ayyappan v. State of Kerala, Thiruvananthapuram** - [2025] 175 *taxmann.com* 607 (Kerala)

2.162 Confiscation of goods and imposition of fine and penalty without affording an opportunity of hearing to petitioner was in violation of provisions of section 130(4) - **Gajanand Granite v. State Tax Officer, Dehradun** - [2025] 175 *taxmann.com* 733 (Uttarakhand)

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

2.163 Where a well-planned conspiracy to commit GST fraud and to obtain monetary benefits were unearth during proceeding against cancellation of registration, DGGI was to be directed to conduct thorough investigation and file a complaint with Crime Branch of Police who would register FIR forthwith; Registrar General was to be directed to lodge a complaint against all petitioners for offences of forgery, fabrication, etc. - **S R Enterprises v. Principal Commissioner of Goods and Service Tax, East Delhi** - [2025] 175 *taxmann.com* 220 (Delhi)

2.164 Where complaint was filed that fake E-way bills were issued against advance payment without supply of goods to dupe complainant and investigation was at its initial stage in which Petitioner had not joined so far, since FIR was registered after conducting preliminary

inquiry prima facie suspecting that cognizable offences were committed by petitioner, since it cannot be ascertained at this initial stage as to whether petitioner had any intention to dupe complainant and cause wrongful loss to complainant by not fulfilling obligations cast upon petitioner or not, no case for quashing of FIR was made out at this stage - **Vijay Kumar Jha v. State of Haryana** - [2025] 175 *taxmann.com* 194 (Punjab & Haryana)

2.165 Where respondent-assessee was granted bail and no complaint had been filed against him even after 2019-2022 when investigation was taken up by department, bail could not be cancelled - **Directorate General of GST Intelligence v. Sanjay Jaglan** - [2025] 175 *taxmann.com* 782 (Delhi)

2.166 Where applicant was involved in creation of more than 350 firms with intent to pass on fake ITC and magnitude of such fake ITC was more than 700 crores, also applicant attempted to abscond from custody, applicant was not entitled to bail - **Ankit Bansal v. Union of India** - [2025] 175 *taxmann.com* 732 (Rajasthan)

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

2.167 Where assessee availed transitional credit and demand was created against assessee for wrongful availment of transitional credit, also appeal of assessee was dismissed, since assessee had right of appeal u/s. 112, however Appellate Tribunal had not been constituted, matter was to be listed and demand was to be stayed - **Natraj Electro Casting (P.) Ltd. v. Commissioner, CGST & Central Excise (Appeal)** - [2025] 175 *taxmann.com* 465 (Calcutta)

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

2.168 Where assessee's rectification application was rejected without providing a hearing to assessee, rejection order was to be set aside - **Transzone Logistics India (P.) Ltd. v. Sales Tax Officer, AVATO** - [2025] 175 *taxmann.com* 33 (Delhi)

2.169 As per proviso to section 161, if any order would be passed adverse to assessee, principles of natural justice had to be followed; since personal hearing was not afforded to assessee, order rejecting rectification application was to be set aside - **Sri Ganpati Enterprises v. Sales Tax Officer, AVATO** - [2025] 175 *taxmann.com* 532 (Delhi)

2.170 Where two conflicting orders were passed on same issue by officers of same department, one accepting assessee's explanation and dropping proceedings and other rejecting assessee's explanation and finalizing proceedings against it and such a serious error was clearly pointed out before competent authority within statutory period contemplated u/s. 161 for rectification, authority should have invoked powers of rectification - **Winter Wood Designers & Contractors India (P.) Ltd v. State Tax Officer** - [2025] 175 *taxmann.com* 686 (Kerala)

2.171 Where without considering amount paid by assessee respondent had confirmed demand, and rectification application was rejected on ground that there was no error apparent on face of record, such order was in violation of natural justice, thus same was to be set aside and matter was to be remitted back - *Tvl. Monikandan (W.C) v. Deputy State Tax Officer - [2025] 175 taxmann.com 937 (Madras)*

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

2.172 Where Notification No. 09/2023- Central Tax dated 31st March, 2023 which extended period of limitation for adjudication, were challenged, in view of fact that matter was pending consideration before SC and HC respectively, any order passed by Adjudicating Authority on merit would be subject to outcome of decisions of two Courts - *Suryan Technologies v. Sales Tax Officer - [2025] 174 taxmann.com 1283 (Delhi)*

2.173 Where petition was filed challenging CBIC Notification Nos. 09/2023-CT and 56/2023-CT as also parallel state notifications extending period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before SC while matter regarding parallel state notifications was pending consideration before SC challenge made by Petitioner would be subject to outcome of decision of SC - *Singh Olympics (P.) Ltd. v. Commissioner Delhi GST - [2025] 174 taxmann.com 1282 (Delhi)*

2.174 Where petition was filed challenging CBIC Notification Nos. 09/2023-CT extending 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 Courts - *Landmark Traders (P.) Ltd. v. Union of India - [2025] 175 taxmann.com 110 (Delhi)*

2.175 Where petition was filed challenging CBIC Notification No. 56/2023-CT as also parallel state notification extending period of limitation for adjudication, in view of fact that matter regarding Central notification was pending consideration before SC while matter regarding parallel state notification was pending consideration before HC challenge made by Petitioner would be subject to outcome of decision of Courts - *Supper Club v. Govt. of NCT of Delhi - [2025] 175 taxmann.com 117 (Delhi)*

2.176 Power to extend time limit u/s. 168A is to be exercised on recommendation of GST Council; CBIC Notification No.56/2023-Central Tax, dated 28.12.2023 extending limitation provided under Sub-section (10) of Section 73 of CGST Act for FY 2018-19 and 2019-20 being issued without the recommendation of the GST Council was ultra vires - *Mahabir Tiwari v. Union of India - [2025] 175 taxmann.com 176 (Gauhati)*

2.177 Where petition was filed challenging CBIC Notification No. 09/2023-CT extending 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 - *Zana International v. Union of India - [2025] 175 taxmann.com 222 (Delhi)*

2.178 Where petition was filed challenging CBIC Notification Nos. 09/2023-CT and 56/2023-CT as also state Notification No. 56/2023-State Tax dated 11-7-2024 extending period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before Supreme Court while matter regarding parallel state notifications was pending consideration before High Court challenge made by Petitioner would be subject to outcome of decision of Courts - *Bharat Construction and Tank Cleaner v. Commissioner Delhi Goods and Service Tax - [2025] 175 taxmann.com 225 (Delhi)*

2.179 Where petition was filed challenging CBIC Notification No. 56/2023-CT as also parallel state notification which extended period of limitation for adjudication, in view of fact that matter regarding Central notification was pending consideration before Supreme Court while matter regarding parallel state notification was pending consideration before High Court challenge made by Petitioner would be subject to outcome of decision of Courts - *Electromag v. Avato Ward 63 State Goods and Service Tax - [2025] 175 taxmann.com 229 (Delhi)*

2.180 Where petition was filed challenging CBIC Notification No. 56/2023-CT as also parallel state notifications extending period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before Supreme Court while matter regarding parallel state notifications was pending consideration before High Court challenge made by Petitioner would be subject to outcome of decision of Courts - *Menka Chaturvedi v. Sales Tax Officer Avato, Delhi - [2025] 175 taxmann.com 214 (Delhi)*

2.181 Where petition was filed challenging CBIC Notification Nos. 09/2023-CT and 56/2023-CT as also parallel state notifications extending period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before Supreme Court while matter regarding parallel state notifications was pending consideration before Supreme Court challenge made by Petitioner would be subject to outcome of decision of Supreme Court - *Ypsomed India (P.) Ltd. v. Commissioner of Delhi Goods and Services Tax - [2025] 174 taxmann.com 1284 (Delhi)*

2.182 Where petition was filed challenging CBIC Notification No. 09/2023-CT which extended period of limitation for adjudication, in view of fact that matter regarding impugned notification was pending consideration before Supreme Court, challenge made by assessee would be subject to outcome of decision of Supreme Court - *Bee Sons Traders v. Commissioner Delhi Goods and Service Tax - [2025] 175 taxmann.com 323 (Delhi)*

- 2.183** Where petition was filed challenging CBIC Notification Nos. 09/2023-CT and 56/2023-CT as also parallel state notifications which extended period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before Supreme Court while matter regarding parallel state notifications was pending consideration before High Court challenge made by Petitioner would be subject to outcome of decision of Courts - **Goyal Brothers v. Commissioner Delhi Goods and Service Tax - [2025] 175 taxmann.com 320 (Delhi)**
- 2.184** Where petition was filed challenging CBIC Notification No. 056/2023-CT as also parallel state notification which extended period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before Supreme Court while matter regarding parallel state notifications was pending consideration before High Court challenge made by Petitioner would be subject to outcome of decision of Courts - **Ms Millenia Lifescience v. Avato Ward 53 State Goods and Service Tax - [2025] 175 taxmann.com 333 (Delhi)**
- 2.185** Where petition was filed challenging CBIC Notification Nos. 09/2023-CT and 56/2023-CT as also parallel state notifications which extended period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before Supreme Court while matter regarding parallel state notifications was pending consideration before High Court challenge made by Petitioner would be subject to outcome of decision of Courts - **Sparkle Gold v. Commissioner of Delhi Goods and Services Tax - [2025] 175 taxmann.com 343 (Delhi)**
- 2.186** Where petition was filed challenging CBIC Notification Nos. 09/2023-CT and 56/2023-CT as also parallel state notification which extended period of limitation for adjudication, in view of fact that matter regarding Central notifications was pending consideration before Supreme Court while matter regarding parallel state notifications was pending consideration before High Court challenge made by Petitioner would be subject to outcome of decision of Courts - **M V Metals v. Commissioner Delhi Goods and Service Tax - [2025] 175 taxmann.com 332 (Delhi)**
- 2.187** Where petition was filed challenging CBIC Notification Nos. 09/2023-CT extending 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 Courts - **Puneet Goyal v. Union of India - [2025] 174 taxmann.com 1278 (Delhi)**

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

- 2.188** When there is no response from tax payer to notice sent through a particular mode, Officer who is 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 - **Health @ Home v. Deputy State Tax Officer-I - [2025] 174 taxmann.com 1268 (Madras)**
- 2.189** Where show cause notice and reminders were issued to assessee but same were not visible to assessee as same were uploaded on 'Additional Notices Tab' of GST portal, hence, petitioner did not get a proper opportunity to be heard and no reply to SCN could be filed by petitioner, impugned order was to be set aside and matter was to be re-adjudicated - **Suryan Technologies v. Sales Tax Officer - [2025] 174 taxmann.com 1283 (Delhi)**
- 2.190** 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 - **Singh Olympics (P.) Ltd. v. Commissioner Delhi Goods and Service Tax - [2025] 174 taxmann.com 1282 (Delhi)**
- 2.191** When there was no response from taxpayer to notice issued by way of uploading on portal, Officer should explore possibilities of sending notices through other modes, preferably by way of RPAD - **Tvl. Jai Infotech v. Deputy State Tax Officer-2 - [2025] 175 taxmann.com 327 (Madras)**
- 2.192** Where prior to passing of impugned order, SCN was issued to assessee through common portal, subsequent intimations were also issued through portal and other modes of service were not explored by officer, therefore, due to lack of effective opportunity granted to assessee, impugned order was to be set aside and matter was to be remanded - **Hitech Building Solutions v. Deputy State Tax Officer - [2025] 175 taxmann.com 325 (Madras)**
- 2.193** When there is no response from taxpayer to notice sent through a particular mode, officer who is 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; an order passed without affording any opportunity of personal hearing to petitioner was to be remanded - **National Construction Company v. Deputy State Tax Officer - [2025] 175 taxmann.com 335 (Madras)**
- 2.194** Where SCN and reminders were issued to assessee through common portal and upon not getting reply, no other modes of service were explored by officer, since there was lack of effective opportunity granted to assessee, impugned order passed in terms of SCN was to be set aside and matter was to be remanded - **Nizaar Bags v. Deputy Commercial Tax Officer - [2025] 175 taxmann.com 339 (Madras)**
- 2.195** 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 - **Namasivaya Auto Parts v. Deputy State Tax Officer I** - [2025] 175 taxmann.com 334 (Madras)

2.196 Where SCN and reminders were uploaded on GST portal and assessee was not aware of same, officer should have explored possibility of sending notice by way of other modes prescribed in section 169 of CGST Act, preferably by way of RPAD; since passing an ex parte order would not serve any useful purpose, matter was to be remanded for fresh consideration - **KAY ARR Engineering Agency v. State Tax Officer** - [2025] 175 taxmann.com 396 (Madras)

2.197 Ex parte order on non-filing of reply to show cause notice issued through GST portal was not sustainable as officer should have explored other modes of service prescribed in section 169 when there was no response from assessee - **Tvl. Fashion Falls Fabrics v. Assistant Commissioner (ST) (FAC)** - [2025] 175 taxmann.com 614 (Madras)

2.198 Where assessee challenged impugned order on ground that notice was uploaded on portal, however same was not served to assessee by other means, said petition of assessee was to be dismissed as service of notice by uploading on GST portal was sufficient service - **T.K Navas v. Commissioner of Goods and Service Taxes** - [2025] 175 taxmann.com 612 (Kerala)

2.199 Standard Operating Procedure prepared by department to communicate personal hearing notice to assessee in writ petition was directed to be adopted - **Raj International v. Additional Commissioner CGST, Delhi West** - [2025] 175 taxmann.com 10 (Delhi)

2.200 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; where SCN was uploaded on portal and, hence, missed attention of assessee, order passed without hearing was to be set aside and matter remanded - **Tvl Sona Enterprises v. Deputy State Tax Officer-2** - [2025] 175 taxmann.com 728 (Madras)

2.201 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; where SCN was uploaded on portal and, hence, missed attention of assessee, order passed without hearing was to be set aside and matter remanded - **I2 Distribution (P.) Ltd. v. Additional Commissioner, GST & Central Excise, Chennai** - [2025] 175 taxmann.com 734 (Madras)

2.202 When there was no response from taxpayer to show cause notice sent on portal, prior to issuing ex-parte order, officer should have explored possibilities of sending notices through some other mode as prescribed in section 169(1), matter remanded for fresh consideration - **Tvl Grace Metal Stores v. State Tax Officer, Chennai** - [2025] 175 taxmann.com 935 (Madras)

RULE 86A OF THE CENTRAL GOODS AND SERVICES TAX RULES, 2017 - CONDITIONS OF USE OF AMOUNT AVAILABLE IN ELECTRONIC CREDIT LEDGER

2.203 Where order blocking electronic credit ledger was passed without providing pre-decisional hearing and without recording independent or cogent reasons and it placed reliance only upon reports of Enforcement Authority; such order was not sustainable - **IBA ENTERPRISES v. State of Karnataka** - [2025] 175 taxmann.com 414 (Karnataka)

3. Authority for Advance Ruling

CLASSIFICATION OF GOODS

3.1 Infantometer : Infantometer, being an instrument for measuring height of infant precisely to identify mal-nutrition, is a diagnostic medical equipment classifiable under Tariff Heading 9018 and liable to GST @ 12% - **Nitiraj Engineers Ltd., In re v.** - [2025] 175 taxmann.com 659 (AAR - MAHARASHTRA)

3.2 Stadiometer : Stadiometer, being an general instrument for measuring height of both infant and adult used by general public and not exclusively by medical professional, is not a diagnostic medical equipment; it is covered under Tariff Heading 9017 and liable to 18% GST - **Nitiraj Engineers Ltd., In re v.** - [2025] 175 taxmann.com 659 (AAR - MAHARASHTRA)

3.3 Groundnuts : Heating of Ground-Nuts with shell to reduce its water content to make it suitable for storage and transportation makes it ineligible to be classified under HSN 1202 - **SITARAM KUMHAR, In re v.** - [2025] 175 taxmann.com 776 (AAR - RAJASTHAN)

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

3.4 Forfeiture of Security Deposit or Earnest Money Deposit from supplier/contractor on failure to comply with contract is not a consideration for supply of service; such forfeiture would not be covered under scope of supply - **Maharashtra State Electricity Transmission Company Ltd., In re v.** - [2025] 175 taxmann.com 658 (AAR - MAHARASHTRA)

3.5 Levy of penalty or charges for violation of conditions of contract does not give rise to any exchanging activity and do not involve any supply - **Maharashtra State Electricity Transmission Company Ltd., In re v.** - [2025] 175 taxmann.com 658 (AAR - MAHARASHTRA)

3.6 Liquidated damages/penalty recovered from supplier/contractor for breach of contract is not in nature of consideration for activity of providing service; it would not be covered under scope of supply - **Maharashtra State Electricity Transmission Company Ltd., In re v. - [2025] 175 taxmann.com 658 (AAR - MAHARASHTRA)**

3.7 Writing back of old and unclaimed creditors balances and Earnest Money Deposit/Security Deposit to income account are mere accounting adjustments and do not involve any supply - **Maharashtra State Electricity Transmission Company Ltd., In re v. - [2025] 175 taxmann.com 658 (AAR - MAHARASHTRA)**

3.8 Barter system is covered under scope of 'supply'; exchange of silver scrap for finished ornaments will be considered a supply under GST law despite absence of monetary payments - **PSB Traders, In re v. - [2025] 175 taxmann.com 712 (AAR - TAMILNADU)**

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

3.9 Chaff Cutter Blades cleared as spare parts merit classification under Chapter 82.08 attracting GST at the rate of 18% and not under Chapter heading 84.36 attracting GST at the rate of 12% - **Allied Castalloys India (P.) Ltd., In re v. - [2025] 174 taxmann.com 958 (AAR - RAJASTHAN)**

3.10 Chaff Cutter Blades cleared as spare parts merit classification under Chapter 82.08 attracting GST at the rate of 18% and not under Chapter heading 84.36 attracting GST at the rate of 12% - **Champalal Agricultural Works, In re v. - [2025] 174 taxmann.com 959 (AAR - RAJASTHAN)**

3.11 Chaff Cutter Blades cleared as spare parts merit classification under Chapter 82.08 attracting GST at the rate of 18% and not under Chapter heading 84.36 attracting GST at the rate of 12% - **Neel Kamal Gera, In re v. - [2025] 175 taxmann.com 108 (AAR - RAJASTHAN)**

3.12 Where applicant is engaged in labour supply to contractor-builder along with machine and other material, it was not pure labour supply; since it is not proved that builder is working for Rajasthan Government to construct 380 flats under Pradhan Mantri Awas Yojana, labour supply service provided by applicant is not covered under entry 10 of Notification No. 12/2007-CT; such service falls under HSN code 9954 attracting GST at rate of 18 per cent - **Build Layer Constructions, In re v. - [2025] 175 taxmann.com 15 (AAR - RAJASTHAN)**

3.13 Applicant Resident Welfare Association is liable to pay GST on collection of corpus/sinking/ capital fund intended to cover planned or unforeseen capital expenses in future such as painting exterior/common

area, repairing/replacing major equipment like lifts and generators - **Crimson Dawn Apartment Owners Welfare Association, In re v. - [2025] 175 taxmann.com 16 (AAR - TAMILNADU)**

3.14 Where based on area occupied by members flat/house owner, maintenance charges are collected by applicant Resident Welfare Association in terms of Sl. No. 77 of Notification No. 12/2017-CT (Rate) dated 28-06-2017, read with Circular No. 109/28/2019-GST (F. No. 332/04/2017-TRU) dated 22nd Jul, 2019, if subscription/contribution per month per member is less than Rs. 7,500/-, no GST is liable to be charged and collected from members. - **Crimson Dawn Apartment Owners Welfare Association, In re v. - [2025] 175 taxmann.com 16 (AAR - TAMILNADU)**

3.15 Supply of goods carriage on rent/lease only to a Goods Transport Agency for purpose of transportation of goods is a taxable supply; by virtue of Sl. No. 22 of Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017, such activity is chargeable to nil rate of tax - **Dharmaraju Ragul, In re v. - [2025] 175 taxmann.com 17 (AAR - TAMILNADU)**

3.16 Fruit protection bag with seal made out of kraft paper coated with chemicals to impart anti-bacteria, anti-fungal properties would be classifiable under Tariff Heading 4819 attracting tax at rate of 12 per cent - **K R Innovation, In re v. - [2025] 175 taxmann.com 657 (AAR - MAHARASHTRA)**

3.17 Shot blasting activity carried out by applicant on castings of his customer within premises of customer by using his own shot blasting machine/steel shots as well as labourers is classifiable as job work service falling under SAC 9988 and chargeable to GST at rate of 12 per cent - **Amruta Fettlers, In re* v. - [2025] 175 taxmann.com 653 (AAR - MAHARASHTRA)**

3.18 Where applicant is engaged in assisting Municipal Councils in property survey, measurements, data collection and computerization for evaluation of properties for property tax assessment and levying property tax by municipality, since such services are not activity in relation to any function entrusted to a Panchayat/Municipality under article 243G/243W of Constitution, services provided by applicant would not fall under Exemption Notification No. 12/2017 (Entry No. 3) as services are in nature of pure labour services - **Sthapatya Consultants (India) (P.) Ltd., In re v. - [2025] 175 taxmann.com 661 (AAR - MAHARASHTRA)**

3.19 Baby car seat used in motor cars for safety of children while driving is classifiable under Heading 9401 80 00 - **Artsana India (P.) Ltd., In re v. - [2025] 175 taxmann.com 654 (AAR - MAHARASHTRA)**

3.20 Job work does not attract RCM - **PSB Traders, In re v. - [2025] 175 taxmann.com 712 (AAR - TAMILNADU)**

3.21 Melted Silver Rods and Melted 'Kacha' (Imperfect Silver) fall under HSN 7106 - **PSB Traders, In re v. - [2025] 175 taxmann.com 712 (AAR - TAMILNADU)**

3.22 Silver scrap and melted scrap bars fall under HSN 7112 - *PSB Traders, In re v. - [2025] 175 taxmann.com 712 (AAR - TAMILNADU)*

3.23 Where applicant mixes tobacco with lime paste and packs it in pouches, product 'Sada tambaku pre-mixed with lime' is manufactured tobacco classifiable under HSN 24039910 leviable to 28% GST; compensation cess is leviable at rate of 0.56R per unit in respect of product with declared retail sale price or at rate of 160% in respect of products other than goods covered under serial No. 26 of notification No. 1/2017-Compensation Cess (Rate) - *Zen Tobacco (P.) Ltd., In re v. - [2025] 175 taxmann.com 769 (AAR - GUJARAT)*

3.24 "Vehicle Leasing and Logistics Management Services" is classifiable under Leasing or rental services concerning other machinery and equipment without operator i.e. SAC 997319 taxable @18% under Sl. No. 17 (viii) of Notification no. 11/2017 CT (Rate), dated 28.06.2017 - *Shreyans Logistics (P.) Ltd., In re v. - [2025] 175 taxmann.com 775 (AAR - ODISHA)*

SECTION 11 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - LEVY AND COLLECTION OF TAX - EXEMPTION - POWER TO GRANT

3.25 In case of hotels, even though frozen fish/meat is not subjected to further trading, same is subjected to further cooking to be served to customers on commercial basis; since frozen fish/meat are used for further commercial purposes; hotels purchasing frozen fish/meat from wholesale trader do not fit into definition of an 'institutional consumer' as laid down under Rule 2 (bc) of Legal Metrology (Packaged Commodities) Rules, 2011, and are to be treated as an 'industrial consumer', in terms of Rule 2 (bb) - *Fairmacs Shipstores (P.) Ltd., In re v. - [2025] 175 taxmann.com 18 (AAR - TAMILNADU)*

3.26 Where a declaration 'For institutional sale only', is reported to be affixed on the packages but declaration 'Not for Retail Sale' is not affixed/printed in packages of frozen fish/meat, such supplies by applicant wholesale dealer are not exempted from payment of GST; however, on fulfilment of requisite conditions, even if such outward supplies are treated as Nil' rated, ITC on inward supply involved in such cases cannot be availed - *Fairmacs Shipstores (P.) Ltd., In re v. - [2025] 175 taxmann.com 18 (AAR - TAMILNADU)*

3.27 Where mandatory requirement of declaration 'Not for Retail Sale' is not available in packages of frozen fish/meat and status of client-distributor as a wholesale dealer is not clear/confirmed, applicant-wholesale dealer should charge GST on such supplies to distributors - *Fairmacs Shipstores (P.) Ltd., In re v. - [2025] 175 taxmann.com 18 (AAR - TAMILNADU)*

3.28 Where requirement of affixing/printing declaration 'Not for Retail Sale' is reportedly not made in packages of frozen fish/meat, inter-branch transfers by applicant-wholesale dealer from one city to other do not fall under exempted category - *Fairmacs Shipstores (P.) Ltd., In re v. - [2025] 175 taxmann.com 18 (AAR - TAMILNADU)*

3.29 Where applicant is engaged in providing services in field of cancer diagnosis which is still in its developmental stage and is not yet validated by medical regulatory bodies, tests carried out by applicant would not qualify as a health care service; test carried out by applicant is in nature of clinical trials for 'Research and Development' purposes, such activity gets appropriately covered under Service Accounting Code 998111 would not qualify for exemption under Entry No.74 of Notification No. 12/2017-Central Tax (Rate), dated 28.6.2017 - *Epigeneres Biotech (P.) Ltd., In re v. - [2025] 174 taxmann.com 1166 (AAR - MAHARASHTRA)*

SECTION 15 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SUPPLY - TAXABLE SUPPLY, VALUE OF

3.30 Interest receivable on deferred payment in Equated Yearly Installment as per terms of concession agreement under Annuity Model is liable for payment of GST; service involved is classifiable as that of original taxable supply of 'services of construction of road and maintenance' and applicable rate of GST shall be same as that of original taxable supply - *Shenwa Infrastructure (P.) Ltd., In re v. - [2025] 175 taxmann.com 660 (AAR - MAHARASHTRA)*

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

3.31 Where applicant is providing warranty services to customers of a German in India for which spare parts were supplied by German company after discharging payment of IGST at time of import though import is in name of applicant and applicant is not charging price of parts in supply, since inputs do not participate in taxable outward supply; question of availing ITC because it reflects in their GSTR-2B, is not a valid argument - *Enerzi Microwave Systems (P) Ltd., In re v. - [2025] 174 taxmann.com 960 (AAR - GUJARAT)*

3.32 Time limit of availing ITC as mentioned in section 16(4) of CGST Act, 2017 is applicable on ITC eligible as per Bill of Entry; where in August, 2022, applicant imported machineries from China and IGST was paid through Bill of Entry which was already filed but this IGST credit was not availed in GSTR-3B return of FY 2022-23, applicant could not avail IGST in next GSTR-3B - *Adi Enterprises, In re* v. - [2025] 175 taxmann.com 652 (AAR - MAHARASHTRA)*

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

3.33 ITC on inputs and input services used for construction of immovable property, is hit by section 17 (5) (c) & (d) and, hence, no proportionate ITC is admissible (a) for supply of Steel, Cement and other consumables etc. used to construct Pre-Engineered Building (PEB) Structure for smooth

operation of crane as a project expansion, (b) on Installation and Erection Services of PEB and (c) on other capital goods installed or erected for smooth operation of crane - *Hmsu Rollers (India) (P.) Ltd., In re v.* - [2025] 174 taxmann.com 961 (AAR - GUJARAT)

- 3.34** As Applicant Resident Welfare Association is liable to pay GST on collection of corpus/sinking/ capital fund, they can utilize ITC availed towards their outward liability subject to following provisions of Section 17 (2) of Act and Rule 42 of Rules. - *Crimson Dawn Apartment Owners Welfare Association, In re. v.* - [2025] 175 taxmann.com 16 (AAR - TAMILNADU)

SECTION 97 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ADVANCE RULING - APPLICATION FOR

- 3.35** Question as to whether it is valid under GST to make payments to job workers in form of materials instead of sales transactions, is not covered under scope of AAR; hence, no advance ruling can be issued - *PSB Traders, In re v.* - [2025] 175 taxmann.com 712 (AAR - TAMILNADU)
- 3.36** Question whether in cases where insurance of goods is mandatory, can insurance be taken for a lesser value, is not related to GST and, hence, no advance ruling could be issued - *PSB Traders, In re v.* - [2025] 175 taxmann.com 712 (AAR - TAMILNADU)
- 3.37** Advance ruling application seeking ruling on customs matters is beyond the scope of section 97 (2) of the CGST Act; hence, not maintainable - *Yanfeng Seating (India) (P.) Ltd., In re v.* - [2025] 175 taxmann.com 768 (AAR - GUJARAT)

RULE 86B OF THE CENTRAL GOODS AND SERVICES TAX RULES, 2017 - RESTRICTIONS ON USE OF AMOUNT AVAILABLE IN ELECTRONIC CREDIT LEDGER

- 3.38** Where a partnership-firm has monthly turnover exceeding 50 lakh, for claiming exemption from restrictions on use of amount available in Electronic Credit Ledger, combined tax paid by partners and firms cannot be considered; if neither of partners or firm has individually paid more than 1 lakh as income tax, but they have cumulatively paid more than Rs. 1 lakh, restriction for use of credit available in ledger is to be applicable and only 99 percent of credit can be utilized by assessee - *Aadinath Agro Industries, In re. v.* - [2025] 175 taxmann.com 14 (AAR - RAJASTHAN)

RULE 138 OF THE CENTRAL GOODS AND SERVICES TAX RULES, 2017 - INFORMATION TO BE FURNISHED PRIOR TO COMMENCEMENT OF MOVEMENT OF GOODS AND GENERATION OF E-WAY BILL

- 3.39** E-way bill is not mandatory for movement inter-state and intra-state involving purchase and sale of silver scrap, silver ornaments and silver fine - *PSB Traders, In re v.* - [2025] 175 taxmann.com 712 (AAR - TAMILNADU)
- 3.40** E-way bill is not required for movement of goods in situations involving supply on approval, job work and repair of silver bars and ornaments - *PSB Traders, In re v.* - [2025] 175 taxmann.com 712 (AAR - TAMILNADU)

8 years of GST – Hits and Misses



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Eight years on, the Goods and Services Tax (GST)—once hailed as a historic change which continues to redefine the features of India's taxation system. By bringing together various Central and State tax laws into a single, comprehensive framework, GST has really simplified tax administration and made it much easier to do business hence proving its "One Nation One Tax". While the journey has had its share of learning curves, there's no doubt that GST has become a backbone of India's tax system—paving the way for a more efficient and unified economy.

The government has experienced significant momentum over the past year, with GST collections showing rapid growth and maintaining a strong monthly average of approximately ₹1.8 lakh crore during the last financial year 2024–25. Further, FY 2025-26 started with an economic mega signal of ₹2.37 lakh crore as the GST collection for April 2025, the highest April number ever.

HITS:

Widening of the Tax Base

One of the exceptional idea of GST over the last eight years has been its ability to expand India's tax base. Before GST came into play, the country had multiple indirect tax laws and complicated rules, which allowed many small businesses to fall outside the scope of tax net. With GST, we saw the introduction of uniform registration thresholds, a centralized digital portal all of which encouraged businesses to comply and register voluntarily.

As a result, the number of registered taxpayers has rapidly increased from about 65 lakh before GST to over 1.4 crore, showcasing the growth of the economy. In essence, GST has not only simplified taxation but also brought more of it into the organised framework leading to sustainable growth in this economy.

Digital Evolution of Indirect Tax in India

Since its debut in 2017, GST has not only brought together India's tax system but has also ignited a significant digital transformation in how we handle tax compliance. By doing away with old manual paperwork, GST introduced a fully online and paperless system through the GSTN portal, where everything from registration to filing returns and making payments can be done easily.

With the useful tools like e-way bills, e-invoicing, and automatic matching of ITC, the GST system has

become much clearer, fraud has been minimized, and the overall tax process has become much more efficient than before, Hence a fewer physical visits are done to tax offices. But as it stands today, India's digital GST framework is among the most ambitious tax tech reforms globally—and it's definitely a significant milestone in the journey of indirect tax reform.

Strengthening Cooperative Federalism

One of the remarkable aspects of the Goods and Services Tax (GST) is its basis in cooperative federalism—a system where the Centre and States come as a whole to design and manage the indirect tax framework.

Over the past 8 years, the Council has met regularly, often reaching decisions through general agreement rather than conflict. This has helped in maintaining balance, avoiding tax wars between states and ensuring smooth execution of it. GST has not only unified the tax system but has also gained trust between different levels of government, setting a new standard for joint decision making in India's federal structure.

MISSES:

ITC procedural hurdle

Over the years, the idea of a smooth Input Tax Credit (ITC) process under GST hasn't worked out as expected. Many honest taxpayers keep getting notices denying their ITC claims, even when they've followed all the rules. This usually happens because of problems like supplier's non-compliance, or its retrospective cancellation. The biggest issue is proving the movement of goods but there are no clear rules on what documents are accepted as proof.

A relevant example is the case of *Suncraft Energy Private Limited*, where the taxpayer's ITC claim was denied due to the supplier's non-compliance, even though there was no fault on the buyer's part. The court ultimately ruled in favor of the buyer, reaffirming that genuine transactions should not be penalized due to the supplier's fault.

While courts have often supported the buyer's side in such cases, that support doesn't always help during audits or investigations by GST officials. Ultimately, the ITC system, which was designed to simplify taxation and avoid cascading effects, has instead turned into a source of legal battles, blocked capital, highlighting a significant gap in the implementation of GST.

Persistent Delays in GST Refund Processing

Refund processing continues to face significant delays. Technical glitches or inadequacies in the GST portal can hinder the filing and processing of refund claims which often results in objections from officers over minor discrepancies such as mismatched invoice numbers or values causing avoidable delays. The complexity of the refund process, including documentation requirements and compliance checks, often leads to delays. Businesses must meet specific criteria and provide accurate documentation, which can be time-consuming.

These delays can result in significant cash flow constraints but also increase the compliance burden for businesses. Streamlining and standardizing the refund process remains a critical area for improvement in

the overall implementation of GST.

Institutional Gaps Persist in Tribunals

The absence of a fully functional GST Appellate Tribunal (GSTAT) during the first seven years of GST created a major gap in the legal framework. Due to this delay, taxpayers were forced to file their second appeals to High Courts, who were already overburdened with thousands of pending cases. As a result, justice was delayed and numerous GST-related disputes remained unresolved. It being non operational led to a massive backlog of cases in both High Courts and the Supreme Court, further straining the judicial system and slowing down the resolution process.

Although the Tribunal was officially notified and appointments began in 2024–25, taxpayers are still waiting for the introduction of the GSTAT leaving a critical gap in the efficient handling of GST litigation.

GST at Eight: Progress, Problems, and the Path Ahead

Launched in 2017, GST was a significant move towards unifying taxes in India. Although its initial years were filled with complexities, compliance challenges, and structural issues, ongoing reforms have steadily enhanced the system. Improvements like automation and regulations show real progress. Still, there are pressing challenges that need to be addressed, such as dispute resolution, ITC mismatches, and the heavy compliance burden.

The journey of GST from a fresh reform to a more refined system is still in progress—and its ultimate success will depend on making it simpler, fairer, and more inclusive for everyone involved.

CONCLUSION

Eight years on, GST stands as a bold reform with notable progress and undeniable gaps. The journey so far has been a mix of milestones and lessons—what comes next will define its legacy.

Eight Years of GST in India: A Transformative Yet Evolving Journey



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July 1, 2025, marks eight years since the Goods and Services Tax (GST) was rolled out in India. Hailed as a landmark reform, GST replaced a convoluted web of 17 local taxes and 13 cesses with a unified indirect tax framework, aiming to create a "One Nation, One Tax, One Market" system. While the journey has seen significant achievements in unifying the market and boosting revenue, challenges persist, underscoring that GST remains a work in progress.

Achievements: Unifying the Market and Boosting Revenue

The past eight years have demonstrated GST's considerable impact on India's economic landscape:

- **Unified National Market:** By subsuming various central and state-level indirect taxes, GST has dismantled inter-state tax barriers, making India a seamless national market. This has significantly improved logistics efficiency, reduced turnaround times for goods movement, and lowered overall business costs.
- **Boosted Revenue Collections:** GST collections have shown consistent and impressive growth. From an average of ₹90,000 crore in 2017-18, monthly collections have soared to an average of ₹1.84 lakh crore in 2024-25, with a record high of ₹2.37 lakh crore in April 2025. Gross GST collections reached ₹22.08 lakh crore in FY 2024-25, marking a 9.4% year-on-year growth. This growth has outpaced nominal GDP, indicating enhanced compliance and reduced leakages.
- **Increased Tax Compliance and Formalization:** The digital infrastructure underpinning GST, including e-way bills and e-invoicing, has significantly boosted compliance. The number of active GST registrations has grown from 60 lakh in 2017 to over 1.51 crore as of April 30, 2025. This formalization of the economy has broadened the tax base and made economic data more transparent and reliable.

- **Enhanced Ease of Doing Business:** For many businesses, particularly medium and large enterprises, GST has simplified tax processes and reduced the compliance burden. The seamless flow of Input Tax Credit (ITC) has minimized cascading tax effects, lowering the overall tax burden and boosting competitiveness.
- **Cooperative Federalism:** The GST Council, comprising the Union Finance Minister and state representatives, has served as a testament to cooperative federalism, making crucial decisions through consensus to evolve and streamline the tax system.
- **Technological Advancement:** The GST Network (GSTN) has emerged as a robust digital backbone, facilitating online filings, real-time credit matching, and automated returns. The adoption of e-invoicing and e-way bills has significantly improved transparency and reduced fraud.
- **Benefits to Consumers:** While initial inflationary pressures were noted, the elimination of cascading taxes has, in many instances, led to a moderation of prices for various products. Lower tax rates on essential items and sector-specific exemptions have also benefited consumers.

Failures and Persistent Challenges:

Despite the successes, the GST journey has not been without its setbacks and lingering issues:

- **Complex Compliance Structure for MSMEs:** While digitalization has aided compliance, many micro and small enterprises still struggle with the complexity of multiple returns, frequent changes in regulations, and the technical requirements of the GST portal. This has often led to increased compliance costs for them.
- **Flawed Input Tax Credit (ITC) Mechanism:** Issues related to the denial or reversal of ITC due to supplier non-compliance continue to plague compliant taxpayers, impacting their working capital and creating a trust deficit. The ideal of a seamless credit flow is yet to be fully realized.
- **Exclusion of Key Sectors:** The continued exclusion of petroleum products, alcohol for human consumption, and real estate from the GST ambit leads to cascading taxes and prevents the full realization of the "One Nation, One Tax" vision. States' revenue concerns have been a major hurdle in their inclusion.

- **Multiple Tax Rates and Classification Disputes:** India's GST operates with multiple tax slabs (5%, 12%, 18%, 28%, along with special rates), which was initially intended to be transitional. However, the rationalization to a simpler three-rate structure has been slow, leading to classification disputes and complexities.
- **Delay in GST Appellate Tribunals (GSTATs):** The long delay in the operationalization of GSTATs across all states has resulted in a significant backlog of appeals in High Courts, prolonging dispute resolution and increasing uncertainty for taxpayers.
- **Procedural Rigidities and Enforcement Heavy Approach:** Despite the push for trust-based self-assessment, concerns remain about the enforcement-heavy approach, including frequent blocking of credits and the misuse of certain provisions, which can erode taxpayer confidence.
- **Inverted Duty Structure:** Certain sectors continue to face issues due to inverted duty structures, where the tax on inputs is higher than the tax on output, leading to credit accumulation and cash flow problems.

The Way Forward: Towards a "Good and Simpler Tax"

As GST enters its ninth year, the focus needs to shift from mere revenue generation to creating a truly "good and simple tax" ecosystem. Key reforms and areas for improvement include:

- **Rate Rationalization and Simplification:** A phased approach to move towards a simplified three-rate structure, as suggested by experts, would minimize disputes, enhance tax certainty, and simplify compliance. Addressing inverted duty structures through targeted reforms is also crucial.
- **Inclusion of Excluded Sectors:** A clear roadmap for bringing petroleum products, alcohol, and real estate under GST is essential to eliminate cascading effects and ensure true value chain efficiency. This will require a consensus-building approach with states, potentially involving fiscal safeguards.
- **Strengthening the ITC Mechanism:** Overhauling the ITC framework to ensure that compliant buyers are not penalized for supplier defaults and streamlining the refund process will significantly ease the burden on businesses.
- **Expediting GSTAT Operationalization:** Full and speedy operationalization of GST Appellate Tribunals across the country is critical for timely dispute resolution and reducing litigation burden on courts and taxpayers.

- **Simplifying Compliance for MSMEs:** Further simplification of compliance norms, perhaps through AI-powered grievance redressal and more intuitive portal interfaces, is needed to truly enhance the ease of doing business for micro and small entities.
- **Leveraging Technology Further:** Continued integration of the GSTN with other government portals (like ICEGATE, DGFT, RBI, MCA) for real-time data sharing and auto-filled returns can further streamline compliance and prevent tax evasion. The use of AI and machine learning can also be expanded for more efficient audits and analytics.
- **Fostering Trust:** A more facilitative and less enforcement-heavy approach by the tax administration, along with clear and consistent clarifications, will foster greater trust between taxpayers and the authorities.
- **Addressing Emerging Areas:** As the economy evolves, careful classification and tax design for emerging areas like crypto-assets, carbon credits, and digital goods will be necessary.

In conclusion, India's GST journey over the past eight years has been a remarkable testament to its transformative potential. It has successfully unified the country's indirect tax system, formalised a significant portion of the economy, and consistently boosted government revenues. However, the path ahead requires continuous refinement, bold reforms, and a commitment to address the remaining challenges to truly unlock GST's full potential as a catalyst for India's economic growth and global competitiveness.

COMPANY AND SEBI LAWS UPDATES

1. STATUTORY UPDATES

- 1.1** MCA substitutes Form GNL-1; requires disclosures on company defaults, probes and drops stamp duty information - **NOTIFICATION NO. G.S.R. 360(E) [F.NO. 01/16/2013 CL-V (PT-I)], DATED 30-05-2025**

Editorial Note : MCA has notified Companies (Registration Offices and Fees) Amendment Rules, 2025. The Ministry has substituted Form GNL-1 with a new version. Now, in Form GNL-1, details relating to period of default, reasons leading to default, whether default was made good, whether any investigation against the company has been initiated, the agency conducting an investigation & brief particulars of investigation are required to be provided. Also, details related to payment of stamp duty have been removed.

- 1.2** MCA amends CRA-2 & CRA-4 forms: Introduces fields for appointment nature, auditor consent, and AGM extension details - **NOTIFICATION NO. G.S.R. 361(E) [F.NO. 1/40/2013-CL-V PART 1], DATED 30-05-2025**

Editorial Note : MCA has notified the Companies (Cost Records and Audit) Amendment Rules, 2025, substituting Forms CRA-2 and CRA-4 with revised versions effective from 14th July 2025. Now, in Form CRA-2, details regarding the nature of the cost auditor's appointment and confirmation of the auditor's consent are required. In Form CRA-4, disclosure of the auditor's lead status, along with AGM extension details including the SRN of Form GNL-1 and the revised AGM date, is to be provided.

- 1.3** MCA amends MGT-7, MGT-7A and MGT-15 forms; add fields for shareholder breakup, Registered Office photo & AGM FY details - **NOTIFICATION NO. G.S.R. 358(E) [F.NO. 01/34/2013 CL-V (PT-II)], DATED 30-05-2025**

Editorial Note : MCA has notified Companies (Management and Administration) Amendment Rules, 2025, revising Forms MGT-7, MGT-7A, and MGT-15, effective 14th July 2025. In Form MGT-7, summary of indebtedness for debentures & category-wise breakup of shareholders is to be given. In Form MGT-7A, a photograph of registered office showing external building and company name is to be given. In Form MGT-15, details relating to FY to which AGM are to be given. These forms will be launched on V3 portal on 14.07.2025.

- 1.4** MCA replaces form AOC-1 and AOC-2 with electronic version; mandates additional disclosures in Board Report - **NOTIFICATION G.S.R. 357(E) [F. NO. 01/1/2024-CL-V-MCA], DATED 30-05-2025**

Editorial Note : MCA has notified Companies Accounts Amendment Rules. As per the amended norms Form AOC-1 and AOC-2 will be Electronic Forms. Now, Board Report shall also include details about number of sexual harassment complaints received in a year, disposed off during the year, and cases pending for more than 90 days. Further, the company should also provide a statement concerning compliance with the Maternity Benefit Act 1961 in its Board Report. The notification shall be effective from 14th Jul, 2025.

- 1.5** MCA overhauls ADT forms w.e.f. 14.07.2025; seeks prior audit info, offence details & SRN linkage - **NOTIFICATION G.S.R. 359(E) [F. NO. POLICY-01/33/2013-CL-V (PART-I)], DATED 30-05-2025**

Editorial Note : MCA has notified Companies (Audit and Auditors) Amendment Rules, 2025, substituting Forms ADT-1, ADT-2, ADT-3 and ADT-4, effective 14.07.2025. In Form ADT-1, details on nature of auditor's appointment and prior conduct of audit by auditor/firm/member are to be given. In Form ADT-2, proof of service of notice to defending auditor is required. Form ADT-3 needs SRN of ADT-1. In Form ADT-4, email id of company, office details where offence is committed & officers involved are to be given.

- 1.6** SEBI modifies Investor Charter for Research Analysts and Investment Advisers to enhance financial inclusion - **CIRCULAR SEBI/HO/MIRSD/MIRSD-POD/P/CIR/2025/80, DATED 02-06-2025**

Editorial Note : SEBI has modified investor charter for investment advisers (IAs) and research analysts (RAs) to enhance financial inclusion & financial literacy. The modified charter includes vision & mission statements for investors, details of business transacted by IAs/RAs, and details of grievance redressal mechanism. Also, it includes rights of investors, expectations from investors along with format for investor complaints to be disclosed monthly by IAs and RAs.

- 1.7** Govt tweaks SEZ Rules: relaxes land norms, export norms to attract semiconductor, electronics investment - **NOTIFICATION NO. G.S.R. 364(E) [F.NO. K-43022/150/2024-SEZ], DATED 03-06-2025**

Editorial Note : The SEZ Rules, 2006, have been amended to boost semiconductor and electronics manufacturing. SEZs for semiconductors can now be set up on just 10 hectares of land. The requirement for encumbrance-free land is relaxed if it is leased or mortgaged to the government. Export rules are eased, allowing the movement of goods to bonded warehouses and FTWZs. Free-of-cost goods must be included in NFE calculations. For some SEZs, the minimum land area is reduced from 20 to 4 hectares.

- 1.8** SEBI automates the process of invocation, sale of pledged securities - **CIRCULAR NO. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/82, DATED 03-06-2025**

Editorial Note : Earlier, the SEBI mandated that the broker shall accept collateral from a client in the form of securities only by way of margin pledge. Now, it has been noticed that invoked shares are lying unsold, resulting in the accumulation of clients' securities in the demat account of the broker. Further, brokers face operational issues when clients sell pledged securities. Therefore, it has been decided to make the invocation and sale as a combined automated process.

- 1.9** SEBI warns of fraudulent notices, scam messages from imposters; urges public to verify via SEBI site and avoid fraud - **PRESS RELEASE NO. 30/2025, DATED 04-06-2025**

Editorial Note : SEBI alerts the public about fake communications from imposters posing as SEBI officials using forged letterheads, logos, and seals. These fraudsters demand fines via social media, issue fake sale certificates, and misuse vendor accounts. SEBI urges verification of such messages. Genuine SEBI documents carry a UDIN and can be verified on the SEBI website. Official emails of SEBI come only from @sebi.gov.in. Investors are advised to stay vigilant and use the SEBI Directory for verification.

- 1.10** SEBI extends waiver on sending physical financials to NCS holders without registered email; no penalty on compliant entities - **CIRCULAR NO. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83, DATED 05-06-2025**

Editorial Note : SEBI has extended relaxation from sending physical copies of financial statements to holders of listed non-convertible securities without registered email IDs. No penal action on entities from Oct 1, 2024 to June 5, 2025 provided entities comply with MCA general circular No.09/2024. For June 6 to Sept 30, 2025, relaxation continues if a web-link to the salient documents is disclosed in ads as per Reg. 52(8).

- 1.11** MCA substitutes Form AOC-4 XBRL; new version requires disclosures on CSR & mandates to attach signed financials in a PDF format - **NOTIFICATION No. G.S.R. 371(E) [F. NO. 01/19/2013-CL-V(PT.)],, DATED 06-06-2025**

Editorial Note : The MCA has notified the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules, 2025. The MCA has substituted Form AOC-4 XBRL with a new version. The revised version now requires disclosure on Corporate Social Responsibility (CSR) Reporting. Further, companies filing their financial statements must attach a copy of

the signed financials, duly authenticated in a PDF format, along with e-Form AOC-4 XBRL. The changes shall be effective from 14.07.2025

- 1.12** SEBI extends additional liquidation period for migrating VCFs under AIF Regulations to July 19, 2026, from July 19, 2025 - **CIRCULAR NO. SEBI/HO/AFD/SEC-3/P/CIR2025/85, DATED 06-06-2025**

Editorial Note : SEBI has notified the extension the additional liquidation period for Venture Capital Funds (VCFs) migrating to SEBI (Alternative Investment Funds) Regulations, 2012 from July 19, 2025, to July 19, 2026. This extension is pursuant to industry representations and consultations to facilitate smooth migration. All other provisions of the earlier circular dated August 19, 2024, remain unchanged.

- 1.13** SEBI to introduce "Validated UPI Handles" and "SEBI Check" for secured payments by investors to enhance investor protection - **PRESS RELEASE NO. 31/2025, DATED 11-06-2025**

Editorial Note : SEBI has announced a significant initiative to enhance investor protection and combat unauthorized money collection in securities market. Effective October 1, 2025, SEBI will introduce a structured, validated & exclusive Unified Payment Interface (UPI) address mechanism for all SEBI-registered intermediaries. Also, SEBI is developing a new functionality called "SEBI Check", which will allow investors to verify authenticity of UPI IDs by scanning a QR code or entering the UPI ID manually.

- 1.14** SEBI to launch exclusive UPI IDs for SEBI-registered intermediaries to collect funds from investors to curb trading scams - **CIRCULAR NO. SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86, DATED 11-06-2025**

Editorial Note : SEBI has decided to put in place a structured Unified Payment Interface (UPI) mechanism for SEBI-registered intermediaries to collect funds from their investors. This mechanism will allow investors to transfer funds directly to the requisite bank accounts of intermediaries. The transfer of funds via this mechanism will assure investors that their payments are being made to verified and registered market intermediaries. The exclusive UPI IDs shall be available to investors w.e.f October 1, 2025.

- 1.15** SEBI encourages investors to use 'Centralized Fee Collection Mechanism' (CeFCoM) for paying fees to RAs and IAs - **PRESS RELEASE NO. 32/2025, DATED 12-06-2025**

Editorial Note : SEBI has encouraged investors to pay fees to their investment advisers (IAs) and research analysts (RAs) through the 'Centralized Fee Collection Mechanism for IAs and RAs' (CeFCoM). CeFCoM is a secure and transparent payment ecosystem developed to ensure that investors pay fees only to registered investment advisers and research analysts. It is an optional mechanism. As of June 10, 2025, investors have paid over Rs 5 crore in fees through CeFCoM.

- 1.16** SEBI revises Product Advisory Committee meeting norms; agri-commodity PAC to meet at least once a year under amended circular - **CIRCULAR NO. SEBI/HO/MRD/MRD-POD-1/P/CIR/2025/087, DATED 12-06-2025**

Editorial Note : SEBI has reviewed the provisions relating to review of the Product Advisory Committee (PAC). SEBI has amended the para "2.4.4.i." of the Master Circular for Commodity Derivatives Segment dated Aug 04, 2023. As per the amended norms, PAC shall meet at least twice a year and more frequently as and when required. However, in case of agricultural commodities, the PAC shall meet at least once a year. Earlier, the PAC was required to meet at least twice a year and more frequently as and when needed.

- 1.17** SEBI directs REITs, IRAs to publish and update Investor Charter across platforms; mandates complaint disclosure - **CIRCULAR NO. SEBI/HO/DDHS/DDHS-POD-2/P/CIR/2025/88, DATED 12-06-2025**

Editorial Note : SEBI has advised REITs and IRAs to display the Investor Charter (IC) in offices, websites, apps, and share it via emails/letters. Further REITs and IRAs must regularly update IC as per SEBI REIT Regulations and circulars. To ensure transparency, REITs must disclose monthly data on investor complaints and their redressal, both category-wise and collectively, on their websites by the 7th of the following month. The circular is effective immediately.

- 1.18** SEBI directs InvITs, BIAs to display Investor Charter across platforms and disclose monthly complaint data by 7th of succeeding month - **CIRCULAR NO. SEBI/HO/DDHS/DDHS-POD-2/P/CIR/2025/89, DATED 12-06-2025**

Editorial Note : SEBI mandates InvITs and Bharat InvIT Association (BIA) to display the Investor Charter on websites, apps, offices, and share via emails/letters, with regular updates per SEBI InvIT Regulations. To enhance investor protection and transparency, InvITs must disclose monthly data on complaints and redressal, both category-wise and collectively, by the 7th of each month as per Annexure-B. The circular is effective immediately.

- 1.19** Govt appoints Ms. Anuradha Thakur as SEBI Member to take charge as Secretary to Government from July 1, 2025 - **NOTIFICATION S.O. 2700(E)[F. NO. 2/6/2020-REJ, DATED 16-06-2025**

Editorial Note : The Central Government has appointed Ms. Anuradha Thakur as Member of the Securities and Exchange Board of India (SEBI). She will serve as Officer on Special Duty until June 30, 2025, and will assume the role of member as Secretary to the Government of India, Department of Economic Affairs, Ministry of Finance, with effect from July 1, 2025.

- 1.20** MCA waives off additional fees for 13 e-forms due between 18.06.2025 to 31.07.2025 amid MCA21 V2 to V3 transition - **GENERAL CIRCULAR NO. 1/2025 [F. NO. POLICY-02/1/2023-CL-V-MCA], DATED 16-06-2025**

Editorial Note : In view of the system transition from MCA21 V2 to V3, MCA has granted a one-time waiver of additional fees for 13 specified e-forms which includes AOC-4, AOC-4 NBFC, MGT-7/MGT-7A, etc. Forms due or resubmitted between 18.06.2025 and 31.07.2025 can be filed without extra charges until 15.08.2025. Stakeholders are urged to complete their filings promptly once forms are available on the V3 portal.

- 1.21** CSR-2 can be filed separately in V3 from 14.07.2025 to 15.08.2025 using V2 SRN of AOC-4 filed before V2 decommissioning - **GENERAL CIRCULAR NO. 2/2025 [F. NO. POLICY-02/1/2023-CL-V-MCA], DATED 16-06-2025**

Editorial Note : Due to the transition of the MCA21 portal from V2 to V3 for annual filing forms and to facilitate a smooth rollout of these e-forms in MCA21 version 3, the Ministry has scheduled a system migration. As a result, filing on V2 will be decommissioned effective from 18.06.2025. Therefore, stakeholders intending to file e-form CSR-2 as an independent form using the V2 SRN of Form AOC-4/AOC-4 (XBRL)/AOC-4 (NBFC) can file it on the V3 portal from 14.07.2025 to 15.08.2025.

- 1.22** SEBI updates Master Circular for Stock Brokers; consolidates directions and rescinds earlier circulars till June 10, 2025 - **MASTER CIRCULAR NO. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/90, DATED 17-06-2025**

Editorial Note : SEBI has issued an updated Master Circular for Stock Brokers, consolidating all relevant directions and guidelines issued up to June 10, 2025. This circular supersedes the earlier Master Circular dated August 09, 2024. Further, the directions/instructions contained in the circulars listed out in the Appendix to that Master Circular, to the extent they relate to the Stock Brokers, are rescinded.

- 1.23** SEBI mandates dematerialisation of existing securities of select shareholders before filing of DRHP - **PRESS RELEASE NO. 33/2025, DATED 18-06-2025**

Editorial Note : SEBI, in its 210th Board Meeting, approved amendments to SEBI (ICDR) Regulations, 2018 to mandate dematerialisation of existing securities of select shareholders before filing of DRHP to promote dematerialisation in the listed space. Further, the Board approved inclusion of trusts under the Indian Registration Act, 1908, charitable societies under relevant state laws, and companies under Section 25 of the erstwhile Companies Act, 1956, as NPOs under the Social Stock Exchange framework.

- 1.24** Govt. designates various Special Courts for providing speedy trial of offences under Cos. Act - **NOTIFICATION S.O. 2729(E) [F. NO. 01/12/2009-CL-I (VOL. IV)], DATED 18-06-2025**

Editorial Note : The Govt has designated numerous courts as special courts to provide a speedy trial of offences under the Companies Act, 2013, to exercise jurisdiction in the State of Punjab, Haryana and the Union Territory of Chandigarh. This is in exercise of the powers conferred on the Central Government under section 435(1) of the Companies Act, 2013.

- 1.25** SEBI issues updated master circular on 'Registrars to an Issue and Share Transfer Agents' - **MASTER CIRCULAR SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91, DATED 23-06-2025**

Editorial Note : SEBI has issued an updated master circular on 'Registrars to an Issue and Share Transfer Agents' (RTAs). This circular is a compilation of all the existing circulars issued till date. This is done to enable the users to have access to all the applicable circulars at one place. The circular covers norms relating to registration matters, reporting requirements, transfer related activities, information technology and cyber security and role of RTAs with respect to Right Issue.

- 1.26** SEBI tightens AIF norms; mandates NISM certification for key investment personnel by July 31, 2025 - **NOTIFICATION F. NO. SEBI/LAD-NRO/GN/2025/249, DATED 25-06-2025**

Editorial Note : SEBI has amended the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007, whereby it has mandated that for Category I, II, or combined Category I and II AIFs, at least one key personnel in the Manager's key investment team must be NISM-certified by passing either Series-XIX-C or the newly introduced Series-XIX-D. AIFs existing on the date of this notification must ensure compliance by obtaining the requisite certification on or before July 31, 2025.

- 1.27** SEBI extends portfolio rebalancing timelines to cover all passive breaches in actively managed MF schemes - **CIRCULAR NO. SEBI/HO/IMD/POD2/P/CIR/2025/92, DATED 26-06-2025**

Editorial Note : SEBI vide paragraph 2.9 of the Master Circular for Mutual Funds prescribed timelines for rebalancing of the portfolios of mutual fund schemes in the event of deviations from the mandated asset allocation specified in the Scheme Information Document (SID) due to passive breaches. SEBI has now clarified that these provisions shall apply to all types of passive breaches in actively managed mutual fund schemes.

- 1.28** Listed entities to follow revised Industry Standards for approval of RPTs effective from September 1, 2025 - **CIRCULAR NO. SEBI/HO/CFD/CFD-POD-2/P/CIR/2025/93, DATED 26-06-2025**

Editorial Note : SEBI has issued revised Industry Standards on 'Minimum information to be provided to the Audit Committee and Shareholders for approval of RPTs'. Listed entities must now provide the Audit Committee with the information as specified in the Industry Standards while placing any proposal for the review and approval of an RPT. Further, the notice sent to shareholders for approval of RPT must include information as specified in industry standards. These norms are effective from 01.09.2025

- 1.29** SEBI confirms seizure operations at multiple locations for 'Pump and Dump' Scam - **PRESS RELEASE NO. 34/2025, DATED 27-06-2025**

Editorial Note : SEBI has clarified that it has conducted search and seizure operations at multiple locations in the month of June 2025 in connection with pump and dump in certain scrips. SEBI has seized incriminating evidence. Investigation in the matter is under progress. The raids primarily involved 15-20 shell companies which were allegedly created by promoters of some listed companies to pump and dump their own shares.

- 1.30** SEBI issues updated master circular for Investor Advisers (IAs) - **MASTER CIRCULAR SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/94, DATED 27-06-2025**

Editorial Note : SEBI from time to time, has been issuing various circulars/directions to Investment Advisers (IAs). In order to enable users to have access to the applicable circulars at one place, this Master Circular in respect of IAs is being issued. The provisions of relevant circulars issued until June 11, 2025 have been incorporated in this Master Circular.

- 1.31** SEBI issues updated master circular for Research Analysts (RAs) - **MASTER CIRCULAR SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/95, DATED 27-06-2025**

Editorial Note : SEBI from time to time, has been issuing various circulars/directions to Research Analysts (RAs) In order to enable users to have access to the applicable circulars at one place, this Master Circular in respect of RAs is being issued. The provisions of relevant circulars issued until June 20, 2025 have been incorporated in this Master Circular.

- 1.32** Trading window bar won't apply to inter-se gift of shares if compliant with PIT norms and pre-cleared by compliance officer: SEBI

Editorial Note : A target company sought informal guidance on whether off-market inter-se gift of shares by promoters to their sons who are also promoters can be executed during trading window closure period under PIT norms & whether pre-clearance from compliance officer is required to execute such gift. SEBI clarified that trading window closure period wouldn't apply to such transactions if carried out in compliance with conditions specified in Reg 4 of PIT, subject to prior clearance by compliance officer.

- 1.33** SEBI seeks public comments on draft circular providing details/clarifications on various regulatory provisions for RAs

Editorial Note : SEBI seeks public comments on a draft circular that provides details and clarifications on various regulatory provisions applicable to Research Analysts (RAs) through a set of FAQs. Some of the FAQs include (a) how RAs are regulated in India; (b) which types of communications are excluded from definition of a research report and (c) whether RA Regulations apply only to equity and equity-linked securities. Comments may be submitted by June 30, 2025.

- 1.34** SEBI issues FAQs on 'Cybersecurity & Cyber Resilience Framework for REs & Framework for adoption of Cloud Services by REs

Editorial Note : SEBI has issued Frequently Asked Questions (FAQs) on 'Cybersecurity and Cyber Resilience Framework (CSCRF) for Regulated Entities (REs) & Framework for adoption of Cloud Services by REs. The objective of FAQs is to provide better clarity on various concepts related to CSCRF. These FAQs are intended to serve as guidance for SEBI REs, and any explanations/clarifications provided should neither be regarded as an interpretation of the framework nor the binding decision of SEBI.

- 1.35** SEBI proposes mandatory periodic disclosures for 'Securitized Debt Issuers'

Editorial Note : SEBI has released a consultation paper on a proposal mandating a special purpose distinct entity and a trustee to submit disclosures on a half-yearly basis on securitized debt instruments (SDIs) to the Board and stock exchanges. This move is part of SEBI's efforts to improve transparency and investor protection in the securitisation market. These disclosures will cover performance, structure and credit quality of underlying assets supporting securitized instruments.

- 1.36** SEBI proposes to facilitate onboarding of accredited investors based on first-level due diligence by an AIF manager

Editorial Note : SEBI has released a consultation paper proposing certain flexibilities under accreditation framework for AIFs. SEBI has proposed allowing the onboarding of accredited investors based on first-level due diligence conducted by the manager of an AIF. Also, SEBI has proposed expanding eligibility criteria for accreditation agencies by allowing all KRAs to function as accreditation agencies replacing the existing criteria that only subsidiaries of stock exchanges and depositories are eligible.

- 1.37** Acquisition under SAST to be counted from FY in which purchase order is placed for trade execution & not delivery year: SEBI

Editorial Note : A target company sought informal guidance on interpretation of term 'acquisition' under

SEBI (SAST) norms and whether such acquisition is to be considered in the year when contracted or the year in which delivery is completed. SEBI clarified that terms 'acquirer' and 'acquisition' include an agreement to acquire i.e. a prospective acquisition. Further, for Reg. 3(2), acquisition may be considered in the FY in which the purchase order was placed for execution of trades to acquire the shares.

- 1.38** SEBI proposes guidelines for responsible usage of AI/ML tools in Indian Securities Markets

Editorial Note : SEBI has released a consultation paper proposing guidelines for using Artificial Intelligence (AI) and Machine Learning (ML) tools in Indian securities markets. The paper outlines several broad principles for responsible AI management, including equality, accountability, transparency, safety, and reliability. SEBI has proposed that market participants disclose their use of AI and ML tools in operations such as algorithmic trading, asset management, portfolio management and advisory services.

- 1.39** SEBI proposes modification of 'Unique Client Code' by market makers of ETFs without levy of penalty

Editorial Note : SEBI has proposed allowing modification of 'Unique Client Code' (UCC) by market makers (MMs) of Exchange Traded Funds (ETFs) without levy of a penalty to enable net settlement by MMs. A unique client code is a unique identification number assigned to each investor or client by broker or financial institution. Also, penalties on client code modification by institutions such as banks may not apply if modification is carried out from one UCC to another provided both UCCs are linked to same PAN.

- 1.40** SEBI proposes the appointment of two executive directors on governing board of Market Infrastructure Institutions

Editorial Note : SEBI has released a consultation paper on strengthening the governance of Market Infrastructure Institutions (MIIs). The key proposals cover (a) appointment of two executive directors (EDs) to the Governing board of MIIs, (b) clearly outlining the broad roles and responsibilities of managing director, proposed EDs and specific KMPs and (c) establishing clear norms for the directorships of MDs and proposed EDs of an MII in other companies. Public comments may be submitted by July 15, 2025.

2. SUPREME COURT

SECTION 22 OF THE SPECIFIC RELIEF ACT, 1963 - POWER TO GRANT RELIEF FOR POSSESSION, PARTITION, REFUND OF EARNEST MONEY, ETC.

- 2.1** Where appellant entered into an agreement to sell (ATS) with respondent nos. 1 to 4 (vendors) for sale of suit property and paid Rs. 20 lakhs as advance and ATS stipulated that in event of failure on part of appellant to

pay remaining amount within stipulated period, advance amount paid would be forfeited, in view of fact that appellant failed to pay balance sale consideration within stipulated time, forfeiture of advance money by vendors was justified - **K.R. Suresh v. R. Poornima** - [2025] 174 taxmann.com 1145 (SC)

SECTION 252 OF THE COMPANIES ACT, 2013 - REMOVAL OF NAME FROM REGISTER

- 2.2 Where there was delay on part of appellant at every stage, NCLAT was justified in holding that no case was made out to condone delay in preferring appeal - **Bajaj Promoters (P.) Ltd. v. Registrar of Companies, Chennai** - [2025] 175 taxmann.com 830 (SC)

3. HIGH COURT

SECTION 8 OF THE HINDU SUCCESSION ACT, 1956 - GENERAL RULES OF SUCCESSION IN THE CASE OF MALES

- 3.1 In no situation (except for a valid and extant coparcenary or joint family property), a grandson can seek partition in property of his grandfather since it is inherited by his father as his self-acquired property ;where succession has opened after 1956, property is vested in heirs as their self-acquired property and no cause of action arises on part of grandchildren to seek partition in grandfather's property - **Nachiketa Kantibhai Patel v. Kantibhai Ishwarbhai Patel** - [2025] 175 taxmann.com 557 (Gujarat)

SECTION 27 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 - CONTRAVENTION BY COMPANIES

- 3.2 Where an Trial Court passed an order of charge against petitioner, a company director for floating a Collective Investment Scheme without obtaining registration, since petitioner was in charge of and was responsible for conduct of business of company at time of offence, there was no reason to interfere with said order or to quash complaint - **Nirmal Kumar Singh v. Securities and Exchange Board of India** - [2025] 174 taxmann.com 1215 (Delhi)

SECTION 241 OF THE COMPANIES ACT, 2013 - OPPRESSION AND MISMANAGEMENT - APPLICATION TO TRIBUNAL FOR RELIEF

- 3.3 Where CLB found that petitioner-shareholder failed to prove that its rights were being oppressed by company and its other shareholders, direction of CLB to allow petitioner to nominate one director on board of company was not sustainable in law and, therefore, same was to be set aside - **Jyoti C. Raheja v. Aasia Properties Development Ltd.** - [2025] 175 taxmann.com 663 (Bombay)

SECTION 334 OF THE COMPANIES ACT, 2013 - WINDING UP - TRANSFERS, ETC., AFTER COMMENCEMENT OF WINDING UP TO BE VOID

- 3.4 Where a sale agreement was executed by company in liquidation in favour of applicant after commencement of winding-up proceedings and applicant failed to satisfy obligation cast upon it, as per clause 2 of terms and conditions of sale agreement, by failing to pay charges towards stamp duty and registration charges, said transaction was incapable of being validated under Section 536(2), and accordingly, instant Interim Application by applicant for validation of sale agreement was to be rejected and applicant was directed to handover possession of subject property to Official liquidator - **J.B. Dyechem (P.) Ltd. v. Zhejiang Medicines & Health Products Import and Export Co. Ltd.** - [2025] 175 taxmann.com 550 (Bombay)

SECTION 406 OF THE COMPANIES ACT, 2013 - NIDHIS - POWER TO MODIFY ACT IN ITS APPLICATION TO

- 3.5 Where Ministry of Corporate Affairs rejected NDH-4 form of petitioner 'Nidhi Company' for deficiencies on ground that petitioner had filed a return of statutory compliance in Form NDH-1 after its due date, thus violated Rule 5(2) of Nidhi Rules, rejection was to be set aside as no opportunity of explanation and compliance of alleged deficiency was given to petitioner before rejection of NDH-4 form - **Krantijyoti Savitribai Phule Nidhi Ltd. v. Union of India** - [2025] 175 taxmann.com 575 (Bombay)

4. Security Appellate Tribunal

REGULATION 4 OF THE SEBI (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 2003 - PROHIBITION OF MANIPULATIVE, FRAUDULENT AND UNFAIR TRADE PRACTICES

- 4.1 Where SEBI prima facie found that appellants had indulged in front-running in trades of 'big client' with KP who had been implicated in several matters of fraud and manipulation of securities market, appellants' prayer to consider deposit of only 50 per cent of estimated profit as a condition to grant interim order was devoid of merits and thus, same was to be rejected - **Salasar Stock Broking Ltd. v. Securities and Exchange Board of India** - [2025] 175 taxmann.com 701 (SAT - Mumbai)

5. NCLAT

SECTION 210 OF THE COMPANIES ACT, 2013 - INVESTIGATION - INTO AFFAIRS OF COMPANY

- 5.1 Where appellant/independent director of company filed appeal against Tribunal's order passed in investigation proceedings on ground that no opportunity of being heard was accorded to him, since impugned order was purely of ad-interim nature and appellant had already appeared

before Tribunal, appellant would be at liberty to file objections to interim stay application or a stay vacation application - *Harsh Singh v. Union of India* - [2025] 175 taxmann.com 667 (NCLAT- New Delhi)

SECTION 241 OF THE COMPANIES ACT, 2013 - OPPRESSION AND MISMANAGEMENT - APPLICATION TO TRIBUNAL FOR RELIEF

- 5.2 Where appellant director of respondent-company had filed an interlocutory application seeking grant of interim order in a proceeding under sections 241 and 242, rejection of said application by NCLT on ground that appellant had not come with clean hands and had acted in a fashion detrimental to interest of respondent-company, did not suffer from any legal vices and hence did not call for any interference - *Smt. Dr. Thoyajakshi Bai Sakranaik v. Patanjali Hospitals (P.) Ltd.* - [2025] 175 taxmann.com 273 (NCLAT - Chennai)
- 5.3 Where respondent company had 30 members, out of which four members filed petition under section 241, condition prescribed under section 244 that not less than 1/10 of total number of its members whichever is less should file petition had been fulfilled and, therefore, NCLT erred in dismissing petition on ground that it did not meet criteria as provided in section 244 - *Lokesh Kumar Bansal v. Adhunik Food Products (P.) Ltd.* - [2025] 175 taxmann.com 367 (NCLAT- New Delhi)

SECTION 242 OF THE COMPANIES ACT, 2013 - OPPRESSION AND MISMANAGEMENT - POWERS OF TRIBUNAL

- 5.4 Where appellant had challenged NCLT's order of appointing a forensic auditor in proceedings held under sections 241 and 242, however, forensic auditor had already submitted his report and appellant was seeking time to file an objections, since no cause of action had survived for appellant against impugned order of appointing forensic auditor, appeal had become infructuous - *Mrs. Rekha Prabhakar v. Elv Supply Chain Solutions & Services (P.) Ltd.* - [2025] 174 taxmann.com 1147 (NCLAT - Chennai)

SECTION 420 OF THE COMPANIES ACT, 2013 - TRIBUNAL AND APPELLATE TRIBUNAL - ORDERS OF

- 5.5 Where docket order passed by NCLT had attained finality upon being uploaded, no subsequent alterations could have been permitted without a prior notice and, hence, subsequent order passed by NCLT without prior notice was in violation of docket order and same was to be quashed. - *Deccan Advanced Sciences (P.) Ltd. v. Escientia Biopharma (P.) Ltd.* - [2025] 174 taxmann.com 814 (NCLAT - Chennai)

SECTION 425 OF THE COMPANIES ACT, 2013 - TRIBUNAL AND APPELLATE TRIBUNAL - POWER TO PUNISH FOR CONTEMPT

- 5.6 Contempt proceedings are not proceedings in relation to enforcement of personal right, but rather maintaining prestige of Court or Tribunal so as to ensure compliance of its order, hence, contempt proceedings ought not to be dismissed for want of prosecution - *Shakti Bhushan v. Titan Industries Ltd.* - [2025] 175 taxmann.com 892 (NCLAT - Chennai)

6. NCLT

SECTION 99 OF THE COMPANIES ACT, 2013 - MEETINGS - PUNISHMENT FOR DEFAULT IN COMPLYING WITH SECTIONS 96 TO 98

- 6.1 Where AGM for financial years 2018-19, 2019-20 and 2020-21 were held beyond time limit, suspended directors of company were given a chance to compound offence by paying fine - *Call Express Construction India Pvt. Ltd., In re v.* - [2025] 175 taxmann.com 409 (NCLT- Chennai)

SECTION 241 OF THE COMPANIES ACT, 2013 - OPPRESSION AND MISMANAGEMENT - APPLICATION TO TRIBUNAL FOR RELIEF

- 6.2 Where there was no evidence suggesting that shares of respondent company were offered to existing shareholders before being transferred to R and no board meeting was convened to approve transfers, and no formal offer was extended to existing shareholders, including petitioner-shareholder, share transfer in favor of R was void ab initio and was declared null and non-est and acts of Respondents were oppressive and prejudicial to interests of company and petitioner - *Track Infoline (P.) Ltd. v. RT Global Infosolutions (P.) Ltd.* - [2025] 174 taxmann.com 1260 (NCLT - New Delhi)
- 6.3 Where petitioner-promoter had filed petition alleging oppression and mismanagement, however he himself served as managing director of respondent-company for 16 years, any alleged violations or irregularities during that period could not be attributed to respondents and, thus, petition was to be dismissed - *Thomas George v. Malayalam Industries Ltd.* - [2025] 175 taxmann.com 52 (NCLT - Kochi)
- 6.4 Where petitioner-director of respondent company filed a petition alleging oppression and mismanagement in company, however petitioner had not provided any evidence to substantiate allegation, instant oppression and mismanagement petition was to be dismissed - *A. Shirany Gomez v. Aanandham Property Developers (P.) Ltd.* - [2025] 175 taxmann.com 271 (NCLT- Chennai)
- 6.5 Where after termination of liquidation proceedings of applicant company, liquidator became functus officio and could not act as liquidator except with prior permission of appointing authority to conclude certain acts, application

for withdrawal of company petition filed through liquidator was not maintainable - ***Katra Holdings Ltd. v. Kerala Ayurveda Ltd.*** - [2025] 175 *taxmann.com* 722 (NCLT - Kochi)

SECTION 252 OF THE COMPANIES ACT, 2013 - REMOVAL OF NAME FROM REGISTER

- 6.6 Where there was no outstanding income tax demand against company on date of its removal from Register of Companies, Income Tax Department could not be considered as creditor under section 252(3) and, therefore, was not eligible to file application for restoration of company's name - ***Principal Commissioner of Income-tax v. Sprint Mercantiles (P.) Ltd.*** - [2025] 175 *taxmann.com* 562 (NCLT - Allahabad)

7. SEBI

REGULATION 4 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 - PRINCIPLES GOVERNING DISCLOSURES AND OBLIGATIONS

- 7.1 Where applicant company raised funds through private placement of NCDs and CCPS based on inflated financials created via circuitous transactions, and, there was failure to make material disclosures and failure to follow relevant procedure prescribed in SEBI (LODR) Regulations, 2015 with respect to related party transactions, company and its directors were to be restrained from accessing securities market and prohibited from buying, selling or otherwise dealing in securities, directly or indirectly,

or being associated with securities market in any manner, whatsoever, for a period of 5 years - ***Seya Industries Ltd., In re v.*** - [2025] 174 *taxmann.com* 236 (SEBI)

REGULATION 11 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 - EXEMPTIONS BY THE BOARD

- 7.2 Where due to financial stress in telecom sector, Government of India (GoI) introduced Telecom Relief Package, 2021, allowing relaxation in payment of spectrum auction dues and a telecom company (Target Company) opted to convert its outstanding spectrum dues (including deferred payments) into equity shares to be issued to GoI, under a debt restructuring scheme, and consequently, GoI's shareholding in target company was increased from 22.60% to 48.99%, in view of fact that Regulation 10(1)(i) provides exemption from open offer obligation for share acquisition by lenders through debt conversion schemes, it would be appropriate to grant exemption to GoI from open offer obligations - ***Vodafone Idea Ltd., In re v.*** - [2025] 175 *taxmann.com* 702 (SEBI)

SECTION 15HA OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 - PENALTY FOR FRAUDULENT AND UNFAIR TRADE PRACTICES

- 7.3 Where noticee had indulged in non-genuine reversal trades in stock options segment of BSE which created false or misleading appearance of trading in terms of artificial volumes in stock options, noticee had violated provisions of PFUTP Regulations and, therefore, penalty was to be imposed on noticee - ***Arvind Kashmirilal Punjabi, In re v.*** - [2025] 175 *taxmann.com* 682 (SEBI)

COMPETITION LAW

1. SUPREME COURT

SECTION 29 OF THE COMPETITION ACT, 2002 - PROCEDURE FOR INVESTIGATION OF COMBINATIONS

- 1.1 Word 'shall' used in section 29(1) makes it mandatory to issue an SCN on AAEC noted from proposed combination to parties and receive their response, however upon receipt of response or modification Commission is not under obligation to necessary send matter to DG for further investigation - **Competition Commission of India v. Independent Sugar Corporation Ltd. - [2025] 175 taxmann.com 20 (SC)**

2. CCI

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

- 2.1 Where there were other banks in relevant market for banking and loan services in India and no evidence was provided to support claim of anti-competitive agreements between valuers and OP bank, OP bank could not be considered to be in a position of dominance in relevant market and, therefore, no case of contravention of provisions of section 4 was made out against OP bank - **KSD Zonne Energie LLP v. Canara Bank Ltd. - [2025] 174 taxmann.com 1257 (CCI)**

FEMA BANKING AND INSURANCE LAWS

1. STATUTORY UPDATES

- 1.1 NSE IFSC Clearing Corp gets IFSCA nod for 3 years under MII regulations - **NOTIFICATION F. NO. IFSCA/NSE-IFSC/RENEWAL/2025-26, DATED 29-05-2025**

Editorial Note : The IFSCA has granted recognition to NSE IFSC Clearing Corporation Ltd. under Regulation 12 of the IFSC Authority (MII) Regulations, 2021, for a period of three years- from May 29, 2025, to May 28, 2028. This recognition, under Section 12 of the IFSCA Act, 2019 and Section 4 read with Section 8A(4) of the SCRA, 1956, is in the interest of trade, the securities market, and public interest, subject to prescribed or future conditions.

- 1.2 NSE IFSC gets 3-year renewal as a recognised exchange by IFSCA - **NOTIFICATION F. NO. IFSCA/NICCL/RENEWAL/2025-26, DATED 29-05-2025**

Editorial Note : The IFSCA has renewed the recognition of NSE IFSC Limited as a recognised exchange under the IFSC Authority (Market Infrastructure Institutions) Regulations, 2021 for a period of three years, from May 29, 2025, to May 28, 2028. The renewal is granted under Section 12 of the IFSC Authority Act, 2019 and Section 4 of the Securities Contracts (Regulation) Act, 1956, in the interest of trade, the securities market, and public interest, subject to specified conditions

- 1.3 IFSCA amends AML-KYC norms; gives 3-month window to update address if non-bank OVDs used as proof - **CIRCULAR F. NO. IFSCA-DAC/7/2024-AMLCFT/01, DATED 05-06-2025**

Editorial Note : IFSCA has amended the IFSCA (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022. As per amended norms, If a customer provides documents other than bank or Post Office statements for address proof, they must submit updated (Officially Valid Document)OVDs or equivalent e-docs with current address within 3 months. Bank or Post Office statements are accepted as deemed OVDs for address proof only when simplified measures apply.

- 1.4 RBI issues comprehensive directions on 'Lending Against Gold and Silver Collateral' - **CIRCULAR NO. DOR.CRE.REC.26/21.01.023/2025-26, DATED 06-06-2025**

Editorial Note : The Reserve Bank of India (RBI) has introduced the RBI (Lending Against Gold and Silver Collateral) Directions, 2025, with a view to establishing a principle-based, and harmonised regulatory framework for loans backed by gold and silver across all categories of Regulated Entities (REs). The Directions cover key areas including general conditions applicable to all loans against eligible collateral, conduct-related guidelines, collateral management practices, and disclosure requirements.

- 1.5 RBI revises penal interest on CRR and SLR shortfall to 8.75 percent and 10.75 percent - **CIRCULAR NO. DOR.RET.REC.22/12.01.001/2025-26, DATED 06-06-2025**

Editorial Note : RBI, via circular dated June 6, 2025, revised the Bank Rate from 6.25 percent to 5.75 percent with immediate effect. Consequently, penal interest rates on shortfall in CRR and SLR, which are linked to the Bank Rate, stand revised. The applicable penal rates are now Bank Rate plus 3.0 percent (8.75 percent) and Bank Rate plus 5.0 percent (10.75 percent), replacing the earlier 9.25 percent and 11.25 percent rates, respectively.

- 1.6 RBI announces phased 100 bps CRR cut to 3.0% in 4 tranches starting Sep 6, 2025 - **CIRCULAR NO. DOR.RET.REC.23/12.01.001/2025-26, DATED 06-06-2025**

Editorial Note : The RBI has decided to reduce the CRR for all banks by 100 basis points in four equal tranches of 25 bps. This phased reduction is applicable on Net Demand and Time Liabilities (NDTL). Accordingly, banks are required to maintain the CRR at 3.75 per cent, 3.5 per cent, 3.25 per cent and 3.0 per cent of their NDTL effective from the reporting fortnight beginning September 6, October 4, November 1 and November 29, 2025, respectively.

- 1.7 IFSCA mandates prior approval for PSPs in overseas payment systems tied to IFSC transactions - **CIRCULAR NO. E.FILE.NO. IFSCA-FMPP0BR/3/2023-BANKING, DATED 06-06-2025**

Editorial Note : IFSCA directs Payment Service Providers(PSPs) to seek prior approval before participating in international payment systems for cross-border or IFSC-related transactions. Such systems affecting domestic IFSC transactions require authorisation under Section 7(1) of the PSS Act. PSPs must review compliance and inform the Authority within 30 days, sharing details of international payment systems in which PSPs were participants as on May 31, 2025.

- 1.8 RBI mandates NBFC-MFIs to maintain at least 60 percent of total assets as qualifying assets on an ongoing basis - **CIRCULAR NO. DOR.FIN.REC.25/03.10.038/2025-26, DATED 06-06-2025**

Editorial Note : RBI has revised the qualifying asset criteria under para 8.1 of the Master Directions for NBFC-Microfinance Institutions. Now, qualifying assets of NBFC-MFIs shall constitute a minimum of 60 percent of the total assets (netted off by intangible assets), on an ongoing basis. If an NBFC-MFI fails to maintain the qualifying assets as aforesaid for four consecutive quarters, it shall approach the RBI with a remediation plan for taking a view in the matter.

- 1.9 RBI extends the list of exempted exposures under Large Exposure Framework to include contributions made by SCBs - **CIRCULAR NO. DOR.CRE.REC.27/21.01.003/2025-26, DATED 09-06-2025**

Editorial Note : Earlier, the RBI prescribed the Large Exposures Framework (LEF), under which "deposits maintained with NABARD on account of shortfall in achievement of targets for priority sector lending" are excluded from consideration for exposure limits under the LEF. The RBI has now clarified that this exemption shall also apply to contributions made by SCBs to funds with NHB, SIDBI, or any other entity specified by the RBI, on account of shortfalls in achieving PSL target

- 1.10 Contributions by UCBs towards eligible funds due to PSL shortfall will be excluded from exposure limits computation: RBI clarifies - **CIRCULAR NO. DOR.CRE.REC.28/07.10.002/2025-26, DATED 09-06-2025**

Editorial Note : Earlier, RBI set exposure limits for Urban Cooperative Banks (UCBs) at 15% of their Tier-I capital for a single borrower and 25% for a group of connected borrowers, along with revisions in targets for priority sector lending (PSL). The RBI has now clarified that contributions made by UCBs towards eligible funds with NABARD, NHB, or any other entity specified by RBI, on account of shortfall in PSL targets must not be included while computing aggregate exposure of a UCB to such counterparties.

- 1.11 RBI removes restrictions on use of ratings of 'Brickwork Ratings India Private Limited' by banks - **CIRCULAR NO. DOR.STR.REC.29/21.06.008/2025-26, DATED 09-06-2025**

Editorial Note : Earlier, RBI permitted banks to use ratings of Brickwork Ratings India Private Limited (BR IPL) to risk-weight their claims for capital adequacy purposes, subject to certain restrictions. For fresh rating mandates, ratings could be obtained from CRA for bank loans up to Rs 250 crore. For existing ratings, the CRA may undertake rating surveillance irrespective of rated amount till residual tenure of such loans. The RBI has now decided to remove restrictions placed on use of ratings by banks.

- 1.12 IFSCA amends 'Global/Regional Corporate Treasury Centres' Framework - **CIRCULAR F. NO. IFSCA/24/2024-BANKING-FC/02, DATED 09-06-2025**

Editorial Note : IFSC has amended 'Framework for Finance Company/Finance Unit Undertaking the Activity of Global/Regional Corporate Treasury Centres (GRCTC)'. A proviso has been added under clause 3(2)(ii), which allows the Chairperson of Authority, upon request from applicant, to grant a relaxation from the condition of employing at least 5 qualified personnel based in IFSC to undertake permissible activities, considering the proposed business volume for up to one year from date of start of operations.

- 1.13 Govt. amends NDI Rules; Indian Cos. may issue bonus shares in FDI-prohibited sectors if foreign shareholding doesn't change - **NOTIFICATION S.O. 2549(E) [F. NO. 1/9/2024-EM], DATED 11-06-2025**

Editorial Note : Earlier, the RBI, vide Press Note No. 2 dated April 7, 2025, clarified that an Indian company engaged in an FDI-prohibited sector may issue bonus shares to its pre-existing non-resident shareholders provided that the shareholding pattern of non-resident shareholders doesn't change after the issuance of bonus shares. Now, the Central Government has amended the Non-debt Instruments Rules, 2019 to align with this clarification.

- 1.14 RBI allows banking correspondents to assist in KYC updation; self-declaration permitted for minor changes - **CIRCULAR NO. DOR.AML.REC.31/14.01.001/2025-26, DATED 12-06-2025**

Editorial Note : The Reserve Bank of India has updated KYC norms. Now, Banking correspondent (BC) can update KYC. Self-declaration from the customer in case of no change in KYC information or change only in the address details may be obtained through an authorized BC of bank.. RBI aims to ease KYC updation and reduce service delays. Further, banks are advised to organize camps, focusing on periodic updation of KYC, especially in rural and semi urban branches having large pendency in periodic updation of KYC.

- 1.15 RBI revises instructions for updating the KYC of Inoperative Accounts/ Unclaimed Deposits in Banks - **CIRCULAR NO. DOR.SOG(LEG).REC/32/09.08.024/2025-26, DATED 12-06-2025**

Editorial Note : The RBI has issued the Inoperative Accounts/ Unclaimed Deposits in Banks - Revised Instructions (Amendment), 2025. The revised instructions provides more flexibility by allowing KYC (Know Your Customer) updates via any bank branch, video-based verification, and with the assistance of Business Correspondents (BCs). As per the amended norms, the bank may utilize the services of an authorised Business Correspondent to activate inoperative accounts.

- 1.16 RBI issues revised Master Directions on 'Know Your Customer' to enhance consumer protection and service - **CIRCULAR NO. DOR.AML.REC.30/14.01.001/2025-26, DATED 12-06-2025**

Editorial Note : RBI has issued Know Your Customer (KYC) (Amendment) Directions, 2025. As per the revised master directions, in case of an individual customer categorized as low risk, the RE must allow all transactions and ensure the updation of KYC within one year from the due date or by June 30, 2026, whichever is later. Also, Self-declaration from the customer in case of no change in KYC information or change only in the address details may be obtained through an authorised Business Correspondent of bank.

- 1.17 RBI allows STRIPS in State Govt. securities with a residual maturity of up to 14 years and Rs 1,000 crore outstanding - **CIRCULAR NO. IDMD.RD.S390/10.18.060/2025-26, DATED 12-06-2025**

Editorial Note : RBI has allowed 'Separate Trading of Registered Interest and Principal of Securities' (STRIPS) in State Government Securities (SGS). This move follows consultations with State Governments/Union Territories & feedback from market participants. All fixed

coupon securities issued by State Governments/UTs, with a residual maturity of up to 14 years & a minimum outstanding amt. of Rs 1,000 crore as on date of stripping will be considered eligible for stripping, subject to certain conditions.

- 1.18** RBI allows advance remittance up to USD 50M for vessel imports without BG or unconditional, irrevocable SBLC - **A.P. (DIR SERIES 2025-26) CIRCULAR NO. 07, DATED 13-06-2025**

Editorial Note : RBI has decided to permit importers to make advance remittance up to USD 50 million for import of shipping vessels without requiring a bank guarantee (BG) or an unconditional, irrevocable standby letter of credit (SBLC). This relaxation is subject to conditions under Para C.1.3.3 of the Master Direction on Import of Goods and Services (MD-Imports), dated January 01, 2016.

- 1.19** IFSC Authority notifies fee structure for KYC Registration Agencies in IFSC - **CIRCULAR NO. IFSCA/CMD/DDMIIT/2025-26/1, DATED 13-06-2025**

Editorial Note : IFSCA notified the KYC Registration Agency Regulations, 2025 on April 16, 2025. Pursuant to this, the Authority has now specified the fee structure: Application Fee - USD 1,000, Registration Fee - USD 5,000, and Annual Fee - USD 5,000. Entities shall pay the Application Fee at the time of application. Upon intimation of provisional or in-principle approval by the Authority, the Registration Fee must be paid within 15 days of such intimation.

- 1.20** RBI consolidates guidelines on credit facilities extended by banks to Scheduled Castes and Scheduled Tribes - **MASTER CIRCULAR NO. FIDD.CO.GSSD.BC.No.07/09.09.001/2025-26, DATED 16-06-2025**

Editorial Note : The RBI has issued a Master Circular consolidating all existing guidelines and instructions provided to banks regarding the extension of credit facilities to Scheduled Castes (SCs) and Scheduled Tribes (STs). This circular brings together previous directives to ensure uniformity and clarity in implementation.

- 1.21** RBI issues updated Master Directions on 'Electronic Trading Platforms' - **MASTER DIRECTION NO. FMRD.MIOD.No.02/14.03.027/2025-26, DATED 16-06-2025**

Editorial Note : RBI has issued updated master directions on 'Electronic Trading Platforms'. These Directions are issued to entities operating Electronic Trading Platforms (ETPs) on which transactions in eligible instruments are contracted. These Directions shall not apply to an electronic system operated by an SCB or a standalone primary dealer. These directions cover (a) eligibility criteria for authorisation of ETPs, (b) operating framework, and (c) grant/cancellation of authorisation to operate as an ETP.

- 1.22** RBI allows agency commission on all payment transactions except pre-funded or compensated ones - **CIRCULAR NO. CO.DGBA.GBD.NO.S168/31-12-011/2025-26, DATED 16-06-2025**

Editorial Note : Earlier, the RBI had issued a Master Circular on the conduct of government business by agency banks with respect to the claiming of agency commission. The RBI has now clarified that agency commission may be paid on all payment transactions handled by agency banks, except those that are pre-funded or where some compensation is paid by the Government to the agency banks. Accordingly, paragraph 8(c) of the circular stands revised.

- 1.23** RBI issues draft directions on 'Rupee Interest Rate Derivatives' to align with recent market developments - **PRESS RELEASE NO. 2025-26/550, DATED 16-06-2025**

Editorial Note : The Reserve Bank of India released the Draft Master Direction - RBI (Rupee Interest Rate Derivatives) Directions, 2025 under Section 45W of the RBI Act, 1934. The draft aims to align the regulatory framework with recent market developments, including new products and non-resident participation. Further, the reporting requirements under the Directions have also been rationalised to reduce compliance burden. Public comments are invited till July 7, 2025.

- 1.24** RBI issues Project Finance Directions for Banks, NBFCs and All India Financial Institutions - **PRESS RELEASE NO. 2025-26/563, DATED 19-06-2025**

Editorial Note : RBI has issued Project Finance Directions, 2025, for banks, NBFCs, and AIFIs (collectively called REs). Project finance refers to funding where project revenues serve as primary security for loan & source for repayment. The directions cover (a) adoption of a principle-based regime for stress resolution in project finance exposures, (b) flexibility in extending date of commencement of commercial operations (DCCO) & (c) rationalisation of standard asset to 1% for projects under construction.

- 1.25** RBI reduces Priority Sector Lending Target for Small Finance Banks from 75% to 60% - **CIRCULAR NO. DOR.LIC.REC.36/16.13.218/2025-26, DATED 20-06-2025**

Editorial Note : RBI has revised priority sector lending (PSL) norms for Small Finance Banks (SFBs). As per the revised norms, the overall PSL target has been reduced from 75% to 60% of adjusted net bank credit (ANBC) or credit equivalent of off-balance sheet exposures, whichever is higher. Also, under existing guidelines, SFBs must allocate 40% of their ANBC to core priority sectors while remaining 35% can be allocated to one or more sub-sectors. This flexible component has now been reduced from 35% to 20%.

- 1.26** IFSCA expands permissible uses of FCA funds by resident individuals in IFSC - **CIRCULAR NO. F. NO. IFSCA-FMPP0BR/1/2021-BANKING-PART(1)/3, DATED 23-06-2025**

Editorial Note : IFSCA has amended directions issued to IFSC Banking Units (IBUs) for operating foreign currency accounts (FCA) of Indian resident individuals opened under LRS. As per the amended norms, IBUs must obtain a declaration from the resident individual (RI) confirming that the amount being spent from their FCA for availing financial services or financial products in IFSC is either for the purpose declared while remitting the money to the FCA under LRS or for a purpose permitted under LRS.

- 1.27 Govt. mandates e-filing of pleadings under RDB and SARFAESI Acts via e-DRT portal - **NOTIFICATION NO. G.S.R. 403(E) [F. NO. 3/5/202-DRT], DATED 23-06-2025**

Editorial Note : The Ministry of Finance has notified the Debts Recovery Tribunals and Debts Recovery Appellate Tribunals Electronic Filing (Amendment) Rules, 2025. As per the amended norms, applicants must file all pleadings prescribed for specific purposes under the Recovery of Debts and Bankruptcy Act, 1993, the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in electronic form via the e-DRT system. The SOP is available on the e-DRT portal.

- 1.28 Govt. extends the validity of FCRA Registration Certificates up to September 30, 2025 - **PUBLIC NOTICE F.NO.II/21022/23(22)/2020-FCRA-II, DATED 24-06-2025**

Editorial Note : The Govt., in the public interest has decided to extend the validity of FCRA registration certificates. The validity of registration certificates of entities whose validity was extended till 30.06.2025 and whose renewal is pending, will stand extended till 30.09.2025 or till the date of disposal of renewal application, whichever is earlier. Similarly, the validity of FCRA entities whose 5-year validity period is expiring from 01.07.2025 to 30.09.2025 will stand extended up to 30.09.2025.

- 1.29 RBI eases export norms; exempts offshore vessels like tugs, dredgers from export declaration if re-imported into India - **Notification No. FEMA 23(R)/(6)/2025-RB, DATED 24-06-2025**

Editorial Note : RBI has notified the FEM (Export of Goods and Services) (Amendment) Regulations, 2025. An amendment has been made to Regulation 4, which relates to exemptions from furnishing export declarations in certain specified cases. The RBI has now expanded the list of exemptions to include tugs, tug boats, dredgers, and vessels used for providing offshore support services. These items can be exported without furnishing a declaration subject to the condition that they are re-imported into India.

- 1.30 RBI issues revised 'Depositor Education and Awareness Fund' guidelines consolidating earlier instructions - **CIRCULAR NO. DOR.SOG (DEA FUND) NO. 37/30.01.002/2025-26, DATED 25-06-2025**

Editorial Note : RBI has issued revised operational guidelines under the Depositor Education and Awareness (DEA) Fund Scheme, 2014, consolidating and rationalising earlier instructions for transfer and claims related to unclaimed deposits. These are applicable to all banks covered under the scheme, including commercial banks, RRBs, LABs, SFBs, PBs, and co-operative banks. The revised guidelines, issued under Sections 26A and 35A of the Banking Regulation Act, 1949, will be effective from October 01, 2025.

- 1.31 RBI to extend call money hours to 7 PM from July 1 and repo, Tri-Party Repo hours to 4 PM from August 1, 2025 - **PRESS RELEASE NO. 2025-2026/586, DATED 25-06-2025**

Editorial Note : RBI has extended call money market hours to 7:00 PM from July 1, 2025 (revised hours: 9:00 AM to 7:00 PM) and trading hours for market repo and Tri-Party Repo (TREP) to 4:00 PM from August 1, 2025 (revised hours: 9:00 AM to 4:00 PM). Trading hours for the government securities market, foreign exchange market, and interest rate derivatives market remain unchanged.

- 1.32 RBI strengthens Aadhaar payment security with new AePS rules effective from January 1, 2026 - **CIRCULAR NO. CO.DPSS.POLC.NO.S339/02-01-001/2025-2026, DATED 27-06-2025**

Editorial Note : RBI has introduced new guidelines to prevent fraud in the Aadhaar Enabled Payment System (AePS), effective January 1, 2026. Under these rules, banks must conduct KYC checks and periodically update the details of AePS Touchpoint Operators (ATOs) before onboarding them. Banks are also required to continuously monitor ATO activities, implement risk-based controls, and ensure that technologies like Application Programming Interfaces (APIs) are used solely for AePS operations.

- 1.33 RBI cuts repo rate by 50 bps to 5.50% to balance inflation target and growth

Editorial Note : The Reserve Bank of India's Monetary Policy Committee, in its 55th meeting held from June 4 to 6, 2025 under Governor Sanjay Malhotra, reduced the policy repo rate by 50 basis points to 5.50%. Consequently, the Standing Deposit Facility rate is 5.25%, and the Marginal Standing Facility rate and Bank Rate are 5.75%. The move aligns with the goal of maintaining Consumer Price Index inflation at 4% ±2% while supporting growth.

2. SUPREME COURT

SECTION 11 OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 - RESOLUTION OF DISPUTES

- 2.1 Section 11 of SARFAESI Act deals with resolution of disputes relating to securitisation, reconstruction or non-payment of any amount due between bank or financial institution or asset reconstruction company or qualified buyer; where conditions stipulated under section 11 are found to be prima-facie satisfied, there DRT will have no jurisdiction and proper recourse would only be through Section 11 of the SARFAESI Act read with Arbitration and Conciliation Act, 1996 - **Bank of India v. Sri Nangli Rice Mills (P.) Ltd. - [2025] 174 taxmann.com 900 (SC)**

3. HIGH COURT

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

- 3.1 Where ED filed a police complaint that led to an FIR and, arrest of petitioner/accused by Delhi Police,

however, arrest memos did not spell-out specific roles or incriminating circumstances against accused, since petitioners' arrest was not in compliance with mandate laid down by Supreme Court in *Prabir Purkayastha vs. State (NCT of Delhi)*, arrest of accused was deemed invalid - ***Manideep Mago v. Union of India - [2025] 174 taxmann.com 666 (Delhi)***

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

- 3.2 Where it was not case of petitioner that respondent authorities had proceeded in violation of section 5 of PMLA while issuing alleged provisional attachment order (PAO), any grievance with regard to alleged provisional attachment order should be raised before special court ; writ petition against PAO was not maintainable - ***LGW Industries Ltd. v. Deputy Director - [2025] 175 taxmann.com 482 (Calcutta)***
- 3.3 Authorities under Prevention of Money Laundering Act, 2002, namely, Enforcement Directorate, do not act as police force or Central Agency akin to police force while passing an order of provisional attachment - ***LGW Industries Ltd. v. Deputy Director - [2025] 175 taxmann.com 483 (Calcutta)***

SECTION 5 OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 - ACQUISITION OF RIGHTS OR INTEREST IN FINANCIAL ASSETS

- 3.4 Where appellant-lender invited expression of interest (EoI) for assignment of debt-in-question and clearly mentioned base-bid and mark-up price and fixed reserved prices on basis of same, assignment process could not be said to be opaque and, thus, there could not be any challenge to transparency of process per se - ***SREI Equipment Finance Ltd. v. International Financial Service Ltd. - [2025] 175 taxmann.com 677 (Calcutta)***

SECTION 19 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - POWER TO ARREST

- 3.5 Where petitioner was arrested by Directorate of Enforcement on charges of money laundering and 'reasons to believe', which had been reduced into writing by Arresting Officer not only pointed out to involvement of petitioner in predicate offence, but also involvement of petitioner while dealing with Proceeds of Crime, arrest of petitioner was not in violation of provisions of section 19(1) - ***Vikas Bansal v. Directorate of Enforcement - [2025] 175 taxmann.com 549 (Himachal Pradesh)***

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

- 3.6 Where applicants were arrested in a case pertaining to illegal allotment of tender for supply, installation,

testing and commissioning of electromagnetic flow meters and applicants had been in custody for approximately one year and two months and there was no likelihood of trial concluding in near future, rigours of section 45 must yield to constitutional safeguard under Article 21 and, therefore, applicants were entitled to be enlarged on bail - ***Anil Kumar Aggarwal v. Directorate of Enforcement - [2025] 174 taxmann.com 1143 (Delhi)***

- 3.7 Where investigation under PMLA had been carried out over a period of 5 years and applicant had joined investigation and appeared 13 times before respondent agency, in addition to having provided documents as sought by respondent agency, 'twin conditions' under section 45 had been satisfied and, therefore, application for grant of anticipatory bail was to be allowed - ***Anup Majee v. Directorate of Enforcement - [2025] 175 taxmann.com 635 (Delhi)***

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

- 3.8 Where petitioner had issued five post-dated cheques, all of which were dishonoured, leading respondent to file five separate complaints under section 138, since there was existence of criminal liability and cause of action for all five complaint cases were admittedly different, petitioner could not seek to quash all five cases through a single petition - ***MAA Bagala Amusement Hub v. Gaurav Bora - [2025] 175 taxmann.com 515 (Gauhati)***
- 3.9 Where complaint under section 138 of Negotiable Instruments Act against petitioner was filed by a director of company/opposite party in his individual capacity without authorization from Board of Directors, complaint was not maintainable and, thus, conviction and sentence under section 138 was to be set aside - ***Sandip Kumar Gupta v. State of West Bengal - [2025] 175 taxmann.com 560 (Calcutta)***

- 3.10 Where accused company had gone into liquidation and respondent ceased to be a director of company, respondent could not be made accountable under section 138 of Negotiable Instruments Act for issuance of any cheque, issued after liquidation unless his specific role had been pleaded and proved - ***Sidhant Udyog (P.) Ltd. v. Modern Infra Projects India Ltd. - [2025] 175 taxmann.com 675 (Calcutta)***
- 3.11 Where petitioner's bank account was frozen by CGST Department, preventing any debit transactions, despite being informed of this, respondent presented cheques issued by petitioners which were dishonored, since petitioners were unable to operate account or issue valid instructions to bank due to attachment, essential ingredients of section 138 had not been fulfilled and, therefore, petitioners could not be held liable for dishonoured cheques - ***Best Buildwell (P.) Ltd. v. R.D. Sales - [2025] 175 taxmann.com 760 (Delhi)***

SECTION 166 OF THE MOTOR VEHICLES ACT, 1988 - APPLICATION FOR COMPENSATION

- 3.12 Even major married and earning children of deceased have right to apply for compensation under section 166 of Motor Vehicles Act, even if they are earning separately and not depending upon income of deceased - **Reliance General Insurance Company v. Tejas Ravikiran Zol** - [2025] 174 *taxmann.com* 818 (Bombay)

4. SAFEMA

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

- 4.1 Where appellant vide instant appeal challenged order by ED provisionally attaching properties of appellant which order was subsequently confirmed by Adjudicating Authority arguing that subject properties were acquired before alleged predicate offence, in view of fact that proceeds of crime had been siphoned off and layered by appellant through various group companies, second limb of definition of 'proceeds of crime' had been applied to attach property of equivalent value, thus, instant appeal lacked merit and was to be dismissed - **Jaysukh @ Jayesh Muljibhai Ranpariya v. Joint Director, Directorate of Enforcement** - [2025] 174 *taxmann.com* 817 (SAFEMA - New Delhi)
- 4.2 Where appellants had not discharged their burden of proof under section 24 to explain legal source of income for acquisition of properties thus, properties in question were rightly attached by ED - **Abdul Majeed v. Deputy Director, Directorate of Enforcement, Cochin** - [2025] 175 *taxmann.com* 195 (SAFEMA - New Delhi)
- 4.3 Where there was ample evidence against appellants regarding commission of offence of money laundering by possessing disproportionate assets and using illicit money to purchase properties and, they failed to prove their legal sources of income to acquire said properties, therefore, attachment of said properties was justified - **Smt. Kusum Lata v. Joint Director, Directorate of Enforcement, Lucknow** - [2025] 175 *taxmann.com* 676 (SAFEMA - New Delhi)

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

- 4.4 Where appellants were involved in manipulating prize winning tickets of Sikkim Government lotteries and cheated Government of Sikkim by causing wrongful loss to it and thereby obtaining unlawful gain for themselves, since there was no suppression of material facts and documents and, provisional attachment order (PAO) had analysed every aspect of matter, appeal against order of confirmation of PAO was to be dismissed - **Santiago Martin v. Deputy Director, Directorate of Enforcement, Cochin** - [2025] 175 *taxmann.com* 129 (SAFEMA - New Delhi)
- 4.5 Where funds raised abroad by members of unlawful organization, PFI/CFI, and related groups were funneled into bank accounts of National General Secretary of CFI and PFI and his associates via various individuals and entities and said funds were used in India to support unlawful activities of PFI/CFI, since appellant company was linked to these activities and provided financial support to organization, impugned order of provisional attachment of property of appellant was valid - **Munnar Villa Vista (P.) Ltd. v. Deputy Director Directorate of Enforcement** - [2025] 175 *taxmann.com* 127 (SAFEMA - New Delhi)

SECTION 17 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - SEARCH AND SEIZURE

- 4.6 Where appellant's jewellery was seized on ground that it was proceeds of crime but no material had been produced by respondents to controvert evidence produced by appellant to prove that jewellery was disclosed in Income-Tax Return much prior to registration of FIR against accused where appellant was not named as an accused, respondents were to be directed to release jewellery - **Mrs. Nikita Trahan v. Deputy Director, Directorate of Enforcement, Mumbai** - [2025] 175 *taxmann.com* 126 (SAFEMA - New Delhi)

SECTION 42 OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 - CONTRAVENTION BY COMPANIES

- 4.7 Where appellant company entered into two export transactions for export of iron ore with overseas buyer and there was short-realization of export proceeds as against invoiced value of exports, however, same was for reasons completely outside control of appellant company, no penalty was to be imposed on appellant company and its ex-officials - **V.R.S. Natarajan v. Joint Director, Directorate of Enforcement, Bangalore** - [2025] 175 *taxmann.com* 51 (SAFEMA - New Delhi)

INSOLVENCY AND BANKRUPTCY CODE

1. SUPREME COURT

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

- 1.1 Successful resolution applicant (SRA) was not liable for pre-CIRP electricity dues as all pre-existing debts without filed claims stand extinguished upon resolution plan approval - *Maharashtra State Electricity Distribution Company Ltd. v. Twentyone Sugars Ltd.* - [2025] 175 taxmann.com 705 (SC)
- 1.2 Where NCLAT vide impugned order upheld approval of resolution plan passed by NCLT and held that resolution plan, as approved, was binding on all and could not be made subject matter of arbitration or any other proceeding, since there was no ambiguity in observations and directions recorded by NCLAT, impugned order passed by NCLAT was justified - *Adani Power Ltd. v. Shapoorji Pallonji And Co. (P.) Ltd.* - [2025] 175 taxmann.com 413 (SC)

2. HIGH COURT

SECTION 7 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - INITIATION BY FINANCIAL CREDITOR

- 2.1 Where loan account of corporate debtor was assigned by financial creditor to reconstruction company 'O' and corporate debtor was made aware of such transfer and silence of corporate debtor was in vindication of such transfer, thus, submission of corporate debtor that he was not even made aware of this was contrary to record, as document appended to statement of objections clearly indicates knowledge of appellant of such transfer, and accordingly, instant appeal against order of Single Judge, dismissing petition challenging assignment, was to be dismissed - *Deepak Raheja v. Union of India* - [2025] 175 taxmann.com 389 (Karnataka)

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

- 2.2 Bar against any claim outside resolution plan would apply only to a claim vis-a-vis corporate debtor and not to a person who claims that he was in agreement with Corporate debtor - *Ashok Harry Pothen v. Authorised Officer* - [2025] 175 taxmann.com 631 (Kerala)

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

- 2.3 Where appellant challenged an ex parte order passed by a Single Judge in a writ petition, which allowed IRP (who

was functus officio) in CIRP of 'TCS' to take over property claimed to be owned by appellant, however, appellants were not named in petition nor given a chance to respond, since appellant's substantial rights were affected, appellants were directed to approach Single Judge to seek impleadment in underlying writ petition and simultaneously file an appropriate application seeking recall/clarification/modification or review of impugned order - *Lavender Infraprojects (P.) Ltd. v. Nishit Badola* - [2025] 175 taxmann.com 576 (Delhi)

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

- 2.4 Where against order of liquidator rejecting claims of petitioners-operational creditors, appropriate course of action would have been to prefer an appeal under Section 42, but instead, petitioners had chosen to file instant writ petition, said petition was not maintainable in view of availability of an efficacious alternative remedy under IBC. - *T.Sivasankar v. Managing Director* - [2025] 175 taxmann.com 370 (Madras)

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

- 2.5 Where corporate debtor was admitted into CIRP and resolution plan was approved by NCLT, writ petition filed by petitioner bypassing such framework was not maintainable - *Bafna Pharmaceuticals Ltd. v. Assistant Commissioner of Provident Fund* - [2025] 175 taxmann.com 599 (Madras)

3. NCLAT

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

- 3.1 Where corporate debtor failed to repay financial debt even after selling 301 out of 330 units of residential project, there was no error in order of Adjudicating Authority admitting application filed under section 7 - *Rajendra Kumar v. IndusInd Bank Ltd.* - [2025] 175 taxmann.com 50 (NCLAT- New Delhi)
- 3.2 Where debt owned by corporate debtor to lenders was not evaporated upon failure of restructuring agreement, mere fact that holding company had taken liability to discharge debts of corporate debtor, would not in any manner prohibit lenders to take proceedings under section 7 against corporate debtor, whose debts were in default, due to failure of restructuring proposal - *Alok Gaur v. State Bank of India* - [2025] 175 taxmann.com 124 (NCLAT- New Delhi)

- 3.3 Where Adjudicating Authority's earlier order declaring SRL and SDPL as Financial Creditors had attained finality and there was no intent to create a mortgage by deposit of title deeds with escrow agent, no mortgage was created within meaning of section 58(f) of Transfer of Property Act, and direction to replace RP and conduct forensic audit was unsustainable - **Dr. Vichitra Narayan Pathak v. Suraksha Realty Ltd.** - [2025] 175 *taxmann.com* 132 (NCLAT- New Delhi)

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

- 3.4 No straight jacket formula can be laid down for adjudication by Adjudicating Authority of a section 12A application and objections filed therein; facts of each application under section 12A and objection therein need to be looked into before taking a decision as to whether application under section 12A be allowed or rejected - **Himanshu Singh v. HDFC Bank Ltd.** - [2025] 175 *taxmann.com* 633 (NCLAT- New Delhi)

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

- 3.5 Where appellant-ex promoter and respondent No.6 had made certain unauthorised payments to some operational creditors from corporate debtor's account after commencement of CIRP, order passed by Adjudicating Authority holding them jointly and severally liable to refund said amount to account of corporate debtor was justified - **Sunil Gutte v. Avil Menezes** - [2025] 175 *taxmann.com* 130 (NCLAT- New Delhi)

SECTION 18 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - INTERIM RESOLUTION PROFESSIONAL- DUTIES OF

- 3.6 Where appellant-licensee had been granted a license by corporate debtor in respect of commercial premises but during moratorium appellant neither paid license fees to corporate debtor nor vacated premises after termination of Leave and License Agreement (LLA), since RP was duty bound to act in accordance with IBC and to take over assets of corporate debtor, RP was entitled to take legal action against appellant for recovery of money and vacation of premises - **Wakai Hospitality (P.) Ltd. v. Ms. Palak Desai** - [2025] 175 *taxmann.com* 53 (NCLAT- New Delhi)

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

- 3.7 Successful resolution applicant (SRA) was not liable for pre-CIRP electricity dues as all pre-existing debts without filed claims stand extinguished upon resolution plan approval - **Twentyone Sugars Ltd. v. Maharashtra State Electricity Distribution Co. Ltd.** - [2025] 175 *taxmann.com* 704 (NCLAT- New Delhi)

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

- 3.8 Where in liquidation process, liquidator deviated from normal auction route and proposed to sell assets of corporate debtor company in private sale to a related party without any legitimate justification and without prior approval of Adjudicating Authority, proposed sale in form of private sale was not in conformity with statutory provisions and order of Adjudicating Authority approving same was to be set aside - **Bhavik Bhimjyani v. Uday Vinodchandra Shah** - [2025] 175 *taxmann.com* 125 (NCLAT- New Delhi)

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

- 3.9 Past electricity dues of corporate debtor cannot be claimed for purpose of grant of new electricity connection to successful bidder in liquidation auction - **Yarn Sales Corporation v. Punjab State Power Corporation Ltd.** - [2025] 175 *taxmann.com* 683 (NCLAT- New Delhi)

SECTION 59 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE VOLUNTARY LIQUIDATION - VOLUNTARY LIQUIDATION

- 3.10 There is no need for obtaining any approval of Adjudicating Authority for replacement of liquidator engaged for purposes for voluntary liquidation - **Vinod Singh v. Chandra Prakash Jain** - [2025] 175 *taxmann.com* 133 (NCLAT- New Delhi)

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

- 3.11 Section 60(5) of IBC cannot be irrationally stretched to be applied, so as to abuse process of law, particularly when statute itself provides for a remedial forum, to a person aggrieved against an action or an order passed in proceedings; contempt proceedings cannot be initiated against a juristic person, as it is always an act of an individual attached to organisation, which could be brought within purview of section 425 of Companies Act read with sections 12/14 of Contempt of Courts Act, 1971 - **Pankaj Dhanuka v. Lanco Kondapalli Power Ltd.** - [2025] 174 *taxmann.com* 1146 (NCLAT - Chennai)

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

- 3.12 An Interlocutory application cannot be preferred in a statutory appeal under section 61 for restraining a party, who is not a party to proceedings from doing an act - **IDBI Bank Ltd. v. KRS Erectors (P.) Ltd.** - [2025] 174 *taxmann.com* 1256 (NCLAT - Chennai)

SECTION 79(15)(A) OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - EXCLUDED DEBT

- 3.13 Where Adjudicating Authority in a bankruptcy proceedings, held that a penalty imposed by SEBI would fall within an ambit of definition of 'fine' under section 79(15)(a) and thus, exempted it from scope of bankruptcy proceedings, treatment of penalty imposed by SEBI as 'excluded debt' was not illegal - *Mrs.G.V. Marry v. Union Bank of India* - [2025] 174 *taxmann.com* 1214 (NCLAT - Chennai)

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

- 3.14 Where in proceedings under section 95 against personal guarantor, creditor included outstanding loan with respect to two banks, however, in respect of one bank, creditor failed to provide details of each account, dates of notices and dates of defaults, proceedings were to be remanded back to Adjudicating Authority - *Mahdoom Bava Bahrudeen Noorul Ameen v. State Bank of India* - [2025] 174 *taxmann.com* 1258 (NCLAT- New Delhi)
- 3.15 Where another financial creditor had already initiated proceedings under section 95 against same personal guarantor, NCLT was justified in rejecting subsequent application by a financial creditor to initiate personal insolvency proceedings against that personal guarantor. - *Indian Bank v. K R Tirumuruhan* - [2025] 175 *taxmann.com* 153 (NCLAT - Chennai)

SECTION 99 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - INDIVIDUAL/FIRM'S INSOLVENCY RESOLUTION PROCESS - RESOLUTION PROFESSIONAL, SUBMISSION OF REPORT BY

- 3.16 Where RP issued a notice seeking information from personal guarantor, but number of days granted to submit information was confined to two days, since it is mandatory to comply with conditions of providing a time period up to 7 days to file information under section 99(5), matter was to be remitted back to be decided afresh after providing a time period of seven days - *Comandur Parthasarathy v. Lalit Kumar Dangli* - [2025] 175 *taxmann.com* 906 (NCLAT - Chennai)

SECTION 115 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - INDIVIDUAL/FIRM'S INSOLVENCY RESOLUTION PROCESS - REPAYMENT PLAN- EFFECT OF ORDER OF ADJUDICATING AUTHORITY ON

- 3.17 Where personal guarantor failed to submit his repayment plan, within stipulated time frame, in light of provisions contained under section 114, same would automatically stand rejected and consequential decision taken under section 115 by Adjudicating Authority to permit creditors to file an application for bankruptcy would not call for any interference. - *Naseer Ahmed v. Ravindra Beleyur* - [2025] 175 *taxmann.com* 559 (NCLAT - Chennai)

4. NCLT

SECTION 3(6) OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CLAIM

- 4.1 Once department itself submitted a claim before RP, RP was required to inquire about validity of submitted claim and was not required or expected to act as an auditor to fish out latent violations of provisions of KSGST Act, 2017 - *Audit Officer, Kerala State Goods and Services Tax Department v. Dileep K.P., Resolution Professional of Jupiter Leys (P.) Ltd.* - [2025] 175 *taxmann.com* 49 (NCLT - Kochi)

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

- 4.2 Where corporate debtor issued post-dated cheque to financial creditor for repayment of loan but same was dishonoured, since financial creditor had successfully demonstrated and proved existence of debt and default, CIRP was to be admitted against corporate debtor - *Moniveda Consultants LLP v. JLS Realty (P.) Ltd.* - [2025] 175 *taxmann.com* 67 (NCLT - Mum.)

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

- 4.3 Where corporate debtor had entered into an agreement with operational creditor to manufacture and supply electric vehicles but failed to do so, since claim made by creditor was in respect of provision of goods, which fell into definition of operational debt as given in section 5(21), application filed by creditor under section 9 for non-payment of purchase advance was to be admitted - *Cosmo World v. Supereco Automotive Co. LLP* - [2025] 175 *taxmann.com* 717 (NCLT - Indore)

SECTION 7 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - INITIATION BY FINANCIAL CREDITOR

- 4.4 Where homebuyers booked their flats in a project developed by corporate debtor and said corporate debtor failed to deliver possession of flats as promised, CIRP application filed by allottees having threshold limit of ten per cent as provided under section 7 was to be admitted - *Kapil Kumar v. Solitaire Infomedia (P.) Ltd.* - [2025] 175 *taxmann.com* 154 (NCLT - New Delhi)
- 4.5 Where financial creditor failed to place on record any documentary evidence demonstrating compliance with RBI guidelines dated 17-3-2016 before classifying loan account of corporate debtor as NPA, application filed under section 7 was not maintainable - *HDFC Bank Ltd. v. SBS Paper Boards (P.) Ltd.* - [2025] 174 *taxmann.com* 684 (NCLT - Amaravati)

ACCOUNT AND AUDIT UPDATES

- 1.1 ICAI issues revised code of ethics for CMAs effective June 2025

Editorial Note : ICAI has issued the updated Code of Ethics for the Members of the Institute, effective from 1st June 2025. The document sets out ethical principles and independence standards for Cost and Management Accountants, guided by a conceptual framework. It aligns with international benchmarks and supports members in upholding professional integrity across all engagements.

- 1.2 Big four accounting firms to launch AI audit services amid growing demand

Editorial Note : The Big Four accounting firms will soon offer audit services for AI systems of corporate to check their performance and compliance, especially in areas like healthcare, finance, and autonomous vehicles. This step aims to build trust and follows their earlier work on ESG audits. Since AI keeps changing and rules are still developing, the firms will introduce these services in phases while handling possible risks.

- 1.3 ICAI releases Exposure Draft on guidelines for formation and regulation of overseas networks by CA firms

Editorial Note : ICAI releases an Exposure Draft outlining a comprehensive regulatory framework for Overseas Networks formed between Indian CA firms and foreign entities. The draft details mandatory

registration procedures, ethical and service-related compliances, and introduces the role of a designated Nodal Officer to ensure adherence. Aimed at enhancing transparency, global competitiveness, and accountability within the profession, the guidelines are open for public comments until 27th June 2025.

- 1.4 CAG's move to involve private firms in audits: Constitutional concerns and institutional response

Editorial Note : The CAG invited private CA firms to assist in auditing central autonomous bodies, sparking concerns from a Tamil Nadu MP who called it unconstitutional and risky to sensitive data. In a letter to the President, he urged withdrawal of the move. The ICAI defended the decision, stating it enhances audit capacity without compromising independence, as firms would work under CAG supervision, following legal norms and global practices to improve audit quality.

- 1.5 Global Firms raise concerns over ICAI's draft overseas network regulations

Editorial Note : Global accounting firms have raised concerns about the ICAI's draft guidelines on 'Overseas Networks,' issued on June 6, 2025. The draft proposes stricter regulations for firms with international affiliations operating in India, focusing on disclosure requirements, registration, and reporting. While aimed at improving transparency, global firms argue that the provisions could breach client confidentiality and hinder cross-border operations.

Harnessing Artificial Intelligence: A Blessing to Chartered Accountants in Practice



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In light of the fast-paced and technology-driven world that we live in, the Chartered Accountancy profession has been greatly evolving. Having good experience in auditing and taxation, I have witnessed directly the impact of embracing emerging technologies, especially Artificial Intelligence (AI), on our profession. AI is no longer science fiction; it is a crucial tool that can potentially provide deep benefits for members in practice.

Artificial Intelligence means the deployment of computer systems in carrying out tasks that would otherwise need human intelligence. Some examples include data analysis, pattern recognition, decision-making, and predictive analytics. For Chartered Accountants, AI can improve skills in audit, tax compliance, financial reporting, and advisory services.

The Advantages of AI for Chartered Accountants

1. Enhanced Productivity

AI is able to perform repetitive and time-consuming tasks like data entry, processing of invoices, and recurring reconciliations. This allows practitioners to devote more hours to strategic analysis and advisory work, thus boosting productivity and client satisfaction.

2. Improved Accuracy and Compliance

AI systems reduce errors made by humans by performing complicated calculations and maintaining regulatory compliance. This is especially useful in tax calculations, financial reconciliations, and regulatory compliance, where accuracy is a critical aspect.

3. Real-Time Data Analysis

AI-powered systems are able to handle and analyze enormous volumes of financial data in real-time. This enables practitioners to detect trends, anomalies, and risks in a timely manner, resulting in proactive decision-making and risk avoidance.

4. Cost Efficiency

Automating repetitive processes enables companies to cut down considerably on the manpower needed for low-value tasks. This results in reduced operational costs without compromising or improving service quality.

5. Enhanced Client Service

AI enables practitioners to provide quicker turnaround times and more informed advice, improving client relationships. With the back-end operations automated by AI, Chartered Accountants can engage in one-on-one client interactions and value-added activities.

Practical Applications of AI in CA Practice

1. Audit and Assurance

AI can transform audit operations by reviewing entire sets of data rather than sample testing. It can indicate suspicious transactions, conduct risk analysis, and help auditors make more informed opinions. The saved time can be channeled to more intensive analysis and advisory work.

2. Taxation Services

In tax matters, AI can prepare and review tax returns autonomously, remain compliant with often shifting laws, and identify tax-saving possibilities. Tax notices may also be responded to by automated systems as well as ensure timely submission.

3. Document Review and Drafting

Legal documents, agreements, and tax notices can be reviewed with the help of AI solutions that pick out significant clauses, mark areas of risk, and propose edits. Not only does this accelerate the review process but also improves the quality and consistency of documents.

4. Fraud Detection and Forensic Analysis

AI can scan transactional data to identify anomalies that can be indicative of fraud or financial improprieties. It can observe trends and flag them for inspection, adding an extra layer of protection to the practitioner as well as the client.

5. Internal Practice Management

AI can optimize internal activities like task management, deadline monitoring, and billing. Automating these processes guarantees more streamlined workflows and saves precious time for more complex tasks.

6. Financial Planning and Analysis

With the help of AI, dynamic financial models and forecasting can be generated based on past trends and future predictions. This enables Chartered Accountants to offer intelligent financial planning services to their clients.

Challenges and Considerations

Although the benefits are immense, there are some challenges with AI integration:

- **Initial Investment:** There are high costs associated with high-quality AI solutions upfront.
- **Learning Curve:** Professionals and employees must be given time and training to adjust to new systems.
- **Data Privacy:** Security and confidentiality of client information are of top importance.
- **Professional Judgment:** AI ought to support, and never substitute, professionals' critical thinking and ethics.

The Human Element

No matter how advanced, AI cannot substitute for the human judgment, ethical thought, and personal approach that Chartered Accountants infuse into their work. Professional skepticism, client understanding, and forward thinking continue to be central to our value proposition. AI is an enabler, not a replacement.

Preparing for an AI-Driven Future

Chartered Accountants should invest in continuous learning to:

1. **Invest in Continuous Learning:** Keep abreast of technological changes and their relevance to practice.
2. **Begin Small:** Adopt AI in specific sectors and increase its applications over time.
3. **Prioritize Data Security:** Establish strong security protocols to safeguard sensitive data.
4. **Reskill Staff:** Motivate employees to acquire skills suitable for AI and data analytics.

Artificial Intelligence offers a revolutionary chance to Chartered Accountants to improve productivity, precision, and customer service. By carefully incorporating AI into practice, professionals can stay competitive, provide better value, and guide the profession toward a technology-oriented tomorrow. Adopting AI calls for an open mind, strategic foresight, and ongoing improvement, but the benefits are well worth it.

The future of Chartered Accountancy lies in combining the power of AI with human intelligence, ethics, and experience. Those who embrace this symbiosis will undoubtedly be at the forefront of the profession's evolution.

Cracks in the IBC – A reflection on the BSPL judgement



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Cracks in the IBC – A reflection on the BSPL judgement

Imagine putting your house on sale. A buyer pays the full price – clears your dues, installs a brand new kitchen, repaints, even moves in with family. Four years later, a court declares the sale null and void. Sounds absurd? Welcome to India's Bhushan Power & Steel crisis under the Insolvency & Bankruptcy Code (IBC).

On May 2, 2025, the Supreme Court of India quashed JSW Steel's ₹ 19,700 crore resolution plan for Bhushan Power, calling it "illegal" and in direct violation of IBC provisions. Instead, it ordered liquidation – sending shockwaves through India's insolvency regime.

Observations of the Supreme Court:

1. **Non-compliance with Section 30(2)/31(2)** – The Court said the plan failed to strictly meet IBC norms
2. **Misuse of Section 61 appeals** – JSW used it beyond permitted grounds, turning judicial relief into a tool for delay
3. **Delay in payments & use of instruments** – Payments delayed up to 900 days, with equity infusion replaced by optionally convertible debentures – seen as dishonest
4. **Failures by RP and CoC** – Both allegedly failed in career duties and commercial wisdom by approving a flawed plan

But let's be frank. If after four years, hundreds of crores invested, liabilities cleared, and operational revitalization. If you can still wake up one morning to a cancellation order – then what hope remains for asset sanctity under IBC? Sure, courts must protect law sanctity. But there must also be a limit to retroactive nullification.

1. **Uncertainty kills investment** – With buyers fretting over court reversals, distressed asset buyers – especially foreign funds – will step back .

2. **IBC's spirit undermined** – The Code was designed to revive assets via resolution, not liquidate them after court reversals. Liquidation recovers far less – on average ~6% versus 40+% from JSW's plan
3. **ED's unnecessary role** – The Enforcement Directorate shouldn't have appealed to the Supreme Court. This invokes Section 238 (IBC override clause). ED's interference derails IBC norms
4. **NCLAT was competent** – The NCLAT rightly approved the JSW plan, post NCLT clearance. There's precedent and a statutory framework supporting such hierarchical decisions. The Supreme Court negating that sets a dangerous precedent

If corporate buyers, domestic or foreign, shrinking from acquiring distressed assets for fear their deals might be reversed after years, the entire architecture of the IBC collapses. The mantra of time bound resolution, creditor recovery, and commercial certainty risks turning into hollow catchphrases.

Imagine citing section 33, section 230, or even 31 as final – but investors see that as paper shields, not armor. Contingent assets don't attract funding, bids dry up, NCLTs become graveyards of stalled insolvency filings.

So what's the path ahead?

1. **Clarity on appellate limits** – If appeals under Section 61 can scuttle deals years later, build bright line rules limiting their scope.
2. **Section 238 must speak louder** – If IBC overrides criminal laws, let that precedence be asserted – no mid-stream ED appeals to stall processes.
3. **Statute of repose** – Once a resolution plan is fully implemented – payments made, assets handed over – there should be a cut off for retrospective scrutiny.
4. **Corybantic judicial humility** – Courts must balance legal perfection with the economic realities of revitalizing a stranded asset. Too much scrubbing can kill the asset's commercial value.

Yes, rules are rules. But when they compound to incubate uncertainty, they defeat their own purpose. Fixing defaulted firms is not writing fairy tales – it's engineering. Engineering needs design parameters, timelines, fail safes and finality. Cancel deals four years later, and you don't engineer hope – you implode it.

The Bhushan Steel episode may have taken an ideologically purist stand; but it ends up being a warning shot for future bidders in India's insolvency ecosystem. If sanctity of sale is illusion, who will keep the IBC alive?

Direct Taxes Professionals' Association

(Registered under Societies Registration Act, 1961. Registration No. 5/60583 of 1988-89)

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