



Estd. 1982

DIRECT TAXES PROFESSIONALS' ASSOCIATION



E-JOURNAL NOVEMBER 2025

EDITORIAL BOARD

CA. MOHAN LAL GUPTA
Co-chairman



CA. SUJIT SULTANIA
Chairman



ADV. RITES GOEL
Co-chairman



ADV. SUBHAS AGARWAL
Advisor

MEMBERS

CA. ANKIT BOTHRA
Member



CA. ABHISHEK SANYAL
Member



CA. ANKEETA LOHIA
Member



CA. ALOK JHA
Member

EX-OFFICIO

CA. MANJU LATA SHUKLA
Ex-officio



CA. SHYAM AGARWAL
Ex-officio

... From the Desk of Editors

We are pleased to present this edition of the DTPA Journal and are honoured to serve the fraternity as part of the **Journal Sub-Committee for the term 2025–2026**. I, **CA Sujit Sultania**, Chairman along with **CA Mohan Lal Gupta** and **Adv. Rites Goel** as Co-Chairmen of the Sub-Committee express sincere gratitude to the newly elected President, the Executive Committee Members and the Past Presidents of DTPA for reposing their confidence and faith in us through this appointment.

The period up to October 2025 has been extremely demanding for **We Professionals**, with multiple statutory filing deadlines under the Income-tax law. Even now, the pressure continues, with the **due date for annual income tax return filing extended to 10th December 2025**. Amidst these challenges, our endeavour remains to keep members informed and empowered through timely, relevant and value-adding content.

This Journal continues to be enriched with **statutory updates** across various domains such as **Income Tax, GST, IBC, SEBI and allied laws**, ensuring our readers remain aligned with the dynamic regulatory environment. We are also privileged to include **insightful articles** contributed by our learned professionals on diverse subjects, including direct tax, indirect tax, capital markets and other emerging areas of practice.

With the early onset of winter, we are reminded of the warmth and togetherness of our annual fellowship activities. Details of our much-awaited **Annual Picnic**, a tradition we cherish, can also be found in this edition. We extend a cordial invitation to all members to participate and strengthen our community bonding.

A noteworthy recent development is the introduction of **4 New Labour Codes**, replacing 29 existing labour laws. These are expected to be operational within the next 45 days and will undoubtedly open new avenues of professional practice alongside our traditional spheres of Income Tax and Indirect Taxes. Members are encouraged to gear up for opportunities in this evolving domain.

At the previous AGM, DTPA recognized the members contributing the **best three articles** as well as those offering **the most valuable feedback**. We are pleased to continue this tradition of acknowledging excellence this term as well.

We, at DTPA, are of the strong belief:

“Every return filed, every opinion drafted, every article contributed — adds another brick to the legacy of DTPA.”

We eagerly look forward to enhancing the experience of our readers and request your valuable **feedback, suggestions and article contributions**. Together, let us continue to strengthen the culture of knowledge sharing and ensure that the **FLAG OF DTPA remains flying high**.

We wish you our all fellow members heartiest greetings for upcoming Christmas!

Jai Hind! Jai DTPA!!

With Best Regards

Yours truly,

Sujit Sultania

Chairman

Journal Sub-Committee, DTPA

Mohan Lal Gupta

Co-Chairman

Journal Sub-Committee, DTPA

Rites Goel

Co-Chairman

Journal Sub-Committee, DTPA

INDEX

S.NO.	Particulars	Page No.
1	PRESIDENT'S MESSAGE	5
2	RECENT DTPA ACTIVITIES	6
3	FORTHCOMING PROGRAMS	11
4	COMPLIANCE CALENDAR FOR NOVEMBER 2025 AND DECEMBER 2025	13
5	DIRECT TAXES	
	- Statutory Updates	20
	- Supreme Court	20
	- High Court	21
	- Income Tax Appellate Tribunal	26
	- Foreign Court	41
6	TAXATION OF DIGITAL AND CRYPTO ASSETS IN INDIA - Policy Intent, Legal Framework, and Challenges Ahead - CA. Ayush Goel	42
7	FACELESS APPEAL MECHANISM IN INCOME TAX ADMINISTRATION: Current Challenges and the Road Ahead - CA. Ravi Kumar Shah	47
8	WHEN COURTS SPEAK, THE SYSTEM MUST LISTEN- The Supreme Court's landmark decision in the case of Rohan Vijay Nahar and what it teaches about judicial discipline -CA. Ankeeta Lohia	51
9	GST/INDIRECT TAX LAWS	
	- Statutory Updates	57
	- Supreme Court	58
	- High Court	58
	- Goods and Services Tax Appellate Tribunal	69
	- Authority for Advance Ruling	69
10	GSTR-9 & GSTR-9C: Key Changes & Practical Considerations for FY 2024-25 -CA. Abhishek Sanyal	71
11	Provisions and Procedural of GST Appellate Tribunal (GSTAT) - CA. L Gopal Shah	73
12	COMPANY AND SEBI LAWS UPDATES	
	- Statutory Updates	76
	- Supreme Court	79
	- High Court	79
	- Security Appellate Tribunal	80
	- SEBI	80
	- NCLAT	90
	- NCLT	81
13	COMPETITION LAW	
	- CCI	82
14	FEMA BANKING AND INSURANCE LAWS	
	- Statutory Updates	83
	- Supreme Court	87
	- High Court	87
	- Security Appellate Tribunal	89
	- SAFEMA	89

15	INSOLVENCY AND BANKRUPTCY CODE	
	- Statutory Updates	90
	- Supreme Court	90
	- High Court	90
	- NCLAT	90
	- Security Appellate Tribunal	91
	- NCLT	91
16	ACCOUNTS & AUDIT UPDATES	92
17	CRYPTO ASSETS VS CAPITAL MARKETS: Convergence or Collision - CA. Chandra Bhanu Sinha	94
18	MSME: Its Challenges and strategic Roadmap to Overcome such Challenges -CA. Akhilesh Mishra	99
19	SEBI's RECENT INITIATIVES: Mutual Fund Reforms & IPO Market Dynamics -CA. Amit Mukherjee	105
20	DTPA MEMBERSHIP FORM	108

DISCLAIMER

Views expressed in the articles of this Journal are contributor's personal views. DTPA and its Journal Sub-Committee do not accept any responsibility in this regard. Although every effort has been made to avoid any error or omission in the Journal, the DTPA and its Journal Sub-Committee shall not be responsible for any kind of loss or damage caused to anyone on account of any error or omission which might have occurred.

Total no. of page: 111

.... *From the desk of President*

“उद्यमेन हि सिद्ध्यन्ति कार्याणि न मनोरथैः।”

— *Efforts, not mere wishes, lead to the accomplishment of tasks.*

As we step into the month of November, I am honored to share my first message in the Journal after assuming the office of President of DTPA. I extend my heartfelt gratitude to all members for the trust, goodwill and encouragement bestowed upon me. It is this collective strength that will guide our Association toward greater excellence.

The past month has been marked by significant initiatives that reflect our enduring commitment to knowledge enrichment and active member engagement.

Interactive Session on GST 2.0 Reforms

“विद्या नाम नरस्य रूपम् अधिकम्।”

— *Knowledge is the true ornament of a professional.*

Our Interactive Session on GST 2.0 Reforms emerged as a dynamic platform for informed discussions on the evolving indirect tax framework. The meticulously designed technical sessions ensured that our members remain ahead of regulatory changes and are empowered with clarity, competence and foresight. I am grateful to Dr. Sukanta Majumdar, Hon'ble Minister of State for Education & Development of North Eastern Region, Govt. of India the Keynote speakers, panelists and the organizing team for their exceptional contribution.

Annual Diwali–Bijoya Get-Together

“संगच्छध्वं संवदध्वं सं वो मनांसि जानताम्।”

— *May we walk together, speak together, and think together.*

Our festive gathering brought members closer in an atmosphere filled with warmth and camaraderie. Such occasions strengthen the bonds of fraternity within DTPA and reaffirm that professional associations grow stronger when supported by goodwill, unity and shared celebration.

Our Ongoing Commitment

At DTPA, our priorities remain unwavering—member advocacy, continuous professional development and proactive engagement with emerging tax and regulatory issues. Our representations and initiatives reflect a clear intent to support our members with confidence and conviction.

Looking Ahead – Golden Jubilee Conference of EIRC of ICAI

We eagerly look forward to participating in and supporting the prestigious Golden Jubilee Conference of the EIRC of ICAI. I encourage our members to engage wholeheartedly in this important institutional milestone and contribute to its success.

“एकमेकं सहाय्यन्ति जीवन्ति सहिता नराः।”

— *People thrive when they support one another.*

I extend my sincere appreciation to every member for your active involvement, thoughtful suggestions and steadfast support. Together, as one cohesive professional community, we will continue to uphold the values and vision of DTPA.

Wishing you all a progressive, enriching, and professionally rewarding month ahead.

CA Manju Lata Shukla

President, DTPA

10th November, 2025

Direct Taxes Professionals' Association held its 42nd Annual General Meeting on 26th September, 2025 at the DTPA Conference Hall





Glimpses of Bijoya Diwali Get Together on 22nd October, 2025 at Ganpati Banquet, 27, Ballygunge Park, Kolkata





Glimpses of Interactive Session on “GST 2.0 Reforms” jointly with other professional associations of Kolkata at The Bengal Chamber of Commerce & Industry on 29th October, 2025



Forthcoming Program of DTPA CA CPE Study Circle of EIRC of ICAI



DTPA CA CPE Study Circle of EIRC of ICAI

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

Email :- dtpacasc@gmail.com

PANEL DISCUSSION ON GST 9 AND 9C

CA RINKY KEDIA
SpeakerCA ANSHUMA RUSTAGI
SpeakerCA SURUCHI AGRAWAL
Speaker

28th November 2025, Friday
Venue : DTPA Conference Hall
Time : 4 PM Onwards
"3 CPE Hours"
Participation Charges - Rs. 300/-



MODERATOR
CA (Adv) Arup Dasgupta

CA Barkha Agarwal
ConvenorCA Manju Lata Shukla
Deputy Convenor

SAVE THE DATE

DTPA

PICNIC

04/01/2026

CHOULDHARY GARDEN

8:45 am Onwards

CA Manju Lata Shukla
President
9831497002

CA Neha Sultania
Chairperson
9081721442

CA Ramesh Chokhani
Advisor
9748747044

CA Rashmi Bihani
Co- Chairperson
9874177730

CA Shyam Agarwal
General Secretary
9903040775

Compliance Calendar for November, 2025

Statute	Due dates	Form/Event	Compliance Period	Details
Income Tax Act, 1961	7th November 2025	Securities Transaction Tax / Commodities Transaction Tax	October 2025	Securities Transaction Tax - Due date for deposit of tax collected for the month of October, 2025
	7th November 2025	Securities Transaction Tax / Commodities Transaction Tax	October 2025	Commodities Transaction Tax - Due date for deposit of tax collected for the month of October, 2025
	7th November 2025	Form 27C	October 2025	Declaration under sub-section (1A) of section 206C of the Income-tax Act, 1961 to be made by a buyer for obtaining goods without collection of tax for declarations received in the month of October, 2025
	7th November 2025	Equalization Levy Deposit Due Dates	October 2025	Collection and recovery of equalization levy on specified services in the month of October, 2025
	7th November 2025	TDS/TCS Deposit Due Dates	October 2025	Due date for deposit of Tax deducted/collected for the month of October, 2025. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income tax Challan
	14th November 2025	Form 16B	September 2025	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of September, 2025
	14th November 2025	Form 16C	September 2025	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of September, 2025
	14th November 2025	Form 16D	September 2025	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of September, 2025
	14th November 2025	Form 16E	September 2025	Due date for issue of TDS Certificate for tax deducted under section 194S in the month of September 2025
	30th November 2025	Form 26QB	October 2025	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of October, 2025
	30th November 2025	Form 26QC	October 2025	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of October, 2025
	30th November 2025	Form 26QD	October 2025	Due date for furnishing of challan cum statement in respect of tax deducted under section 194M in the month of October, 2025
	30th November 2025	Form 26QE	October 2025	Due date for furnishing of challan cum statement in respect of tax deducted under section 194S in the month of October, 2025
	30th November 2025	All income tax returns except ITR-1, ITR-2 and ITR-4	FY 2024-25	Return of income for the Assessment Year 2025-26 in the case of an assessee that is required to submit a report under section 92E pertaining to international or specified domestic transaction(s)
	30th November 2025	Form 3CLA	FY 2024-25	Report from an accountant to be furnished under sub-section (2AB) of section 35 of the Act relating to in-house scientific research and development facility (if due date of submission of return of income is November 30, 2025)
	30th November 2025	Form 10-IB	AY 2025-26	Application for exercise of option under sub-section (4) of section 115BA of the Income-tax Act, 1961 (if due date of submission of return of income is November 30, 2025)
	30th November 2025	Form 10-ID	AY 2025-26	Application for exercise of option under sub-section (7) of section 115BAB of the Income-tax Act, 1961
	30th November 2025	Form 10E	FY 2024-25 (claimed in AY 2025-26)	Form for furnishing particulars of income under section 192(2A) for claiming relief u/s 89 (if due date of submission of return of income is November 30, 2025)

	30th November 2025	Form 10-IF	AY 2025-26	Application for exercise of option under sub-section (5) of section 115BAD of the Income-tax Act, 1961 (if due date of submission of return of income is November 30, 2025)
	30th November 2025	Form 10-II	FY 2024-25	Statement of exempt income under clause (23FF) of section 10 of the Income-tax Act, 1961 (if due date of submission of return of income is November 30, 2025)
	30th November 2025	Form 3CFA	AY 2025-26	Form for opting for taxation of income by way of royalty in respect of Patent (if due date of submission of return of income is November 30, 2025)
	30th November 2025	Form 3CT	FY 2024-25	Income attributable to assets located in India under section 9 of the Income-tax Act, 1961 (if due date of submission of return of income is November 30, 2025)
	30th November 2025	Form 10H	FY 2024-25	Certificate of foreign inward remittance (if due date of submission of return of income is November 30, 2025)
GST	10th November 2025	GSTR-7	October 2025	Person required to deduct TDS
	10th November 2025	GSTR-8	October 2025	Return to be filed by the E-commerce operators who are required to collect TCS
	11th November 2025	GSTR-1	October 2025	Taxpayers having an aggregate turnover of more than Rs. 5 Crores or opted to file monthly return
	11th November 2025		FY 2024- 25	Due dates for Correction and Amendment in GSTR-1
	13th November 2025	IFF(Optional)	October 2025	
	13th November 2025	GSTR-6	October 2025	Input Service Distributors
	13th November 2025	GSTR-5	October 2025	Summary of Outward taxable supplies and tax payable by a non-resident taxable person
	20th November 2025	GSTR-3B	October 2025	
	20th November 2025	GSTR-5A	October 2025	OIDAR (Online Information and Database Access or Retrieval) service providers.
	25th November 2025	PMT 06	October 2025	Taxpayers opting into QRMP scheme for monthly deposit of tax
	30th November 2025		FY 2024- 25	Maximum time limit to avail Input Tax Credit (ITC)
ROC Filings	30th November 2025	PAS-6	Half Yearly	For the period 1st April 2025 to 30th September 2025
Prof. Tax on Salaries	21st November 2025		October 2025	Professional Tax on Salaries for October 2025
ESI & PF	15th November 2025		October 2025	Provident Fund (PF) & ESI Returns and Payment for October 2025

Compliance Calendar for December, 2025

Statute	Due dates	Form/Event	Compliance Period	Details
Income Tax Act, 1961	7th December 2025	Securities Transaction Tax / Commodities Transaction Tax	November 2025	Securities Transaction Tax - Due date for deposit of tax collected for the month of November, 2025
	7th December 2025	Securities Transaction Tax / Commodities Transaction Tax	November 2025	Commodities Transaction Tax - Due date for deposit of tax collected for the month of November, 2025
	7th December 2025	Form 27C	November 2025	Declaration under sub-section (1A) of section 206C of the Income-tax Act, 1961 to be made by a buyer for obtaining goods without collection of tax for declarations received in the month of November, 2025
	7th December 2025	Equalization Levy Deposit Due Dates	November 2025	Collection and recovery of equalization levy on specified services in the month of November, 2025
	7th December 2025	TDS/TCS Deposit Due Dates	November 2025	Due date for deposit of Tax deducted/collected for the month of November, 2025. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income tax Challan
	10th December 2025	Income Tax Returns	AY 2025-26	Due date for filing Income Tax Returns (ITR) for the Assessment Year (AY) 2025-26 (Financial Year 2024-25) for taxpayers whose accounts are required to be audited.
	15th December 2025	Form 24G	November 2025	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of November, 2025
	15th December 2025	Advance-Tax	AY 2026-27	Third instalment of advance tax for the assessment year 2026-27.
	15th December 2025	Form 16B	October 2025	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of October, 2025
	15th December 2025	Form 16C	October 2025	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of October, 2025
	15th December 2025	Form 16D	October 2025	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of October, 2025
	15th December 2025	Form 16E	October 2025	Due date for issue of TDS Certificate for tax deducted under section 194S in the month of October 2025
	15th December 2025	Form 3BB	November 2025	Monthly statement to be furnished by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of November, 2025
	15th December 2025	Form 3BC	November 2025	Monthly statement to be furnished by a recognized association in respect of transactions in which client codes have been modified after registering in the system for the month of November, 2025
	30th December 2025	Form 26QB	November 2025	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of November, 2025
	30th December 2025	Form 26QC	November 2025	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of November, 2025
	30th December 2025	Form 26QD	November 2025	Due date for furnishing of challan cum statement in respect of tax deducted under section 194M in the month of November, 2025

	30th December 2025	Form 26QE	November 2025	Due date for furnishing of challan cum statement in respect of tax deducted under section 194S in the month of November, 2025
	30th December 2025	Form 3CEF	FY 2024-25	Annual Compliance Report on Advance Pricing Agreement (if due date of submission of return of income is November 30, 2025)
	31st December 2025	Form 3CEAD		Report by a parent entity or an alternate reporting entity or any other constituent entity, resident in India, for the purposes of sub-section (2) or sub-section (4) of section 286 of the Income-tax Act, 1961 (assuming reporting accounting year is January 1, 2024 to December 31, 2024)
	31st December 2025	All income tax returns	AY 2025-26	Furnishing of belated or revised return of income for Assessment Year 2025-26
GST	10th December 2025	GSTR-7, GSTR-8	November 2025	Entities deducting TDS (Tax Deducted at Source) and e-commerce operators collecting TCS (Tax Collected at Source).
	11th December 2025	GSTR-1	November 2025	Monthly filers (taxpayers with an aggregate annual turnover exceeding ₹5 crore in the previous financial year) for outward supplies.
	13th December 2025	GSTR-5, GSTR-6	November 2025	Non-resident taxable persons (NRTPs) and Input Service Distributors (ISDs).
	13th December 2025	IFF	November 2025	Taxpayers under the QRMP (Quarterly Return Monthly Payment) scheme for furnishing details of outward supplies for November 2025.
	20th December 2025	GSTR-3B	November 2025	Monthly filers for the summary return of inward/outward supplies and tax payment.
	20th December 2025	GSTR-5A	November 2025	OIDAR (Online Information and Database Access or Retrieval) service providers.
	25th December 2025	PMT-06	November 2025	Monthly GST payment challan for taxpayers under the QRMP scheme.
	31st December 2025	GSTR-9 & GSTR-9C	FY 2024-25	Annual GST return and reconciliation statement for the Financial Year (FY) 2024-25
ROC Filings	31st December 2025	Form AOC-4 (and variations like AOC-4 CFS, AOC-4 XBRL, AOC-4 NBFC)	FY 2024-25	Filing of annual financial statements with the ROC
	31st December 2025	Form MGT-7/MGT-7A	FY 2024-25	Filing of annual returns
	31st December 2025	Form CRA-4	FY 2024-25	Filing of Cost Audit Report (if applicable)
Prof. Tax on Salaries	21st December 2025		November 2025	Professional Tax on Salaries for November 2025
ESI & PF	15th December 2025		November 2025	Provident Fund (PF) & ESI Returns and Payment for November 2025

Feedback and suggestions are Invited:

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

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 Manju Lata Shukla
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: 9831016678 / 9836189880 / 9831029805

Thanks and Regards,

CA. Manju Lata Shukla

President-DTPA

Ph.9831491002

Email: manju_asso@rediffmail.com

CA. Sujit Sultania

Chairman, DTPA-Journal Sub-Committee

Ph.9831016678

Email: sultaniasujit@gmail.com

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

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

Reward Scheme:

To encourage and recognize outstanding contributions to our Monthly E-Journal, we will be rewarding the best 3 (three) article writers of the year for the month commencing from November 2025 in the Annual General Meeting to be held in year 2026.

Eligibility Criteria:

Submit on Time

Submit their articles by 5th day of the month for which the publication is released. For example, for the month of November 2025 E-Journal Publication, articles will have to be submitted by 5th December 2025.

Meet Standards

Ensure that their articles meet the journal's editorial standards and guidelines and should be their own articles.

Eligibility

Not be the members of the DTPA Monthly Journal's editorial team.

Selection Process:

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

Timeline:

Submission

Article submission deadline: within first 5 days of the month for which the publication has to be released.

Evaluation

Evaluation and selection: November 2025 and onwards.

Announcement

Reward announcement: At the Annual General Meeting to be held in the year 2026.

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

Thanks, and Regards

CA. Manju Lata Shukla
 President
 DTPA
 Ph.9831491002
 Email: manju_asso@rediffmail.com

CA. Sujit Sultania
 Chairman
 DTPA- Journal Sub-Committee
 Ph. 9831016678
 Email: sultaniasujit@gmail.com



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, 30th November 2025 is the last date for feedback in respect of our E-Journal of November 2025.

Reward Structure:

The best three readers who provide the most valuable and insightful feedback will be rewarded in the Annual General Meeting to be held in the year 2026.



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 published for November 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: 9831016678 / 9836189880 / 9831029805 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.

CA. Manju Lata Shukla
President
DTPA
Ph.9831491002
Email: manju_asso@rediffmail.com

CA. Sujit Sultania
Chairman
DTPA- Journal Sub-Committee
Ph.9831016678
Email: sultaniasujit@gmail.com

DIRECT TAXES

1. STATUTORY UPDATES

- 1.1** CBDT directs uniform verification of expenses in assessment of entertainment sector assesseees - NOTIFICATION F.NO.225/215/2018/ITA-II, DATED 21-10-2025

Editorial Note: The CBDT has issued instructions, pursuant to the C&AG's Performance Audit Report No. 1 of 2019, to ensure uniformity in the assessment of assesseees in the entertainment sector. It advised AOs to verify pre-operative, production, and distribution expenses as per section 35D, Rule 9A and Rule 9B.

- 1.2** Govt. notifies revised India-Qatar DTAA effective from FY 2026-27 - NOTIFICATION NO. 154/2025, DATED 24-10-2025

Editorial Note: The Government of India has notified the revised Double Taxation Avoidance Agreement with the Government of the State of Qatar. The revised Article 11(3) clarified that the term "State" includes the RBI and EXIM Bank for India, and the Qatar Investment Authority and Qatar Holding LLC for Qatar.

- 1.3** Govt. invites suggestions from trade and industry associations for Budget 2026-27 - F. NO.334/10/2025-TRU, DATED 27-10-2025

Editorial Note: The Finance Ministry has invited suggestions for changes to the duty structure and rates, and for broadening the tax base, for the Union Budget of 2026-27. Suggestions and views may be supplemented and justified by relevant statistical information about production, prices, revenue implications of the changes suggested and any other information to support your proposal.

- 1.4** CBDT authorises 'CPC Bengaluru' to rectify mistakes & issue consequential demand notices in respect of all incomes - NOTIFICATION S.O. 4901(E), NO. 155/2025/F. NO. CB/362/2025-O/O ADDL. DIT 6 CPC BENGALURU-187/10/2024-ITA-IJ, DATED 27-10-2025

Editorial Note: The CBDT has authorized the Commissioner of Income Tax, CPC Bengaluru, to issue demand notices under section 156 in cases involving apparent mistakes in records such as incorrect refunds, omission of prepaid tax credits or reliefs, or errors in interest calculation under section 244A. This authorisation applies to all cases processed through the interface between the Assessing Officer and the CPC.

- 1.5** CBDT further extends due date for filing audit reports for AY 2025-26; also extends ITR filing due date - PRESS RELEASE, DATED 29-10-2025

Editorial Note: The Central Board of Direct Taxes (CBDT) has further extended the due date for filing various audit reports, which was originally due on September 30, 2025, to November 10, 2025. The due

date for filing the return of income in audit cases has also been extended from October 31, 2025, to December 10, 2025.

- 1.6** NITI Aayog proposes optional industry-specific Presumptive Taxation Scheme for foreign companies

Editorial Note: Niti Aayog has proposed a comprehensive framework aimed at improving tax certainty and predictability for foreign investors, including a recommendation to introduce an optional, sector-specific presumptive tax scheme for foreign companies.

2. SUPREME COURT

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

- 2.1** Where High Court dismissed Revenue's appeal against order qua registration of assessee- authority regarding its charitable purpose to enable benefits available under Act holding that issues raised in appeal were squarely covered by earlier decision of High Court and Tribunal, since High Court's order was cryptic without elaborating admitted factual situation and Supreme Court's decision in Assistant Commissioner of Income Tax (Exemptions) v. Ahmedabad Urban Development Authority [2022] 143 taxmann.com 278/449 ITR 1/[2023] 291 Taxman 11 (SC) deals with several issues including as to when an authority can be said to serve a charitable purpose, High Court would have to reconsider appeal of Revenue by taking into consideration decision of Supreme Court in Ahmedabad Urban Development Authority (supra) - **Commissioner of Income-tax (Exemption) v. Khurja Development Authority - [2025] 179 taxmann.com 463 (SC)**

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

- 2.2** Where revenue submitted before High Court that if assessee had failed to comply with requirement under proviso to section 10A(1)(A), deduction under section 10A could not have been allowed, in view of fact that assessee-company had gone under liquidation, nothing further could be done in matter and, thus, appeal was to be disposed with liberty in favour of revenue to avail appropriate legal remedy - **Commissioner of Income-tax II v. ICSA (India) Ltd. - [2025] 179 taxmann.com 81 (SC)**

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

- 2.3** SLP dismissed against order of High Court that where assessee-company acquired injectable business from its holding company as a going concern on slump sale basis and claimed depreciation on amount of goodwill, since

issue regarding depreciation on goodwill was duly considered during course of regular assessment, Assessing Officer would not have any jurisdiction to reopen assessment - **Assistant Commissioner of Income-tax v. Baxter Pharmaceuticals India (P.) Ltd.** - [2025] 179 taxmann.com 472 (SC)

- 2.4 SLP dismissed against order of High Court that where assessee-company acquired injectable business from its holding company as a going concern on slump sale basis and claimed depreciation on assets, since assessee had purchased entire unit on slump sale basis without values being assigned to individual assets and assessee had also obtained valuation report from expert valuer, who had physically verified each of assets to derive value, assessee was entitled to claim depreciation on assets on basis of valuation made by an expert valuer of each of assets forming part of sale consideration - **Assistant Commissioner of Income-tax v. Baxter Pharmaceuticals India (P.) Ltd.** - [2025] 179 taxmann.com 472 (SC)

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

- 2.5 Where non-resident company actively corresponded with ONGC and submitted a bid for oil exploration during years without securing a contract, such business activities constituted carrying on business in India and entitled it to claim deduction of administrative and audit expenses as business expenditure and also to carry forward and set off unabsorbed depreciation as per applicable provisions. - **Pride Foramer S.A. v. Commissioner of Income-tax** - [2025] 179 taxmann.com 464 (SC)

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

- 2.6 Where Commissioner (Appeals) and Tribunal held that reopening of assessment was unjustified and revenue failed to produce copy of 'reasons to believe' recorded, and original order under section 143(3) despite repeated opportunity on a lame excuse that records were not traceable, in absence of relevant materials, findings returned by Commissioner (Appeals) and Tribunal, were not liable to be interfered with - **Pr. Commissioner of Income-tax-4 v. Indo Rama Synthetics (I) Ltd.** - [2025] 178 taxmann.com 766 (SC)
- 2.7 SLP dismissed against order of High Court that where reason for reopening was recorded only on borrowed information from Directorate of Revenue Intelligence (DRI) and there was no independent application of mind on part of Assessing Officer to come to his own conclusion that income escaped assessment, reopening of assessment was not permissible - **Assistant Commissioner of Income-tax v. Tungabhadra Minerals (P.) Ltd.** - [2025] 179 taxmann.com 255 (SC)
- 2.8 SLP dismissed against order of High Court that where reasons for re-opening clearly went to show that Assessing Officer, except borrowing information from third report of

Justice M.B. Shah Commission, failed to record independently to his own satisfaction any reason so as to direct re-opening of assessment, reopening was not permissible - **Assistant Commissioner of Income-tax v. Tungabhadra Minerals (P.) Ltd.** - [2025] 179 taxmann.com 255 (SC)

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

- 2.9 SLP dismissed against order of High Court that where assessee was issued notice under section 148A(b) on 28-3-2024 and pursuant to assessee's reply another notice was issued on 22-4-2024, delay was required to be taken note of with reference to first notice and thus, same was within time limit stipulated under section 149 - **Chandra Shekhar v. Principal Commissioner of Income-tax 1** - [2025] 179 taxmann.com 341 (SC)

3. HIGH COURT

SECTION 3 OF THE DIRECT TAX VIVAD SE VISHWAS ACT, 2020 - AMOUNT PAYABLE BY DECLARANT

- 3.1 Where assessee included interest under sections 234A, 234B and 234C in Form-3 computation for settlement under DTVSV Act, since section 3 and definition of 'tax arrear' clearly encompass disputed tax along with related interest and penalty, assessee was justified in such inclusion and revenue's contention to exclude interest was found untenable - **Principal Commissioner of Income-tax v. Govindachary, Bengaluru** - [2025] 179 taxmann.com 42 (Karnataka)

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

- 3.2 Interconnect service charges paid by assessee to non-resident telecom operator company would not amount to 'royalty' - **Deputy Commissioner of Income-tax, International Taxation v. Orange 78 Rue Olivier De Serres Paris (France)** - [2025] 179 taxmann.com 82 (Karnataka)
- 3.3 Where assessee provided technical, managerial and consultancy services to its parent company and received reimbursement of expenses from parent company, such technical services provided by assessee being in nature of reimbursement fell within employer and employee relationship - **Principal Commissioner of Income-tax (International Taxation) v. Goldman Sachs Services (P.) Ltd.** - [2025] 179 taxmann.com 41 (Karnataka)

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

3.4 Where assessee charitable trust obtained audit report in Form 10B within time but failed to e-verify it before filing return due to accountant's oversight and later rectified error by e-verifying Form 10B and revising its return, refusal to condone delay would result in genuine hardship by denying otherwise eligible exemption, thus delay in filing Form 10B was to be condoned - **International Resources for Fairer Trade v. Union of India** - [2025] 178 taxmann.com 767 (Bombay)

3.5 Where assessee-trust filed Form No.10 late due to technical glitches, but applied entire accumulated amount to charitable purposes within allowed period, delay caused by technical difficulties was to be condoned and exemption under section 11(2) was allowable. - **KSB Care Charitable Trust v. Commissioner of Income-tax (Exemption)** - [2025] 178 taxmann.com 771 (Bombay)

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

3.6 Where assessee was granted a lease of a plot in an industrial park by SIPCOT, a State Government undertaking, and it paid certain amount towards plot deposit and also a sum towards development charges, since assessee had only long-term leasehold right over infrastructural facilities and was not an owner either wholly or partly, claim of depreciation made by assessee towards development charges was rightly disallowed - **Hinduja Foundries Ltd. v. Assistant Commissioner of Income-tax** - [2025] 179 taxmann.com 363 (Madras)

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

3.7 Where assessee had paid development charges to SIPCOT as per lease deed executed in respect of 99 years long-term lease for allotment of industrial plot, since infrastructural developments including roads, streets, etc., were not owned by assessee and were developed by SIPCOT and payment made facilitated running of business of assessee, contributions made by assessee were eligible to be treated as a revenue expenditure - **Hinduja Foundries Ltd. v. Assistant Commissioner of Income-tax** - [2025] 179 taxmann.com 363 (Madras)

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

3.8 Where Assessing Officer disallowed certain cash payments made by assessee under section 40A(3) and Commissioner (Appeals) deleted disallowance holding that payments were genuine and supported by documentary evidence, however, Tribunal restored disallowance on ground that assessee failed to provide adequate justification for not making payments through prescribed modes, in view of fact that assessee contended that a clear explanation was furnished before first appellate authority, matter was to be remanded back to Assessing Officer for deciding matter afresh -

Abiram Agency v. Income-tax Officer - [2025] 178 taxmann.com 777 (Madras)

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

3.9 Where Assessing Officer issued reopening notice under section 148A(b) on ground that a search conducted upon a party revealed that said party provided accommodation entries in form of loan to assessee, since Assessing Officer failed to consider detailed reply filed by assessee to show cause notice issued under section 148A(b) along with relevant documents, impugned reopening notice issued to assessee would result in breach of principles of natural justice and same was to be quashed and set aside - **Amarpadma Credits (P.) Ltd. v. Income-tax Officer** - [2025] 179 taxmann.com 144 (Gujarat)

3.10 Where assessee, operating a petroleum retail outlet in a rural area, explained cash deposits during demonetization as cash sales and provided supporting records like bank statements and audited balance sheet, non-consideration of these documents by Assessing Officer while reopening case rendered order under section 148A(d) and notice under section 148 invalid, thus required to be quashed and set aside - **Utpala Pradeep Jain v. Assistant Commissioner of Income-tax** - [2025] 179 taxmann.com 267 (Gujarat)

3.11 Where reassessment was initiated based on excise department's search indicating suppressed sales, however, alleged undisclosed income related to F.Ys. 2012-13 to 2014-15, while reopening was for Assessment Year 2017-18, since Assessing Officer was uncertain about correct year of taxability, reopening for Assessment Year 2017-18 was held invalid and quashed - **Dipesh Parasmal Jain HUF v. Income-tax Officer** - [2025] 179 taxmann.com 151 (Gujarat)

3.12 Where assessee after receiving a show cause notice proposing additions under section 68, specifically requested a hearing through video conferencing, however Assessing Officer passed assessment order raising a demand without providing an opportunity of hearing, impugned order was passed in clear violation and breach of principles of natural justice and thus, matter was to be remanded to Assessing Officer to pass a fresh order after providing an opportunity of hearing to assessee - **Arris Estates (P.) Ltd. v. Assessment Unit** - [2025] 179 taxmann.com 280 (Gujarat)

3.13 Where Assessing Officer issued notice under section 148 in name of late father of petitioner for alleged escapement of income on ground that there was a sale of immovable property by late father of assessee, since Assessing Officer was informed about death of father of assessee, impugned order passed under section 148A(d) as well as notice under section 148 issued against deceased person were to be quashed and set aside - **Bipinbhai v. Income-tax Officer** - [2025] 179 taxmann.com 423 (Gujarat)

3.14 Where Assessing Office computed peak balance of loans from directors by including opening balance and relying on non-existent judicial decisions, since no working or basis was shared with assessee and no show cause notice was issued before making addition, assessment order was passed in breach of natural justice and matter was to be remanded for reconsideration - **KMG Wires (P.) Ltd. v. National Faceless Assessment Centre** - [2025] 179 taxmann.com 565 (Bombay)

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

3.15 Where two flats were sold at lower rates compared to a third with direct terrace access, such difference, supported by finding that the third flat had added value due to terrace, did not raise a substantial question of law nor justify inference of cash transactions without further evidence - **Principal Commissioner of Income-tax Central 2 v. AHCL PEL** - [2025] 179 taxmann.com 186 (Bombay)

3.16 Where assessee was issued a notice under section 148A(b) alleging bogus sales transactions and was directed to furnish reply by certain date, since assessee was allowed only four days to respond to notice which was contrary to minimum required statutory period of seven days as mandated under section 148A(b), impugned order passed under section 148A(d) as well as notice issued under section 148 were required to be quashed and set-aside - **Atul Mahavirprasad Paldecha v. Income-tax Officer, Ward 2(3)(6)** - [2025] 179 taxmann.com 281 (Gujarat)

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

3.17 Where Assessing Officer made addition on account of bogus purchases relying solely on Sales Tax Department information alleging hawala transactions, since VAT assessment for relevant assessment year was pending adjudication and assessee was not given an opportunity to cross-examine hawala purchasers, such reliance violated principles of natural justice and thus, limiting addition to 15 per cent of alleged bogus purchases was justified - **Principal Commissioner of Income-tax v. Ramelex (P.) Ltd.** - [2025] 179 taxmann.com 374 (Bombay)

3.18 Where addition for purchases from a supplier was made on ground that supplier did not respond to notice under section 133(6), however supplier had already filed a reply confirming transactions and furnished supporting documents like invoices and e-way bills before completion of assessment, non-consideration of such evidence rendered assessment order violative of natural justice and matter was to be remanded for reconsideration - **KMG Wires (P.) Ltd. v. National Faceless Assessment Centre** - [2025] 179 taxmann.com 565 (Bombay)

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

3.19 Where Commissioner (Appeals) and Tribunal had recorded concurrent findings of fact that assessee had complied with conditions prescribed for claiming a deduction under section 80-IB(10), no question of law, much less any substantial question of law arose for consideration - **Principal Commissioner of Income-tax Central 2 v. AHCL PEL** - [2025] 179 taxmann.com 186 (Bombay)

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

3.20 Where assessee and CBDT entered into a unilateral Advance Pricing Agreement (APA) and assessee filed a modified return as per agreement, since no adverse report was received from TPO which could lead to cancellation of agreement, Assessing Officer had no jurisdiction to make further ALP adjustments and was bound to accept modified return - **Deloitte Consulting India (P.) Ltd. v. Assessment Unit, Income-tax Department, National Faceless Assessment Center, New Delhi** - [2025] 178 taxmann.com 781 (Telangana)

3.21 Where Advance Pricing Agreement (APA) was entered into between taxpayer and CBDT under section 92CC wherein application of 'cost plus pricing methodology' had been implicitly accepted, same would be having persuasive value to dispute in question for other years - **Principal Commissioner of Income-tax v. FIS Global Business Solutions India (P.) Ltd.** - [2025] 179 taxmann.com 157 (Delhi)

3.22 Where TPO passed an order without making any adjustments, Assessing Officer could not have assumed jurisdiction to reopen assessment on basis of same facts without there being any new tangible material available with Assessing Officer other than material which was considered by TPO during course of original scrutiny assessment - **Weatherford Drilling and Production Services (India) (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 179 taxmann.com 140 (Gujarat)

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

3.23 Where assessee company had not exercised its option to avail benefit of section 115BAA before due date specified under section 139(1) in its return, it could not be allowed to revise its return and file Form 10-IC after due date for filing return under section 139(1) so as to avail benefit of lower taxation under section 115BAA - **Sarla Holdings (P.) Ltd. v. Principal Commissioner of Income-tax** - [2025] 179 taxmann.com 83 (Delhi)

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

3.24 Where assessee, a co-operative society, filed an application under section 119(2)(b) to condone delay occurred in filing return due to technical glitches but same was rejected for want of necessary supporting evidence, since assessee had

filed affidavit of Chartered Accountant explaining cause for non-filing of return in prescribed period of limitation, matter was to be remanded back to Principal Commissioner to pass an order to condone delay - **Gajanand Urban Co-operative Credit Society Ltd. v. Principal Commissioner of Income-tax Surat 1 - [2025] 179 taxmann.com 435 (Gujarat)**

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

3.25 Where assessee-individual, received compensation on compulsory acquisition of land in assessment year 2022-23 and was unaware of TDS deducted thereon until PAN registration in 2024, rejection of condonation application under section 119(2)(b) without granting hearing and by examining merits of transaction was unjustified and Principal Commissioner was required to condone delay and allow assessee to file return - **Navinbhai Bhagubhai Patel v. Union of India - [2025] 179 taxmann.com 275 (Gujarat)**

3.26 Where CBDT extended specified date for furnishing audit report under section 44AB, it is mandatory to correspondingly extend due date for filing return of income under section 139(1) to maintain statutorily required one month gap, and failure to do so would defeat legislative intent of requiring audit report to precede return filing, so CBDT was directed to extend return filing due date for relevant assessee to 30-11-2025. - **Income-tax Bar Association v. Union of India - [2025] 179 taxmann.com 290 (Gujarat)**

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

3.27 Where assessee filed reply and supporting documents in response to show-cause notice-cum-draft assessment order, however final assessment order was passed without considering said replies, matter was to be remanded to Assessing Officer to pass a fresh order after considering replies of assessee - **Vijay Thakkar v. National Faceless Assessment Centre - [2025] 179 taxmann.com 201 (Gujarat)**

3.28 Where assessee requested a hearing via Video Conferencing during scrutiny assessment and Assessing Officer passed order without providing such opportunity, assessment order was in violation of principles of natural justice and was to be quashed and set aside and, matter was to be remanded to Assessing Officer to pass a fresh de novo order in accordance with law - **Siddharth Maneklal Patel v. National E-Assessment Centre - [2025] 179 taxmann.com 263 (Gujarat)**

3.29 Where assessee NRI, alleged to have not filed return for relevant year and subjected to reassessment proceedings for alleged escapement of income, sought adjournment and personal hearing but was denied an opportunity to be heard before reassessment order was passed, such failure to grant hearing rendered reassessment order and consequential demand notice liable to be quashed and set aside -

Hasmukh Nanalal Parekh v. Union of India - [2025] 179 taxmann.com 288 (Gujarat)

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

3.30 Where variation in ALP was prejudicial to interest of eligible assessee as contemplated under section 144C(15)(b)(i), it was mandatory for Assessing Officer, in first instance, to forward to assessee a draft of proposed order of assessment as contemplated under section 144C(1) - **Danfoss Fluid Power (P.) Ltd. v. Union of India - [2025] 179 taxmann.com 283 (Bombay)**

3.31 If an objection before DRP is not filed within thirty days from date of receipt of draft assessment order, Assessing Officer is not required to await DRP's disposal of objection as belated and mere pendency of an objection before DRP, if not filed within prescribed thirty-day period, does not constitute legal impediment for Assessing Officer to proceed with completion of assessment - **Principal Commissioner of Income-tax v. Yokogawa India Ltd. - [2025] 179 taxmann.com 407 (Karnataka)**

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

3.32 Reassessment notice issued beyond surviving time under TOLA held invalid in view of decision of Apex Court in Union of India v. Rajeev Bansal [2024]167 taxmann.com 70/301 Taxman 238/469 ITR 46 (SC). - **Dilipbhai Jayantibhai Patel v. Assessment Unit Income-tax Department - [2025] 179 taxmann.com 40 (Gujarat)**

3.33 Where assessee's registered office shifted from Kolkata to Mumbai and Mumbai address was reflected in return and ROC records, but notice under section 148 was issued by Kolkata-based Assessing Officer at old address instead of through Faceless Assessing Officer, applying Hexaware Technologies Ltd. v. Asstt. CIT [2024] 162 taxmann.com 225/464 ITR 430 (Bom.), such notice and resultant reassessment proceedings were to be set aside - **Vincent Commercial Company Ltd. v. Income-tax Officer - [2025] 179 taxmann.com 202 (Bombay)**

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

3.34 Where notice under section 148 was issued by Jurisdictional Assessing Officer (JAO) instead of Faceless Assessing Officer (FAO), same was to be quashed - **Deloitte Consulting India (P.) Ltd. v. Assessment Unit, Income-tax Department, National Faceless Assessment Center, New Delhi - [2025] 178 taxmann.com 781 (Telangana)**

3.35 Notice under section 148 could not be issued to a dead person, and if it was done, same was null and void - **Neena Jatin Shah v. Income-tax Officer - [2025] 179 taxmann.com 498 (Bombay)**

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

3.36 Where notice under section 148 for assessment year 2017-18 was issued to assessee on 7-5-2024, since limitation period expired on 31-3-2024, impugned notice issued beyond period of limitation prescribed under section 149 was to be quashed - **Tarish Investment and Trading Company (P.) Ltd v. Union of India - [2025] 179 taxmann.com 198 (Karnataka)**

3.37 Where assessee, a trust, had its income assessed under section 148A(d) after filing its return and about five years later, Assessing Officer issued a reassessment notice under section 148, alleging that trust had paid legal and professional fees without receiving any actual services, reopening notice issued beyond period of limitation was liable to be quashed - **Independent and Public Spirited Media Foundation v. Assistant Commissioner of Income-tax - [2025] 179 taxmann.com 205 (Karnataka)**

3.38 Where Assessing Officer issued reopening notice to assessee for assessment year 2015-16 on 5-4-2022, since revenue had categorically made a concession before Supreme Court in case of Union of India v. Rajeev Bansal [2024] 167 taxmann.com 70/ 301 Taxman 238/ 469 ITR 46 (SC) that for assessment year 2015-16 it would drop all notices issued under section 148 after 1-4-2021, impugned notice dated 5-4-2022 and all consequential orders/notices would not survive - **Cherian Nallathu Abraham Annamma v. Income-tax Officer, International Tax, Ward-1(1)(1), Mumbai - [2025] 179 taxmann.com 433 (Bombay)**

SECTION 150 OF THE INCOME-TAX ACT, 1961 - INCOME ESCAPING ASSESSMENT - ASSESSMENT IN PURSUANCE OF AN ORDER OF APPEAL, ETC.

3.39 Where Assessing Officer reopened assessments for AYs 2011-12 and 2012-13 based on directions from Commissioner (Appeals) but time limit under section 149 had already expired when appellate order was passed, section 150(2) barred such reopening and, therefore, reassessments were held to be invalid - **Shubh Buildcon v. Income-tax Officer - [2025] 179 taxmann.com 33 (Gujarat)**

SECTION 151 OF THE INCOME-TAX ACT, 1961 - INCOME ESCAPING ASSESSMENT - SANCTION FOR ISSUE OF NOTICE

3.40 Where Assessing Officer for assessment year 2018-19, issued reopening notice on 07-04-2022 with approval from Principal Commissioner, since proviso to section 151, inserted by Finance Act, 2023, with effect from 1-4-2023 could not be applied retrospectively to exclude period of seven days in furnishing reply to notice under section 148A(b) by assessee, reopening notice had been issued after more than three years from end of relevant assessment year and thus, reopening without sanction/approval of specified authority in accordance with section 151 was bad in law - **Deloitte Consulting India (P.) Ltd. v. Assessment**

Unit, Income-tax Department, National Faceless Assessment Center, New Delhi - [2025] 178 taxmann.com 781 (Telangana)

3.41 Where Competent Authority used language 'Yes, I am convinced it is a fit case for reopening of assessment under section 147 by issuing notice under section 148', same would satisfy mandate of section 151 - **Principal Commissioner of Income-tax v. Agroha Fincap Ltd. - [2025] 179 taxmann.com 185 (Delhi)**

SECTION 151A OF THE INCOME-TAX ACT, 1961 - FACELESS ASSESSMENT OF INCOME ESCAPING ASSESSMENT

3.42 Where reassessment proceedings under sections 148A and 148 were initiated by Jurisdictional Assessing Officer after introduction of e-Assessment of Income Escaping Assessment Scheme, 2022 under section 151A, such initiation was without jurisdiction and legal issue stands settled, so impugned proceedings were required to be set aside - **Yashnu Yasasvi Polucherla v. Income-tax Officer - [2025] 179 taxmann.com 470 (Telangana)**

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

3.43 Where Principal Commissioner rejected stay application filed by assessee and directed assessee to deposit 20 per cent of demand raised in assessment orders, since decision taken by Principal Commissioner was not bereft of reasons, albeit, such reasons were brief and not elaborate and order did reflect due application of mind on part of Principal Commissioner, there was no wilful disobedience of earlier court order and contempt proceedings were to be dropped - **Court on its Own Motion v. Anuradha Misra - [2025] 179 taxmann.com 279 (Delhi)**

3.44 Where High Court by virtue of ad-interim order stayed notice under section 148 (old regime), assessment order, and restrained revenue from taking further steps, Assessing Officer had no authority to treat stayed notice as one under section 148A(b) or to pass an order under section 148A(d), furthermore adjustment of refund against stayed demand was also impermissible, and revenue was directed to deposit adjusted amount in court - **Dominion Diamond (India) (P.) Ltd. v. Assistant Commissioner of Income-tax - [2025] 179 taxmann.com 508 (Bombay)**

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

3.45 Where assessee claimed breach of natural justice as assessment was completed before scheduled hearing, Tribunal rightly dismissed assessee's application under section 254(2) for recall since no mistake apparent from record was found and section 254(2) could not be invoked to review alleged violations arising from assessment order passed prior to scheduled date - **Hindustan Sports Club Ltd. v. Income-tax Officer - [2025] 179 taxmann.com 204 (Delhi)**

SECTION 271 OF THE INCOME-TAX ACT, 1961 - FAILURE TO FURNISH RETURNS, COMPLY WITH NOTICES, CONCEALMENT OF INCOME, ETC

- 3.46** Where assessee's appeal against order passed by Tribunal holding that tax was deductible under section 195 on freight paid to non-resident shipowners was admitted by High Court, in view of pendency of said appeal, recovery proceedings pursuant to impugned penalty order passed under section 271(1)(c) was to be kept in abeyance - **OPG Power Generation (P.) Ltd. v. Assistant Commissioner of Income-tax** - [2025] 179 taxmann.com 499 (Madras)

SECTION 281B OF THE INCOME-TAX ACT, 1961 - PROVISIONAL ATTACHMENT TO PROTECT REVENUE IN CERTAIN CASES

- 3.47** Where additions arising from post-search proceedings were set aside by Commissioner (Appeals) and further entire arrears had already been paid by assessee, Tax Recovery Officer was to be directed to release attached property - **JSR Infra Developers (P.) Ltd. v. Tax Recovery Officer** - [2025] 179 taxmann.com 562 (Madras)

4. INCOME TAX APPELLATE TRIBUNAL

SECTION 2 OF THE INCOME-TAX ACT, 1961 - DEFINITIONS.

- 4.1** Where assessee was engaged in providing a platform for conducting transactions of member banks and was charging only nominal fees to recover cost of infrastructure and operations, and Assessing Officer, after making specific inquiries, allowed exemption under section 11, revision under section 263 alleging violation of proviso to section 2(15) was unjustified - **National Payments Corporation of India v. CIT (Exemptions)** - [2025] 179 taxmann.com 401 (Mumbai - Trib.)

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

- 4.2** Where assessee-trust's registration under section 12AB was rejected by Commissioner (Exemption) on ground that its objects served only members of jewellers and diamond trade, indicating mutuality rather than charity, since at registration stage, inquiry was required to be confined to examining genuineness of objects and activities, and taxability issues were for Assessing Officer during assessment, refusal on ground of taxability was beyond scope of Commissioner and, thus, registration was to be granted as activities qualified as advancement of general public utility under section 2(15) - **Jewellers and Diamond Traders Association v. Commissioner of Income-tax (Exemption)** - [2025] 179 taxmann.com 43 (Chennai - Trib.)
- 4.3** Where CIT(E) cancelled assessee-trust's registration, claiming that operating fuel stations was a commercial

activity incompatible with its charitable purpose, since trust's main activities fell under "education" and "preservation of monuments" and fuel stations were incidental and originally government-assigned, commercial activity restriction didn't apply and, thus, order cancelling registration of assessee was to be set aside - **Punjab Heritage & Tourism Promotion Board v. Commissioner of Income-tax (Exemptions)** - [2025] 179 taxmann.com 259 (Chandigarh - Trib.)

- 4.4** Where assessee-society shared its address with hospital and received donations from pharma companies and registration fees from doctors, since activities of conducting meetings/seminars indicated direct nexus with promotions for pharma companies and hospital rather than benefit to general public, assessee's activities could not be termed as for 'charitable purposes' as defined under section 2(15) - **Endocrine and Breast Surgery Foundation v. Commissioner of Income-tax, Exemptions** - [2025] 179 taxmann.com 426 (Chandigarh - Trib.)

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

- 4.5** Where assessee-company paid commission to non-resident agents located in UK, Australia, Netherlands, France, UAE, Hong Kong and Germany for canvassing orders and facilitating export transactions and incurred warehousing charges in Europe for storing its finished goods before distribution to foreign buyers, both categories of payments were in nature of business income accruing outside India and, once, payments were not chargeable to tax in India, obligation under section 195 did not arise and, thus, disallowance under section 40(a)(i) could not be sustained - **Foods and Inns Ltd. v. Deputy Commissioner of Income-tax** - [2025] 179 taxmann.com 156 (Mumbai - Trib.)
- 4.6** Where assessee, an Irish tax resident, engaged in aircraft leasing activity, received certain amount as penal interest for delay in payment of lease rentals by lessee, since penal interest was charged for delayed payment of lease rental by lessee, it was an integral part of lease income which was not taxable in India under Article 8, thus, impugned penal interest was also not taxable in India - **Sky High Lxxix Leasing Co. Ltd. v. ACIT (IT)** - [2025] 179 taxmann.com 264 (Mumbai - Trib.)
- 4.7** Where assessee, an Irish tax resident, leased aircrafts to Indian airlines on dry-lease basis and authorities treated lease rentals as royalty or interest and attributed a permanent establishment in India based on assessment of lease and MLI Articles, since facts mirrored an earlier tribunal decision holding MLI provisions inapplicable absent notification, operating lease status, absence of PE, and absence of tax avoidance as dominant motive, lease rentals were not taxable in India - **Sky High Lxxix Leasing Co. Ltd. v. ACIT (IT)** - [2025] 179 taxmann.com 264 (Mumbai - Trib.)
- 4.8** Where assessee, Singapore-based ICT company, sold telecom equipment and software offshore to Indian

customers without having a PE in India, and thus did not file a return for Assessment Year 2014-15, but Assessing Officer reopened assessment based on payments reflected in Form 26AS alleging income had escaped assessment, since Assessing Officer through garb of reopening was only trying to make detailed investigation on claim of assessee regarding taxability of receipts in India, reopening notice was unjustified - **Huawei International Pte. Ltd. v. ACIT, International Taxation - [2025] 179 taxmann.com 270 (Delhi - Trib.)**

- 4.9** Where assessee, US based company, licensed software to Indian customers and claimed that income was not taxable in India but Assessing Officer treated income as FTS, since authorities failed to prove that technology was "made available" to users, receipts did not qualify as FTS as per article 12 of India - US DTAA - **DigiCert Inc v. ACIT, Int. Taxation - [2025] 179 taxmann.com 284 (Delhi - Trib.)**
- 4.10** Where assessee, a Singapore based company, sold shares of Flipkart Singapore to a Walmart group company, since what was transferred were shares of Flipkart Singapore, a company incorporated and tax resident in Singapore, gains therefrom, though arising from an entity with underlying Indian business assets, were gains from alienation of foreign-situs shares and, as transaction did not fall within ambit of clause (2), or clause 4B of article 13 to India Singapore Treaty, by virtue of section 90(2), provisions of article 13(5) of India-Singapore DTAA, would prevail - **eBay Singapore Services (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 179 taxmann.com 346 (Mumbai - Trib.)**
- 4.11** Where assessee, Singaporean company, received certain amount from India towards shipping business, since invoices raised by assessee demonstrated that assessee charged fee for transportation of goods and not towards leasing of vessels, receipts from shipping business was not in nature of royalty - **Tata NYK Shipping Pte Ltd. v. Deputy Commissioner of Income-tax, International Taxation - [2025] 179 taxmann.com 58 (Delhi - Trib.)**
- 4.12** Where assessee, a US-based company and part of global hospitality group IHG, received Travel Agent Commission Programme (TACP) amounts from Indian hotels for facilitating room bookings, since such receipts were merely reimbursements for payments made to travel agents on cost-to-cost basis without rendering managerial, technical, or consultancy services, same could not be treated as FTS under section 9(1)(vii). - **Six Continents Hotels, INC. v. Deputy Commissioner of Income-tax, International Taxation - [2025] 179 taxmann.com 137 (Delhi - Trib.)**
- 4.13** Where assessee, US company, provided marketing, distribution marketing, frequency marketing and facility support services to Indian group entity, since Tribunal consistently held such receipts not taxable as royalty/FTS in past years, principle of consistency demanded that relief should continue be allowed to assessee in relevant year. - **Six Continents Hotels, INC. v. Deputy Commissioner of**

Income-tax, International Taxation - [2025] 179 taxmann.com 137 (Delhi - Trib.)

- 4.14** Where assessee, UAE based company, engaged in operation of ships in international traffic, earned freight income and other charges from multiple ports in India, benefit of Article 8 of India-UAE DTAA was to be extended to entire freight receipts irrespective of whether earnings were relating to feeder vessels or by ships in international traffic - **Avana Global FZCO v. Deputy Commissioner of Income-tax (International-Tax) - [2025] 179 taxmann.com 145 (Mumbai - Trib.)**
- 4.15** Where assessee, UAE based company, engaged in operation of ships in international traffic, earned freight income including inland haulage charges (IHC), since IHC were inextricably linked to operation of ships in international traffic, same could not be disintegrated from profit derived from shipping business as envisaged under article 8 of India-UAE DTAA and was not taxable as business profit in India - **Avana Global FZCO v. Deputy Commissioner of Income-tax (International-Tax) - [2025] 179 taxmann.com 145 (Mumbai - Trib.)**
- 4.16** Where assessee, a Netherlands based company, received network fees for services such as maintenance of IT systems, accounting system, finance and accounting, human resources, etc. from its Indian AE, since assessee did not make available any technical know how to its Indian AE, network fee would not be in nature of royalty or FTS and would not be exigible to tax under India-Netherlands DTAA - **Maersk Logistics & Services International v. Deputy Commissioner of Income-tax (International Taxation) - [2025] 179 taxmann.com 161 (Mumbai - Trib.)**
- 4.17** Where assessee received interest income from its associated enterprise on delayed payment, said income was governed by Article 12 of India-Korea DTAA and applicable DTAA rate, and since assessee had no PE in India, exclusion under Article 12(6) did not apply - **Deputy Commissioner of Income-tax v. Hyundai Heavy Industries Ltd - [2025] 179 taxmann.com 438 (Delhi - Trib.)**
- 4.18** Where assessee, a Korean company, had a Liaison Office (LO) in India, following decision of High Court in assessee's own case, it was to be concluded that said LO was not a PE in India and, thus, income of assessee, arising outside India, could not be attributed to said LO - **Deputy Commissioner of Income-tax v. Hyundai Heavy Industries Ltd - [2025] 179 taxmann.com 438 (Delhi - Trib.)**
- 4.19** Where assessee, a Korean company, made offshore supplies to Indian parties under divisible contracts with no nexus to a PE in India, such receipts were not taxable in India as there was no business connection and supplies were made outside India, so addition treating these receipts as FTS was to be deleted - **Deputy Commissioner of Income-tax v. Hyundai Heavy Industries Ltd - [2025] 179 taxmann.com 438 (Delhi - Trib.)**

- 4.20** Where assessee, a Netherlands company, rendered global network related services such as account management, marketing, procurement, co-ordination and administrative facilitating services, etc. to its Indian subsidiary, since nature of services rendered by assessee under agreement were in field of finance, account management and human resource which were not in relation to transfer of all or any rights, imparting of any information concerning working of, or use of, a patent, invention, model, design, use of any patent, invention, model, etc. as contained in sub-clauses (i) to (iv), (iva) and (v) of Explanation 2 of section 9(1)(vi), support service fee received by assessee did not qualify to be royalty under Act - **Assistant Commissioner of Income-tax (IT) v. BCD Travel Services BV** - [2025] 179 taxmann.com 146 (Mumbai - Trib.)
- 4.21** Where assessee, a Turkey airline company, had derived revenue representing its delivery order (D.O.) charges in air cargo transportation business, since said receipts were "directly connected" with assessee's air cargo business activities, same would indeed be not taxable in India, being assessable in relevant contracting state, i.e., Turkey - **Turkish Airlines Inc v. ACIT, International Taxation** - [2025] 179 taxmann.com 266 (Delhi - Trib.)
- 4.22** Where assessee, a Canadian company, received certain amount from its Indian customer on account of repair and maintenance of aircraft engines, since it did not transfer technical knowledge and expertise to its customer so that customer could carry out repairs and maintenance of aircraft/engines itself, requirement of 'make available' clause as per India-Canada DTAA was not satisfied in case of assessee and, therefore, receipts on account of repair and maintenance services were not liable to be taxed as FTS in hands of assessee - **Pratt & Whitney Canada Corp. v. Deputy Commissioner of Income-tax, International Taxation** - [2025] 179 taxmann.com 278 (Delhi - Trib.)
- 4.23** Amount received by assessee-Netherlands based company for transmission of satellite signals from ship to customers in India and vice versa was not taxable as royalty in hands of assessee - **Inmarsat Solutions B.V. v. ACIT, International Taxation** - [2025] 179 taxmann.com 160 (Delhi - Trib.)
- 4.24** Where assessee, a US tax resident owning trademarks for IHG brands, received Marketing and Reservation Contribution from Indian hotels under franchise arrangements, such receipts were not taxable in India as Fees for Technical Services under Indian law or Fees for Included Services under India-USA DTAA, as previously held in assessee's own case, so impugned tax demands were to be set aside. - **Six Continents Hotels Inc. v. Assistant Commissioner of Income-tax, International Taxation** - [2025] 179 taxmann.com 559 (Delhi - Trib.)
- 4.25** Where assessee, a USA resident company, received reimbursement receipts from Indian hotels relating to TACP and other expenses where services were actually rendered by travel agents to Indian hotels and assessee did not render any service as envisaged under section 9(1)(vii), such reimbursements were not taxable in India as FTS under Act

or FIS under India-USA DTAA. - **Six Continents Hotels Inc. v. Assistant Commissioner of Income-tax, International Taxation** - [2025] 179 taxmann.com 559 (Delhi - Trib.)

- 4.26** Where assessee, a US resident, received payments from Indian affiliate for film distribution rights and transactions were at arm's length, no further attribution of profits to a dependent agent permanent establishment in India was required under Article 5(5) of the India-USA DTAA. - **Warner Bros Distributing Inc. v. Assistant Commissioner of Income-tax** - [2025] 179 taxmann.com 372 (Mumbai - Trib.)
- 4.27** Where assessee, a US tax resident, received film distribution revenues from Indian affiliate, such receipts were excluded from the definition of royalty under section 9(1)(vi) Explanation 2(v) and Article 12 of India-USA DTAA and therefore not taxable as royalty in India. - **Warner Bros Distributing Inc. v. Assistant Commissioner of Income-tax** - [2025] 179 taxmann.com 372 (Mumbai - Trib.)
- 4.28** Where interest on income-tax refund was received by assessee, such interest is taxable at 15 percent as per Article 11(2) of India-USA DTAA and not as business profits attributable to a permanent establishment under Article 11(5) - **Warner Bros Distributing Inc. v. Assistant Commissioner of Income-tax** - [2025] 179 taxmann.com 372 (Mumbai - Trib.)

SECTION 10 OF THE BLACK MONEY (UNDISCLOSED FOREIGN INCOME AND ASSETS) AND IMPOSITION OF TAX ACT, 2015 - ASSESSMENT

- 4.29** Where assessee was nominee shareholder of foreign company and entire shares of company were held by assessee's foreign business partner and entire investment in company was made by said partner, assessee could not be considered as owner/beneficial owner of entire credits in bank account of foreign companies and, accordingly, no addition could be made in hands of assessee - **Additional Commissioner of Income-tax v. Deepak Jain** - [2025] 179 taxmann.com 39 (Delhi - Trib.)

SECTION 10(1) OF THE INCOME-TAX ACT, 1961 - AGRICULTURAL INCOME

- 4.30** Where assessee was engaged in business of research, cultivation, production and marketing of hybrid seeds, income derived from sale of foundation seeds was exempt under section 10(1) - **Deputy Commissioner of Income-tax v. Vibha Agrotech Ltd.** - [2025] 178 taxmann.com 765 (Hyderabad - Trib.)

SECTION 10(23AA) OF THE INCOME-TAX ACT, 1961 - INCOME RECEIVED ON BEHALF OF REGIMENTAL FUND, ETC. ESTABLISHED BY ARMED FORCES

- 4.31** Where assessee, an Army school established and funded by regimental fund of Indian Army for welfare of defence personnel, claimed exemption under section 10(23AA), but lower authorities failed to examine such claim and

Commissioner (Appeals) dismissed appeal for non-prosecution, matter was remanded to Assessing Officer for fresh consideration - **Army Base Workshop High School v. Income-tax Officer** - [2025] 179 taxmann.com 187 (Bangalore - Trib.)

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

4.32 Where assessee, an Agricultural Produce Market Committee (APMC), filed its return of income claiming exemption under section 10(26AAB), however, no audit report in Form 10B was filed and CPC denied exemption, since assessee had been consistently claiming exemption in earlier years and in assessment orders for relevant years such claim was accepted by department, matter was to be restored to file of Commissioner (Appeals) for fresh adjudication after granting adequate opportunity of hearing to assessee - **Sanand Agricultural Produce Market Committee v. Income Tax Officer, Exemption** - [2025] 179 taxmann.com 261 (Ahmedabad - Trib.)

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

4.33 Where assessee-society, engaged in imparting education in field of shipping and logistics to Indian students, made payments to ICS, London, towards purchase of books, examination and exemption fees, and Distance Learning Centre Licence Fee, since books constituted tangible assets brought into India and examination and exemption fees facilitated award of internationally recognised qualifications to Indian students, payments made to ICS, London constituted valid application of income within India under section 11(1)(a) - **The Institute of Chartered Shipbrokers v. Deputy Director of Income-tax (Exemptions)** - [2025] 179 taxmann.com 138 (Chennai - Trib.)

4.34 Where assessee attempted to file a revised return to provide correct break-up of foreign contribution as 'corpus fund donation' or 'other than corpus fund donation' but due to technical glitches, assessee could not upload revised return and time for filing revised return under section 139(5) had supervened, revised return which assessee could not file due to technical glitches was to be considered by Assessing Officer subject to verification of donations and to allow claim for exemption under section 11 to assessee-trust - **St. Joseph Capuchin Service Society v. ACIT (Exemption), Uttar Pradesh** - [2025] 179 taxmann.com 197 (Delhi - Trib.)

4.35 Where assessee trust filed revised Form 9A enhancing carry forward of income before assessment completion, but Assessing Officer and Commissioner(Appeals) did not consider this revision, matter was to be remanded for de novo adjudication to examine revised Form 9A and determine correct taxable income in light of facts and circumstances - **Deendayal Seva Pratishthan Shakambhari v. Income-tax Officer, Exemption** - [2025] 179 taxmann.com 88 (Nagpur - Trib.)

4.36 Where activity of providing hostel and mess facilities to students by assessee-university was part of its main educational activity and incidental to imparting education, it could not be regarded as a 'business' and, therefore, exemption under section 11(1)(a) was to be allowed at 15 per cent on basis of gross receipts from hostel/mess activity - **National Law Institute University v. Deputy Commissioner of Income-tax (Exemption)** - [2025] 179 taxmann.com 400 (Indore - Trib.)

4.37 Where assessee-trust uploaded Form No. 10B within time allowed by CPC, claim of section 11 could not be denied merely for delay in filing audit report - **Masoomen Education Society v. Commissioner (Appeals), Sangli** - [2025] 179 taxmann.com 416 (Pune - Trib.)

4.38 Where assessee-trust, duly registered under section 12A, had furnished audit report in Form No. 10B within time prescribed under law, benefit of exemption under section 11 could not be denied merely on ground that return had inadvertently mentioned section 10(23C)(iv) instead of section 11 - **Alternative for India Development v. Income-tax Officer, Exemption** - [2025] 179 taxmann.com 357 (Chennai - Trib.)

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

4.39 Where assessee-trust filed an application for registration under section 12A, however, same was rejected on ground that assessee had failed to submit details called for to verify genuineness of its activities, since assessee had filed all relevant documents to prove that its objects were charitable in nature and activity of running an approved school was as per objects, and Commissioner (Exemption) had not applied his mind at all and had not even bothered to read application and documents enclosed with it, registration was to be granted to assessee - **New Education Society v. Commissioner of Income-tax, Exemption** - [2025] 179 taxmann.com 59 (Pune - Trib.)

4.40 Where assessee-trust filed application for grant of regular registration under section 12A(1)(ac)(iii) and Commissioner (Exemption) rejected said application on ground that assessee failed to make compliance to second notice issued by him calling for information/clarification, since wrong selection of section code/clause would not disentitle assessee to its rightful claim, Commissioner (Exemption) was to be directed to give an opportunity to assessee to file correct application and then decide case on merits - **PSR Sustainability Foundation v. Commissioner of Income-tax(Exemption)** - [2025] 179 taxmann.com 258 (Pune - Trib.)

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

4.41 Where assessee-trust applied for registration citing 'education' and 'relief of the poor' as its objects, since

assessee was not conducting a formal education/scholastic education and was only engaged in training students without systematic curriculum and collecting fees for same, said activities would not fit into limbs set under section 2(15) and Commissioner(Exemption) rightly rejected application of assessee-trust for registration under section 12AB - **Agastya Gurukulam Public Charitable Trust v. Commissioner of Income-tax (Exemptions)** - [2025] 179 taxmann.com 36 (Chennai - Trib.)

4.42 Where CIT(E) cancelled registration granted to assessee under section 12A(1)(ac)(i) with retrospective effect from assessment year 2010-11, since as per express provisions of section 12AB(4)(c)(ii), such an action of cancellation could be taken only for such previous year in which violation had occurred and for all subsequent years but same could not be done retrospectively, action of CIT(E) could not be sustained - **Punjab Heritage & Tourism Promotion Board v. Commissioner of Income-tax (Exemptions)** - [2025] 179 taxmann.com 259 (Chandigarh - Trib.)

4.43 Where assessee-trust's application for registration under section 12AB was rejected by CIT(E) on allegations of commercial activities and non-charitable application of income, enquiry at registration stage is limited to examining genuineness of charitable objects and activities, and as assessee's objects and activities were found charitable, CIT(E) was required to grant registration under section 12AB. - **Sree Raja Rajeswari Educational Trust v. Commissioner of Income-tax, Exemptions** - [2025] 179 taxmann.com 505 (Chennai - Trib.)

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

4.44 Where assessee earned exempt dividend income, made suo-motu disallowance considering only those investments which earned such income, and Assessing Officer made a higher disallowance applying section 14A read with rule 8D to entire investments, disallowance was to be restricted to the amount suo-motu disallowed by assessee following earlier years' order - **Gateway Distriparks Ltd. v. DCIT** - [2025] 178 taxmann.com 783 (Mumbai - Trib.)

4.45 Where assessee earned dividend income and made suo-motto disallowance under rule 8D(2) while computing total income towards expenditure incurred for earning said exempt income, since Assessing Officer had not at all recorded satisfaction as regards to disallowance to be made or not, suo-motto disallowance made by assessee was to be allowed - **Titan Company Ltd. v. Deputy Commissioner of Income-tax, LTU-2** - [2025] 179 taxmann.com 221 (Chennai - Trib.)

4.46 Where assessee had made suo motu disallowance under section 14A, Assessing Officer could invoke provisions of rule 8D for purpose of computing such disallowance only upon recording an objective dissatisfaction having regard to accounts of assessee - **HDFC Bank Ltd. v. Deputy**

Commissioner of Income-tax - [2025] 179 taxmann.com 268 (Mumbai - Trib.)

4.47 Where shares were held as stock-in-trade, value of such shares held as stock-in-trade had to be excluded while computing disallowance under section 14A - **HDFC Bank Ltd. v. Deputy Commissioner of Income-tax** - [2025] 179 taxmann.com 268 (Mumbai - Trib.)

4.48 Where assessee had made a suo motu disallowance under section 14A towards administrative expenditure on pro-rata basis of number of employees in investment department vis-a-vis total number of employees, since Assessing Officer had not given any specific finding with regard to books of accounts based on which assessee had arrived at disallowance, suo motu disallowance made by assessee was to be accepted - **Deputy Commissioner of Income-tax v. Small Industries Development Bank of India** - [2025] 179 taxmann.com 348 (Mumbai - Trib.)

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

4.49 Where assessee received ex-gratia payment from employer upon resignation from service, since in case of Mahadev Vasant Dhangekar v. Asstt. CIT, NFAC, Delhi [2023] 149 taxmann.com 170/201 ITD 5 (Pune - Trib.), it was held that ex-gratia payment by employer to its employee out of appreciation for employee was not taxable, following aforesaid decision, matter was to be remanded back to Assessing Officer to decide issue of taxability of ex-gratia payment afresh - **Suhas Jagannath Kanase v. Income-tax officer, National e Assessment Centre, Delhi** - [2025] 179 taxmann.com 350 (Pune - Trib.)

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

4.50 Where assessee recognized assets in their books, it became business assets and, therefore, as per provisions of section 28(iv), this liability was arising from business and, thus, same was to be brought to tax under section 28(iv) - **Vodafone Idea Ltd. v. ACIT** - [2025] 179 taxmann.com 560 (Delhi - Trib.)

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

4.51 Where assessee-company earned interest on fixed deposits made to obtain bank guarantees required for import of capital goods under EPCG Scheme during pre-production period, since fixed deposits had a direct nexus with purchase of capital goods, interest income would become incidental to capital expenditure and thus, assessee was eligible to claim set off of interest income against pre-operative expenses - **Shirguppi Sugar Works Ltd. v. ITO** - [2025] 179 taxmann.com 32 (Panaji - Trib.)

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

4.52 Where assessee-company entered into a scheme of amalgamation with company, namely, BEIPL and as per scheme, excess of consideration discharged by assessee over amount of net assets of BEIPL was recognised as goodwill in books of assessee, depreciation on goodwill was to be allowed - **Bakeri Projects (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 179 taxmann.com 324 (Ahmedabad - Trib.)

4.53 Where assessee capitalized the 3G spectrum fees and claimed depreciation under section 32 as an intangible asset and Assessing Officer disallowed this and instead applied amortization under section 35ABB, since Tribunal had already allowed a similar claim for assessee's group company, depreciation under section 32 was to be allowed - **Vodafone Idea Ltd. v. ACIT** - [2025] 179 taxmann.com 560 (Delhi - Trib.)

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

4.54 Where assessee failed to furnish relevant Form-3CK from Competent Authority for quantifying amount of eligible weighted deduction under section 35(2AB), claim of assessee for deduction under section 35(2AB) was to be disallowed - **Deputy Commissioner of Income-tax v. Vibha Agrotech Ltd.** - [2025] 178 taxmann.com 765 (Hyderabad - Trib.)

4.55 Where approval was granted by DSIR to assessee during previous year, assessee would be entitled to claim weighted deduction in respect of entire expenditure incurred under section 35(2AB) - **Deputy Commissioner of Income-tax, Circle -1(1) v. Anand NVH Products (P.) Ltd.** - [2025] 179 taxmann.com 37 (Delhi - Trib.)

4.56 Post Finance Act, 2015 amendment and corresponding Rule 6(7A) change, DSIR's quantification of eligible R&D expenditure in Form 3CL was mandatory for claiming deduction under section 35(2AB), thus, Assessing Officer was duty-bound to restrict deduction to extent of expenditure approved and quantified by DSIR and failure to do so would make assessment order erroneous and prejudicial to interests of revenue - **Pharmanza Herbal (P.) Ltd. v. Principal Commissioner of Income Tax** - [2025] 179 taxmann.com 277 (Ahmedabad - Trib.)

SECTION 35ABB OF THE INCOME-TAX ACT, 1961 - TELECOMMUNICATION LICENSE

4.57 Licence fees paid by assessee, a telecom operator, was capital in nature which were to be amortised in accordance with section 35ABB - **Vodafone Idea Ltd. v. ACIT** - [2025] 179 taxmann.com 560 (Delhi - Trib.)

SECTION 36 OF THE INCOME-TAX ACT, 1961 - OTHER DEDUCTIONS.

4.58 Where assessee's disallowance of interest under section 36(1)(iii) related to investments examined for commercial expediency in a prior year, principle of commercial

expediency applied mutatis mutandis to corresponding portion and such disallowance was not warranted - **Kausalya Agro Farms and Developers (P.) Ltd. v. Income-tax Officer** - [2025] 179 taxmann.com 564 (Hyderabad - Trib.)

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

4.59 Where assessee, a financial institution, claimed deduction for bad debts under section 36(1)(vii) and provision for bad and doubtful debts under section 36(1)(vii)(c), and demonstrated that there was no duplication or excess claim beyond provision account balance, restriction under proviso to section 36(1)(vii) was not applicable, thus disallowance made by Assessing Officer was to be deleted - **Deputy Commissioner of Income-tax v. Small Industries Development Bank of India** - [2025] 179 taxmann.com 348 (Mumbai - Trib.)

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

4.60 Where assessee, a financial institution, claimed deduction under section 36(1)(viii) for profits from eligible business and Assessing Officer reduced this by deduction allowed under section 36(1)(vii)(c), since deductions under both sections operate on different bases and are not subsets of each other, deduction under section 36(1)(viii) must be computed without reducing total income by deduction under section 36(1)(vii)(c) - **Deputy Commissioner of Income-tax v. Small Industries Development Bank of India** - [2025] 179 taxmann.com 348 (Mumbai - Trib.)

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

4.61 Lease payments are considered as revenue expenditure whether they are operating or finance lease - **Vodafone Idea Ltd. v. ACIT** - [2025] 179 taxmann.com 560 (Delhi - Trib.)

4.62 Penalty paid by assessee to DOT for non-compliance of terms of license agreement entered between assessee and DOT, was allowable under section 37(1) - **Vodafone Idea Ltd. v. ACIT** - [2025] 179 taxmann.com 560 (Delhi - Trib.)

4.63 Where assessee was contractually obligated to restore leased sites, Asset Restoration Cost (ARC) represented a legitimate liability, either as a capitalized asset eligible for depreciation or deductible under section 37(1) - **Vodafone Idea Ltd. v. ACIT** - [2025] 179 taxmann.com 560 (Delhi - Trib.)

4.64 Where assessee executing a BOT road project gave interest-free advances to EPC contractor as per contract and industry practice, and had not claimed any related interest expenditure as deduction nor earned or accrued notional interest, addition of notional interest as business income was unsustainable since tax cannot be levied on hypothetical income. - **ACIT 3(2)(1) v. Solapur Yedeshi Tollway Ltd.** - [2025] 179 taxmann.com 34 (Mumbai - Trib.)

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

- 4.65** Remuneration paid by assessee-company to its directors as per board resolution was an allowable expenditure under section 37(1) - **Deputy Commissioner of Income-tax, Circle -1(1) v. Anand NVH Products (P.) Ltd.** - [2025] 179 taxmann.com 37 (Delhi - Trib.)
- 4.66** Where assessee-company, engaged in business of manufacturing of automobile and auto parts, paid marketing support expenditure to its AE for enhancing its technical strength and marketing support, since assessee had explained nature of such expenses in detail and had filed necessary documentary evidences to prove that such expenses had been incurred wholly and exclusively for purpose of business, impugned expenditure was to be allowed under section 37(1) - **Deputy Commissioner of Income-tax, Circle -1(1) v. Anand NVH Products (P.) Ltd.** - [2025] 179 taxmann.com 37 (Delhi - Trib.)
- 4.67** Where assessee-company, engaged in waterway transport infrastructure, faced a 50% ad hoc disallowance of expenses by Assessing Officer due to a drop in revenue, since fall in revenue was only 25% and expenses were mostly fixed and genuine, including increased maintenance from acquiring two vessels, ad hoc disallowance was rightly deleted by Commissioner (Appeals) - **Additional Commissioner of Income-tax v. JITF Waterways Ltd.** - [2025] 179 taxmann.com 165 (Delhi - Trib.)
- 4.68** Where provision towards customer loyalty program was created based on estimated percentage of redemption after analyzing trend of redemption cycle of customers in preceding four quarters on total outstanding points available at year end, since system adopted by assessee was based on scientific method, provision created based on estimated percentage of redemption was an allowable deduction - **Titan Company Ltd. v. Deputy Commissioner of Income-tax, LTU-2** - [2025] 179 taxmann.com 221 (Chennai - Trib.)
- 4.69** Where assessee-bank had claimed deduction in respect of ESOP discount being difference between market price and grant price of shares at time of exercise of options, such expenditure was allowable as business deduction under section 37(1) - **HDFC Bank Ltd. v. Deputy Commissioner of Income-tax** - [2025] 179 taxmann.com 268 (Mumbai - Trib.)
- 4.70** Where assessee-company claimed a deduction under section 37(1) for ESOP expenses, which Assessing Officer allowed after due examination but PCIT initiated revision under section 263, alleging lack of proper enquiry by the Assessing Officer since Assessing Officer had thoroughly examined issue, revisionary order was unjustified and liable to be quashed - **Colgate Palmolive (India) Ltd. v. Principal Commissioner of Income-tax** - [2025] 179 taxmann.com 149 (Mumbai - Trib.)

- 4.71** Explanation 3 to section 37(1) which widens scope of disallowance to include violations of laws outside India was inserted with effect from 1-4-2022 and, thus, same would be applicable prospectively and not retrospectively - **Deputy Commissioner of Income-tax v. AIA Engineering Ltd.** - [2025] 179 taxmann.com 152 (Ahmedabad - Trib.)
- 4.72** Where assessee paid USD 6 million to MI to settle a long pending civil litigation, since payment was neither on account of any fine imposed by any Court nor on account of any offence committed by assessee, said amount paid to settle a long pending civil litigation with a private party was to be allowed as business expenditure under section 37(1) - **Deputy Commissioner of Income-tax v. AIA Engineering Ltd.** - [2025] 179 taxmann.com 152 (Ahmedabad - Trib.)
- 4.73** Where assessee claimed deduction for commission expenses paid to four parties by banking channel, duly supported by TDS deduction, bank statements, invoices, party ledgers and return filed by one agent, commission payments were found genuine and incidental to business, addition made by Assessing Officer for unverifiable payments was not sustainable - **Midas Metacast (P.) Ltd. v. ITO** - [2025] 179 taxmann.com 403 (Ahmedabad - Trib.)
- 4.74** Where assessee, engaged in business of mining, quarrying, stone crushing and allied contract work, paid royalty to Power of Attorney holder duly authorised by landowner for permitting excavation of stones and boulders, and payment was made through banking channels after due TDS compliance supported by proper documentation, reopening of assessment based merely on change of opinion was invalid and royalty expenditure was allowable as deduction under section 37(1) - **Balajee Infratech & Constructions (P.) Ltd. v. Deputy Commissioner of Income-tax** - [2025] 179 taxmann.com 420 (Mumbai - Trib.)
- 4.75** Where assessee had placed on record all relevant documents such as PAN, GST numbers, invoices, e-way bills, payment proof, transport documents, and all transactions were through banking channels, rejection of purchases made from such parties solely on account of non-verification was not justified. - **Gaurav Singhi Pragati Steels v. ITO Ward-2** - [2025] 179 taxmann.com 89 (Chandigarh - Trib.)
- 4.76** Where assessee maintained complete day-to-day stock tally in respect of different types of scrap traded by it and payments for purchases were made through banking channels, since documentary evidence including ledger accounts, bank statements, invoices, e-way bills, bilty, toll receipts, GST returns (GSTR-1 and GSTR-2A) were furnished, mere denial of transactions by two parties and non-response from some others to section 133(6) notice could not justify addition for bogus purchases - **Gaurav Singhi Pragati Steels v. ITO Ward-2** - [2025] 179 taxmann.com 89 (Chandigarh - Trib.)
- 4.77** Where assessee, a SPV for BOT road project assessed under scrutiny without addition, was later subjected to reassessment on alleged escaped income due to interest-free advances to EPC contractor, without any fresh

information or material being provided by Assessing Officer, such reopening was based merely on change of opinion and was unjustified. - **ACIT 3(2)(1) v. Solapur Yedeshi Tollway Ltd.** - [2025] 179 taxmann.com 34 (Mumbai - Trib.)

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

4.78 Payment of roaming charges by assessee, a telecom operator, to another mobile service provider did not attract TDS provision - **Vodafone Idea Ltd. v. ACIT** - [2025] 179 taxmann.com 560 (Delhi - Trib.)

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

4.79 Where assessee claimed deduction for job-work expenses and Assessing Officer disallowed certain amount alleging non-deduction of TDS, but assessee furnished Form 16A and Form 26AS evidencing TDS had been duly deducted and matched with vendor entries, addition for non-deduction of TDS was not sustainable - **Midas Metacast (P.) Ltd. v. ITO** - [2025] 179 taxmann.com 403 (Ahmedabad - Trib.)

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

4.80 As per Explanation 6 to section 43(1), actual cost of asset to transferee shall be same as in hands of transferor ; since assessee reacquired vessels from its subsidiary, their carrying value in subsidiary's books on date of transfer is to be treated as actual cost - **Additional Commissioner of Income-tax v. JITF Waterways Ltd.** - [2025] 179 taxmann.com 165 (Delhi - Trib.)

4.81 Where assessee received Government grants relatable to depreciable assets, credited them to deferred grant account and claimed depreciation on unreduced WDV without taxing or reducing actual cost/WDV in accordance with amended section 2(24), Explanation 10 to section 43(1) and ICDS-VII, assessment made without examination of this issue was erroneous and prejudicial to revenue and Principal Commissioner's order under section 263 directing de novo assessment and proper adjustment of grants was legally valid and sustainable - **Tourism Corporation of Gujarat Ltd. v. Principal Commissioner of Income-tax** - [2025] 179 taxmann.com 143 (Ahmedabad - Trib.)

SECTION 43(5) OF THE INCOME-TAX ACT, 1961 - SPECULATIVE TRANSACTIONS

4.82 Where assessee, engaged in business of manufacturing of automotive lightings and mirrors, entered into forward contracts only to hedge its risk on account of exchange fluctuations which was incidental to its main core business, impugned loss was to be construed as normal business loss and same could not be construed as speculative in nature in view of proviso to clause (a) of section 43(5) - **Deputy Commissioner of Income-tax v. Fiem Industries Ltd.** - [2025] 179 taxmann.com 286 (Delhi - Trib.)

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

4.83 Where assessee claimed deduction under section 43B for liabilities disallowed in earlier year and paid during year, deduction for service tax and TDS was allowable on furnishing payment evidence, while addition for balance amount without supporting evidence was to be sustained - **Magnaquest Technologies Ltd. v. Deputy Commissioner of Income-tax** - [2025] 178 taxmann.com 774 (Hyderabad - Trib.)

4.84 Where Assessing Officer made addition of certain amount towards claim of any other amount allowable as deduction in Schedule-BP of ITR filed by assessee which pertained to deduction towards disallowance of unpaid liabilities in terms of section 43B in earlier assessment year and paid during financial year relevant to assessment year under consideration and levied penalty under section 270A, since addition made by Assessing Officer had been partly allowed and relief had been given to assessee, penalty proceedings should be modified by Assessing Officer after giving effect to order passed on issue of additions - **Magnaquest Technologies Ltd. v. Deputy Commissioner of Income-tax** - [2025] 178 taxmann.com 774 (Hyderabad - Trib.)

4.85 Where VAT, GST, etc. were neither debited to profit and loss account nor claimed as deduction by assessee, no disallowance under section 43B was warranted if same were not paid before due date for filing of return - **Dalip Singh Rathore v. Income-tax Officer** - [2025] 179 taxmann.com 191 (Delhi - Trib.)

SECTION 43CA OF THE INCOME-TAX ACT, 1961 - FULL VALUE OF CONSIDERATION FOR TRANSFER OF ASSETS OTHER THAN CAPITAL ASSETS IN CERTAIN CASES

4.86 Proviso to section 43CA(1) allowing 10 per cent tolerance band is curative and applies retrospectively; hence, no addition was warranted in case of assessee, where difference between DVO value and sale consideration was within permissible limit for assessment year 2018-19. - **Deputy Commissioner of Income-tax v. Gaurav Investments** - [2025] 179 taxmann.com 214 (Mumbai - Trib.)

4.87 Tolerance limit of 10 per cent introduced by Finance Act, 2020 to section 43CA is curative in nature and, therefore, applicable retrospectively - **Deputy Commissioner of Income-tax v. Amardeep Constructions** - [2025] 179 taxmann.com 358 (Mumbai - Trib.)

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

4.88 Where assessee constructed a commercial building with intention to let it out and disclosed it as a capital asset in returns, however, due to prolonged vacancy and financial strain, sold it after six years of holding, same was a forced sale not a planned business venture and thus, profit from

sale was assessable as capital gains and exemption under section 54EC was allowable - **Basavaraju Shivakumar Holavanahalli v. Assistant Commissioner of Income-tax** - [2025] 179 taxmann.com 520 (Bangalore - Trib.)

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

4.89 Where assessee claimed deduction towards cost of improvement and transfer expenses while computing capital gain on sale of property, however, Assessing Officer disallowed same on ground that bills furnished by assessee were handwritten, lacked necessary details, and pertained to a period prior to purchase of property, since authorities below had not made any independent verification of evidence furnished by assessee and proceeded to make addition solely based on assumptions, matter was to be remanded back for fresh examination - **Harshadkumar Hargovandas Patel v. Income-tax Officer** - [2025] 179 taxmann.com 408 (Ahmedabad - Trib.)

SECTION 50 OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - COMPUTATION IN CASE OF DEPRECIABLE ASSETS

4.90 Where assessee sold depreciable assets which, based on period of holding, qualified as long-term and paid tax on resulting gains at long-term capital gains rate under section 112, Principal Commissioner could not invoke revision under section 263 since fiction under section 50 deeming such gains as short-term applies only for computation purposes and not for determining tax rate or asset classification elsewhere in the Act, making Assessing Officer's acceptance of long-term capital gains rate correct and revision invalid - **Tata Communications Ltd. v. Pr. CIT** - [2025] 178 taxmann.com 764 (Mumbai - Trib.)

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

4.91 Where assessee disputed stamp duty valuation as excessive, Assessing Officer was required to refer matter to Departmental Valuation Officer; since such reference was not made despite assessee's objection, matter was remanded to Assessing Officer for fresh determination of fair market value and recomputation of capital gains - **Bhupendrabhai Bhikhalal Patel v. Income-tax Officer** - [2025] 179 taxmann.com 422 (Ahmedabad - Trib.)

4.92 Where Assessing Officer passed order under section 154 adopting stamp duty value as sale consideration under section 50C for computation of STCG but computation of cost of acquisition was to be freshly adjudicated, entire matter concerning correct sale consideration required de novo consideration and was to be restored to Assessing Officer. - **Harshadkumar Hargovandas Patel v. Income-tax Officer** - [2025] 179 taxmann.com 408 (Ahmedabad - Trib.)

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

4.93 Deduction under section 54 allowed as assessee proved reinvestment of sale proceeds in new residential property through verified banking transactions matching sale deed records. - **Nikhil Ravindra Manjrekar v. Commissioner of Income-tax (Appeals) / NFAC, Delhi** - [2025] 179 taxmann.com 169 (Mumbai - Trib.)

4.94 Where investment in new residential property is made by assessee from his own funds, mere fact that property is purchased in name of spouse does not disentitle assessee from exemption under section 54 - **Rajesh Narendrabhai Patel v. Income Tax Officer** - [2025] 179 taxmann.com 262 (Ahmedabad - Trib.)

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

4.95 Where assessee sold an immovable property in his name and invested all sale proceeds in purchase of land in name of his son when he was minor and raised construction thereon, assessee was eligible for exemption under section 54F on amount invested in construction of new house - **Inamul Haq v. Income-tax Officer** - [2025] 179 taxmann.com 321 (Delhi - Trib.)

SECTION 55A OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - REFERENCE TO VALUATION OFFICER

4.96 Where assessee adopted FMV of property as on 1-4-1981 based on a detailed valuation report prepared by a Government-approved registered valuer, however, value of FMV adopted by registered valuer had no legs to stand on, matter was to be remanded back to file of Assessing Officer with a direction to refer valuation of property as on 1-4-1981 to DVO as per specific request of assessee, and thereafter, re-compute long-term capital gain - **Harshadkumar Hargovandas Patel v. Income-tax Officer** - [2025] 179 taxmann.com 408 (Ahmedabad - Trib.)

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

4.97 Where assessee had purchased a property for Rs. 29.97 lakhs which had been registered at a stamp duty value of Rs. 1.04 crores on 30-10-2018, since assessee had entered into an agreement fixing amount of consideration for said immovable property in 2013 and a part of consideration had been paid by way of account payee cheques through a bank account, provisions of section 56(2)(x)(b) were not attracted - **Javidbhai Ahemadbhai Mansuri v. Income-tax Officer** - [2025] 179 taxmann.com 53 (Ahmedabad - Trib.)

4.98 Interest received on enhanced compensation under section 28 of Land Acquisition Act, 1894 is taxable under section 56(2)(viii) - **Vijay Singh Chauhan v. Income-tax Officer** - [2025] 179 taxmann.com 61 (Delhi - Trib.)

- 4.99** Where entire funds were raised for execution of highway project and temporary parking of such funds in short-term deposits was only to ensure liquidity and reduce overall project cost, interest earned thereon being inextricably linked with setting up of infrastructure facility was capital in nature and to be reduced from capital work-in-progress - **Assistant Commissioner of Income-tax v. Chenani Nashri Tunnelway Ltd.** - [2025] 179 taxmann.com 148 (Mumbai - Trib.)

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

- 4.100** Where assessee received share application money from a company and all relevant details regarding said share application money were called from assessee during scrutiny assessment and assessee had provided all necessary documents including confirmations, impugned reopening of assessment on ground that said share application money was unexplained cash credit under section 68 was based on stale information and, thus, same was a case of reopening for convenience by change of opinion - **Tremendous Mining And Minerals (P). Ltd v. Deputy Commissioner of Income-tax** - [2025] 178 taxmann.com 745 (Delhi - Trib.)
- 4.101** Where assessee university credited unutilized mess account balances from earlier years in reserve and surplus in current year and Assessing Officer made addition under section 68, such amount relating to prior years could not be assessed as current year's income since each assessment year is separate, and proper course is to assess such income in relevant year, not in current year, requiring fresh examination as per law - **National Law Institute University v. Deputy Commissioner of Income-tax (Exemption)** - [2025] 179 taxmann.com 400 (Indore - Trib.)
- 4.102** Where assessee-firm filed complete details of all loan creditors such as PAN, bank statements, confirmations, ITR, etc. to prove identity, genuineness and creditworthiness of loan creditors and all loans were received through proper banking channel and many of loans were repaid through banking channel in year itself, Assessing Officer was not justified in treating said loans as unexplained cash credit under section 68 - **Income-tax Officer v. Shri Agrasen Logistics** - [2025] 179 taxmann.com 86 (Agra - Trib.)

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

- 4.103** Where assessee explained that cash deposits in his bank account were made by a travel agent solely to demonstrate sufficient funds for visa processing of his son and daughter-in-law, since assessee had furnished complete evidence, including pay-in slips bearing travel agent's PAN, proof that account was jointly held for visa purposes, and evidence of its closure after achieving stated objective, facts clearly established nexus of travel agent with impugned deposits and withdrawals, thus, addition under

section 69A was rightly deleted - **Dilipsinh Ranjitsinh Chauhan v. Income-tax Officer** - [2025] 178 taxmann.com 782 (Ahmedabad - Trib.)

- 4.104** Where Assessing Officer treated entire cash deposits in assessee's bank as unexplained money under section 69A, but assessee produced additional evidences such as GST returns and sales invoices supporting genuine business activity which were not earlier examined, matter was to be remanded back to file of Assessing Officer with directions to verify such evidences and to readjudicate addition under section 69A - **Chinthalapudi Ramakrishna v. Income-tax Officer, Ward-1** - [2025] 179 taxmann.com 219 (Hyderabad - Trib.)

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

- 4.105** Where assessee, engaged in labour-intensive construction work, had recorded purchases and wages in regular books and made payments through banking channels, disallowance thereof as non-genuine could not be re-characterised as unexplained expenditure under section 69C and, therefore, Principal Commissioner was not justified in invoking section 263 merely for preferring a different provision - **Nabeel Construction (P.) Ltd. v. Principal Commissioner of Income-tax** - [2025] 179 taxmann.com 417 (Mumbai - Trib.)

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

- 4.106** Where assessee's application for registration under section 80G(5) was rejected solely due to earlier denial of registration under section 12AB, since Tribunal had directed Commissioner to grant registration under section 12AB to assessee, Commissioner (Exemption) was required to grant registration under section 80G(5) particularly when no other grounds for denial were cited - **New Education Society v. Commissioner of Income-tax, Exemption** - [2025] 179 taxmann.com 59 (Pune - Trib.)
- 4.107** CSR expenditure incurred as per provisions of section 135 of Companies Act, 2013 is allowable as deduction under section 80G - **HDFC Bank Ltd. v. Deputy Commissioner of Income-tax** - [2025] 179 taxmann.com 268 (Mumbai - Trib.)
- 4.108** Where assessee claimed deduction under section 80G towards donations made by it including contribution towards Corporate Social Responsibility (CSR) expenses and Assessing Officer after considering submissions of assessee and documentary evidences had allowed deduction, impugned invocation of revision proceedings by Principal Commissioner on ground that Assessing Officer had not made proper enquiries with respect to allowability of CSR expenses under section 80G was unjustified - **Colgate Palmolive (India) Ltd. v. Principal**

Commissioner of Income-tax - [2025] 179 taxmann.com 149 (Mumbai - Trib.)

4.109 Where assessee filed an application for final registration under section 80G(5)(iii) after the due date and Commissioner (Exemption) rejected it as time-barred, in view of amendment by Finance Act 2024 inserting clause (iv) to first proviso of section 80G(5), such delayed application was to be treated under the new clause and decided as per law since time limits were directory in nature - **Mother Leela Trust v. Commissioner of Income-tax (Exemption) - [2025] 179 taxmann.com 274 (Chennai - Trib.)**

4.110 Where assessee trust filed an application under section 80G(5) for grant of registration and inadvertently filed its application under clause (iv) instead of under clause (i), since assessee was entitled to be registered for five years and merely for reason that it had filed application under incorrect clause, same could not be taken away, thus, matter was to be remanded back to Commissioner (Exemption) to consider application as one filed for registration under section 80G under clause (i) and then grant registration to assessee for five years - **MRT No. 1 Charitable Trust v. Commissioner Income (Exemption) - [2025] 179 taxmann.com 210 (Chennai - Trib.)**

4.111 Where assessee charitable/religious trust filed application on 31-7-2024 for grant of approval under section 80G(5) and Commissioner (Exemptions) rejected same as not maintainable on ground that application was filed after cut-off date of 30-6-2024 prescribed by CBDT Circular No.7/2024 dated 25-4-2024, since order of Commissioner (Exemptions) was passed on 27-1-2025 after amendment had come into force, impugned order was to be set aside and Commissioner (Exemptions) was to be directed to treat application as having been filed under clause (iv)(B) of first proviso to section 80G(5) - **Foundation for Friendly Environment & Medical Awareness v. Commissioner of Income-tax (Exemption) - [2025] 179 taxmann.com 287 (Chennai - Trib.)**

4.112 For obtaining approval under section 80G(5), assessee must first secure registration under section 12AB - **Endocrine and Breast Surgery Foundation v. Commissioner of Income-tax, Exemptions - [2025] 179 taxmann.com 426 (Chandigarh - Trib.)**

4.113 Where assessee made CSR donations to entities registered under section 80G, disclosed claim in computation and tax audit report, and was otherwise eligible for deduction, deduction under section 80G for CSR expenditure was allowable as there was no bar under section 80G, even though such deduction was not available under section 37(1). - **Rishabh Instruments Ltd. v. Principal Commissioner of Income-tax - [2025] 179 taxmann.com 476 (Mumbai - Trib.)**

4.114 Where assessee's deduction claim under section 80G for donations classified as CSR was duly examined by Assessing Officer during assessment by calling specific

documents and allowing it, conditions for invoking revisionary jurisdiction under section 263 were not met. - **Rishabh Instruments Ltd. v. Principal Commissioner of Income-tax - [2025] 179 taxmann.com 476 (Mumbai - Trib.)**

4.115 Where CIT(E) rejected application of assessee-trust for grant of approval under section 80G(5) on ground that its objects were religious in nature and it had expended more than 5 per cent of its income on religious activities, which was a clear violation of provisions of sections 80G(5) and 80G(5B), since CIT(E) had not considered assessee's explanation pointing out inapplicability of section 80G(5B) to facts of case, matter was to be remanded back to him for fresh examination of assessee's submissions and grant of approval, if found eligible. - **Sthanakvasi Jain Sangh Jivrajpark v. Commissioner of Income-tax (Exemption) Ahmedabad - [2025] 179 taxmann.com 218 (Ahmedabad - Trib.)**

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

4.116 Where assessee, which operated and maintained Container Freight Stations (CFS) in accordance with approvals and conditions laid down by Government, was granted deduction under section 80-IA(4) in earlier A.Y., facts being similar, such deduction to be allowed in subsequent year also - **Deputy Commissioner of Income-tax v. Gateway Distriparks Ltd. - [2025] 178 taxmann.com 784 (Mumbai - Trib.)**

4.117 Where assessee executed infrastructure projects as sub-contractor of related party to whom contract was awarded by Government and Assessing Officer disallowed claim under section 80-IA on ground that assessee had no direct agreement with Government, in view of insertion of second proviso to section 80-IA(4), which prohibits deduction for enterprises that commence development or operation and maintenance of infrastructure facilities on or after 1-4-2017 and there being lack of clarity on project commencement date, matter was to be remanded to Assessing Officer to verify facts and decide same afresh - **Sushee Infra & Mining Ltd. v. ACIT - [2025] 178 taxmann.com 763 (Hyderabad - Trib.)**

SECTION 80JJAA OF THE INCOME-TAX ACT, 1961 - DEDUCTIONS - IN RESPECT OF EMPLOYMENT OF NEW WORKMEN

4.118 Where assessee claimed deduction under section 80JJAA in return along with Form 10DA with a typographical error showing zero new workmen, and thereafter, furnished revised Form 10DA with accurate particulars during assessment proceedings, since claim was already made in return before Assessing Officer, deduction could not be denied merely because revised form was not filed before due date of return - **O.C. Sweater LLP v. Income-tax Officer - [2025] 179 taxmann.com 162 (Delhi - Trib.)**

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

- 4.119** Where assessee filed Form No. 67 after due date specified in rule 128(9), same would not preclude assessee from claiming benefit of foreign tax credit in respect of tax paid outside India - *Dipti Jagdish Satwani v. Income-tax Officer* - [2025] 179 taxmann.com 155 (Mumbai - Trib.)
- 4.120** Where assessee, a company incorporated in Cyprus, earned interest on its investment in Compulsory Convertible Debentures (CCDs) of an Indian company and offered same to tax at rate of 10 per cent as per provisions of Article 11 of India-Cyprus DTAA, since shareholder of assessee had assumed all attributes of ownership of CCDs, assessee was not beneficial owner of interest income and, thus, not eligible for benefits under India-Cyprus DTAA and income was to be taxed at rate of 20 percent under section 115A - *Silverplass Holdings Ltd. v. Deputy Commissioner of Income-tax, International Taxation* - [2025] 179 taxmann.com 195 (Delhi - Trib.)

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

- 4.121** Where negative lien on receivables and participating interest (PI) in oil and gas blocks held by assessee did not give right to lender of selling assets and negative lien by assessee did not provide any financial benefit/ service, negative lien on receivables and PI on oil and gas blocks given by assessee could not be equated with corporate guarantee and hence would be outside ambit of definition of international transaction - *JOGPL (P.) Ltd v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 411 (Delhi - Trib.)

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

- 4.122** Where assessee executed infrastructure projects under back-to-back contracts from AEs who had originally received such contracts from Government and assessee reported these transactions as its SDTs and TPO rejected benchmarking by assessee based on alleged misallocation of expenses between section 80-IA eligible and non-eligible units, leading to TP adjustment, such allocation issue being a corporate matter unrelated to pricing of SDTs, TP adjustment was unjustified and deleted - *Sushee Infra & Mining Ltd. v. ACIT* - [2025] 178 taxmann.com 763 (Hyderabad - Trib.)

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

- 4.123** A company involved in content development and transformation was not comparable to assessee engaged in business of providing ITES - *INVESCO (INDIA) (P.) Ltd. v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 216 (Hyderabad - Trib.)

- 4.124** Domestic transactions are not to be mixed with international transactions for computing operating margins and inclusion of domestic revenue and expenditure results in distortion of profitability from international transactions, thereby vitiating comparability analysis - *INVESCO (INDIA) (P.) Ltd. v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 216 (Hyderabad - Trib.)
- 4.125** Exclusion of comparables merely on ground of 'not appearing in one database' cannot be sustained when they appear in another validly recognized database - *INVESCO (INDIA) (P.) Ltd. v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 216 (Hyderabad - Trib.)
- 4.126** LIBOR plus 200 basis points was appropriate benchmark for determining arm's length interest on delayed receivables from AEs - *INVESCO (INDIA) (P.) Ltd. v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 216 (Hyderabad - Trib.)
- 4.127** Where assessee-company was engaged in business of providing ITES, a company engaged in Accounting, Health and E- Publishing services could not be selected as comparables to assessee - *INVESCO (INDIA) (P.) Ltd. v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 216 (Hyderabad - Trib.)
- 4.128** Where CCDs issued by assessee were denominated in Indian currency, interest on CCDs was to be benchmarked by applying SBI PLR instead of SIBOR - *INVESCO (INDIA) (P.) Ltd. v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 216 (Hyderabad - Trib.)
- 4.129** Where company fails 25 per cent RPT threshold under aggregate method, then it cannot be retained as a comparable - *INVESCO (INDIA) (P.) Ltd. v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 216 (Hyderabad - Trib.)
- 4.130** Where RPT filter was computed on aggregate basis in earlier years and there being no distinguishing feature in present year, same method should be applied - *INVESCO (INDIA) (P.) Ltd. v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 216 (Hyderabad - Trib.)
- 4.131** Where TPO excluded a company on ground of RPT filter but assessee pointed out that total related party transactions of company were well within 25 per cent threshold prescribed, said company passed RPT test and was functionally comparable to assessee - *INVESCO (INDIA) (P.) Ltd. v. Deputy Commissioner of Income-tax* - [2025] 179 taxmann.com 216 (Hyderabad - Trib.)
- 4.132** Where assessee-company availed management support services under a single agreement wherein it obtained Global Account Management (GAM) services as well as IT services from its AEs, since assessee's core business activity and sale was inextricably linked/dependent on GAM service from its AEs, payment of these charges could not be segregated and benchmarked separately - *Haworth*

India (P.) Ltd v. Deputy Commissioner of Income-tax - [2025] 179 taxmann.com 220 (Chennai - Trib.)

- 4.133** Where TP adjustments relating to basic market research and testing services were accepted by TPO based on financial statement which comprised of details of expenditures of infrastructure services fees and reimbursement made to AE, TPO can separately benchmark infrastructure service fees and reimbursements, even though these costs were reflected in financials used in benchmarking basic market research and testing services - **Honda R & D (India) (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 179 taxmann.com 215 (Delhi - Trib.)**
- 4.134** Where assessee had undertaken detailed TP study and adopted TNMM as MAM to benchmark its inter-unit transactions and TPO had not pointed out any specific defects in TP documentation as required under section 92C(3) before proceeding with adjustment, TP adjustment made by TPO and sustained by DRP was not sustainable - **Titan Company Ltd. v. Deputy Commissioner of Income-tax, LTU-2 - [2025] 179 taxmann.com 221 (Chennai - Trib.)**
- 4.135** Where assessee availed technical support services from its AE and paid service charges with a markup of 5 per cent on actual cost incurred by AE, since assessee had furnished all requisite details to substantiate that services were actually rendered by AE and benefits derived by assessee out of availing such services, payment of technical support service charges was to be accepted to be at ALP - **Active Components India (P.) Ltd. v. ACIT - [2025] 179 taxmann.com 153 (Delhi - Trib.)**
- 4.136** Where payment was made by assessee to its AE as common charges for IT related services and same was reimbursement of actual cost incurred by AEs on assessee's behalf and did not involve any element of service or income, transaction of payment of cost recharges by assessee to its AE without any markup was to be accepted to be at ALP - **Active Components India (P.) Ltd. v. ACIT - [2025] 179 taxmann.com 153 (Delhi - Trib.)**
- 4.137** Where assessee, engaged in recruitment services, made payments to AEs for Business Support and Business Technology Services, and furnished detailed documentation substantiating need, purpose, rendition, and benefits of such intra-group services along with benchmarking analysis, determination of ALP at nil on ground that assessee had failed to satisfy need, purpose, benefit and rendition test was unjustified - **Michael Page International Recruitment (P.) Ltd. v. Deputy Commissioner of Income-tax - [2025] 179 taxmann.com 436 (Mumbai - Trib.)**
- 4.138** Where assessee was engaged in trading of programmable logic controllers and TPO had applied trading turnover filter of 75 per cent, DRP was not justified in reducing threshold to 50 per cent merely to accommodate comparable

engaged in manufacturing; such comparable having no trading turnover was directed to be excluded - **B & R Industrial Automation (P.) Ltd. v. Addl./ Jt./ Dy. / Asstt. CIT /ITO, NFAC, New Delhi - [2025] 179 taxmann.com 419 (Pune - Trib.)**

- 4.139** Where assessee paid royalty for use of trademark to its AEs and benchmarked transactions under CUP as most appropriate method and applied TNMM at entity level with three external comparables, but TPO rejected it and adjustment was made, following coordinate bench decisions in assessee's favour, TPO was to be directed to delete adjustment - **Vodafone Idea Ltd. v. ACIT - [2025] 179 taxmann.com 560 (Delhi - Trib.)**

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

- 4.140** Penalty under section 271G cannot be imposed solely for failure to benchmark international or specified domestic transactions and TPO must specify which documents prescribed under Rule 10D were not furnished by assessee and in absence of such identification, initiation and levy of penalty under section 271G is not sustainable - **Deputy Commissioner of Income-tax v. Atul Ltd. - [2025] 179 taxmann.com 323 (Ahmedabad - Trib.)**

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

- 4.141** Revised return filed under section 139(5) opting for concessional tax regime under section 115BAA substitutes original return filed under normal provisions and is valid - **Assistant Commissioner of Income-tax v. Lahari Holiday Homes (P.) Ltd. - [2025] 179 taxmann.com 217 (Hyderabad - Trib.)**
- 4.142** Where assessee filed its return of income claiming benefit of section 115BAA but could not file Form No. 10IC due to technical glitch on portal, since there were indeed technical issues in said assessment year and simultaneously there were solutions not only for said assessment year but for other two assessment years also which assessee had not availed off with no plausible explanation, assessee was to be directed to file Form No. 10IC within one month from date of receipt of this order - **Sanjana Clothings (P.) Ltd. v. AID, CPC, Bengaluru - [2025] 179 taxmann.com 164 (Indore - Trib.)**
- 4.143** Where assessee company opted for taxation under section 115BAA, rate of tax applicable in respect of total income, including Long Term Capital Gain, would be 22 percent as per section 115BAA and not 20 percent under section 112. - **Maharishi Education Corporation P. Ltd. v. Income-tax Officer - [2025] 179 taxmann.com 698 (Delhi - Trib.)**

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

4.144 Where Assessing Officer made adjustment to book profits computed under section 115JB for disallowance made under section 14A, no such adjustment was permissible and Assessing Officer was to be directed to delete adjustment to book profits for 14A disallowance - **Gateway Distriparks Ltd. v. DCIT - [2025] 178 taxmann.com 783 (Mumbai - Trib.)**

4.145 Where after demerger, assessee-company transferred its Passive Infrastructure (PI) assets to company V, which treated book value as miscellaneous expenditure amortized over 10 years from 1-4-2009 and when V merged back into assessee, unamortized balance was written off to P&L in line with AS-14 to align accounting policies, since this write-off did not fall under any adjustment clauses of Explanation 1 to section 115JB, MAT adjustment by Assessing Officer was invalid - **Vodafone Idea Ltd. v. ACIT - [2025] 179 taxmann.com 560 (Delhi - Trib.)**

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

4.146 Where on account of inadvertent error in reporting by tax auditor in Form 3CD, addition was made while framing assessment order under section 143(1) by CPC, since apart from tax auditor, there was error on part of assessee of having validated contents of TAR by his digital signature and not having filed a revised report, thus, considering technical defects in TAR, matter was to be remanded back to Assessing Officer, for fresh adjudication on merits - **SPS Automobiles v. Income-tax Officer - [2025] 179 taxmann.com 232 (Allahabad - Trib.)**

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

4.147 Where Assessing Officer rejected books of account of assessee-firm, engaged in real estate business, on ground that assessee could not demonstrate that it had maintained stock records and not able to reconcile quantities of sale as well as disclosure as per ICDS, since Assessing Officer had nowhere given a finding of fact that assessee had not regularly followed method of accounting specified under section 145(1) or that assessee had not computed income in accordance with standard notified under section 145(2), action of Assessing Officer to reject books could not be accepted merely because there was inadvertent mistake in TAR - **Income-tax Officer v. Sambhav Shelter - [2025] 179 taxmann.com 231 (Mumbai - Trib.)**

4.148 Where assessee filed a revised tax audit report to rectify a typographical error in purchase figures originally reported in Form 3CD, and additions were made solely on account of such error, said additions were to be deleted as adjustment arose from inadvertent mistake; further, Rule 6G(3) does not restrict acceptance of revised tax audit report only to disallowances under sections 40 and 43B, and Tribunal could decide issue based on such revised report in cases of bona fide errors - **Deputy**

Commissioner of Income-tax v. Kopran Ltd. - [2025] 179 taxmann.com 230 (Mumbai - Trib.)

4.149 Where assessee-firm, engaged in business of real estate development, had been consistently following Project Completion Method (PCM) for recognition of revenue since inception, and same method had been accepted by Department in all preceding assessment years, and in impugned year, Assessing Officer applied Percentage Completion Method (PCM) and made addition, since Assessing Officer had not pointed out any change in factual or legal position warranting deviation from consistently accepted accounting method, application of Percentage Completion Method by Assessing Officer was unjustified - **Deputy Commissioner of Income-tax v. Amardeep Constructions - [2025] 179 taxmann.com 358 (Mumbai - Trib.)**

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

4.150 Where reassessment proceedings were initiated by ITO, Ward-3, whereas assessment order under section 147 read with section 143(3) was passed by ITO, Ward-2, impugned assessment order passed by non-jurisdictional officer was illegal and was to be set aside - **Inamul Haq v. Income-tax Officer - [2025] 179 taxmann.com 321 (Delhi - Trib.)**

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

4.151 Where Assessing Officer issued notice for reopening beyond three years from end of relevant assessment year by treating entire sale consideration of an immovable property as income that had escaped assessment, since net income likely to have escaped assessment was below monetary threshold of ₹50 lakhs, notice under section 148 was invalid and reassessment proceedings were unsustainable in law - **Vipendra Ravindra Mandal v. ITO - [2025] 178 taxmann.com 692 (Mumbai - Trib.)**

SECTION 151 OF THE INCOME-TAX ACT, 1961 - INCOME ESCAPING ASSESSMENT - SANCTION FOR ISSUE OF NOTICE

4.152 Where reopening of assessment was done on basis of approval under section 151(2) by Commissioner instead of Joint Commissioner, such approval was contrary to law and entire reassessment proceedings were liable to be quashed for lack of approval from competent authority - **Sportking India Ltd. v. Joint Commissioner of Income-tax - [2025] 178 taxmann.com 744 (Delhi - Trib.)**

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

4.153 Reopening of assessment after completion of assessment under section 153A does not attract section 153D approval

- *Tremendous Mining And Minerals (P). Ltd v. Deputy Commissioner of Income-tax* - [2025] 178 taxmann.com 745 (Delhi - Trib.)

SECTION 178 OF THE INCOME-TAX ACT, 1961 - COMPANY IN LIQUIDATION

4.154 Where Corporate Insolvency Resolution Proceedings had been initiated against assessee-company and moratorium was granted to it, though Income-tax Department could not recover dues during moratorium, there was no bar under IBC or Income-tax Act to determine tax liability; therefore, Commissioner(Appeals) order dismissing appeal in limine was to be set aside and matter remanded for fresh adjudication - *Gayatri Projects Ltd. v. DCIT, Circle-2(1)* - [2025] 178 taxmann.com 786 (Hyderabad - Trib.)

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

4.155 As per pre-amended section 194A(3)(v) i.e. prior to its amendment vide Finance Act, 2015 with effect from 1st June 2015, no statutory obligation was cast upon assessee co-operative society to deduct tax at source on interest income paid or credited on time deposits of its members - *Himachal Mitra Mandal Cooperative Credit Society Ltd. v. Income-tax Officer, TDS* - [2025] 179 taxmann.com 269 (Mumbai - Trib.)

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

4.156 Discount given to prepaid SIM distributors being a trade discount and not commission under section 194H, no TDS obligation arises - *Vodafone Idea Ltd. v. ACIT* - [2025] 179 taxmann.com 560 (Delhi - Trib.)

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

4.157 Where employer deducted TDS from assessee's salary but did not deposit it to government, resulting in no TDS credit in Form 26AS, since assessee claimed TDS credit based on salary slips, assessee could not be denied TDS credit merely due to employer's fault - *Mrs. Antaash Sheikh v. Income-tax Officer* - [2025] 179 taxmann.com 134 (Bangalore - Trib.)

4.158 Where assessee-company had taken over hospital business previously conducted by a partnership firm, and during year, certain insurance companies, while making payments, inadvertently deducted TDS in name and PAN of erstwhile partnership firm, since income in question had been taxed in hands of assessee-company and partnership firm had not claimed credit, assessee was entitled to credit of tax deducted at source - *Upasani Super Speciality Hospital (P.) Ltd. v. Income -tax Officer* - [2025] 179 taxmann.com 199 (Mumbai - Trib.)

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

4.159 Where assessee made short deduction of TDS on payments under a JDA but claimed that payee had declared such receipts in tax returns but failed to submit Form 26A, matter was to be remitted to Assessing Officer to verify if payee offered income to tax, and if so, assessee should not be treated as assessee in default - *Sugee Seven Developers LLP v. ITO, TDS* - [2025] 179 taxmann.com 349 (Mumbai - Trib.)

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

4.160 Where assessee's appeal before First Appellate Authority was dismissed for filing same beyond prescribed time period and assessee's counsel who was entrusted with responsibility of filing appeal before Commissioner (Appeals) had filed a sworn affidavit that order under section 143(1) was received by him but same had been misplaced and forgotten by his staff who left service and same was not followed up properly, delay in filing appeal was to be condoned - *SPS Automobiles v. Income-tax Officer* - [2025] 179 taxmann.com 232 (Allahabad - Trib.)

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

4.161 Where Assessing Officer, after assessment, initiated penalty under section 270A for under-reporting of income as a consequence of misreporting and specifically recorded satisfaction for same in show-cause notice, assessee's contention regarding vagueness of notice was not acceptable and penalty proceedings were validly initiated - *Magnaquest Technologies Ltd. v. Deputy Commissioner of Income-tax* - [2025] 178 taxmann.com 774 (Hyderabad - Trib.)

4.162 Where assessee claimed exemption of leave encashment in full relying on judicial observation of a constitutional court and in anticipation of Government's acceptance thereof, a development that in fact materialised when CBDT, vide Notification No. 31/2023, dated 24-5-2023, enhanced exemption limit to Rs. 25 lakhs, claim founded on a plausible construction of law could not, by any stretch, be branded as 'misreporting' and, thus, penalty under section 270A(9) was to be deleted - *Bharatkumar Jaishinh Soni v. Income Tax Officer* - [2025] 179 taxmann.com 421 (Mumbai - Trib.)

SECTION 271A OF THE INCOME-TAX ACT, 1961 - PENALTY - FOR FAILURE TO KEEP, MAINTAIN OR RETAIN BOOKS ACCOUNTS, ETC.,

4.163 Where assessee was a Local Authority providing general public utility services with income exempt under section 10(46) and was later granted registration under section

12A, provisions of section 44AA would not be applicable to assessee and thus, no penalty under section 271A could be levied for non-maintenance of books of account for Assessment Year 2006-07 - ***Yamuna Expressway Industrial Development Authority v. Commissioner of Income-tax (Appeals)*** - [2025] 179 taxmann.com 44 (Delhi - Trib.)

5. FOREIGN COURT

SECTION 23 OF FEDERAL COURT OF AUSTRALIA ACT 1976 - MAKING OF ORDERS AND ISSUE OF WRITS

- 5.1** Where a multinational software group challenged penalty assessments related to withholding tax on software distribution payments and invoked mutual agreement procedure under Australia–Ireland DTA while compelled to file domestic proceedings, since case was fact-specific and no public interest or international dispute warranted otherwise, a stay of domestic proceedings pending completion of MAP was granted in line with DTA and MLI framework - ***Oracle Corporation Australia Pty Ltd. v. Commissioner of Taxation*** - [2025] 179 taxmann.com 479 (FC-Australia)

TAXATION OF DIGITAL AND CRYPTO ASSETS IN INDIA - Policy Intent, Legal Framework, and Challenges Ahead



CA Ayush Goel
Email: ayush@basco.in

Introduction

“In the digital economy, data is the new oil and crypto is the new gold—both invite regulation.”

The rapid expansion of crypto-currencies and other block-chain based assets has brought significant changes to India’s digital economy. Even though there is still no dedicated law to regulate crypto, the Indian government has taken a clear position on one aspect, i.e. the income arising from these digital assets will not escape taxation. Through the Finance Act, 2022, Virtual Digital Assets (VDAs) were formally brought within the income tax framework. This step aims to curb unregulated speculation, increase transparency, and ensure taxpayer compliance, while reflecting India’s cautious yet evolving approach towards the digital economy.

Defining virtual digital assets

To address the fast-changing digital economy, the Income-tax Act, 1961 was amended to introduce an entirely new category of assets: Virtual Digital Assets (VDAs) as a specific asset class. Under this definition:

- Crypto-currencies such as Bitcoin, Ethereum, Stablecoins etc.
- Non-Fungible Tokens (NFTs), and
- Any other digital asset that may be notified by the government

are all brought under a single umbrella. The definition is intentionally expansive, allowing the law to adapt seamlessly to future innovations in block-chain technology.

Scope

The scope has been kept intentionally broad to cover existing and emerging forms of blockchain-powered instruments. Although VDAs are neither recognized as legal tender and continue to operate outside a formal regulatory framework, the decision to tax them sends a clear policy message: **legal status and taxability are independent of each other**. This means that even if a digital asset is unregulated, any income arising from its transfer still attracts tax obligations like any other taxable income.

Key Tax Rules for VDA Transactions

A. Section 115BBH

Section 115BBH, introduced with effect from 1 April 2023, exercise a stringent, no-exemption flat tax regime specifically for income arising from the transfer of VDAs, featuring:

- **A Flat 30% Tax on Profits:** - Irrespective of whether the asset is held for a day or for years, profit from the transfer of a VDA attracts a uniform **30% tax**.
- **No deduction:** - Expenses such as transaction fees brokerage, gas fees, or platform charges cannot be claimed as deductions. The only permissible deduction is the **original purchase cost**
- **No Set-off of Losses:** - Losses from crypto trades cannot be set off against any other income (salary, business income, capital gains), nor adjusted against profits from another VDA.
- **No Carry Forward of Losses:** - Losses from VDAs cannot be carried forward to future years. VDA losses, even if substantial, simply lapse.
- **No Indexation Benefit for Crypto Gains:** - Unlike long-term capital gains on property, gold, or securities, **indexation benefits are not available** for VDAs. Section 115BBH overrides normal capital gains rules. Even if a crypto asset is held for several years, investors cannot adjust the cost for inflation.

B. Crypto-to-Crypto Swap Taxability: -

Many investors assume tax applies only when crypto is converted to INR. However, under the wide definition of “transfer” in Section 2(47), even exchanging one crypto for another (e.g., BTC → ETH) is also taxable transfer. The investor must calculate gain or loss for each such swap and pay tax accordingly

C. 1% TDS Under Section 194S:

To further tighten the, Section 194S was introduced, effective from 1 July 2022, mandates a 1% TDS on payments made for the transfer of VDAs when transaction value exceeds the prescribed threshold. The deduction applies even if the seller makes a loss and covers both individuals and entities. Though this measure ensures traceability of every transaction through the tax system, but reduced market liquidity in crypto market as frequent traders face continuous capital blockage due to TDS deductions.

D. Exemption from TDS for Small Buyers

CBDT has clarified through **Circular No. 13/2022 and 14/2022** that small buyers do not need to deduct TDS if:

- their total business turnover is below ₹1 crore, or
- professional receipts are below ₹50 lakh, **and**
- their total crypto purchase during the year does not exceed ₹50,000.

This prevents compliance burden on small retail buyers.

Compliance, Reporting, and Enforcement**A. AIS and Taxpayer Visibility:**

The Income Tax Department now tracks crypto activity through the Annual Information Statement (AIS), which records all VDA transactions where TDS is deducted. Investors must report VDA income separately in their ITR, maintain transaction records, and provide crypto account details or exchange details when required. With AIS data enabling easy detection of non-filers and mismatches, the department has increased scrutiny and issued notices for high-volume crypto activity without corresponding disclosures. Failure to comply can lead to interest, penalties, and even prosecution under the Income-tax Act.

B. Crypto received as a gift is also taxable.

Under Section 56(2)(x), if a person receives crypto or NFTs valued above ₹50,000 without consideration, it is taxed as Income from Other Sources, based on fair market value on the date of receipt. Later, when such gifted crypto is sold, the 30% tax under Section 115BBH applies again.

C. Crypto Received as Part of Salary or ESOPs

If an employer pays salary or ESOPs in the form of crypto, it is first treated as salary income under Section 17(2) based on fair market value on the date of receipt. Later, when the employee sells the crypto, the 30% VDA tax under Section 115BBH applies again. This also results in a two-level tax impact.

D. Penalties for Misreporting or Non-Reporting

Proper reporting is essential as non-reporting or under-reporting of crypto income carries strict consequences.

- **Section 234A/B/C:** Interest for delays or short payment.
- **Section 270A:** Penalty up to 200% of tax for misreporting.
- **Section 276C:** Prosecution for willful tax evasion in serious cases.

Grey Areas and Practical Ambiguities

Despite the tax framework, several aspects remain unclear:

A. Taxation of Mining, Staking, and Airdrops

The Act does not explicitly classify:

- whether mining rewards are capital receipts or business income,
- how staking yields should be valued, and
- taxability of free airdropped tokens.

Different interpretations exist, leading to uncertainty among investors and professionals.

B. Valuation Standards

There is currently no CBDT-prescribed **uniform guideline** or valuation rule for Virtual Digital Assets (VDAs)—unlike shares, which follow Rule 11UA for FMV. This lack of a uniform method creates uncertainty, especially in volatile markets and in cases of peer-to-peer (P2P) transfers, private transactions, or off-market deals. In practice, investors rely on exchange-quoted prices, but an official, standardized valuation framework is still awaited.

C. Cross-border transfers:

Crypto movements across borders raise complex issues under:

- **FEMA** (Foreign Exchange Management Act),
- **Double Taxation Avoidance Agreements**, and
- taxation of non-residents trading on Indian platforms

Clear regulations are still awaited on these areas.

D. GST Considerations

On the GST side, crypto transactions may be viewed as supply of ‘services’ depending on the nature of activity, especially when exchanges charge fees or commissions. Although there is **no explicit GST law for crypto yet**, authorities have indicated that GST may apply to certain intermediary services. More clarity is awaited.

India in a Global Context

Globally, countries are moving toward unified and transparent reporting standards for crypto asset. India is actively participating in discussions led by the G20, OECD, and FATF on cross-border reporting, anti-money laundering rules, and global tax transparency. This signals that India may gradually align its domestic laws with emerging international norms as its own regulatory framework evolves.

A Missing Piece: Crypto Regulation

Although taxation provisions are in place, India has **no dedicated law regulating VDAs** yet. Earlier draft bills (2019–2021) were discussed but not tabled. A comprehensive regulatory framework is expected in the future, especially as India aligns with global norms under G20 and OECD initiatives. The current tax framework is only the first step toward a broader regulatory structure.

Conclusion:

India’s decision to bring digital assets under the tax net— even before full regulatory recognition, reflects a pragmatic and cautious policy approach to an emerging and fast-evolving asset class. The current tax regime may appear stringent, but it provides the first formal legal identity to Virtual Digital Assets, ensures traceability of transactions, and sets the groundwork for a future regulatory framework. As the digital asset ecosystem evolves to grow, India is expected to refine and expand its policies, balancing innovation with oversight. Until clearer regulations are introduced investors must prioritize **compliance, record-keeping, and awareness of regulatory developments** to navigate this emerging domain responsibly because “in the world of digital assets, uncertainty is temporary, but compliance is permanent.”

~ *“If your only goal is to become rich, you will never achieve it.” -John D. Rockefeller Sr.*

Faceless Appeal Mechanism in Income Tax Administration: Current Challenges and the Road Ahead



CA Ravi Kumar Shah

Email: Ravikumar_shah@rediffmail.com

Abstract

The introduction of the Faceless Appeal Scheme (FAS) under the Income-tax Act was intended to modernise India's appellate framework through digitisation, transparency, and uniform decision-making. While the framework is forward-looking, practitioner experience and taxpayer data trends indicate persistent and systemic concerns affecting timeliness, procedural fairness, and administrative efficiency. The present paper examines these operational challenges and offers structured recommendations to strengthen and streamline the appellate ecosystem.

Background and Policy Intent

The Faceless Appeal System aims to eliminate physical interface, reduce subjectivity, and accelerate appellate disposal by leveraging technology-driven workflows. The framework envisions a system guided by fairness, accountability, and consistency. However, the transition from a personalised judicial interface to a digital quasi-judicial mechanism has exposed procedural vulnerabilities that require structured refinement.

Key Operational Challenges Observed in Practice

A. Prolonged Pendency and Workflow Inactivity

Appeals — whether filed physically with the jurisdictional CIT(A) prior to faceless implementation or submitted digitally under the NFAC framework — often remain stagnant without issuance of the first notice or hearing opportunity.

This pendency indicates bottlenecks in allocation processes, file migration systems, or internal workflow routing. The result is uncertainty for taxpayers and delayed access to statutory appellate justice, while the disputed demand remains enforceable.

B. Repetitive Notices Despite Verified Compliance

Instances are common where replies filed through the e-filing portal, complete with digital acknowledgements, are not reflected within the working dashboard of the appeal unit. Consequently, identical notices continue to be issued, requesting submissions already furnished.

This repetitive cycle increases compliance cost, creates procedural fatigue, and delays adjudication — defeating the intended simplicity and efficiency of the faceless framework.

C. Procedural Imbalance in Disposal: Delays in Compliant Cases and Expedited Ex-Parte Orders

A prominent inconsistency emerging in the faceless appellate workflow is the contrasting treatment of cases:

- **Cases where the assessee has complied fully**, submitted responses, and provided documentary support remain pending for extended periods without further communication or order.
- **Cases where two to three notices are issued and compliance is delayed or not filed** are often quickly processed and concluded ex-parte.

While ex-parte disposal aligns with the statutory framework when adequate opportunity has been afforded, the contrasting delay in compliant matters reflects an imbalance that affects the perception of fairness, and raises concerns related to continuity, workflow prioritisation, and procedural proportionality.

Such imbalance also increases the risk of indirect litigation escalation, since delayed disposal prevents timely escalation to the Income Tax Appellate Tribunal (ITAT), while premature ex-parte orders may later require judicial correction.

Structural Observations

Current patterns indicate that the majority of challenges arise from workflow coordination and system architecture, rather than legal inadequacy. The faceless system is fundamentally a technology-enabled adjudication model, requiring synchronisation between:

- Case allocation algorithms
- Compliance recognition systems

- Officer dashboards
- Timelines and escalation protocols
- Quasi-judicial discretion frameworks

Where these elements do not interact seamlessly, procedural drift appears.

Recommendations for Strengthening the Faceless Appeal System

Strengthening the system does not necessarily require structural overhaul, but calibrated refinement to reinforce predictability, due process, and efficiency. The following measures may support such alignment:

A. Workflow and Timeliness Protocol

- Introduction of internally mandated disposal timelines post-submission.
- System-based automatic triggers for allocation and escalation of cases pending beyond threshold periods.
- Prioritised handling of cases where full compliance has been acknowledged.

B. Technology Synchronisation and Tracking Enhancements

- Synchronised compliance logs between taxpayer portal and officer-access interface.
- System-generated compliance verification tags to prevent repetitive notices.
- Standardised metadata capture for all submissions, accessible throughout the appellate chain.

C. Due Process Safeguards

- Built-in checks to ensure that historical submissions are considered before any further notice issuance.
- Provision for structured virtual hearings in cases involving substantial factual disputes or interpretational complexity.
- Reinforcement of speaking-order standards to ensure statutory compliance with Section 250(6).

D. Institutional Support and Grievance Management

- Creation of a dedicated grievance platform specific to appellate process delays and systemic errors.

- Periodic training and capacity-building for appellate officers and support staff to ensure uniform practices.

Conclusion

The Faceless Appeal Scheme represents a progressive milestone in India's move toward digitised governance and efficient tax administration. Its success, however, depends on ensuring that technology complements — rather than replaces — procedural fairness and natural justice. Strengthening workflow management, compliance integration, and appellate responsiveness will significantly reinforce trust and efficiency in the system.

With refinement and sustained administrative discipline, the faceless mechanism can evolve into a robust framework delivering timely, transparent, and legally consistent appellate outcomes.

~ *"A man is great not because he hasn't failed; a man is great because failure hasn't stopped him." - Confucius*

WHEN COURTS SPEAK, THE SYSTEM MUST LISTEN- The Supreme Court's landmark decision in the case of Rohan Vijay Nahar and what it teaches about judicial discipline



CA Ankeeta Lohia

E-mail: lohiaankeeta81@gmail.com

The Supreme Court's recent ruling in *Rohan Vijay Nahar & Ors. vs. State of Maharashtra* (2025 INSC 1296, decided on 07 November 2025) is not just a judgment on forest laws. It is a powerful reminder of what keeps the wheels of justice running smoothly: **discipline, consistency, and respect for precedent.**

At its heart, this decision is about something deeper than land or forest classification. It is about how courts must behave within a judicial hierarchy, how decisions bind all authorities, and how any deviation—however creatively disguised—ultimately harms the justice system.

This article simplifies the essence of the ruling, drawing from the Court's own language and the doctrinal points it reinforces. It also explains **why this judgment will have a direct impact on tax litigation**, especially when lower authorities or courts attempt to bypass binding decisions of higher authorities.

A. Judiciary Runs on Discipline, Not Power

The Apex Court begins with a line that sets the tone for the entire judgment:

"The judiciary draws its strength from discipline and not dominion."

Courts of India form a hierarchical structure. Each level is independent in its own sphere, yet connected through the binding force of decisions:

- **Article 141:** Law declared by the Supreme Court is binding on all courts.
- **Article 144:** All civil and judicial authorities must act in aid of the Supreme Court.

These are not mere formalities—they ensure *uniformity* and *predictability*, making sure citizens know what the law is.

B. Like Cases Must Receive Like Outcomes

The Court emphasizes that appellate courts exist for one primary purpose: **to correct errors and settle the law.**

When a superior court reverses or modifies a decision:

- The lower court **must give full and faithful effect.**
- Any resistance or evasion **erodes the rule of law.**
- Litigation must come to an end—“*interest reipublicae ut sit finis litium*”.

Without obedience, the system becomes chaotic. Different litigants receive different outcomes for the same issue. And in such a system, justice becomes arbitrary.

C. Judicial Discipline: The Soul of Hierarchy

The Supreme Court underlines that judicial discipline:

- Requires obedience even when a Judge personally disagrees.
- Does **not** permit sidestepping or “distinguishing” precedents on artificial grounds.
- Demands that if a judge disagrees, the proper course is to refer the matter to a larger bench—not to circumvent the binding ruling.

The Court calls stare decisis not a slogan but a safeguard of equality before law.

D. Duty of Judges & The Danger of Undermining Binding Authority

Judges must remember:

- A reversal on appeal is **not a personal insult.**
- Courts share a **common mission**—to do justice.
- Appellate courts must use measured language; lower courts must reciprocate with faithful compliance.

A judgment that refuses to follow precedent causes:

- Uncertainty
- Multiplication of litigation
- Loss of public trust
- Perception that outcomes depend on the judge, not the law

The Court warns that such judgments signal “*pettiness*”, incompatible with the dignity of the judicial role.

E. Service of Notice: Jurisdictional, Not Merely Procedural

One of the most critical clarifications in this judgment—extremely relevant for tax litigation—is the Supreme Court’s emphatic declaration that:

“a notice under Section 35(3) of the IFA must not only be issued but must also be served... The expression issued in section 2(f)(iii) of the MPFA Act comprehends due service on the owner because Service alone triggers the owner’s right to object....”

The Court held:

- A notice under Section 35(3) of the Indian Forest Act must be **served** on the landowner
- Service triggers the statutory right to file objections
- Service enables hearing and fact determination
- Without service, the entire statutory process collapses
- A mere Gazette publication or internal record is NOT a substitute for service

The Court reaffirmed the binding principle laid down earlier in *Godrej & Boyce Mfg. Co. Ltd. v. State of Maharashtra*, (2014) which suggests that:

Service of notice is a jurisdictional requirement.

No service = No vesting = No acquisition = No loss of property.

This principle is universal and applies equally to:

- Income-tax reassessment notices
- GST show-cause notices
- Penalty notices
- Benami notices
- Customs demand notices
- Any statutory proceedings where notice initiates jurisdiction

If the notice is not served properly, the entire proceeding is void ab initio.

The Supreme Court rejected the High Court’s attempt to treat the *issuance* of notice as sufficient. It held that such reasoning contradicts both natural justice and the statute

F. Administrative Orders Must Stand on Their Own Reasons

A major principle reaffirmed:

An administrative order must be judged on the reasons recorded at the time of the order—not on new reasons invented later.

Courts cannot sustain an order on grounds that were never the basis of the action when it was passed.

G. When Law Prescribes a Procedure, That Procedure Is Mandatory

Reiterating Article 300A and settled legislative principles:

- Expropriatory laws must be interpreted **strictly**.

- If the statute prescribes a manner of doing a thing, it must be done **exactly in that manner or not at all**.

This aligns with decades of jurisprudence across tax and administrative laws.

H. Avoiding Precedent Is Itself a Serious Judicial Error

The Supreme Court found that the High Court judgment:

- Attempted to *avoid* the binding precedent of *Godrej & Boyce*.
- Drew distinctions on irrelevant grounds.
- Ignored missing statutory steps necessary for vesting.
- Relied on a reasoning already rejected previously.

This behaviour violates the discipline demanded by Article 141.

I. An Interesting Observation — Same Judge, Same Issue, Different Approach

The Court notes, without attributing motive, that:

- The High Court bench included the same Judge whose earlier view was overruled in *Godrej & Boyce*.
- The later judgment again went against the Supreme Court precedent on the same issue.

This, according to the Supreme Court, gave the appearance of reluctance to accept binding precedent—an “unfortunate departure” from judicial discipline

Where Can This Judgment Be Applied in Income-Tax Matters?

Although this case arises from forest law, its institutional principles apply strongly in tax administration and tax appeals. Here are key areas where tax practitioners can invoke this ruling:

1. When AOs/CIT(A)/ITAT ignore or dilute binding Supreme Court or High Court decisions if:

- The AO refuses to follow a jurisdictional High Court ruling
- The CIT(A) “distinguishes” a binding judgment on flimsy grounds
- The ITAT departs from Supreme Court ratio citing factual variations

This judgment becomes a powerful tool to challenge such deviation

2. When authorities invent new reasons in appellate proceedings (change of basis)

Example:

AO makes an addition on ground A.

In appeal, CIT(A)/DR argues a completely new ground B.

The SC says such actions are impermissible—an order must stand or fall on original reasons.

3. When tax authorities revive stale proceedings or rely on lapsed notices

The Supreme Court's discussion on *stale* or *non-live* notices directly applies to:

- Time-barred reassessment notices
- Delayed penalty proceedings
- Reviving proceedings without statutory backing
- Reopening under Section 148 relying on ancient records

4. Where reassessment notices (u/s 148) or notices u/s 143(2) etc not SERVED timely. The Assessee can argue that

- The assessment proceeding is void ab initio

5. When expropriatory provisions (e.g., prosecution, penalty, confiscation) are applied without strict compliance

The Court's strict construction principle applies to:

- Penalties under Section 270A
- Prosecution under 276C, 276CC, etc.
- Benami Act proceedings
- 144B faceless assessment procedure
- Section 153C satisfaction notes

6. When courts or tax authorities interpret law inconsistently across different cases

Professionals can quote this judgment to demand:

- Uniformity in tax decisions
- Consistent application of High Court/SC rulings
- Non-arbitrary treatment of similarly placed assessees

7. When tax litigation gets unnecessarily prolonged

The Court's call for finality of litigation is relevant in cases where:

- Department keeps filing repeated appeals
- Matters are re-opened despite settled judicial position
- Rectification requests are denied on hyper-technical grounds

8. When lower authorities display reluctance to accept appellate findings

Examples:

- AO re-passes an order after remand but does not follow ITAT's instructions
- CIT(A) refuses to apply a jurisdictional HC decision claiming "distinguishable fact".

This judgment is tailor-made for arguing such situations.

Conclusion: A Judgment About Integrity, Not Just Forests

The *Rohan Vijay Nahar* decision is a timely reminder that the rule of law survives only when **precedent is respected, hierarchy is honoured, and judicial discipline is maintained.**

It reassures litigants that the Hon'ble Supreme Court is deeply conscious of its role as the final voice of law—and that any attempt by courts or authorities to dilute this structure is not only incorrect, but constitutionally untenable.

For tax professionals, the judgment is a strong precedent to challenge inconsistent or arbitrary actions by tax authorities—including precedent-avoiding behaviour, disregard of binding judgments, and proceedings initiated on notices that were never properly served.

~ *"There is nothing new under the sun"*

GST & INDIRECT TAXES

1. STATUTORY UPDATES

- 1.1** CBIC withdraws circular on evidence requirement for reversal of ITC by the recipient in post-sale discount - **CIRCULAR NO. 253/10/2025 - GST [F. NO. CBIC-20001/3/2025-GST], DATED 01-10-2025**

Editorial Note: The CBIC has withdrawn Circular No. 212/6/2024-GST, dated 26-06-2024, which outlines the procedure for furnishing compliance evidence under Section 15(3)(b)(ii) of the CGST Act for reversal of ITC by the recipient in post-sale discounts. Accordingly, suppliers are no longer required to follow the earlier procedure.

- 1.2** CBIC introduces risk-based mechanism to provide 90% provisional GST refunds in specified cases: Instruction - **INSTRUCTION NO. 06/2025-GST [F. NO. CBIC-20006/4/2025-GST], DATED 03-10-2025**

Editorial Note: The CBIC has issued an Instruction, prescribing a risk-based system for provisional sanction of 90% of refund claims for low-risk applications. The mechanism applies to refund claims related to zero-rated supplies and, as an interim measure, to inverted duty structure (IDS) cases filed on or after 01-10-2025. The provisional refunds may be withheld only in exceptional cases with reasons recorded in writing.

- 1.3** CBIC assigns proper officers for action under Sections 74A, 75(2) & 122 of CGST Act: Circular - **CIRCULAR NO. 254/11/2025-GST, DATED 27-10-2025**

Editorial Note: The CBIC has issued guidelines assigning proper officers to exercise powers under Sections 74A, 75(2), and 122 of the CGST Act, 2017 and Rule 142(1A) of the CGST rules. The circular prescribes monetary limits for issuance of show cause notices and passing of orders under these sections. It also clarifies officer competency when appellate authorities modify the proceedings.

- 1.4** CBIC launches system-based auto-approval for IFSC code registration at multiple ports: Press Release

Editorial Note: The CBIC has introduced a system-based auto-approval mechanism for registering the same incentive bank account and IFSC code under an IEC at multiple Customs locations, eliminating manual intervention. The move will streamline the registration process, ensure faster credit of export incentives, and improve trade efficiency.

- 1.5** GSTN clarifies no change in ITC auto-population process and GSTR-2B generation under IMS: Advisory

Editorial Note: The GSTN has clarified that there is no change in the auto-population of ITC from GSTR-2B to GSTR-3B under the Invoice Management System (IMS). GSTR-2B will continue to be auto-generated on the 14th of every month, and taxpayers can take actions in IMS till filing of GSTR-3B. From

October 2025 onwards, recipients will also be able to keep Credit Notes pending or manually adjust ITC reversals as required.

- 1.6** GSTN enables Annual Return (GSTR-9/9C) for FY 2024-25 on GST portal: Advisory

Editorial Note: The GSTN has announced that the Annual Return (GSTR-9) and Reconciliation Statement (GSTR-9C) for the Financial Year 2024-25 have been enabled on the GST portal starting from 12th October 2025. Taxpayers are advised to ensure that all returns, including GSTR-1 and GSTR-3B, for FY 2024-25 are filed to access the GSTR-9/9C tile.

- 1.7** GSTAT issued User Manual providing comprehensive visual workflow for online filing before the Appellate Tribunal

Editorial Note: The GSTAT has issued the User Manual (Version 2.8) for the GSTAT e-Filing Portal, published on 22nd September 2025. This manual provides a detailed visual workflow for online filing of Appeals, Applications, Cross Objections, and Re-filings, along with Registration and Nodal Officer Login procedures. It also includes steps for document uploads and payments via Bharatkosh.

- 1.8** GSTN releases FAQs on GSTR-9/9C for FY 2024-25 to assist taxpayers in accurate filing

Editorial Note: The GSTN has released a comprehensive FAQ document on the Annual Return (Form GSTR-9) and Reconciliation Statement (Form GSTR-9C) for the Financial Year 2024-25 to ensure accurate reporting. The FAQs explain the auto-population of data, revised table structures, ITC treatment, including computation of late fees and procedural changes for seamless filing.

- 1.9** GSTN releases FAQs on new IMS changes introducing "Pending" option for Credit Notes and adding remarks

Editorial Note: The GSTN has published FAQs on the new features introduced in the Invoice Management System (IMS) effective from the October 2025 tax period. The FAQs clarify the process for keeping Credit Notes and certain amendments "Pending" for one tax period, declaring ITC reversal amounts, and adding remarks during rejection or pending actions to enhance accuracy in reconciliation and reporting.

- 1.10** Govt. issues Guidebook on Mapping of HSN Codes to boost India's manufacturing and trade ecosystem

Editorial Note: The Government, through the Department for Promotion of Industry and Internal Trade (DPIIT), has released a Guidebook mapping over 12,000 HSN codes to 31 Ministries and Departments. The initiative aims to boost manufacturing, trade facilitation, and policy coherence under Viksit Bharat@2047 through a data-driven

framework for import, export, and industrial development.

- 1.11** GSTN issues advisory on filing pending GST returns before expiry of three-years

Editorial Note: The 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. From the November 2025 period, the portal will block returns overdue by more than three years (e.g., GSTR-1/IFF for October 2022, GSTR-9/9C for FY 2020-21), urging timely reconciliation.

- 1.12** GSTN introduces new 'Import of Goods' section in IMS for BoE tracking and ITC reversal handling

Editorial Note: The GSTN has issued an advisory to introduce a new 'Import of Goods' section in the Invoice Management System (IMS) from October 2025 tax period. The taxpayers can view Bills of Entry (BoE) filed for imports, including from SEZs, and take allowed actions on them. If no action is taken, the BoE will be deemed accepted. The advisory also outlines ITC reversal rules for GSTIN amendments in BoEs.

2. SUPREME COURT

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

- 2.1** SLP dismissed against impugned order of High Court that where fraudulent availment of ITC is involved, writ petition would not be maintainable in view of earlier decision of High Court - **Metal Techs v. Central Goods and Services Tax, Delhi South** - [2025] 179 taxmann.com 254 (SC)

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

- 2.2** SLP dismissed against impugned order of High Court that where input service distributor i.e. ISD receives tax invoices towards receipt of input services and issued a prescribed document for purpose of distributing credit of CGST, SGST or IGST paid on such goods or services and, therefore, it was not possible for a supplier of goods and services to file a refund application to claim refund of input tax credit distributed by ISD, petitioner-SEZ unit would be entitled to refund of ITC paid in connection with goods or services - **Union of India v. Messrs Meghmani Organochem Ltd.** - [2025] 179 taxmann.com 342 (SC)

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

- 2.3** SLP dismissed against impugned order of High Court that 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 - **Metal Techs v. Central Goods and Services Tax, Delhi South** - [2025] 179 taxmann.com 254 (SC)

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

- 2.4** SLP disposed of against impugned order of High Court that where on recovery of amount, provisional attachment of bank account was made, Competent Authority could revoke attachment subject to condition that assessee would maintain minimum balance in bank account; assessee should also file an undertaking to maintain amounts refunded by Competent Authority - **Deputy Commissioner ST v. Wingtech Mobile Communications (India) (P.) Ltd.** - [2025] 179 taxmann.com 343 (SC)

3. HIGH COURT

SECTION 2(30) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEFINITIONS - COMPOSITE SUPPLY

- 3.1** Where petitioners, engaged in printing photographs and similar items using customer-supplied digital content, supplied printing output with own paper and ink and classified output under HSN 4911 at 12%, activity amounted to a composite supply with principal supply being printing service as customers retained title in content, making petitioners' activity classifiable under SAC 998386 taxable at 18% - **Stark Photo Book v. Assistant Commissioner (Intelligence)** - [2025] 179 taxmann.com 289 (Kerala)

SECTION 2(84) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - DEFINITIONS - PERSON

- 3.2** Where an unregistered partnership firm registered under GST sought statutory relief under CGST Act and writ against assessment was challenged for maintainability on ground of embargo under section 69 of Partnership Act, embargo was held inapplicable as the petition enforced statutory rights and partner appeared, thus writ was maintainable and non-suiting on grounds of registration could not be sustained. - **Amit Kumar Basau v. Sales Tax Officer Class II Avato, Delhi** - [2025] 179 taxmann.com 455 (Delhi)

SECTION 5 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - GST AUTHORITIES AND ADMINISTRATION - POWERS OF

- 3.3** Where assessee challenged impugned show cause notice issued by central authority on ground that same was not permissible as monetary limit did not exceed Rs. 1 crore, same could not be accepted as fixation of monetary limits was only an administrative measure for optimal distribution of work relating to show cause notices

and orders under Sections 73 and 74; there being no merit in instant petition, same was to be accordingly dismissed - **R.K.Ispat Ltd. v. Union of India** - [2025] 179 taxmann.com 1 (Jammu & Kashmir and Ladakh)

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

3.4 Where CFS custodians auctioned uncleared goods after paying IGST on import, IGST on import and GST on auction were held to be separate levies, and auction constituted a taxable supply under GST with title passing to bidder who was not an importer, thus CFS was required and entitled to collect GST on auction sales and buyer could avail input tax credit. - **National Association of Container Freight Stations v. Joint Commissioner of Customs, Chennai** - [2025] 179 taxmann.com 475 (Madras)

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

3.5 Where petitioner challenged impugned notice and proceeding initiated by state officers on ground that notices with regard to subject matter had already been issued by central authority, petitioner was to be directed to appear before state authority along with documents and state authority was to decide strictly in terms of order passed by Apex Court in case of Armour Security (India) Ltd. v. Commissioner, CGST, Delhi East Commissionerate [2025] 177 taxmann.com 478 (SC) whether to proceed further or not - **Agrawal Soya Extracts (P.) Ltd. v. Union of India** - [2025] 179 taxmann.com 66 (Madhya Pradesh)

3.6 Where assessee challenged show cause notices issued by central authority on grounds of jurisdiction, since proceedings were based on intelligence relating to tax evasion, same could be initiated either by central or state administration - **R.K.Ispat Ltd. v. Union of India** - [2025] 179 taxmann.com 1 (Jammu & Kashmir and Ladakh)

3.7 Where State GST authorities initiated Section 74 proceedings against works contractor for wrongful ITC on same invoices and periods before Central GST authorities issued show cause notices and orders for identical subject-matter, Section 6(2)(b) barred parallel Central action, rendering Central SCN, OIO and DRC-07s invalid and inoperative, and all such proceedings were quashed. - **Tansam Engineering and Construction Company v. Commissioner, CGST and Central Excise, Rourkela** - [2025] 179 taxmann.com 375 (Orissa)

3.8 Where State officer issued DRC-01A invoking Section 74 and Central authority later issued SCN for same period and allegation, only issuance of SCN constitutes initiation of proceedings under Section 6(2)(b), and as both actions pertained to same tax liability, bar on parallel proceedings

applied, thus subsequent Central adjudication was unsustainable and writ was allowed. - **Tansam Engineering and Construction Company v. Commissioner, CGST and Central Excise, Rourkela** - [2025] 179 taxmann.com 375 (Orissa)

3.9 Where both State authorities issued orders and appeals remained pending for FYs 2017-2018 and 2018-2019 and Central also issued parallel SCNs for those years, considering judicial precedent in Armour Security (India) Ltd, petitioner was permitted to submit relevant state orders and appeal particulars and Central was to consider those in accordance with law, with no quashing of notices at writ stage as notices covered broader period. - **Ravi Steel Industries v. Union of India** - [2025] 179 taxmann.com 452 (Bombay)

3.10 Where petitioner challenged central show cause notices denying input tax credit for periods not already covered by state GST proceedings, since state adjudication was only for certain earlier years, jurisdictional bar under section 6(2)(b) did not extend to subsequent years and central authorities could validly proceed to adjudicate remaining periods as per law. - **Ravi Steel Industries v. Union of India** - [2025] 179 taxmann.com 452 (Bombay)

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

3.11 Where petitioner-bidder in an e-tender for coal winning was found to have quoted price exclusive of GST as per tender documents, respondents could not arbitrarily treat quoted price as GST-inclusive after declaring petitioner L-1, especially when prior tenders had specified inclusivity, thus arbitrary action warranted allowing petition. - **SMS Ltd. v. Western Coalfields Ltd.** - [2025] 179 taxmann.com 265 (Bombay)

3.12 Where petitioners sought inclusion of petrol and diesel under GST and challenged GST Council's decision not to include them at that stage, no legal right existed to compel Council to fix a date for inclusion, as such matters are within policy domain and not subject to mandamus, thus writs were dismissed for want of judicial enforceability. - **P.K. Joseph v. Union of India** - [2025] 179 taxmann.com 315 (Kerala)

3.13 Where petitioner challenged 12% GST imposed on flavoured milk, citing previous High Court and Supreme Court rulings supporting 5% rate, assessment orders were set aside and matter was remanded to Assessing Authority for fresh determination in light of those judicial decisions. - **Malabar Regional Co-operative Milk Producers Union Ltd. v. State of Kerala** - [2025] 179 taxmann.com 124 (Kerala)

3.14 Where custodians handling uncleared import cargo under Customs Act auctioned goods upon filing Bill Of Entry and payment of statutory dues, Public Notice restraining GST collection by custodians lacked

jurisdiction since customs authorities have no power under Customs Act to prohibit GST collection, and upon payment of customs duty and IGST, GST jurisdiction does not continue, thus public notice and consequential letter were quashed. - **National Association of Container Freight Stations v. Joint Commissioner of Customs, Chennai** - [2025] 179 taxmann.com 475 (Madras)

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

3.15 Where petitioner, a DGCA approved training organisation providing ground and simulator training to pilots and issuing completion certificates for DGCA endorsement, claimed exemption under Notification 12/2017 and relied on a Ministry of Finance circular clarifying exemption from 28.06.2017, orders denying exemption were set aside and matter remanded for fresh adjudication in light of the circular - **CAE Simulation Training (P.) Ltd. v. Commissioner of CGST Greater Noida** - [2025] 179 taxmann.com 457 (Allahabad)

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

3.16 Where petitioner manufacturing chewing tobacco supplied goods via intermediaries and compensation cess was sought to be linked to retail sale price by notifications, statutory scheme mandated cess valuation on transaction value as per CGST provisions, so notifications introducing MRP-based notional price were ultra vires, and concerns of leakage could not justify deviation from legislative mandate, rendering such notifications unsustainable. - **VKG Packers v. Union of India** - [2025] 179 taxmann.com 602 (Karnataka)

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

3.17 Where SCN was issued to petitioner by e-mail and he had complete knowledge of proceedings, there was no violation of principles of natural justice; assessee relegated to appellate remedy against adjudication order alleging fraudulent availment of ITC - **DK Enterprises v. Union of India** - [2025] 178 taxmann.com 752 (Delhi)

3.18 Where petitioner challenged constitutional validity of section 16(2)(c) as well as a GST recovery and penalty order, and claimed partial payment had been made by supplier but entire liability was disputed, recovery of impugned demand was to be stayed conditionally upon petitioner depositing Rs. 20 lakhs within six weeks pending outcome of adjudication - **Christie's India (P.)**

Ltd. v. Union of India - [2025] 179 taxmann.com 68 (Bombay)

3.19 Where petitioner challenged denial of input tax credit for non-payment of GST by supplier and constitutional validity of section 16(2)(c), since alternate statutory remedy of appeal to GST Tribunal exists though not yet constituted, writ is not entertained and petitioner may raise all grounds including constitutional challenge if aggrieved by Tribunal's decision - **Globe Mobility (P.) Ltd. v. Union of India** - [2025] 179 taxmann.com 70 (Bombay)

3.20 Where assessee effected purchases and supplier's returns and tax payments were duly filed before its subsequent GST registration cancellation, denial of ITC and related penalty on grounds of supplier's non-existence was unjustified as authorities failed to verify factual existence at transaction time and acted solely on post-facto information - **Singhal Iron Traders v. Additional Commissioner** - [2025] 179 taxmann.com 444 (Allahabad)

3.21 Where aluminium manufacturer's captive power plant generated electricity using imported coal on payment of Compensation Cess, and a portion of this electricity was supplied to employees' residential township rather than being used in production or captive consumption, ITC including Compensation Cess attributable to such non-business supply was ineligible as it was welfare-related and not integrally connected with business, making refund claims for this portion unsustainable. - **Bharat Aluminum Company Ltd. v. State of Chhattisgarh** - [2025] 179 taxmann.com 493 (Chhattisgarh)

3.22 Where OIO and summary order disallowed ITC for July 2018 to March 2019 due to alleged violation of Section 16(4), also raising interest and penalty, and petitioner contested without consideration of newly inserted Section 16(5), impugned orders were quashed and matter remanded for fresh adjudication in light of statutory changes, without touching merits - **Vinod Udaipuri v. Union of India** - [2025] 179 taxmann.com 106 (Jharkhand)

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

3.23 Where petitioner's electronic credit ledger was blocked without recording any reasons under Rule 86A and no post-decisional hearing was provided, interference was warranted, so blocking order was set aside subject to bank guarantee, matter remanded with direction to provide opportunity of hearing and pass fresh orders - **Rithwik Projects (P.) Ltd. v. Union of India** - [2025] 179 taxmann.com 256 (Bombay)

3.24 Where assessee had effected exempt supplies by sale of Duty Credit Scrips during period prior to 05.07.2022, and sought retrospective exclusion of such sales from value of exempt supplies relying on amendment to Rule 43 Explanation 1 clause d, such amendment operated prospectively, so authorities rightly computed reversal of input tax credit by treating sale of scrips as exempt supply for pre-amendment period and no interference was warranted. - **Bharat Aluminum Company Ltd. v. State of Chhattisgarh** - [2025] 179 taxmann.com 493 (Chhattisgarh)

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

3.25 Where department issued show cause notices regarding cancellation of GST registration but did not initially propose retrospective cancellation, order cancelling registration retrospectively from date of initial registration was contrary to law, necessitating that such cancellation should only take effect from date of show cause notice, so the impugned order was set aside - **Ajay Gupta v. Sales Tax Officer** - [2025] 179 taxmann.com 18 (Delhi)

3.26 Where show cause notice was issued electronically after cancellation of registration of assessee, but no physical/offline notice was served on assessee before passing adjudication order, in view of non-fulfilment of essential requirement of rules of natural justice, adjudication order was to be set aside - **K M R International v. State of U.P.** - [2025] 179 taxmann.com 72 (Allahabad)

3.27 Where registration was cancelled retrospectively without prior notice specifying retroactive effect, such cancellation violated principles of natural justice as petitioner was not given opportunity to contest retroactivity, so cancellation order was set aside. - **Hithaishi Infra Machine v. Superintendent of Central Tax** - [2025] 179 taxmann.com 306 (Andhra Pradesh)

3.28 Where proprietor died in June 2020 and GST returns were filed till 30 June 2020 with business ceasing thereafter, retrospective cancellation of registration from 30 January 2018 was invalid and registration could only be cancelled prospectively from 1 July 2020, as retrospective cancellation was neither proposed in show cause notice nor justified on facts. - **Jasleen Kaur Kapoor v. Commissioner of Central Goods and Services Tax** - [2025] 179 taxmann.com 132 (Delhi)

3.29 Where pursuant to issuance of show cause notice, GST registration of assessee was cancelled, in view of fact that said notice did not specify date or time of personal hearing, such order suffered from serious violation of natural justice and same was to be set aside - **Manikanta Enterprises v. Deputy State Tax Officer** - [2025] 179 taxmann.com 395 (Telangana)

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

3.30 Where applicant's bail was granted on condition of deposit which was credited to Government account through ECL as per statutory scheme and relevant rules, and applicant undertook not to use or seek refund of credit, discharge of liability was established and no breach of bail condition arose, so bail was not cancelled and cancellation application was rejected. - **Superintendent (AE) Thro Arihant Kumar Jain s/o Lal Chand Jain v. Virbhadrasingh Pratapsinh Chauhan** - [2025] 179 taxmann.com 314 (Gujarat)

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

3.31 Time period from date of filing of refund claim till date of communication of deficiency in Form GST RFD-03 by proper officer was required to be excluded from period of two years, as specified in respect of any such fresh refund claim filed by applicant after rectification of deficiency - **Varidhi Cotspin (P.) Ltd. v. Union of India** - [2025] 179 taxmann.com 329 (Gujarat)

3.32 Where registrant paid GST to landlords on renting of residential dwellings which was exempt, and refund applications were rejected as time-barred under tax limitation, such GST collection was without authority of law and limitation for refund claims was inapplicable, thus authorities were directed to decide refund applications on merits without regard to limitation. - **Nspira Management Services (P.) Ltd. v. Assistant/Deputy Commissioner of Central Tax** - [2025] 179 taxmann.com 125 (Andhra Pradesh)

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

3.33 Where exporter's refund claim was initially rejected but subsequently allowed on appeal, and refund was granted only after re-application without interest, statutory interest at 6 percent was payable for delay beyond 60 days from original application date, as re-application was only procedural and statute mandated interest for such delay even where rejection was set aside in appeal. - **Altisource Business Solutions India (P.) Ltd. v. Union of India** - [2025] 179 taxmann.com 313 (Bombay)

3.34 Where petitioner-exporter faced delayed IGST refund on exports due to technical system glitches and no error was attributable to petitioner, and refund was not granted within sixty days from date of refund application, respondents were required to pay statutory interest under section 56 as compensation for delay in accordance with law. - **Vineet Polyfab (P.) Ltd. v. Union of India** - [2025] 179 taxmann.com 544 (Gujarat)

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

3.35 Where electronic devices and records were seized during search and data cloning was substantially completed, petitioner was entitled under section 67(5) to obtain copies of seized materials in presence of Authorised Officer unless written reasons recorded that supply would prejudice investigation. - **Balaji Enterprises v. Principal Commissioner, DGCI, Meerut Zonal Unit** - [2025] 179 taxmann.com 456 (Delhi)

SECTION 69 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ARREST

3.36 Where petitioners challenged constitutional validity of arrest and penal provisions under Haryana GST Act alleging lack of legislative competence and violation of Article 13, as Supreme Court precedent concluded the issue and counsel could not dispute its applicability, constitutional attack on sections 69 and 132 was negated and writ petition was dismissed - **Jiahua Declaration and Design Engineering India Pvt. Ltd. v. Union of India** - [2025] 179 taxmann.com 308 (Punjab & Haryana)

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

3.37 Where authority fixed personal hearing date prior to expiry of period fixed for reply and passed final order on a date which was never communicated to assessee, such order was to be set aside, and matter was to be remanded to pass fresh order after affording proper personal hearing opportunity - **Dev Associates v. State of U.P.** - [2025] 179 taxmann.com 21 (Allahabad)

3.38 Where assessment order was passed ex-parte due to non-response to SCN, same was to be quashed and matter was to be remitted on condition of depositing 25 percent of disputed tax amount and assessee was to be allowed to reply to SCN within 30 days, with direction for fresh hearing and order on merits - **Gayathri Builder v. Commercial Tax Officer** - [2025] 179 taxmann.com 22 (Madras)

3.39 Where assessee's registration was cancelled before show cause notice proposing ITC disallowance was issued and no personal hearing was granted in violation of section 75(4), order passed without opportunity of hearing amounted to breach of principles of natural justice and required to be quashed, matter was to be remanded for fresh de novo order - **Apollo Engineers v. State of Gujarat** - [2025] 179 taxmann.com 67 (Gujarat)

3.40 Where petitioner-taxpayer demonstrated non-receipt of statutory notices and absence of their upload or communication on GST portal during assessment proceedings under Section 73, with no reference to required forms in ex parte order and no opportunity to respond, assessment order was unsustainable and liable to be set aside. - **OLA Fleet Technologies (P.) Ltd. v. State of Odisha** - [2025] 179 taxmann.com 78 (Orissa)

3.41 Where NCLT approved a Resolution Plan under IBC for a company and State Tax Authority subsequently raised a GST demand for a pre-approval period not covered in Resolution Plan, invocation of section 73 of GST Act to raise and continue demand was impermissible in view of section 31 of IBC - **SREI Equipment Finance Ltd. v. Office of the Principal Commissioner, Central GST and Central Excise Commissionerate** - [2025] 179 taxmann.com 108 (Gujarat)

3.42 Once registration had been cancelled, assessee was not obligated to check GST portal; mode of service of any order had to be by way of alternative means to assessee - **Sapna Gupta v. State of U.P.** - [2025] 179 taxmann.com 102 (Allahabad)

3.43 Show cause notice issued on GST portal after cancellation of registration was not valid; order passed under section 73 on basis of said notice was to be quashed for violation of natural justice - **Zahid Scrap Traders v. State of Uttar Pradesh** - [2025] 179 taxmann.com 107 (Allahabad)

3.44 Where assessee challenged impugned show cause notice on ground that bunching of notices for different assessment period was not permissible, from plain reading of section 74, it does not prima facie come out that there is any prohibition against issuance of a show cause notices for evasions that have taken place in more than one financial year, however question was to be left open to be determined in appropriate proceedings - **R.K.Ispat Ltd. v. Union of India** - [2025] 179 taxmann.com 1 (Jammu & Kashmir and Ladakh)

3.45 Where petitioner challenged ex parte assessment order confirming demand on ground of non-response to SCN and approached Court after limitation for appeal and rectification, Court quashed assessment and remitted matter for de novo adjudication subject to deposit of 25% of disputed tax within specified time - **JST Automations Robotic v. Deputy State Tax Officer** - [2025] 179 taxmann.com 309 (Madras)

3.46 Where order-in-original for tax short paid was passed without issuance of pre-SCN intimation as mandated, entire assessment was vitiated and set aside, matter was remanded to assessing authority for fresh assessment after proper notice, with period between impugned order and receipt of High Court order

excluded for limitation. - **Baba Agriculture Export v. Union of India** - [2025] 179 taxmann.com 359 (Andhra Pradesh)

- 3.47** Where petitioner challenged multiple GST Orders-in-Original relating to overlapping ITC claims and demands, appellate remedy being available, petitioner was directed to file appeals before Appellate Authority, and in connected appeals arising from overlapping GST demands, pre-deposit was confined to demand covered by DRC-07, with earlier deposit adjusted and no fresh pre-deposit required for later order - **R.U. Overseas v. Directorate General of Goods and Services Tax Intelligence DGGI** - [2025] 178 taxmann.com 751 (Delhi)
- 3.48** Where adjudication order and DRC-07 for period 2018-2019 were issued on 01.05.2024, after expiry of extended limitation period up to 30.04.2024 as per CBIC Circular, such orders were vitiated by limitation, resulting in quashing of bank attachment and setting aside of impugned orders. - **Sri. Venkatesh Fibre Corporation v. State of Telangana** - [2025] 179 taxmann.com 389 (Telangana)
- 3.49** Where proceedings to determine tax liability were taken against a deceased proprietor, with show cause notice and order issued posthumously and not served on legal representative, such determination was unsustainable as issuing notice to legal representative and granting opportunity to respond was mandatory, thus impugned order was quashed - **Om Prakash Wadhawan v. State of U.P.** - [2025] 179 taxmann.com 460 (Allahabad)
- 3.50** Where only DRC-01 summary with unauthenticated attachments was issued to assessee for tax demand and no formal show cause notice with Proper Officer's digital authentication was served, such summary did not fulfil statutory requirements for a show cause notice, rendering subsequent demand action unsustainable due to procedural lapse. - **Diganta Kumar Deka v. State of Assam** - [2025] 179 taxmann.com 484 (Gauhati)
- 3.51** Where after change of authorized email on GST portal, all subsequent communications except SCN were sent to new email but SCN was served on old email on last date of limitation and reached authorized email only after deadline, such service was not valid and SCN for FY 2020-21 was considered time barred for want of proper and timely service. - **Octantis Services (P.) Ltd. v. Union of India** - [2025] 179 taxmann.com 489 (Bombay)

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

- 3.52** Where neither any finding with regard to fraud had been noticed nor mis-statement nor suppression of

fact had been recorded at any stage, and assessee had proved actual movement of goods and payment of tax, proceedings under section 74 could not be initiated against assessee - **Safecon Lifescience (P.) Ltd. v. Additional Commissioner Grade 2** - [2025] 179 taxmann.com 12 (Allahabad)

- 3.53** Where department issued show-cause communications proposing action to restrict use of ITC under Rule 86A and set a reply deadline, but passed restrictive orders before the expiry of that deadline and without considering petitioner's timely reply, such orders violated principles of natural justice and were required to be quashed, with liberty to department to proceed afresh after considering petitioner's response and affording a hearing. - **DDS Jewels (P.) Ltd. v. State of Maharashtra** - [2025] 179 taxmann.com 69 (Bombay)
- 3.54** Where assessee challenged order raising CGST and SGST demand and contended that it had already paid Rs 5.50 crores during investigation under compulsion, such amount was to be treated as deposit subject to final outcome of writ petition and balance demand under impugned order was to remain stayed pending its disposal - **Murshidabad Flour Mill (P.) Ltd. v. Joint Commissioner, CGST, Bolpur Commissionerate** - [2025] 179 taxmann.com 76 (Calcutta)
- 3.55** Where petitioner running bowling and video gaming with head office in Bangalore and branch in Goa received multiple show cause notices from Goa GST and DGGI Mumbai for the same period and on the same issue, and Karnataka High Court stayed DGGI proceedings covering Goa also, Goa authority should not have proceeded with its own order and all actions were quashed since parallel proceedings on identical issues cannot continue to prevent conflicting outcomes. - **HM Leisure v. Assistant Commissioner of CGST** - [2025] 179 taxmann.com 376 (Bombay)
- 3.56** Where GST-registered trader made Rs. 10 crore payments during search and seizure before any SCN or quantification and without acknowledgment, collection was involuntary and did not comply with Section 74(5) or Instruction No. 01/2022-23, rendering recovery illegal, thus requiring refund with interest as obtainment violated Articles 265 and 300-A - **J Ramesh Chand v. Union of India** - [2025] 179 taxmann.com 469 (Karnataka)
- 3.57** Where battery trader was assessed on entire turnover for GST on combo-pack sales despite availability of specific B2B/B2C sales figures and no cogent reason was given for such levy, such computation was fundamentally flawed and factual issues warranted appellate remedy, with pre-deposit confined only to GST on actual combo-pack B2B/B2C sales and timely appeal allowed without bar of limitation. - **IMS**

Mercantiles Ltd. v. Union of India - [2025] 179 taxmann.com 486 (Delhi)

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

- 3.58** Where show cause notice was issued proposing demand of Rs. 20.9 thousand, whereas demand of 1.55 lakh was confirmed vide impugned order, same was ex facie contrary to provisions of section 75(7), therefore such order could not be sustained and matter was to be remanded - **Sai Computers v. State of U.P. - [2025] 179 taxmann.com 233 (Allahabad)**
- 3.59** Where demand order for tax, interest and penalty exceeded amount proposed in show cause notice for same period and components, such excess was contrary to statutory mandate under GST law prohibiting adjudication beyond show cause notice, rendering the order unsustainable and requiring remand for fresh adjudication after hearing. - **R.T.S. Electricals and Civil India (P.) Ltd. v. State of U.P. - [2025] 179 taxmann.com 386 (Allahabad)**
- 3.60** Where petitioner failed to reply to show cause notice and was not afforded a personal hearing before passing of adjudication order raising tax demand, matter was required to be remanded to adjudicating authority for fresh opportunity of hearing and decision - **Saakar India v. Commissioner of Delhi Goods and Services Tax - [2025] 179 taxmann.com 11 (Delhi)**
- 3.61** Where amount of penalty and interest raised in order was beyond amount specified in show cause notice, such order was in violation of provisions of section 75(7) and could not be sustained - **Shri Radhe Contractor v. Union of India - [2025] 179 taxmann.com 450 (Allahabad)**
- 3.62** Where summary in DRC-01 omitted personal hearing date, time and venue, and petitioner was not afforded statutorily mandated personal hearing before adverse order in DRC-07, despite absence of reply, such non-compliance violated statutory mandate and principles of natural justice, thus necessitating setting aside of impugned order and remand for fresh proceedings. - **Diganta Kumar Deka v. State of Assam - [2025] 179 taxmann.com 484 (Gauhati)**

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

- 3.63** Where petitioner's bank accounts were provisionally attached on mere assertion of Section 74 proceedings without any initiation or specific grounds, such attachments were found arbitrary and lacking legal basis as Section 83 requires cogent, tangible reasons, thus the notices were quashed and accounts ordered to be released with liberty to proceed afresh if

requirements are duly fulfilled - **Soraza Recycling (P.) Ltd. v. Union of India - [2025] 179 taxmann.com 104 (Allahabad)**

- 3.64** Where petitioner contractor's bank account and due payments were provisionally attached following proceedings under section 74, but notice of attachment neither stated statutory provision nor recorded reasons or opinion as required, attachment was held unsustainable - **R.B. Drillers And Construction v. State of Chhattisgarh - [2025] 179 taxmann.com 126 (Chhattisgarh)**
- 3.65** Where department attached assessee's bank account under Section 83 citing alleged ITC misuse but failed to show initiation of proceedings under Chapters XII, XIV or XV as required, issuance of summons under Section 70 being only for evidence and not initiation of proceedings, bank account attachment was unsustainable and stood quashed - **Principal Commissioner of Central Tax GST Commissionerate v. Narasimhan Engineering Contractors (P.) Ltd. - [2025] 179 taxmann.com 390 (Karnataka)**
- 3.66** Where department provisionally attached assessee's bank account under Section 83 due to suspected ITC misuse and Single Judge set aside attachment for lack of pre-decisional hearing, requirement of such hearing was not supported by statute since Section 83 does not mandate it and post-decisional remedy is available under Rule 159, reinforcing validity of attachment without pre-decisional hearing - **Principal Commissioner of Central Tax GST Commissionerate v. Narasimhan Engineering Contractors (P.) Ltd. - [2025] 179 taxmann.com 390 (Karnataka)**
- 3.67** Where petitioner challenged provisional attachment of bank accounts holding about Rs. 10 lakhs and undertook not to withdraw existing balances to address disproportionate prejudice and lack of quantified demand, accounts were permitted to operate with condition that balances not fall below levels on attachment or hearing date, leaving rival claims open and permitting lawful action against other properties. - **Shree Momai Enterprises Mannequins Cosmetic India v. State of Maharashtra - [2025] 179 taxmann.com 397 (Bombay)**

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

- 3.68** Where investigation was continuing to identify fraudulent transactions and locate non-existent/non-functioning suppliers and appropriate authority was in seisin of matter relating to transactions effected between named suppliers and petitioner, High Court would not make any observation on factual aspect on material collected during investigation; writ petition was

to be dismissed - ***D.K. Engineering and Construction v. Chief Commissioner of CT & GST - [2025] 179 taxmann.com 495 (Orissa)***

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

- 3.69** Where assessee raised an arguable issue of violation of principles of natural justice against order in original based on service of notice, however, could not make out case for bypassing alternate remedy of appeal, petition was to be dismissed with liberty to assessee to avail appellate authority - ***Armita India Shipping (P.) Ltd. v. State of Maharashtra - [2025] 179 taxmann.com 19 (Bombay)***
- 3.70** Delay of 16 days in filing appeal was to be condoned as there was sufficient cause i.e. assessee was awaiting order on rectification application, subject to costs of Rs. 5,000 to be paid to GST department by assessee - ***Movers International (P.) Ltd. v. Union of India - [2025] 178 taxmann.com 750 (Delhi)***
- 3.71** Where an ex parte order demanding tax, interest and penalty was passed without prior notice on a date not fixed for hearing and appeal against it was similarly dismissed without proper intimation of hearing date, such actions which violate principles of natural justice are not sustainable and the appellate order is to be quashed - ***Mahesh Fashion v. State of U.P. - [2025] 179 taxmann.com 75 (Allahabad)***
- 3.72** Where appeal filed by assessee against order in original was rejected without considering or dealing with any of grounds raised by assessee supported by evidence, such order was to be set aside and matter was to be remanded to appellate authority for fresh consideration - ***Shankarampet Projects (P.) Ltd. v. Appellate Joint Commissioner of State Tax - [2025] 179 taxmann.com 118 (Telangana)***
- 3.73** Where appeal against adverse GST order was dismissed by appellate authority solely due to non-receipt of certified copies without hearing on merits, since appeal was within limitation, such hyper technical approach was unjustified and matter was remanded for decision on merits after affording opportunity of hearing - ***Sanjeet Kumar Bhagat v. Commissioner of State Tax - [2025] 179 taxmann.com 257 (Jharkhand)***
- 3.74** Where petitioner's ITC refund claim was rejected due to alleged non-submission of documents and hearing notices were not properly uploaded or issued before appeal was disposed, denial of opportunity of hearing amounted to violation of natural justice, so appellate order was set aside and matter remanded for rehearing. - ***A.L. Exports v. Union of India - [2025] 179 taxmann.com 238 (Delhi)***
- 3.75** Where assessee's GST portal was inactive despite valid registration, preventing e-payment of appeal pre-deposit and thus appeal validation, GSTN was to be directed to activate portal within specified time and impugned order was to be stay during this interim period - ***Ashirvad Food Products (P.) Ltd. v. Additional/Joint Commissioner, Central Goods and Services Tax - [2025] 179 taxmann.com 301 (Calcutta)***
- 3.76** Where appellate authority dismissed appeal for alleged shortfall in pre-deposit without giving notice or opportunity to cure deficiency, despite hearing on merits, such dismissal is improper and appellant must be informed and given reasonable opportunity to comply; impugned order set aside and matter remanded for compliance within stipulated period. - ***G. Khanna & Company v. Union of India - [2025] 179 taxmann.com 131 (Bombay)***
- 3.77** Where petitioner challenged delayed pronouncement of appellate order which was passed after hearing date without enabling provision under GST Act and State accepted absence of such power, appellate order could not be sustained in law and was set aside. - ***Wonder Enterprises v. Additional Commissioner Grade-2 - [2025] 179 taxmann.com 170 (Allahabad)***
- 3.78** Where petitioner participated in proceeding alleging fraudulent availment of ITC and pursuant to passing of order in original raising demand, could not file appeal within time, writ petition seeking permission to file appeal could not be entertained as there was no violation of principles of natural justice; refund as allowed by appellate authority in previous proceeding was to be adjusted against demand - ***Moms Cradle (P.) Ltd. v. Union of India - [2025] 179 taxmann.com 432 (Delhi)***
- 3.79** Where petitioner deposited sum under protest during investigation in a disputed tax matter, such deposit could be appropriated towards mandatory 10 percent pre-deposit for appeal under section 107(6)(ii) - ***R M Dairy Products LLP v. State of UP - [2025] 179 taxmann.com 449 (Allahabad)***
- 3.80** Where petitioner challenged assessment and penalty demand arising out of audit, discrepancy notices, and allegations of bogus ITC and non-existent entities, dispute involved contested facts and required document examination, hence writ remedy was declined and petitioner relegated to statutory appellate remedy with provision for appeal without limitation objection and recognition of pre-deposit already paid. - ***Sakthi Ferro Alloys India (P.) Ltd v. State of Andhra Pradesh - [2025] 179 taxmann.com 441 (Andhra Pradesh)***
- 3.81** Where petitioner faced demands for multiple years and paid 10 percent of disputed tax during writ

pendency, time spent in writ proceedings was to be excluded for calculating appeal limitation, thus petitioner could pursue statutory appeal without limitation objection and payment made to be treated as statutory pre-deposit with consequential stay. - **Sakthi Ferro Alloys India (P.) Ltd v. State of Andhra Pradesh** - [2025] 179 taxmann.com 441 (Andhra Pradesh)

3.82 Where petitioner, during writ challenging assessment proceedings, deposited 10 percent of disputed tax amount, such deposit was to be treated as statutory pre-deposit for purposes of admitting statutory appeal and appellate authority had to entertain appeal without objecting on limitation, with pendency-related stay benefits applying during appeal process. - **Sakthi Ferro Alloys India (P.) Ltd v. State of Andhra Pradesh** - [2025] 179 taxmann.com 441 (Andhra Pradesh)

3.83 Where petitioner was not given reasonable opportunity as hearing was fixed before expiry of reply period in ITC mismatch proceedings and explanation for delayed evidence production was plausible due to voluminous data, sufficient cause existed for admitting additional evidence in appeal under Rule 112(1)(c) and appellate order rejecting such evidence was quashed. - **U.S.Technology International (P.) Ltd. v. State of Kerala** - [2025] 179 taxmann.com 431 (Kerala)

3.84 Where assessee physically filed appeal after delayed and defective uploading of order summary on portal and suffered bona fide confusion regarding limitation, rejection of appeal as time-barred by 23 days was not justified since limitation should run from communication of order-in-original, thus impugned appellate order was set aside for fresh decision in accordance with law - **Padmaja Gas Agencies v. Additional Commissioner Appeals** - [2025] 179 taxmann.com 480 (Telangana)

3.85 Where assessee, after receiving demand order, promptly pursued rectification application within permitted period and filed appeal immediately after rejection, limitation for filing appeal must exclude period spent on rectification - **Arvind Fashion Ltd. v. State of Haryana** - [2025] 179 taxmann.com 492 (Punjab & Haryana)

3.86 Where petitioner dealer filed statutory appeal with about 20 days' delay due to serious health issues and surgery, and appellate authority dismissed appeal as time barred under Section 107, such limitation did not restrict writ jurisdiction in appropriate cases, and considering genuine medical grounds for delay, order dismissing appeal as time barred was set aside and delay was condoned for hearing on merits. - **Parshotam Electronics v. UT of J & K** - [2025] 179 taxmann.com 461 (Jammu & Kashmir and Ladakh)

3.87 Where assessee, after remand, had its GST demand confirmed only on excess ITC as per GSTR-9 over GSTR-2A, paid confirmed tax, and filed writ petition after expiry of appeal condonation period, in absence of procedural infirmity in impugned order, merits review under Article 226 was not permissible and writ was dismissed with liberty to file appeal - **Tvl. Saravana Projects & Co. v. Assistant Commissioner (ST)(FAC), Chennai** - [2025] 179 taxmann.com 482 (Madras)

3.88 Where petitioner-airline challenged an assessment order and SCN regarding excess and ineligible ITC without replying or attending hearing, liberty was granted to avail statutory appeal remedy within extended time with pre-deposit, appeal to be heard on merits without time-bar, and order to be subject to outcome of pending batch on notification validity. - **Uzbekistan Airways v. Sales Tax Officer Class II/Avato, Delhi** - [2025] 179 taxmann.com 543 (Delhi)

3.89 Where assessee was alleged to have availed ineligible ITC based on fake invoices and order was passed without granting adjournment or personal hearing, with order uploaded in illegible format, assessee could avail statutory appellate remedy under section 107 since writ remedy was declined, restoring right to appeal in accordance with law due to apparent violation of natural justice. - **Acme India v. Union of India, Department of Revenue** - [2025] 179 taxmann.com 454 (Delhi)

3.90 Where petitioner challenged order passed without granting requested adjournment and proper personal hearing in proceedings alleging fake invoice ITC claims, and order was uploaded in illegible format, petitioner was allowed to file appeal under Section 107 despite expiry of limitation, with deposited amount adjusted as pre-deposit **and appeal to be heard on merits if filed within stipulated time.** - **Acme India v. Union of India, Department of Revenue** - [2025] 179 taxmann.com 454 (Delhi)

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

3.91 Where department initiated revisionary proceedings and issued SCN under section 108 using an outdated address despite having petitioner's updated Ahmedabad address used for previous cancellation, and revisional order retrospectively cancelled registration, such service of notice was invalid and in breach of natural justice - **Dipak Metal Industries v. Deputy Commissioner of State Tax** - [2025] 179 taxmann.com 130 (Bombay)

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

3.92 Where petitioner challenged First Appellate Authority's order during non-constitution of GST Appellate Tribunal, since a Trade Circular provides interim relief deferring recoveries if Annexure-1 is submitted and petitioner's eligibility is undisputed, petitioner can secure all benefits by timely filing required form and may appeal or challenge constitutional issues once Tribunal is operational - **Globe Mobility (P.) Ltd. v. Union of India** - [2025] 179 taxmann.com 70 (Bombay)

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

3.93 Where hydraulic exhibitor (crane) was sent for repair, same is not liable to GST, therefore orders passed after interception and seizure on ground that no e-way bill etc. were not produced, could not be sustained in eyes of law and same were to be quashed - **Abhay Prakash Katariar v. State of UP** - [2025] 179 taxmann.com 17 (Allahabad)

3.94 Where petitioner's goods in transit were partly for job work and partly for own use, and delivery challan/e-way bill for movement to job worker were not provided at time of interception, detention of goods under section 129(3) was justified as such goods were not accompanied by specified documents - **Nippon Tubes Ltd. v. State of UP** - [2025] 179 taxmann.com 9 (Allahabad)

3.95 Where Part-B of e-way bill was not filled but all requisite documents such as tax invoice, L.R. and e-way bill were available, goods and conveyance could not be detained - **Maa Vindhyaivasini Tobacco Pvt Ltd v. State of U.P.** - [2025] 179 taxmann.com 73 (Allahabad)

3.96 Where petitioner moved goods to a job worker without job work delivery challan and e-way bill as mandated under Rule 45 read with Rule 55, and only produced documents after interception, detention and penalty imposed under section 129(3) were held justified and sustainable, with no interference warranted as non-compliance at time of interception was undisputed - **Usha Wire Netting v. State of UP** - [2025] 179 taxmann.com 251 (Allahabad)

3.97 Where petitioner's truck carrying goods with valid tax invoice and e-way bill was detained due to absence of one bag, and appellate authority dismissed appeal on an unrelated ground without record-based material while no intent to evade tax was found, such detention, penalty and seizure under section 129(3) were unjustified and orders were to be quashed - **Chawla**

Sugandhi Bhandar v. State of U.P. - [2025] 179 taxmann.com 239 (Allahabad)

3.98 Where petitioner transported goods with one e-way bill covering multiple invoices and all relevant documents were present with no allegation of e-way bill cancellation, use of single e-way bill for multiple invoices was a mere technical lapse, not indicating intent to evade tax, and detention order was quashed with directions to release deposit. - **Kent Cables (P.) Ltd. v. State of U.P.** - [2025] 179 taxmann.com 133 (Allahabad)

3.99 Where goods were detained in transit as truck driver carried no document despite gate pass being issued and relevant documents were produced only after seizure, since delivery challan must accompany goods even for short distance weighment and production of documents after interception could not rectify initial lapse, action of detention and penalty was lawful. - **VRS Foods Ltd. v. Additional Commissioner Grade-2** - [2025] 179 taxmann.com 385 (Allahabad)

3.100 Where goods in transit were intercepted for only e-way bill noncompliance though accompanied by proper tax invoice, penalty could be levied only under section 129(1)(a) and not under 129(1)(b), thus authority erred in computing penalty under incorrect clause and must reassess penalty as per value reflected in tax invoice. - **M.D. Traders v. State of Uttar Pradesh** - [2025] 179 taxmann.com 458 (Allahabad)

3.101 Where petitioner, a registered vehicle tracking service provider, was supplying goods under valid invoices and e-way bills, but due to vehicle breakdown and subsequent transfer, e-way bill expired before interception, and a fresh e-way bill was generated before any order, mere expiry did not establish intent to evade tax, so penalty orders were liable to be quashed. - **Trimble Mobility Solutions India (P) Ltd v. State of UP** - [2025] 179 taxmann.com 549 (Allahabad)

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

3.102 Where during survey excess stock at business premises was estimated only by eye estimation without actual weighment and proceedings for confiscation and penalty were initiated under section 130 read with section 122, such action was impermissible and only assessment proceedings under sections 73 or 74 could be invoked in these circumstances, leading to quashing of confiscation and penalty orders. - **Santosh Pigment and Chemical Industries (P.) Ltd. v. State of UP** - [2025] 179 taxmann.com 101 (Allahabad)

- 3.103** Where petitioner, as purchaser transporting arecanuts with valid tax invoice and e-way bill, faced confiscation of goods and vehicle after issuance of requisite notices but alleged lack of proper service and breach of natural justice, since an efficacious alternative statutory appeal remedy existed against confiscation order, writ petition seeking quashing of confiscation and demand notices was not to be entertained and petitioner was relegated to file statutory appeal - **S R Enterprises v. Union of India** - [2025] 179 taxmann.com 117 (Gujarat)

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

- 3.104** Where petitioner, accused of GST evasion, sought modification or deletion of bail conditions restricting travel and requiring passport deposit, since petitioner was a director and being operational head, required frequent travel abroad, such conditions were to be modified so as to permit petitioner to travel abroad on conditions that petitioner would disclose travel schedule before trial court - **Ankur Agrawal v. Union of India** - [2025] 179 taxmann.com 128 (Rajasthan)
- 3.105** Where search and seizure at applicant's business premises led to arrest over alleged GST liability of Rs 9.34 crore, with investigation substantially completed, no past criminal record, partial deposit made and no risk of fleeing or tampering, regular bail was granted subject to travel and reporting conditions, pending further investigation and trial - **Vikas Naresh Chandra Kansal v. State of Gujarat** - [2025] 179 taxmann.com 434 (Gujarat)
- 3.106** Where applicant was arrested for alleged fraudulent ITC availed through fake firms and prosecution complaint was filed after completion of investigation qua applicant, pendency of investigation against absconding co-accused could not justify denial of bail to applicant. - **Narender Kumar v. Directorate General of GST Intelligence** - [2025] 179 taxmann.com 391 (Delhi)
- 3.107** Where applicant was arrested in DGGI case alleging fraudulent ITC via fake firms, remained in custody after complaint was filed, and had no criminal antecedents or flight risk and evidence was documentary, in line with Supreme Court precedent that bail should be norm in such GST prosecutions barring extraordinary circumstances, regular bail was granted with conditions. - **Narender Kumar v. Directorate General of GST Intelligence** - [2025] 179 taxmann.com 391 (Delhi)
- 3.108** Where applicant, a company director, was arrested for allegedly generating fake invoices and wrongful ITC leading to filing of complaint, but no statutory notice or assessment was initiated and applicant had cooperated during investigation, with tax quantum

remaining unassessed and bail opposed only on orchestration claims, regular bail was justified as continued incarceration served no purpose and GST regime prioritizes economic interests over punitive detention. - **Ankit Singh v. State of Chhattisgarh** - [2025] 179 taxmann.com 471 (Chhattisgarh)

- 3.109** Where petitioner was arrested for alleged bogus input tax credit through multiple registrations, all prosecution witnesses were officials with no indication of influence or risk of absconding, and after about six months in custody with no likelihood of interfering in trial, further detention as undertrial was unwarranted and petitioner was granted regular bail. - **Aniket Verma v. Senior Intelligence Officer, Directorate General of GST Intelligence** - [2025] 179 taxmann.com 491 (Punjab & Haryana)

SECTION 158 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - INFORMATION - DISCLOSURE OF INFORMATION BY

- 3.110** Information regarding GST returns cannot be provided under RTI Act as section 158 of GST Act specifically prohibits giving information of GST returns; allegation of fraud made by petitioner was bald in nature and there was no prima facie evidence to show that concerned industries had indulged in large scale fraud to make out a case to provide information - **Adarsh s/o Gautam Pimpale v. State of Maharashtra** - [2025] 179 taxmann.com 437 (Bombay)

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

- 3.111** Where penalty orders were passed without DIN and signature of the assessing officer, such defects are not curable under GST Act - **Sri Srinivasa Trading Corporation v. Deputy Assistant Commissioner** - [2025] 179 taxmann.com 109 (Andhra Pradesh)
- 3.112** Where petitioner challenged penalty order alleging summary in FORM GST DRC-07 was unsigned by assessing authority, since absence of signature on assessment order is not curable by saving or service provisions, rendering such orders was unsustainable, thus both assessment and appellate orders were set aside - **Abrars Today Fashion Mall v. Assistant Commissioner** - [2025] 179 taxmann.com 311 (Andhra Pradesh)
- 3.113** Where petitioner was assessed and penalized for July 2017 to December 2021 without prior pre-tax intimation for pre-amendment period as mandated by law, breach of statutory procedure rendered orders invalid and required remand for fresh assessment

following proper notice, with relevant period excluded for limitation. - ***Abrars Today Fashion Mall v. Assistant Commissioner*** - [2025] 179 *taxmann.com* 311 (Andhra Pradesh)

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

3.114 Where petitioner received a demand-cum-show cause notice for GST on royalty and extraction beyond permissible quantity and filed a rectification application under Section 161 before Assistant Commissioner, since personal hearing intimations did not address this rectification application, authority was directed to first consider maintainability and merits of rectification before proceeding further on show cause notice, and writ was disposed of without comment on merits. - ***Aruni Stone Crusher v. Superintendent Central GST and Central Excise*** - [2025] 179 *taxmann.com* 344 (Orissa)

3.115 Where multiple writ petitions challenged SCNs and orders for same period under GST due to anomalies like orders on different entities, duplicated orders, or fresh orders after prior drops, with attachments and ITC adjustments, department issued SOP enabling rectification within six months, including deletion of duplicated tax and taxpayer intimation, so petitions were disposed to permit proper officers to rectify impugned notices or orders as per law, with unresolved issues to be pursued before appropriate forum. - ***Sri Venkateshwara Dairy Products v. Assistant Commissioner ST*** - [2025] 179 *taxmann.com* 600 (Telangana)

SECTION 164 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - GOVERNMENT'S POWER TO MAKE RULES

3.116 Where department-initiated proceedings based on Rule 96(10) of CGST Rules which was repealed without a saving clause, and such proceedings were not related to transactions already past and closed, continuation of these proceedings was unsustainable - ***Aarti Drugs Ltd. v. Union of India*** - [2025] 179 *taxmann.com* 310 (Bombay)

SECTION 171 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ANTI-PROFITEERING MEASURE

3.117 Where distributor of Vaseline VTM 400 ML did not reduce price after GST rate reduction from 28% to 18%, and instead justified continued MRP by increasing quantity or offering free schemes, such actions were insufficient to fulfil benefit-passing requirement, and non-reduction of price could not be justified on those grounds, hence anti-profiteering order was upheld - ***Sharma Trading Company v. Union of India*** - [2025] 179 *taxmann.com* 2 (Delhi)

4. GOODS AND SERVICE TAX APPELLATE AUTHORITY

SECTION 171 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - ANTI-PROFITEERING MEASURE

4.1 Where complainant's flat allotment by builder was cancelled and all money was refunded, and Karnataka State Screening Committee found no profiteering as there was no non-passing of ITC or GST rate reduction benefit, case did not warrant any action under Section 171 as it did not involve profiteering. - ***DGAP v. Legacy Global Projects (P.) Ltd.*** - [2025] 178 *taxmann.com* 753 (GSTAT - NEW DELHI)

5. AUTHORITY FOR ADVANCE RULING

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

5.1 Supply of medicines in course of providing health care services to out-patients visiting hospital cannot be considered as part of a composite supply involving supply of health care service, as they are different supplies independent of each other - ***Theni Nattathi Kshatriya Kula Hindu Nadargal Uravinmurai Dharma Fund, In re v.*** - [2025] 179 *taxmann.com* 97 (AAR - TAMILNADU)

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

5.2 Fly ash bricks are classifiable under Heading No. 6815 and attract 12 per cent GST, irrespective of fly ash content in bricks; manufacturers have option to pay 12 percent with ITC benefits on inputs or 6 percent GST without ITC benefits - ***SRS Industries, In re v.*** - [2025] 179 *taxmann.com* 96 (AAR - TAMILNADU)

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

5.3 Supply of fly ash brick is neither notified in section 9(3) nor activity of manufacturer falls under category under section 9(4), thus, sale of fly ash brick is subjected to GST under normal taxation system and not under reverse charge mechanism - ***SRS Industries, In re v.*** - [2025] 179 *taxmann.com* 96 (AAR - TAMILNADU)

SECTION 10 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - COMPOSITE LEVY

- 5.4 Manufacturer of fly ash bricks is not eligible for composition scheme under section 10(1) - **SRS Industries, In re v. - [2025] 179 taxmann.com 96 (AAR - TAMILNADU)**

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

- 5.5 Charges recovered by applicant from consumers for deposit work activities such as construction and erection of bays, substations, overhead lines and underground cables, for and on behalf of its consumers, under different heads such as material and erection charges, pro-rata charges, supervision charges, proportionate line charges, and registration fees etc. which are incidental and ancillary to principal supply of transmission of electricity are exempt from tax under Entry No. 25A of Notification No. 12/2017 dated 28.06.2017 as introduced by Notification No. 8/2024-CTR dated 08-10-2024, however, exemption would be applicable from 10-10-2024 only - **Gujarat Energy Corporation Ltd. Transmission, In re v. - [2025] 178 taxmann.com 712 (AAR - GUJARAT)**
- 5.6 Fly ash bricks supplied by manufacturers are not eligible for any special GST exemption or reduced rate even when sold to Government or Public infrastructure projects - **SRS Industries, In re v. - [2025] 179 taxmann.com 96 (AAR - TAMILNADU)**
- 5.7 No exemption or special reduced rate exists for fly ash bricks on account of recycled content and bricks are liable at 12 percent as per prevailing rate notifications - **SRS Industries, In re v. - [2025] 179 taxmann.com 96 (AAR - TAMILNADU)**
- 5.8 Consultation services provided by assessee a charitable hospital to outpatient are exempted under Sl. No. 74 of Notification No. 12/2017-C.T.(Rate) dated 28-

06-2017 - **Theni Nattathi Kshatriya Kula Hindu Nadargal Uravinmurai Dharma Fund, In re v. - [2025] 179 taxmann.com 97 (AAR - TAMILNADU)**

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

- 5.9 Fly ash manufacturers can pay GST at rate of 12 percent and avail ITC on inputs and inputs services, and If manufacturer opts for payment of GST on outward supplies at concessional rate of 6 percent, they can not avail ITC on inputs and input services - **SRS Industries, In re v. - [2025] 179 taxmann.com 96 (AAR - TAMILNADU)**
- 5.10 Where supplier raised a mobilisation advance invoice in March 2023 under works contract and RA bills adjusted advance in later years, ITC must be availed on advance invoice within prescribed time under Section 16(4), being 30 November of next financial year or annual return filing, whichever earlier, and cannot be deferred beyond this limit regardless of Section 16(2)(b) - **Shibaura Machine India (P.) Ltd., In re v. - [2025] 179 taxmann.com 95 (AAR - TAMILNADU)**

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

- 5.11 Where manufacturer constructed a new factory engaging a contractor under a composite works contract resulting in acquisition of immovable property, only secondary steel structural supports exclusively for crane movement and HVAC, qualifying as 'plant and machinery', are eligible for proportionate ITC, while no ITC is admissible on civil works, PEB, primary columns, or sheeting under Section 17(5) - **Shibaura Machine India (P.) Ltd., In re v. - [2025] 179 taxmann.com 95 (AAR - TAMILNADU)**

GSTR-9 & GSTR-9C:**Key Changes & Practical Considerations for FY 2024-25****CA Abhishek Sanyal**

Email: abhisheksnyl@gmail.com

The annual return under GST continues to serve as an important compliance statement, consolidating the summary of outward supplies, input tax credit, and tax payments reported during the year. While the overall structure of GSTR-9 and GSTR-9C remains largely stable, the focus of the administration has shifted towards data consistency between GSTR-1, GSTR-3B, and Books of Accounts, especially in respect of Input Tax Credit, reversals, and reconciliation of taxable turnover.

Applicability for FY 2024-25

<u>Form</u>	<u>Applicability</u>	<u>Threshold</u>	<u>Legal Basis</u>
GSTR-9	Mandatory for registered persons	Aggregate Turnover > ₹2 Crore	Section 44, CGST Act read with Notification No. 29/2021-CT dated 30.07.2021
GSTR-9C (Self-Certified)	Mandatory	Aggregate Turnover > ₹5 Crore	Finance Act 2021 amendment to Section 44 & Notification No. 29/2021-CT

Note: The earlier requirement of CA/CMA certification (GSTR-9C Audit) remains withdrawn from FY 2020-21 onwards.

Reporting Approach for Tables 4 & 5 of GSTR-9

The taxpayer is permitted to report turnover based on GSTR-3B where invoice-level bifurcation from GSTR-1 is not feasible.

- This relaxation continues, as clarified in Circular No. 183/15/2022-GST dated 27.12.2022 and remains applicable for FY 2023-24 onwards.

Practical Implication:

Where differences exist between GSTR-1 and GSTR-3B, the tax position adopted in GSTR-3B prevails for annual return reporting, unless corrected through DRC-03 or amendment returns.

Disclosure of ITC Reversal & Re-claim

Reporting of reversal and re-claim of ITC is now expected to be exact and not netted off.

Table in GSTR-9	Particulars to be Reported
4(B)	ITC reversals under Rule 42/43, blocked credit (Section 17(5)), Rule 37, Rule 37A
4(D)(1)	ITC re-claimed after reversal in the same FY

Rule 37A (implemented via Notification No. 26/2022–CT, dated 26.12.2022) requires reversal of ITC where supplier has not filed GSTR-3B for the period—its impact must be disclosed distinctly.

Reverse Charge (RCM) Disclosures

- RCM liability is reported in Table 4(G).
- Corresponding ITC on RCM paid is reported in Table 4(A)(3).
- Where RCM has been paid belatedly and ITC claimed later, the timing difference must be disclosed carefully in Tables 4(B) & 4(D).

Frequent error noticed: RCM paid via DRC-03 without separating in Books → leads to audit mismatch.

Key Points in GSTR-9C (Self-Certified Reconciliation Statement)

- Part-II (Turnover Reconciliation) must align with audited financials.
- Part-III (Tax Reconciliation) should reflect corrective payments through DRC-03.
- No CA Certification required, but the taxpayer's responsibility and potential liability remain unchanged.

Important: GSTR-9C is no longer a *test check*. It is now a legal declaration carrying equal evidentiary and penal weight.

Enforcement Trends to Note

Based on recent departmental communications and audit queries:

Focus Area	Reason
Mismatch between GSTR-2B & Books	Risk of inadmissible ITC
ITC reversal not backed by working of Rule 42/43	High litigation potential
Differences in turnover between GSTR-1 and 26AS (TDS/TCS)	Used for cross-verification in assessments

Professionals should maintain working papers and ITC ageing statements to defend input tax positions during audit and litigation.

Conclusion

The compliance burden around GSTR-9 and GSTR-9C may appear procedural, but the accuracy of reconciliation now directly impacts litigation exposure. A disciplined internal control cycle, monthly 2B-based ITC validation, and timely DRC-03 disclosures can significantly reduce future disputes.

~ *“Life teaches you a new lesson every day if you are attentive enough in the class of life.” — Invajy*

Provisions and Procedural of GST Appellate Tribunal (GSTAT)



CA L Gopal Shah

Email: ca.lgshah@gmail.com

Background of GSTAT

The Goods and Services Tax Appellate Tribunal (GSTAT) is constituted under Section 109 of the GST Act. It serves as a key appellate body for resolving disputes arising from GST laws. The GSTAT structure includes a Principal Bench in New Delhi and 22 State Benches. The establishment of GSTAT was delayed for eight years due to constitutional concerns about independence from executive control, as emphasized by the Supreme Court in the Madras Bar Association case (2020).

Constitution and Structure

The Principal Bench comprises the President, one Judicial Member, and two Technical Members (Centre and State). State Benches include two Judicial Members and two Technical Members. Key milestones include the enactment of GST laws in July 2017, subsequent amendments in 2023, and the official constitution of the Principal Bench in December 2023.

Substantive Provisions

GSTAT hears appeals against orders passed by Appellate and Revisional Authorities under Section 109. It follows the principles of natural justice and holds powers equivalent to those of a Civil Court. Appeals must generally be filed within three months of receiving the order, with a possible condonable delay of another three months. For assesseees, a pre-deposit of 10% of the disputed amount (capped at ₹20 crore under CGST/SGST and ₹40 crore under IGST) is mandatory.

Monetary Limits and Appealable Orders

As per Circular No. 207/1/2024-GST, the monetary limits for departmental appeals are set at ₹20 lakh before GSTAT, ₹1 crore before High Courts, and ₹2 crore before the Supreme Court. Appealable orders include those passed under Sections 107, 108, 80, and 83 of the CGST Act, among others. Certain orders like stay or pre-deposit directions remain ambiguous.

Filing Procedure and Fees

Appeals are to be filed online through the GSTAT portal. Filing dates depend on acknowledgment issuance and certified copy uploads. The fee for filing or restoring an appeal is ₹5,000 for cases without tax demand and ₹1,000 per ₹1 lakh of demand (maximum ₹25,000). Additional evidence can be introduced under specific circumstances such as denial or lack of opportunity during adjudication.

GSTAT Procedure Rules, 2025

The GSTAT Procedure Rules, 2025 outline functions, filing procedures, hearings, maintenance of records, and hybrid proceedings. They are modeled largely on NCLAT Rules, 2016 with certain distinctions from the older CESTAT Rules, 1982. Unique provisions include urgent listing (Rule 12), summary disposal (Rule 99), and codified recusal (Rule 106).

Powers and Limitations

Under Section 111(2), the Tribunal has powers similar to Civil Courts for summoning witnesses, collecting evidence, and requisitioning public records. However, procedural complexities exist—such as excessive scrutiny by registrars and inconsistent timelines between rules and statutory provisions. Rule 108, for instance, conflicts with Section 113(4) on rectification timelines.

Practical Challenges

The GSTAT framework raises concerns about potential forum shopping due to overlapping jurisdictions between State and Principal Benches. The President also wields significant discretionary powers in transferring and grouping cases involving common questions of law. Procedural redundancies and rule inconsistencies may also lead to practical challenges in its functioning.

Revisional Authority (Section 108)

The Revisional Authority (RA) has broad powers to examine records, stay operations of orders, and modify or annul prior decisions. However, appeals against RA's decisions lie directly before the Tribunal. The limitation period is three years, excluding the time taken by higher judicial forums for related cases.

Summary of GST Appellate Tribunal (GSTAT) Forms

S. No.	Particulars	Form No.	Time Limit
1.	Appeal to Appellate Authority by Taxpayer	GST APL-01	Within 3 months from date of receipt of order
2.	Final Acknowledgement indicating Appeal No	GST APL-02 / GST APL 2A	When GST order uploaded on the portal: date of issuance of provisional acknowledgment.
3.	Application to Appellate Authority by Department	GST APL-03	Within 6 months from date of receipt of order
4.	Summary of the Order	GST APL-04/ GST APL-04A	Maximum within 1 year
5.	Appeal to Appellate Tribunal by Taxpayer	GST APL-05	Within 3 months from the date of receipt of order
6.	Cross Objection by opposition part	GST APL-06	Within 45 days
7.	Department Appeal to Tribunal	GST APL-07	Within 6 months from the date of receipt of order
8.	Appeal to High Court	GST APL-08	Within 180 days from the date of receipt of order appealed against.

~ “Life is not a problem to be solved, but a mystery to be lived.” — Søren Kierkegaard

COMPANY AND SEBI LAWS UPDATES

1. STATUTORY UPDATES

1.1 SEBI Investor Survey, 2025 reveals only 9.5% of Indian households invest in securities markets - **PRESS RELEASE NO. 63/2025, DATED 30-09-2025**

Editorial Note: SEBI has released the Investor Survey 2025, covering over 90,000 households across 400 cities and 1,000 villages. The key findings include: (a) 63% of households are aware of at least one securities market product, (b) actual participation remains low at 9.5%—around 32.1 million households, (c) nearly 80% of Indian households prefer capital preservation over higher returns, and (d) 22% of non-investors who are aware of securities products express an intent to invest within the next year.

1.2 SEBI rolls out 'Validated UPI Handles' and 'SEBI Check' for secure investor payments - **PRESS RELEASE NO. 64/2025, DATED 01-10-2025**

Editorial Note: SEBI has launched two new initiatives, validated UPI Handles and SEBI Check to strengthen payment security and safeguard investors. Under the new system, the UPI IDs of SEBI-registered investor-facing intermediaries will now carry the exclusive "@valid" handle, issued by NPCI, along with category-specific suffixes. Further, SEBI has introduced SEBI Check, a digital verification tool that enables investors to independently verify bank account details and UPI IDs of registered intermediaries.

1.3 MCA substitutes Form IEPF-5 with revised claim form and updated documentation - **NOTIFICATION NO. G.S.R. 733(E) [F. NO. 05/04/2020-IEPF], DATED 01-10-2025**

Editorial Note: The MCA has amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The amendment substitutes the existing Form No. IEPF-5 with a revised form for claiming unpaid amounts and shares from the Investor Education and Protection Fund. The new form introduces fields for entitlement letter, authorised representative details, and updated documentation list.

1.4 SEBI revises Block Deal Framework; sets Rs 25 crore as minimum order size for execution of trades - **CIRCULAR NO. SEBI/HO/MRD/PoD-III/CIR/P/2025/134, DATED 08-10-2025**

Editorial Note: SEBI has revised the existing Block Deal Framework. Under the revised framework, the minimum order size for execution of trades in the block deal windows must be Rs 25 crore. Trades can be executed between 8:45 am and 9:00 am, with the previous day's closing price serving as the reference for block deal execution. Further, every trade executed in the block deal windows must result in delivery and cannot be squared off or reversed.

1.5 SEBI rationalizes and standardizes penalty framework for levying penalties on stock brokers - **PR NO. 66/2025, DATED 10-10-2025**

Editorial Note: SEBI has streamlined the penalty framework for stockbrokers, removing 40 violations and reclassifying penalties for 105 violations as 'financial disincentives'. The revised framework now retains penalties for 90 violations. The revised penalty framework aims to remove inconsistencies in the nature and quantum of penalties across exchanges for the same type of observation. Further, the amended framework will ensure that penalties are not imposed by multiple exchanges for common violations.

1.6 SEBI revises RPT norms specifying 1% of annual consolidated turnover or Rs. 10 crore as threshold for limited disclosures - **CIRCULAR NO. SEBI/HO/CFD/CFD-POD-2/P/CIR/2025/135, DATED 13-10-2025**

Editorial Note: SEBI has modified Section III-B of the Master Circular on compliance with the provisions of the LODR Regulations, to revise the minimum information required to be provided to the Audit Committee and shareholders for approval of Related Party Transactions (RPTs). Listed entities shall provide limited information where the transaction value does not exceed one percent of annual consolidated turnover or rupees ten crore, whichever is lower. Transactions up to rupees one crore are exempt.

1.7 MCA extends last date for filing DIR-3 KYC and DIR-3-KYC-WEB without fee till October 31, 2025 - **GENERAL CIRCULAR NO. 05/2025, DATED 15-10-2025**

Editorial Note: The MCA has extended the due date for filing e-form DIR-3-KYC and web-form DIR-3-KYC-WEB without payment of fees. Earlier, the last date was already extended to 15th October. Considering representations from stakeholders, the Ministry has now allowed filing without late fee up to 31st October 2025.

1.8 SEBI extends deadline for Angel Funds to disclose Investment Allocation Methodology to January 31, 2026 - **CIRCULAR NO. SEBI/HO/AFD/AFD-POD-1/P/CIR/2025/136, DATED 15-10-2025**

Editorial Note: SEBI has extended the deadline for Angel Funds registered under the AIF Regulations, to comply with disclosure norms related to their investment allocation methodology. The deadline has been extended from October 15, 2025, to January 31, 2026 for ease of compliance. Accordingly, allocation of any investment made by existing Angel Funds post January 31, 2026, shall be in accordance with the defined allocation methodology disclosed in their Private Placement Memorandum (PPM).

1.9 SEBI issues consolidated Master Circular on issue and listing of Non-convertible & Securitised Debt Securities - **MASTER CIRCULAR SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137, DATED 15-10-2025**

Editorial Note: SEBI has issued a comprehensive Master Circular consolidating all directions on issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper. It merges prior circulars and updates provisions till June 30, 2025, to ensure uniformity, compliance and easier reference for issuers and intermediaries. All earlier circulars stand rescinded to this extent.

- 1.10** MCA allows companies to file financial statements and annual returns for FY 2024-25 till 31.12.2025 without late fees - **GENERAL CIRCULAR NO. 06/2025, DATED 17-10-2025**

Editorial Note: The MCA has allowed companies to file their financial statements and annual returns for FY 2024-25 till 31st December 2025 without payment of additional fees, due to deployment of revised e-Forms on MCA V3. However, this relaxation does not extend the statutory time limit for holding AGMs, and companies failing to meet AGM timelines remain liable for action under the Companies Act, 2013.

- 1.11** SEBI amends Debenture Trustees Regulations; introduces norms specifying permitted activities & rights of debenture trustees - **NOTIFICATION F. NO. SEBI/LAD-NRO/GN/2025/269, DATED 22-10-2025**

Editorial Note: SEBI has notified SEBI (Debenture Trustees) (Amendment) Regulations, 2025. A new regulation 9C, relating to permitted activities that debenture trustees may undertake, has been inserted. It states that a debenture trustee may undertake activities that fall within or outside the purview of any other financial sector regulator specified by Board. Also, norms w.r.t rights of debenture trustees exercisable to aid in performance of their duties, roles, & responsibilities have been prescribed.

- 1.12** SEBI mandates issuers and debenture trustees to execute trust deed in a specified format - **NOTIFICATION NO. NO. SEBI/LAD-NRO/GN/2025/268, DATED 22-10-2025**

Editorial Note: SEBI has notified SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2025. An amendment has been made to Reg. 18 w.r.t 'Trust Deed'. It states that the issuer & debenture trustee must execute the trust deed in a format specified by Board. Further, in case of any deviation from the format, the debenture trustee may accept the same if a key summary sheet capturing deviations is provided in General Information Document, Key Information Document, or Shelf Prospectus.

- 1.13** SEBI mandates listed entities to share documents with debenture trustees within 24 hours of the event or info - **NOTIFICATION F. NO. SEBI/LAD-NRO/GN/2025/270, DATED 22-10-2025**

Editorial Note: SEBI has amended Regulation 56(1) of the LODR Regulations, 2015, requiring listed entities to forward documents and information to debenture trustees as soon as possible and, in any case, within twenty-four hours from the occurrence of the event or receipt of information, unless specified otherwise.

Earlier, entities were only required to share such documents "promptly."

- 1.14** SEBI proposes relaxation of India geo-tagging for NRI re-KYC and KYC modification through digital onboarding & V-CIP - **DRAFT CIRCULAR, DATED 23-10-2025**

Editorial Note: SEBI has proposed easing the requirement for NRI clients to be physically present in India during re-KYC or KYC modification done through digital onboarding or V-CIP. Para 51 of the KYC Master Circular is proposed to be modified to relax the India geo-location requirement for existing NRI clients while ensuring random action checks, time stamping, GPS matching with Proof of Address country, and prevention of spoofed IP connections.

- 1.15** MCA creates additional RoC offices in Delhi, UP, Mumbai, and Kolkata for LLP administration from 1 Jan 2026 - **NOTIFICATION NO. S.O. 4849(E) [F.NO. A-11/1/2024-AD.II, MCA], DATED 23-10-2025**

Editorial Note: The Ministry of Corporate Affairs has established new Registrars of Companies and defined their territorial jurisdictions for administering Limited Liability Partnerships. The reorganisation includes two offices each in Delhi, Uttar Pradesh, Mumbai, and Kolkata, and one each in Haryana and Nagpur. The new structure will take effect from 1 January 2026.

- 1.16** MCA establishes Registrars of Companies under Companies Act with 10 Key Offices w.e.f. 1 Jan 2026 - **NOTIFICATION NO. S.O. 4850(E) [F. NO. A-11/1/2024-AD.II, MCA], DATED 23-10-2025**

Editorial Note: MCA has notified the establishment of 10 Registrars of Companies across India under the Companies Act, 2013, to oversee company registration and related functions. Key offices include Delhi-I & II, Chandigarh, Kanpur, Noida, Mumbai-I & II, Nagpur, and Kolkata-I & II, each with defined district jurisdictions. This restructured framework aims to streamline corporate registration and governance nationwide. The notification will come into effect from 1st January 2026.

- 1.17** MCA establishes 10 Regional Directorates under LLP Act to oversee LLP functions nationwide from Jan 01, 2026 - **NOTIFICATION NO. S.O. 4851(E) [F. NO. A-11/1/2024-AD.II, MCA], DATED 23-10-2025**

Editorial Note: MCA restructures Regional Directorates from 7 to 10 under the Limited Liability Partnership Act, 2008, to oversee LLP-related functions across India. The newly established Directorates will oversee LLP-related functions within their respective jurisdictions, headquartered at New Delhi, Chandigarh, Ahmedabad, Mumbai, Navi Mumbai, Chennai, Bengaluru, Kolkata, Guwahati, and Hyderabad. The revised regional framework will come into effect from 1 January 2026.

- 1.18** MCA restructures Regional Directorates under Companies Act, increases count from 7 to 10 w.e.f. 1 Jan 2026 - **NOTIFICATION S.O. 4852(E) [F. NO. A-11/1/2024-AD.II, MCA], DATED 23-10-2025**

Editorial Note: MCA has restructured its Regional Directorates under the Companies Act, 2013, increasing their number from 7 to 10. The new Directorates, headquartered in major cities including New Delhi, Chandigarh, Ahmedabad, Mumbai, Navi Mumbai, Chennai, Bengaluru, Kolkata, Guwahati, and Hyderabad, will oversee company related administration across specified jurisdictions. The notification will come into effect from 1 January 2026, superseding the earlier 2015 notification.

- 1.19** SEBI issues norms for transfer of portfolios of clients (PMS business) by Portfolio Managers - **CIRCULAR SEBI/HO/IMD/RAC/CIR/P/2025/ 0000000138, DATED 24-10-2025**

Editorial Note: SEBI, with the objective of promoting ease of doing business, has decided to allow the transfer of PMS business. Such transfer shall be permitted only with SEBI's approval. SEBI has now prescribed norms for the transfer of PMS business from one portfolio manager to another, both holding portfolio manager registration and belonging either to the same group or to different groups. The circular shall be effective immediately.

- 1.20** MCA allows filing of Form CRA-4 for FY 2024-25 till 31.12.2025 without payment of additional fees - **GENERAL CIRCULAR NO. 7/2025 [F. NO. 17/52/2020-CLV], DATED 27-10-2025**

Editorial Note: The Ministry of Corporate Affairs has relaxed the payment of additional fees for filing Form CRA-4 (Cost Audit Report in XBRL format) for the financial year ended 31 March 2025. Filings made up to 31 December 2025 will not attract additional fees due to deployment of the new form on MCA V3. Submissions after this date will attract normal and additional fees as per the applicable rules.

- 1.21** SEBI allows IAs and RAs to share certified past performance data on request until PaRRVA becomes operational - **CIRCULAR NO. HO/38/12/11(1)2025-MIRSD-POD/I/73/2025, DATED 30-10-2025**

Editorial Note: SEBI has allowed Investment Advisers & Research Analysts to provide certified past performance data for the period prior to operationalization of Past Risk and Return Verification Agency ("PaRRVA"), only on specific client request and on a one-to-one basis. The data must be certified by ICAI/ICMAI members and must carry the specified disclaimer. IAs/RAs must enrol with PaRRVA within 3 months of its operationalization to continue using such data.

- 1.22** SEBI revises timeline for implementing eligibility criteria for derivatives on existing Non-Benchmark Indices - **CIRCULAR NO. HO/47/15/11(1)2025-MRD-TPD1, DATED 30-10-2025**

Editorial Note: SEBI has revised the timelines for implementing the eligibility criteria for derivatives on existing Non-Benchmark Indices. Stock Exchanges shall undertake constituent and weight adjustments in BANKEX and FINNIFTY by December 31, 2025, and in BANKNIFTY in a phased manner up to March 31, 2026.

The adjustments shall ensure compliance with prudential norms before continuing derivatives on these indices.

- 1.23** SEBI further extends the timeline for QSBs to implement systems for seamless participation in optional T+0 settlement - **CIRCULAR NO. 72, DATED 30-10-2025**

Editorial Note: SEBI has decided to extend the timeline for Qualified Stock Brokers to put in place necessary systems and processes for enabling seamless participation of investors in the optional T+0 settlement cycle in equity cash markets. The earlier applicability of November 01, 2025 is deferred, considering the challenges highlighted by QSBs. Further guidance on the revised timeline will be issued separately.

- 1.24** SEBI allows IAs to provide second opinion & charge up to 2.5% AUA on assets under pre-existing distribution arrangements - **CIRCULAR NO. HO/38/12/11(1)2025-MIRSD-POD/I/71/2025, DATED 30-10-2025**

Editorial Note: SEBI now allows Investment Advisers to charge Assets Under Advice (AUA) -based fee on assets that are already under a distribution arrangement, when the client wants a second opinion. The fee can go up to 2.5% of such assets per year. Advisers must also disclose and take yearly consent that distributor costs will continue along with advisory fees. These changes take effect immediately from the date of the circular.

- 1.25** SEBI proposes amendments to enable transfer of securities executed before April 2019 and ease dematerialisation

Editorial Note: SEBI has released a consultation paper proposing amendments to the LODR Regulations to facilitate transfer of securities for which transfer deeds were executed prior to April 1, 2019 and to simplify the process of dematerialisation. It is proposed to permit such transfers for a specified period with due diligence by RTAs and listed entities. Further, SEBI proposes to remove the Letter of Confirmation process to enable direct credit of securities to investors' demat accounts.

- 1.26** SEBI proposes uniform KYC-verified process for new MF folios before allowing first investment

Editorial Note: SEBI has released a Consultation paper proposing standardisation of process for opening mutual fund folios and execution of first investment. First new folios should be fully KYC compliant at AMC and in KRA system. Further, Investors may commence transactions once KYC verification is completed by the KRA and folio is marked compliant. Comments to be submitted through the SEBI web form by November 14, 2025

- 1.27** SEBI proposes to clarify timelines for transferring unclaimed amounts by entities with listed NCS to IEPF/IPEF

Editorial Note: SEBI has proposed amending Regulation 61A of the LODR Regulations to clarify the timeline for transferring unclaimed amounts by entities with listed non-convertible securities to the IEPF/IPEF. To promote ease of doing business and standardize

compliance, SEBI has proposed that transfers to the IEPF or IPEF be carried out in the manner prescribed under Section 125 of the Companies Act, 2013, i.e., after the completion of seven years from the date of maturity.

- 1.28** SEBI proposes raising the HVDLE threshold of listed debt from Rs. 1000 crores to Rs. 5000 crores under LODR Norms

Editorial Note: SEBI has issued a Consultation Paper seeking public comments on proposals related to Corporate Governance norms for High Value Debt Listed Entities under LODR Regulations. The paper proposes relaxation in threshold for identification of HVDLEs from Rs. 1000 crores to Rs. 5000 crores, and measures facilitating ease of doing business for HVDLEs including alignment of Board, committee, subsidiary, KMP and disclosure requirements.

- 1.29** SEBI proposes to permit debt issuers to offer incentives in public issues to certain categories of investors

Editorial Note: SEBI has issued a consultation paper proposing amendments to the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, for permitting debt issuers to offer incentives in public issues to certain categories of investors such as senior citizens, women, armed forces personnel, and retail subscribers, in order to encourage them to invest in debt securities and promote the development of the bond market.

- 1.30** SEBI proposes comprehensive review and simplification of the Mutual Fund Regulations, 1996

Editorial Note: SEBI has released a Consultation Paper proposing a comprehensive review of the SEBI (Mutual Funds) Regulations, 1996. The exercise aims to promote ease of compliance and to bring regulatory clarity. The Consultation Paper incorporates proposals on expense ratio, valuation, disclosure, and eligibility criteria. Comments are invited till November 17, 2025.

2. SUPREME COURT

SECTION 53A OF THE TRANSFER OF PROPERTY ACT, 1882 - PART PERFORMANCE

- 2.1** Where possession of subject property was given by respondent to appellant pursuant to agreement to sell and appellant, after losing suit for specific performance, refused to accept Rs. 2 crores paid by respondents to compensate meagre amount of advance by appellant in execution of equitable remedy and resisted handing over possession, executing authority correctly issued warrants of possession with police assistance - **Prem Aggarwal v. Mohan Singh** - [2025] 179 taxmann.com 367 (SC)

3. HIGH COURT

SECTION 6 OF THE HINDU SUCCESSION ACT, 1956 - DEVOLUTION OF INTEREST IN COPARCENARY PROPERTY

- 3.1** Where plaintiff-granddaughter filed a suit seeking partition of agricultural lands owned by her maternal grandfather claiming a share through her mother, but her mother was alive and had not sought partition herself, plaintiff had no birth right in property and no locus standi, rendering the plaint liable to rejection as non-maintainable under Order 7 Rule 11 CPC. - **Vishwambhar v. Sow. Sunanda** - [2025] 179 taxmann.com 599 (Bombay)

SECTION 9 OF THE ARBITRATION AND CONCILIATION ACT, 1996 - INTERIM MEASURES, ETC., BY COURT

- 3.2** Where applicant, an Indian resident, had her crypto assets with respondent's WazirX platform frozen following a cyber attack and sought interim relief under Section 9, Indian courts had jurisdiction as assets were situated in India and respondent, as custodian, owed fiduciary duty to applicant, entitling her to interim protection including bank guarantee or escrow arrangement pending arbitration despite Singapore as seat and ongoing proceedings there. - **Rhutikumari v. Zanmai Labs (P.) Ltd.** - [2025] 179 taxmann.com 561 (Madras)

SECTION 303 OF THE COMPANIES ACT, 2013 - WINDING UP BY TRIBUNAL - APPEALS FROM ORDERS MADE BEFORE COMMENCEMENT OF ACT

- 3.3** Guarantors cannot invoke jurisdiction of Company Court to shield themselves from recovery proceedings after winding up of company has been completed - **PC Jhalani v. Jhalani Tools (India) Ltd.** - [2025] 179 taxmann.com 276 (Delhi)

SECTION 358 OF THE COMPANIES ACT, 2013 - WINDING UP - EXCLUSION OF CERTAIN TIME IN COMPUTING PERIOD OF LIMITATION

- 3.4** Where appeal against Company Judge's order for winding up of respondent company came to be dismissed on 06.03.2020, in view of fact that appeal was in continuation of original proceedings of winding up, limitation of four years as provided under section 458A for recovery of dues of respondent company would begin from date of order passed in appeal, and thus, application filed by Official Liquidator of respondent on 13.09.2023 for recovery of dues under section 458A was well within time of limitation - **Mysore Fruit Products (P.) Ltd. v. Official Liquidator of United Breweries (Holdings) Ltd.** - [2025] 178 taxmann.com 758 (Karnataka)

SECTION 434 OF THE COMPANIES ACT, 2013 - TRIBUNAL AND APPELLATE TRIBUNAL - TRANSFER OF CERTAIN PENDING PROCEEDINGS

3.5 Where winding up petition had been pending before Writ Court for last 10 years and during proceeding and Office of Official Liquidator had also not started process of disbursement of any claims, in addition, no actual sale of properties had taken place, and since, no irreversible steps have been taken, which could impede proceedings before NCLT, instant application seeking directions for transfer of proceedings to NCLT was to be allowed - **Naresh Chand Gupta v. Vigneshwara Developers (P.) Ltd.** - [2025] 178 taxmann.com 760 (Delhi)

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 allegation of front running was not established in respect of appellant-broker, impugned order passed by SEBI imposing penalty on appellant for violation of section 12A of SEBI Act and regulations 3 and 4 of PFUTP Regulations was to be set aside - **Kokila Dipak Desai v. Securities and Exchange Board of India** - [2025] 178 taxmann.com 769 (SAT - Mumbai)

SECTION 12A OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 - PROHIBITION OF MANIPULATIVE AND DECEPTIVE DEVICES, INSIDER TRADING AND SUBSTANTIAL ACQUISITION OF SECURITIES OR CONTROL

4.2 Where ACEL, through conduit entities, funded its own preferential share allotment by circular flow of Rs. 3.42 crore, thereby establishing clear violation of Section 77(2) of Companies Act and relevant SEBI PFUTP Regulations, imposition of penalty and findings of responsibility on executive director were justified. - **Paresh Vora HUF v. Securities & Exchange Board of India** - [2025] 179 taxmann.com 500 (SAT - Mumbai)

SECTION 15 OF THE INDIAN TRUSTS ACT, 1882 - CARE REQUIRED FROM TRUSTEE

4.3 Where appellants as trustees of a SEBI-registered Venture Capital Fund failed to ensure winding up and payment to investors post scheme expiry, did not address investor grievances, and violated VCF Regulations, they were held responsible due to their primary duty as trustees, however, in view of fact that appellants were senior citizens and fund's assets were under attachment by Enforcement Directorate, it would

be just and appropriate to reduce penalty to Rs. 2 lakhs each on all three appellants - **Rakesh Dhingra v. Securities and Exchange Board of India** - [2025] 179 taxmann.com 319 (SAT - Mumbai)

5. SECURITIES AND EXCHANGE BOARD OF INDIA

SECTION 12 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 - REGISTRATION OF STOCK BROKERS, SUB-BROKERS, SHARE TRANSFER AGENTS, ETC.

5.1 Where registered portfolio manager, Amrapali, had failed to file reports and net worth certificates for financial years 2021-22 and 2022-23 despite advisories and reminders issued to it, same constituted a violation of regulation 33 of SEBI (Portfolio Managers) Regulations, 2020, read with clauses 5.2.1.1, 5.2.1.2, 5.2.2.4 and 5.3.1 of Master Circular for Portfolio Managers, dated 20-3-2023, thereby making it liable for action under regulation 41 of SEBI (Portfolio Managers) Regulations, 2008 and section 12(3) of SEBI Act, 1992 and, thus, certificate of registration of Amrapali as portfolio manager was to be cancelled - **Amrapali Aadya Trading and Investment (P.) Ltd., In re v.** - [2025] 179 taxmann.com 85 (SEBI)

6. NATIONAL COMPANY LAW APPELLATE TRIBUNAL

SECTION 241 OF THE COMPANIES ACT, 2013 - OPPRESSION AND MISMANAGEMENT - APPLICATION TO TRIBUNAL FOR RELIEF

6.1 Where appellant challenged order passed by NCLT declaring that respondents were engaged in an act of oppression and mismanagement on ground that an effective opportunity of hearing was not accorded to him by NCLT to enable him to establish his case, respondents having agreed with argument of appellant, impugned order was to be quashed and matter was to be remitted back to NCLT to re-decide matter on its own merits - **Malakondaiah Pavuluri v. Aarush Building Materials (P.) Ltd.** - [2025] 178 taxmann.com 775 (NCLAT - Chennai)

6.2 Where original petitioners in company petition filed under section 397 of 1956 Act had sold their entire shareholdings in respondent company for good consideration and were no more members of company, they had no locus to continue with company petition - **Ramandeep Singh Ahluwalia v. Sun Time Energy Ltd.** - [2025] 178 taxmann.com 761 (NCLAT- New Delhi)

6.3 Where appellants alleged oppression and mismanagement and sought to stay an EGM called in accordance with procedural requirements for removal of director, since NCLT found no procedural lapse or irregularity in convening or conducting EGM and EGM had already been held and director removed, prayer to stay EGM had become redundant and refusal to grant interim relief warranted no interference. - **Biju Scaria v. Media Team Solutions (I) Pvt Ltd** - [2025] 179 taxmann.com 360 (NCLAT - Chennai)

7. NATIONAL COMPANY LAW TRIBUNAL

SECTION 230 OF THE COMPANIES ACT, 2013 - COMPROMISE AND ARRANGEMENT

7.1 Where applicant company sought modification/rectification of consideration clause of scheme of amalgamation on ground that scheme was approved based on an incorrect share swap ratio, however, applicant failed to exercise due diligence in detecting error and had not provided any satisfactory explanation for delay in discovering same, modification/rectification of consideration of scheme of amalgamation could not be made - **Monarch Infraprojects (P.) Ltd. v. Union of India** - [2025] 179 taxmann.com 273 (NCLT - Mum.)

SECTION 241 OF THE COMPANIES ACT, 2013 - OPPRESSION AND MISMANAGEMENT - APPLICATION TO TRIBUNAL FOR RELIEF

7.2 Where petitioner was illegally removed from directorship of company based on forged resignation and respondents, in violation of Articles and MoU, transferred petitioner's shares, inducted relatives as directors, and siphoned off sale proceeds of company's land, such acts were prejudicial to company and its stakeholders and constituted oppression and mismanagement under sections 241 and 242, and respondents were jointly and severally liable to compensate petitioner from unlawful gains derived from

disposal of company's assets. - **Nareshkumar Mangeram Mittal v. Billue Orange Developers (P.) Ltd.** - [2025] 179 taxmann.com 147 (NCLT - Ahd.)

7.3 Where there had taken place complete irretrievable breakdown in trust and confidence between petitioner and respondent company, respondent No. 5, who was in control of respondent company, was to be directed to buy shares held by petitioner at value to be determined by an IBBI registered valuer - **Zeba Rajesh Kohli v. Good House Keeping Co. (P.) Ltd.** - [2025] 179 taxmann.com 354 (NCLT - Mum.)

SECTION 271 OF THE COMPANIES ACT, 2013 - WINDING UP BY TRIBUNAL - CIRCUMSTANCES OF

7.4 Where company had ceased business operations, was struck off from Register of Companies in 2018, and its only substantial asset, i.e., land, stood alienated with no possibility of revival as a going concern, it was just and equitable to wind up company. - **Nareshkumar Mangeram Mittal v. Billue Orange Developers (P.) Ltd.** - [2025] 179 taxmann.com 147 (NCLT - Ahd.)

SECTION 425 OF THE COMPANIES ACT, 2013 - TRIBUNAL AND APPELLATE TRIBUNAL - POWER TO PUNISH FOR CONTEMPT

7.5 Where petitioner, a director/shareholder, alleged that respondents had violated status quo order dated 16-7-2015 passed by CLB with respect to company's fixed assets, but sale deed for property had been executed and registered on 22-5-2015, prior to said order, and contempt petition was filed only on 8-9-2021, i.e., more than six years thereafter, since assets were no longer part of company and no wilful disobedience was made out, contempt petition was barred by limitation and therefore, not maintainable - **Nareshkumar Mangeram Mittal v. Billue Orange Developers (P.) Ltd.** - [2025] 179 taxmann.com 147 (NCLT - Ahd.)

COMPETITION LAW

1. COMPETITION COMMISSION OF INDIA

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

- 1.1** Where OP i.e. PVR was in a dominant position in relevant market of exhibition of films in multiplex theatres in India and it had not been able to demonstrate as to what separate service was being rendered by it in exchange of Virtual Print Fee (VPF), there existed a prima facie case of contravention under provisions of section 4(2)(a), 4(2)(b), 4(2)(c) and 4(2)(d) against OP, warranting an investigation by DG - **Film and Television Producers' Guild of India Ltd. v. UFO Moviez India Ltd. - [2025] 179 taxmann.com 60 (CCI)**
- 1.2** Where there were significant number of other players available in relevant market i.e. 'Market for Telecommunication Services in India', OP 'BSNL' did not hold a dominant position in relevant market within meaning of section 4 and, therefore, no prima facie case of contravention of section 4 was made out against OP - **C.C.L. Optoelectronics (p.) Ltd. v. Bharat Sanchar Nigam Ltd. - [2025] 179 taxmann.com 190 (CCI)**

- 1.3** Where informant filed information against OP, manufacturer of Maggi Sauce, alleging that OP had been using dirty water for production of Maggi Sauce and was putting false labels on Maggi Sauce bottles, in view of fact that conduct alleged primarily related to violation of food, health and safety standards and in itself did not fall within ambit of Act, there was no competition issue arising out of present case and accordingly, matter was to be closed forthwith under provisions of section 26(2) - **Sarvesh M. Kolumbkar v. Nestle India Ltd. - [2025] 179 taxmann.com 212 (CCI)**
- 1.4** Where developer account of informant was terminated by OP-Google as per its policy as laid out in Google Play Developer Distribution Agreement, after alleged prior violations, and Google's process for termination and appeals, including detailed human intervention at appellate stage, was found reasonable and non-discriminatory, there appeared no abusive conduct or contravention of section 4, leading to closure of information under section 26(2) of Competition Act - **Liberty Infospace (P.) Ltd. v. Alphabet Inc - [2025] 179 taxmann.com 167 (CCI)**

FEMA BANKING AND INSURANCE LAWS

1. STATUTORY UPDATES

- 1.1** RBI updates name of Uttar Pradesh Cooperative Bank in the list of Scheduled Banks to Uttar Pradesh State Cooperative Bank - **NOTIFICATION F. NO. CO.DOR.RAUG.NO. S4790/07.12.000/2025-2026, DATED 17-09-2025**

Editorial Note: The Reserve Bank of India has amended the Second Schedule to the RBI Act, 1934, which lists Scheduled Banks. The name "Uttar Pradesh Cooperative Bank Limited, Lucknow" has been replaced with "Uttar Pradesh State Cooperative Bank Limited, Lucknow."

- 1.2** PROIs maintaining Rupee accounts can now purchase or sell non-convertible debentures/bonds and commercial papers: RBI - **NOTIFICATION NO. FEMA/396(4)/2025-RB, DATED 29-09-2025**

Editorial Note: RBI has notified FEM (Debt Instruments) (Fourth Amendment) Regulations, 2025. As per the amended norms, PROIs maintaining rupee accounts as per Reg. 7(1) of FEM (Deposit) Regulations can now also purchase or sell NCDs/bonds and commercial papers issued by an Indian company, as per the terms and conditions specified by RBI. Also, the amount of consideration paid by PROIs must be out of funds held in their rupee accounts. Earlier, PROIs were only allowed to purchase or sell G-Secs and T-Bills.

- 1.3** IFSC Authority amends definition of 'Board' under Payment and Settlement Systems Regulations, 2024 - **NOTIFICATION F. NO. IFSCA/GN/2025/010, DATED 29-09-2025**

Editorial Note: The IFSC Authority has notified the International Financial Services Centres Authority (Payment and Settlement Systems) (Amendment) Regulations, 2025. The amendment revises Regulation 3(1)(d) of the 2024 Regulations, redefining 'Board' to mean the Payments Regulatory Board constituted under sub-section (2) of section 3 of the Act.

- 1.4** IFSC Authority amends Performance Review Committee Regulations, 2022 - **NOTIFICATION F. NO. IFSCA/GN/2025/009, DATED 29-09-2025**

Editorial Note: The IFSC Authority has notified the International Financial Services Centres Authority (Performance Review Committee) (Amendment) Regulations, 2025. The amendment inserts provisions allowing a member to resign by giving a written notice of not less than six weeks and introduces a new Regulation 3A prescribing a Code of Conduct for members of the Committee along with a declaration of fidelity and secrecy.

- 1.5** RBI eases EDPMS/IDPMS closure norms for small export & import bills up to Rs. 10 lakh, with

declaration-based process - **A.P. (DIR SERIES) CIRCULAR NO.12, DATED 01-10-2025**

Editorial Note: The Reserve Bank of India (RBI) has simplified reconciliation and closure of entries in Export Data Processing and Monitoring System (EDPMS) and Import Data Processing and Monitoring System (IDPMS). For bills of value up to Rs. 10 lakh, entries may now be closed based on exporter/importer declarations, including quarterly consolidated statements. AD banks must review related charges and ensure no penal fees are levied

- 1.6** FIU-IND issues notices to 25 offshore VDA SPs for PMLA non-compliance - **PRESS RELEASE, DATED 01-10-2025**

Editorial Note: Financial Intelligence Unit - India (FIU-IND) has issued notices to 25 offshore Virtual Digital Asset Service Providers (VDA SPs) under Section 13 of the Prevention of Money Laundering Act, 2002 for non-compliance. Further, under Section 79(3)(b) of the IT Act, 2000, directions have been issued for takedown of their applications/URLs operating without registration. To date, 50 VDA SPs have registered with FIU-IND. Users are cautioned that crypto products and NFTs remain unregulated and risky.

- 1.7** RBI proposes introducing risk-based deposit insurance premiums for banks - **PRESS RELEASE NO. 2025-2026/1218, DATED 01-10-2025**

Editorial Note: RBI has released the 'Statement on Developmental and Regulatory Policies' outlining measures on Regulations, Foreign Exchange Management, Consumer Protection & Financial Markets. It has been proposed to introduce a Risk-Based Premium model, which will help banks that are more sound to save significantly on the premium paid. Also, RBI has proposed a framework for banks to finance acquisitions by Indian corporates, enhance the limit for lending by banks against shares, units of REITs & InvITs.

- 1.8** RBI extends time for foreign exchange outlay in Merchanting Trade Transactions from four to six months - **CIRCULAR NO. A.P. (DIR SERIES) CIRCULAR NO. 11, DATED 01-10-2025**

Editorial Note: The Reserve Bank of India (RBI) has revised the guidelines relating to Merchanting Trade Transactions (MTT). On review, it has been decided to extend the permissible time period for outlay of foreign exchange from four months to six months. All other provisions of Circular dated January 23, 2020 remain unchanged. The revised instructions are effective immediately.

- 1.9** RBI's MPC keeps repo rate unchanged at 5.50%; retains neutral stance to balance growth and inflation outlook - **PRESS RELEASE: 2025-2026/1217, DATED 01-10-2025**

Editorial Note: The Monetary Policy Committee (MPC), after its three-day meeting from September 29 to October 1, decided unanimously to keep the policy repo rate unchanged at 5.50 per cent. Accordingly, the standing deposit facility (SDF) rate remains at 5.25 per cent, while the marginal standing facility (MSF) rate and Bank Rate continue at 5.75 per cent. The MPC also voted to maintain its neutral stance, highlighting the need to support growth while keeping inflation within the target band.

- 1.10** RBI invites public comments on unified norms for lending to related parties - **PRESS RELEASE NO. 2025-2026/1249, DATED 03-10-2025**

Editorial Note: The RBI has released a draft of "Lending norms to Related Parties Directions, 2025" for public comments. It introduces a unified framework for banks, NBFCs, etc., on lending to related parties. Key changes include materiality thresholds for board approval, exclusion of independent directors of other banks from related parties, exemptions from certain provisions of Banking Regulation, and new reporting requirements. Feedback is invited by October 31, 2025 via RBI's website or email.

- 1.11** RBI grants self-regulatory organisation (SRO) status to 'Finance Industry Development Council' - **PRESS RELEASE NO. 2025-2026/1237, DATED 03-10-2025**

Editorial Note: Earlier, the RBI had issued a press release titled "Invitation of Applications for Recognition of Self-Regulatory Organisations (SROs) for NBFCs," inviting applications for recognizing SROs in the NBFC sector. Based on its examination, the RBI has granted Self-Regulatory Organisation (SRO) status to the Finance Industry Development Council. The remaining two applications were not considered as they were incomplete as of the last date of submission.

- 1.12** RBI allows PROIs holding Special Rupee Vostro Accounts to invest surplus balances in NCDs and commercial papers - **A.P. (DIR SERIES 2025-26) CIRCULAR NO. 13, DATED 03-10-2025**

Editorial Note: RBI has allowed PROIs holding Special Rupee Vostro Accounts (SRVAs) to invest their surplus rupee balances in corporate debt instruments. Accordingly, SRVA holders can now invest in non-convertible debentures, bonds & commercial papers issued by Indian companies. Such investments in corporate debt will be counted under General Route limit for foreign portfolio investors (FPIs). Also, the minimum residual maturity & issue-wise limits applicable to FPIs will not apply to SRVA-based investments.

- 1.13** IFSCA notifies Bye-Laws, Rules and Regulations governing operations of Foreign Currency Settlement System - **CIRCULAR NO. E. FILE.NO.IFSCA-FMPP0BR/6/2024-BANKING, DATED 03-10-2025**

Editorial Note: The IFSCA has authorised CCIL IFSC Limited (CIL) under the provisions of Section 7 of the Payment and Settlement Systems Act, 2007, to operate a payment system for settlement of transactions in foreign currency to be called the

'Foreign Currency Settlement System' in GIFT IFSC. The Authority has now notified the Bye-Laws, Rules, and Regulations prepared by CIL as the regulations, guidelines, instructions, or directions governing the operations of the Foreign Currency Settlement System.

- 1.14** RBI proposes simplified regulations for External Commercial Borrowings - **PRESS RELEASE NO. 2025-2026/1235, DATED 03-10-2025**

Editorial Note: RBI has decided to rationalize the regulations governing External Commercial Borrowings (ECBs) under FEM (Borrowing and Lending) Regulations, 2018. The proposed regulations aim to link borrowing limits to the borrower's financial strength and allow ECBs to be raised at market-determined interest rates. Further, the RBI plans to simplify end-use restrictions and minimum average maturity requirements, and expand the eligible borrower and lender base to enhance opportunities for credit flow.

- 1.15** RBI proposes to rationalise norms for establishing a branch or office in India - **PRESS RELEASE NO. 2025-2026/1232, DATED 03-10-2025**

Editorial Note: The RBI has proposed rationalising the norms for establishing a branch or office in India. In this regard, the RBI has issued draft FEM (Establishment in India of a branch or office) Regulations, 2025. The RBI has proposed relaxing the eligibility criteria for establishing a place of business in India. Further, the process for closure of non-compliant and inactive branch/office is proposed to be simplified. Comments on draft regulations may be submitted by October 24, 2025.

- 1.16** IFSCA Chairperson K Rajaraman highlights trust, transparency, and investor protection during IOSCO WIW 2025 - **PRESS RELEASE, DATED 06-10-2025**

Editorial Note: On the occasion of IOSCO World Investor Week 2025, Mr. K Rajaraman, Chairperson, IFSCA, emphasized that the growth of GIFT IFSC as a global financial hub must be built on trust, transparency, and investor protection. He noted IFSCA's progress across capital markets, funds, banking, and insurance. During the week, IFSCA will release the "Stewardship Code" and "Consumer Charter" and host events on AI, digital finance, and fraud prevention to enhance investor awareness.

- 1.17** RBI permits AD banks to lend in INR to residents of Bhutan, Nepal and Sri Lanka for cross-border trade transactions - **NOTIFICATION NO. FEMA 3(R)/4/2025-RB, DATED 06-10-2025**

Editorial Note: The RBI has notified the Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2025. An amendment has been made to Regulation 7 relating to 'Lending in Indian Rupees by a Person Resident in India'. A new clause has been inserted which states that an AD bank may lend in Indian Rupees to a person resident outside India being a resident in Bhutan, Nepal, or Sri Lanka, including a bank in these jurisdictions, for cross-border trade transactions.

1.18 RBI relaxes repatriation norms for exporters maintaining foreign currency accounts held in IFSCs - **NOTIFICATION NO. FEMA 10(R)(7)/2025-RB, DATED 06-10-2025**

1.19 Editorial Note: RBI has notified Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Seventh Amendment) Regulations, 2025. The RBI has revised the repatriation timeline for funds held by exporters in foreign currency accounts maintained outside India. Exporters with accounts maintained at banks in IFSCs can retain funds for up to 3 months (instead of previous 1 month) from the date of receipt. For accounts in other jurisdictions, the existing 1-month limit remains unchanged.

1.20 RBI brings State and Central Co-operative Banks under the Integrated Ombudsman Scheme from Nov 1, 2025 - **PRESS RELEASE NO. 2025-26/1256, DATED 07-10-2025**

Editorial Note: The RBI has notified that State Co-operative Banks and Central Co-operative Banks will be brought under the ambit of the Reserve Bank - Integrated Ombudsman Scheme, 2021, with effect from November 1, 2025. With this, the Scheme will cover all Commercial Banks, Regional Rural Banks, State and Central Co-operative Banks, Urban Co-operative Banks with deposits of Rs. 50 crore and above, eligible NBFCs, System Participants, and Credit Information Companies.

1.21 RBI issues draft norms to revamp credit risk and provisioning framework for banks and AIFs - **PRESS RELEASE NO. 2025-26/1261, DATED 07-10-2025**

Editorial Note: The RBI has issued two important draft directions aimed at overhauling the credit risk and provisioning framework for Scheduled Commercial Banks (SCBs) and All India Financial Institutions (AIFIs). These draft directions are released in line with the Statement on Developmental and Regulatory Policies dated October 1, 2025. Comments on the draft directions are invited from the public/stakeholders by November 30, 2025.

1.22 RBI invites public comments on draft 'Reserve Bank Ombudsman Scheme, 2025' - **PRESS RELEASE NO. 2025-26/1258, DATED 07-10-2025**

Editorial Note: RBI launched the Integrated Ombudsman Scheme, 2021, on November 12, 2021, providing customers of Regulated Entities (REs) with a speedy, cost-effective, and expeditious alternative grievance redress mechanism. The RBI has now undertaken a comprehensive review of the scheme. Accordingly, RBI has released the draft Reserve Bank Ombudsman Scheme, 2025. Comments on the draft scheme are invited from the public/stakeholders until October 28, 2025.

1.23 Hon'ble Finance Minister launches 'Foreign Currency Settlement System' in GIFT City - **PRESS RELEASE, DATED 07-10-2025**

Editorial Note: The Union Finance Minister, Nirmala Sitharaman, has launched the Foreign Currency Settlement System (FCSS) in Gujarat International Finance Tec-City (GIFT City) at the Global Fintech Festival held in Mumbai. The system will enable the real-time settlement of foreign currency transactions within the GIFT-IFSC. The system will improve liquidity management and operational resilience, while ensuring compliance under the Payment and Settlement Systems (PSS) Act.

1.24 RBI launches pilot linking FX-Retail platform with Bharat Connect for individual access through digital channels - **PRESS RELEASE NO. 2025-26/1263, DATED 07-10-2025**

Editorial Note: RBI has launched a pilot linking Clearcorp's FX-Retail platform with Bharat Bill Payment System (Bharat Connect) to expand retail forex access. Customers of Axis Bank, Federal Bank, ICICI Bank, SBI, and Yes Bank can buy USD via CRED and Mobikwik for remittances and card/cash forex needs. Federal Bank and SBI also offer access via net banking. Launched by Deputy Governor T. Rabi Sankar, the pilot will later expand to more banks, channels, and transactions.

1.25 RBI launches Verified WhatsApp Channel for Public Awareness - **PRESS RELEASE 2025-26/1276, DATED 08-10-2025**

Editorial Note: The RBI has launched a WhatsApp Channel to provide financial information and updates to people, especially those in remote and underserved regions of the country. The channel marks an expansion of the regulator's public awareness campaign titled 'RBI Kehta Hai'. Through this initiative, the Reserve Bank aims to make vital financial information more accessible to the public in a simple, direct, and effective manner, thereby strengthening trust and resilience in the financial ecosystem.

1.26 IFSCA issues revised circular on import of gold and silver by Qualified Jewellers and TRQ holders through IIBX - **CIRCULAR NO. IFSCA-PMTS/10/2023-PRECIOUS METALS, DATED 10-10-2025**

Editorial Note: IFSC Authority has issued a revised circular regulating import of gold and silver by Qualified Jewellers and valid India-UAE Comprehensive Economic Partnership Agreement (CEPA) Tariff Rate Quota holders through the India International Bullion Exchange (IIBX). The circular revises eligibility criteria for notification of Qualified Jewellers and consolidates previous circulars.

1.27 IFSC Authority prescribes norms for appointment, reappointment, and review of Public Interest Directors in MIIIs - **CIRCULAR NO. IFSCA/CMD-DMIIT/PID-MII/2025-26/001, DATED 13-10-2025**

Editorial Note: IFSCA has issued a circular specifying the governance framework for Market

Infrastructure Institutions (MIIs) in IFSCs under the IFSCA (MII) Regulations, 2021. It lays down eligibility, appointment, and reappointment procedures for Public Interest Directors (PIDs), mandates performance review policies, and provides for their knowledge upgradation. This circular is effective immediately.

- 1.28** IFSCA amends Listing Regulations to extend validity of financial information in offer documents to 180 days - **NOTIFICATION NO. F. NO. IFSCA/GN/2025/011, DATED 13-10-2025**

Editorial Note: The IFSC Authority has amended Regulation 16 relating to 'Disclosures in Offer Document'. Under the revised norms, the financial information provided in the offer document shall not be older than one hundred and eighty days. Further, the authority has mandated that allotments, payments and refunds related to the issue shall be completed within eight working days from the date of its closure.

- 1.29** Govt. allows intermediaries under SEBI (KRA) Regulations to upload and retrieve KYC data on CKYCRR directly or via KRAs - **NOTIFICATION S.O. 4697(E) [F. NO. P-12011/14/2024-ES CELL-DOR], DATED 16-10-2025**

Editorial Note: The Ministry of Finance has notified that intermediaries under SEBI's KYC Registration Agency (KRA) Regulations can upload and retrieve KYC data on the Central KYC Records Registry (CKYCRR) either directly or through KRAs. KYC uploads or updates made via KRAs will be treated as uploads by the reporting entities for compliance under Rule 9 of the PML (Maintenance of Records) Rules, 2005.

- 1.30** Key provisions on nomination under Banking Laws Amendment Act 2025 to apply from 1 Nov 2025, allowing up to four nominees - **NOTIFICATION NO. S.O. 4789 (E) [F. NO. 7/19/2023-BOA-I], DATED 22-10-2025**

Editorial Note: Key provisions on nomination under the Banking Laws (Amendment) Act, 2025 will be effective from 1 November 2025. Customers may nominate up to four persons, either simultaneously or successively, for deposit accounts and for articles in safe custody or lockers as applicable. Simultaneous nominations allow specifying share of entitlement totalling 100 percent. Successive nominations ensure continuity when a nominee predeceases.

- 1.31** Municipal Debt Securities specified as eligible security for repo and reverse repo under RBI Act - **NOTIFICATION NO. S.O. 4830 (E) [F. NO. 7/43/2025- BOA-I], DATED 22-10-2025**

Editorial Note: The Ministry of Finance has notified that Municipal Debt Securities, as defined under the SEBI Act or related rules and regulations, are specified as security for repo and reverse repo purposes under section 45U of the RBI Act, 1934.

- 1.32** IFSCA issues Stewardship Code framework for fund management entities and institutional investors in

IFSC - CIRCULAR F. NO. IFSCA-AIF/132/2024-CAPITAL MARKETS, DATED 23-10-2025

Editorial Note: IFSCA has specified a Framework on Stewardship Code for fund management entities and institutional investors in IFSC to enhance investor protection and promote strong corporate governance. Regulated entities undertaking investment activities are encouraged to adopt a Stewardship Code aligned with global standards and disclose it to the Authority and investors.

- 1.33** IFSCA proposes a framework to boost blended finance in Gift City - **PRESS RELEASE, DATED 23-10-2025**

Editorial Note: IFSCA has released a consultation paper proposing new rules to allow differential distribution in Restricted and Venture Capital Schemes at GIFT City. The move aims to enable blended finance, combining public, philanthropic, and private capital to fund sustainable and climate projects. It offers fund managers flexibility to design diverse investor structures with safeguards for transparency and protection. Feedback is open until November 11, 2025, on www.ifsca.gov.in.

- 1.34** RBI proposes to cap banks' exposure to capital markets and acquisition finance at 20% of Tier 1 capital - **PR NO. 2025-2026/1378, DATED 24-10-2025**

Editorial Note: RBI has released draft directions proposing limits on banks' exposure to capital markets and acquisition finance, aimed at strengthening financial stability and promoting prudent lending practices. Under the draft guidelines, banks' total direct investments in capital markets and acquisition finance must not exceed 20% of their Tier 1 capital. Further, the RBI proposed that banks' aggregate capital market exposure must not exceed 40% of their tier 1 capital.

- 1.35** RBI issues updated directions on 'Investment in AIFs' - **CIRCULAR NO. RBI/DOR/2025-26/138 DOR.STR.REC.43/21.04.048/2025-26, DATED 24-10-2025**

Editorial Note: Earlier, the RBI had issued circulars prescribing regulatory guidelines for investments by regulated entities (REs) in Alternative Investment Funds (AIFs). The RBI has now issued revised directions for REs investing in AIFs. These directions replace previous guidelines and introduce new investment caps, i.e. an individual RE can invest up to 10% of an AIF's corpus, and all REs collectively cannot exceed 20% of an AIF's corpus. These directions are effective from January 1, 2026.

- 1.36** RBI enlists SWAMIH Investment Fund-I under exemption category of Investment in AIF Directions, 2025 - **PRESS RELEASE: 2025-2026/1375, DATED 24-10-2025**

Editorial Note: RBI has decided to enlist SWAMIH (Special Window for Affordable and Mid-Income Housing) Investment Fund-I under the exemption

category provided in para 7(b) of the RBI (Investment in AIF) Directions, 2025. This allows exemption from the Directions, except the general requirement under paragraph 5, and earlier circulars issued on the subject.

- 1.37** Govt. simplifies nomination process for bank depositors; allows them to appoint up to 4 nominees effective Nov 1, 2025 - **NOTIFICATION NO. G.S.R. 790(E) [F. NO. 7/19/2023-BOA-I], DATED 27-10-2025**

Editorial Note: The Government has notified the Banking Companies (Nomination) Rules, 2025. The rules permit banks to offer e-nomination facilities only if they allow depositors to nominate up to four individuals, either successively or simultaneously, ensure proper authentication of nominations, and have a system to alert depositors for every nomination made. Further, the accepted authentication methods include electronic signature, internet banking or mobile banking application.

- 1.38** RBI issues directions to simplify claims procedures & streamline nomination processes across bank deposit accounts - **CIRCULAR NO. RBI/2025-26/95 DOR.MCS.REC.59/01.01.003/2025-26, DATED 28-10-2025**

Editorial Note: RBI has notified RBI (Nomination Facility in Deposit Accounts, Safe Deposit Lockers, and Articles Kept in Safe Custody with Banks) Directions, 2025, effective from 01.11.2025. As per the directions, banks must inform customers about the availability & purpose of the nomination facility at the time of account opening and offer them the option to avail the same. If a customer chooses not to avail the facility, the bank must proceed only after obtaining a written declaration from the individual.

- 1.39** RBI notifies draft circular on Guidelines to facilitate faster cross-border inward payments - **PRESS RELEASE: 2025-2026/1410, DATED 29-10-2025**

Editorial Note: The Reserve Bank of India has notified a draft circular on Guidelines to facilitate faster cross-border inward payments. Comments and feedback on the draft circular are invited from banks by November 19, 2025. The draft aims to address delays between receipt of payment and credit to the beneficiary account, in line with Payments Vision 2025 and the G20 roadmap to enhance cross-border payment efficiency.

- 1.40** RBI Expands Ombudsman Scheme to Cover State and Central Co-operative Banks

Editorial Note: RBI has expanded the Integrated Ombudsman Scheme, 2021 to include State and Central Co-operative Banks with effect from November 1, 2025. The move ensures that customers of rural co-operative banks can access the same grievance redress mechanism as other regulated entities.

2. SUPREME COURT

SECTION 17 OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 - [APPLICATION AGAINST MEASURES TO RECOVER SECURED DEBTS.]

- 2.1** Where respondent company's securitisation application before DRT, Dehradun was not disposed of within statutory mandate under section 17(5), DRT was to be directed to take note of statutory mandate and act accordingly without further delay - **Indian overseas Bank v. Radhey Infra Solutions (P.) Ltd. - [2025] 179 taxmann.com 328 (SC)**

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

- 2.2** Trust does not have a separate legal existence of its own, making it incapable of suing or being sued; when a cause of action arises due to an alleged dishonour of cheque and a complaint is initiated under Act, same is maintainable against trustee who has signed cheque, without requirement to array trust also as an accused - **Sankar Padam Thapa v. Vijaykumar Dineshchandra Agarwal - [2025] 179 taxmann.com 245 (SC)**

3. HIGH COURT

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

- 3.1** Where petitioner was arrested in PMLA case and he remained in custody for about eleven months against maximum sentence of seven years and trial was not likely to conclude in near future, petitioner was to be released on bail - **Suresh Singla v. Union of India - [2025] 179 taxmann.com 57 (Patna)**

RULE 9 OF THE TRIBUNAL (CONDITIONS OF SERVICE) RULES, 2021 - PROCEDURE FOR INQUIRY INTO COMPLAINTS

- 3.2** Where complaints were received against petitioner, Presiding Officer, DRT, from Bar Association and preliminary scrutiny was conducted by Chairperson, DRAT, and chargesheet was issued against petitioner on recommendation of Search-cum-Selection Committee as provided under rule 9 of Tribunal (Conditions of Service) Rules, 2021, there was no jurisdictional or procedural defect in such a procedure and, therefore, petitioner's challenges to suspension order and order of extension of suspension were to be rejected - **M.M. Dhonchak v. Union of India - [2025] 178 taxmann.com 773 (Delhi)**

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

3.3 Where petitioner company registered as MSME had not even objected to demand notice issued by bank and had instead allowed process of enforcement of security interest under SARFAESI Act to proceed to stage of auction of secured assets, at this belated stage, petitioner could not be permitted to thwart actions taken by bank under SARFAESI Act by raising plea of being an MSME - **Ray Projects (P.) Ltd. v. Board of Directors of Canara Bank** - [2025] 179 *taxmann.com* 260 (Bombay)

SECTION 20 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - RETENTION OF PROPERTY

3.4 An order under section 20 is a necessary precondition before section 8(3) can be invoked and, thus, ED's action in retaining appellant's property without adherence to section 20 was contrary to statutory framework and constituted an infringement of appellant's constitutional right to property under article 300A of Constitution, and therefore, ED's retention, being unsustainable in law, could not be permitted to stand - **Anirudh Pratap Agarwal v. Enforcement Directorate** - [2025] 178 *taxmann.com* 778 (Delhi)

SECTION 35A OF THE BANKING REGULATION ACT, 1949 - POWER OF THE RESERVE BANK TO GIVE DIRECTIONS

3.5 Where petitioner, promoter and director of RCOM, challenged SBI's order classifying his account as 'fraud', contending that show-cause notice was issued under superseded 2016 Master Directions, there was no infirmity in SBI's order declaring his account as 'fraud' as issuance of Master Directions on Fraud Risk Management, 2024, superseding 2016 Directions, will not invalidate show-cause notice already issued under 2016 Directions, if principles of natural justice were complied with - **Anil D. Ambani v. State Bank of India** - [2025] 179 *taxmann.com* 213 (Bombay)

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

3.6 Where applicant had lodged a stop-payment request with his banker in respect of cheques in question, much prior to alleged date of issuance, subsequent presentation of cheque, resulting in dishonour on ground of 'insufficient funds', could not be treated as valid dishonour attracting penal consequences of section 138 - **Gaurav Agarwal v. State of Uttarakhand** - [2025] 178 *taxmann.com* 785 (Uttarakhand)

3.7 Where in prosecutions for dishonour of cheques, complainant failed to prove due service of statutory

demand notice on accused, as one acknowledgment was signed by a girl unrelated to accused and other was on a receipt without full address or proof it was signed by accused, presumption of service under Section 27 of General Clauses Act and Section 114 of Indian Evidence Act did not arise, so accused was rightly acquitted for want of proof of notice. - **Pierre Antonio Lobo v. Jose Remedios A.A. Rodrigues** - [2025] 179 *taxmann.com* 141 (Bombay)

3.8 Where company issued three cheques towards payment of red chillies supplied by complainant, however, cheques were dishonoured, complaint filed against Managing Director of company was maintainable as he had admitted transaction and issuance of cheques in question, however, complaint against Director could not be sustained in absence of necessary particulars to show her participation in day to day administrative affairs of company - **Biju Karnan v. Lakshmi Venkateshwara Traders** - [2025] 179 *taxmann.com* 189 (Karnataka)

3.9 Where compromise was entered between parties regarding offence under section 138 of NI Act, conviction and sentence of imprisonment awarded to petitioner was to be quashed and set aside on basis of aforesaid compromise subject to deposition of cost of 7.5 per cent of cheque amount by petitioner - **Lalu Ram Dangi v. Madan Lal Singhvi** - [2025] 179 *taxmann.com* 206 (Rajasthan)

3.10 Where petitioner was convicted for offence under section 138 but parties had settled dispute amicably by way of compromise, compounding of offence was required to be permitted - **Pandeeswari v. B. Ramkumar** - [2025] 179 *taxmann.com* 366 (Madras)

SECTION 143A OF THE NEGOTIABLE INSTRUMENTS ACT, 1881 - POWER TO DIRECT INTERIM COMPENSATION

3.11 Where amount was deposited by accused against earlier judgment passed by Trial Court by which he was convicted and since, judgment of conviction and award of compensation had been set aside by Appellate Court, accused was entitled for refund of said amount as there was no order at present against him - **Neeraj Waretwar @ Neeraj Varetwar v. Arvind Jain** - [2025] 179 *taxmann.com* 318 (Chhattisgarh)

3.12 Trial Court has power to direct interim compensation to be paid by accused during pendency of complaint case under section 138 - **Govind Ram Sahu v. Ramdhan Sahu** - [2025] 179 *taxmann.com* 325 (Chhattisgarh)

4. SECURITY APPELLATE TRIBUNAL

SECTION 102 OF THE INSURANCE ACT, 1938 - PENALTY FOR DEFAULT IN COMPLYING WITH, OR ACT IN CONTRAVENTION OF, THIS ACT

4.1 Where IRDAI issued Motor Insurance Service Provider (MISP) Guidelines, 2017, which were not laid before Parliament, and were not in nature of regulation, penalty could not be imposed for violation of such guidelines - **Hero Insurance Broking India (P.) Ltd. v. Insurance Regulatory & Development Authority of India** - [2025] 179 taxmann.com 326 (SAT - Mumbai)

5. APPELLATE TRIBUNAL SAFEMA

SECTION 2(1)(u) OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - PROCEEDS OF CRIME

5.1 Where property was acquired before alleged period of scheduled offence but was provisionally attached by ED as value of proceeds of crime that could not be traced, such property is not outside ambit of proceeds of crime under section 2(1)(u) and is liable to attachment under section 5(1), thus, appeal against attachment was liable to be dismissed - **SC Jayachandra v. Deputy Director Directorate of Enforcement, Bangalore** - [2025] 178 taxmann.com 762 (SAFEMA - New Delhi)

SECTION 6 OF THE PREVENTION OF MONEY LAUNDERING ACT, 2002 - ADJUDICATING AUTHORITIES - COMPOSITION AND POWERS OF

5.2 Composition of Adjudicating Authority must include persons from diverse field and cases may be heard by any of Benches constituted by Chairman of Adjudicating Authority; order passed by single member of

Adjudicating Authority under PMLA cannot be held invalid merely on ground that it was passed by Single Member of Adjudicating Authority. - **Sankar Paul v. Joint Director Directorate of Enforcement** - [2025] 178 taxmann.com 716 (SAFEMA - New Delhi)

SECTION 13 OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 - PENALTIES

5.3 Where Adjudicating Authority imposed penalty of Rs.40 lakhs upon respondent company for alleged contravention of FEMA, since while passing impugned order Adjudicating Authority had not only taken notice of facts of case, but also had evaluated evidence on record and ED had failed to bring out reasons that why penalty imposed was low and as to how Adjudicating Authority had not exercised its discretion judiciously, order of Adjudicating Authority could not be interfered with, and thus, appeal by ED for enhancement of penalty was to be dismissed - **Union of India v. KPH Dream Cricket (P.) Ltd.** - [2025] 178 taxmann.com 770 (SAFEMA - New Delhi)

5.4 There is no requirement under FEMA as to impose maximum penalty and to mandatorily confiscate, as long as each contravention had been examined and if found established had attracted penalty - **Union of India v. M. Gnanavelu** - [2025] 178 taxmann.com 772 (SAFEMA - New Delhi)

5.5 Where appellant, an individual employed abroad, used lawful foreign earnings to buy agricultural land and was penalized and faced confiscation under then-prevailing FEMA provisions, penalty and confiscation were found excessive given absence of misdeclaration, so penalty was halved and confiscation was set aside. - **Mohammad Iqbal Siddiqi v. Special Director Directorate of Enforcement, Kolkata** - [2025] 179 taxmann.com 135 (SAFEMA - New Delhi)

INSOLVENCY AND BANKRUPTCY CODE

1. STATUTORY UPDATES

- 1.1** IBBI scraps provisions on 'Sale as a Going Concern' under CIRP and Liquidation Process Regulations - **NOTIFICATION F. NO. IBBI/2025-26/GN/REG130, DATED 14-10-2025**

Editorial Note: The IBBI has notified the IBBI (Insolvency Resolution Process for Corporate Persons) (Sixth Amendment) and the IBBI (Liquidation Process) (Second Amendment) Regulations, 2025. The amendments delete Regulation 39C of CIRP Regulations and Regulation 32A of Liquidation Process Regulations, both relating to sale as a going concern. Further, in Regulation 39D of CIRP Regulations, clause (b) on fee for sale under Regulation 32 of Liquidation Process Regulations has been deleted.

2. SUPREME COURT

SECTION 5(7) OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - FINANCIAL CREDITOR

- 2.1** Where appellant's claim for redemption of cumulative redeemable preference shares arose from a contractual conversion of dues into share capital, appellant as a preference shareholder was not a creditor and thus not entitled to maintain an application under section 7, and classification in accounts or expiry of redemption period did not alter this legal position. - **EPC Constructions India Ltd. v. Matix Fertilizers and Chemicals Ltd. - [2025] 179 taxmann.com 650 (SC)**

3. HIGH COURT

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

- 3.1** Protection of cessation of liability for prior offence is applicable only to a corporate debtor in contingency if management of company is changed by adjudicating Authority in approval resolution and this protection is not available to natural persons; individuals responsible for financial misconduct cannot evade liability by hiding himself behind corporate debtor or insolvency proceedings, and therefore criminal proceedings under NI Act are not affected by moratorium under Section 14 or 96 of IB Code - **Ramdev Cotspin Partnership Firm v. Pacific Cotspin Ltd. - [2025] 179 taxmann.com 30 (Bombay)**

4. NATIONAL COMPANY LAW APPELLATE TRIBUNAL

SECTION 5 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - DEFINITIONS

- 4.1** Where appellant claimed status as a financial creditor based on alleged payment for a flat without submitting any conclusive evidence of payment such as cheque clearance, bank statement, or receipt, appellant failed to prove a valid disbursement as defined under section 5(8)(f), therefore, appeal seeking recognition as financial creditor and restoration of possession was to be dismissed - **Dr. Anupam Jain v. CS Chhaya Gupta - [2025] 179 taxmann.com 322 (NCLAT- New Delhi)**

SECTION 19 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - CORPORATE INSOLVENCY RESOLUTION PROCESS - INTERIM RESOLUTION PROFESSIONAL- PERSONNEL TO EXTEND CO-OPERATION

- 4.2** Where appellant claimed rights under an agreement for sale and a loan secured by deposit of title deeds under an unregistered MoDT, since property formed part of liquidation estate and appellant had not filed any claim during liquidation, no sustainable right of appellant existed and, therefore, Adjudicating Authority's direction to hand over title deeds required no interference - **V. Jaisankar v. Mahalingam Suresh Kumar - [2025] 179 taxmann.com 351 (NCLAT - Chennai)**

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

- 4.3** Where appellant retained original title deeds based on an unregistered Memorandum of Deposit of Title Deeds (MoDT) and a mere Agreement for Sale without execution of a registered Sale Deed or registered charge, no right or title was vested in appellant and retention of documents was unjustified, mandating their return to liquidator in liquidation proceedings - **V. Jaisankar v. Mahalingam Suresh Kumar - [2025] 179 taxmann.com 351 (NCLAT - Chennai)**

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

- 4.4** Where appellant's homebuyer claim against corporate debtor was rejected during CIRP and

resolution plan was approved by NCLT, appellant's subsequent attempt to revive claim after expiry of limitation period was unsupported by valid financial disbursement and was legally untenable, with no error found in NCLT's order dismissing such application. - **Dr. Anupam Jain v. CS Chhaya Gupta** - [2025] 179 taxmann.com 322 (NCLAT- New Delhi)

5. SECURITY APPELLATE TRIBUNAL

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

5.1 Where CIRP was initiated against Cals Refineries Ltd. and no resolution plan was received leading to liquidation, BSE's act of freezing demat accounts of promoter to recover Annual Listing Fees, without lodging claim before IRP/Liquidator, amounted to a proceeding barred by moratorium and disregarded IBC's overriding provisions, thus impugned action was quashed and BSE was directed to refund amounts realized. - **Spice Energy (P.) Ltd. v. BSE Ltd.** - [2025] 179 taxmann.com 531 (SAT - Mumbai)

6. NATIONAL COMPANY LAW TRIBUNAL

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

6.1 Where approval of sale of shareholding of applicant company in a company would be a step towards resolution of applicant company, same was to be allowed - **Union of India v. Infrastructure Leasing and Financial Services Ltd.** - [2025] 179 taxmann.com 316 (NCLT - Mum.)

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

6.2 Where suspended directors of corporate debtor withdrew substantial sums by way of remuneration when corporate debtor's financial condition was precarious and there was no reasonable prospect of avoiding insolvency, said directors were knowingly parties to transactions that fall squarely within ambit

of fraudulent trading under section 66(1) and, thus, liable to contribute to assets of corporate debtor under section 66(2) - **Chirag Shah, Liquidator of Doshion Water Umbrella (Cuddalore) Pvt. Ltd. v. Rakshit Doshi** - [2025] 179 taxmann.com 154 (NCLT - Ahd.)

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

6.3 Personal guarantee creates an independent obligation enforceable separately from corporate debt and parallel proceedings against personal guarantor are permissible and do not amount to duplicity - **Equentia Financial Service (P.) Ltd. v. Puneet Singh Jaggi** - [2025] 179 taxmann.com 368 (NCLT - Ahd.)

6.4 Where there was no evidence of repayment or discharge of liability, application filed by financial creditor to initiate insolvency resolution process against respondent-guarantor was to be admitted - **Equentia Financial Service (P.) Ltd. v. Puneet Singh Jaggi** - [2025] 179 taxmann.com 368 (NCLT - Ahd.)

SECTION 114 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 - INDIVIDUAL/FIRM'S INSOLVENCY RESOLUTION PROCESS - REPAYMENT PLAN, - ORDER OF ADJUDICATING AUTHORITY

6.5 Where repayment plan had been approved by creditors holding 93.98 per cent of voting share, satisfying threshold under section 111(2), repayment plan of personal guarantor was to be approved - **Vinodkumar Surendralal Shah Resolution Professional of Shantilal Dahyabhai Patel v. Union Bank of India** - [2025] 179 taxmann.com 353 (NCLT - Ahd.)

6.6 Where repayment plan had been approved by majority of creditors under section 111, same was to be approved by Tribunal as plan was complete and complied with mandatory contents under section 110 - **Vinodkumar Surendralal Shah v. Union Bank of India** - [2025] 179 taxmann.com 352 (NCLT - Ahd.)

ACCOUNT AND AUDIT UPDATES

1. STATUTORY UPDATES

- 1.1** Determining whether post-reporting date events require adjustment or disclosure under Ind AS 10

Editorial Note: Ind AS 10, explains the accounting treatment and disclosure of events occurring after the reporting date but before the approval of financial statements. The accounting of these events broadly depends upon whether the events occurred are adjusting events or non-adjusting events. This story illustrates the concept through practical examples involving inventory impairment, post-reporting period frauds, and new government legislation, clarifying their respective accounting treatments.

- 1.2** NFRA on impairment of Non-Financial Assets under Ind AS 36 and SA 540: Practical Insights for Auditors and Audit Committees

Editorial Note: The National Financial Reporting Authority (NFRA) has launched a series of Auditor-Audit Committee Interactions with an intention to enhance the audit quality and promoting awareness of accounting and auditing standards. In its fourth series NFRA has highlighted key questions that Audit Committees or Boards of Directors may ask auditors regarding the impairment of non-financial assets in line with the requirements of Ind AS 36. Read to understand the entire interaction series.

- 1.3** Assessing Consolidation under Ind AS 110 where shareholding is less than 50%

Editorial Note: Alpha holds 40% of equity shares in Beta. Alpha also has a right to appoint 4 out of 6 directors on Beta's Board. The remaining 60% of shares are held by other investors but none of these investors hold more than 5% of shares individually. Alpha has provided corporate guarantee for Beta's Loan. At the end of year, the Alpha is of opinion that it is not required to consolidate Beta as its holding in Beta is less than 50%. Read to understand the correct accounting treatment as per Ind AS 110

- 1.4** The IASB of ICAI issues an exposure draft of the manual on Concurrent Audit of Banks

Editorial Note: The IASB of ICAI has released an Exposure Draft of the Manual on Concurrent Audit of Banks to guide members in conducting quality and consistent concurrent audits. The draft covers audit objectives, scope, methodology, and sector-specific areas such as credit, treasury, deposits, and foreign exchange, aligned with RBI and regulatory requirements. It emphasizes auditor independence, professional skepticism, and ethical conduct, inviting stakeholder comments on the draft by October 24, 2025.

- 1.5** ICAI issues revised technical guide on disclosure and reporting of KPIs in offer documents (2025)

Editorial Note : ICAI's AASB has issued the revised Technical Guide on Disclosure and Reporting of KPIs in Offer Documents (2025) to align with SEBI-notified ISF KPI Standards effective April 1, 2025. The guide standardizes KPI identification, disclosure, and reporting processes for IPOs, detailing roles of issuer companies, auditors, and other professionals. It provides illustrative reporting formats, and aims to enhance transparency, comparability, and investor confidence in public offerings.

- 1.6** ICAI invites comments on Exposure Drafts of Standards on Internal Audit

Editorial Note: The IASB of ICAI has issued a comprehensive set of Exposure Drafts of Standards on Internal Audit covering quality, core concepts, execution, and reporting aspects of internal audits. The drafts include QSIA 1 and 2, along with SIA series 100, 200, and 300, aiming to strengthen the internal audit framework and enhance audit quality and consistency. Comments have been invited from stakeholders by October 23, 2025, with suggestions encouraged to include specific paragraph references and rationale.

- 1.7** Revised guidance on classification of financial liabilities arising from convertible instruments

Editorial Note: The holder's right for early conversion of financial instrument were ignored while classifying the liability arising out of such instrument. However, the recent amendment in Ind AS 1 has inserted a new paragraph explaining the classification of such financial liability. The recognition criteria as defined under Ind AS 32 plays a pivotal role in the classification of liability arising out of financial instrument. Read to understand the analysis of this latest development.

- 1.8** Determining the portion of exchange loss eligible for capitalisation on foreign currency borrowings

Editorial Note: A company engaged in the business of producing automotive components, imported a machinery from Japan. To finance the purchase of machinery, the company obtained a foreign currency loan at 3% whereas the interest rate in the domestic market is 9%. At year end, company incurred an exchange loss of Rs. 50,00,000. Read to understand to what extent the exchange loss arising on foreign currency loan shall be capitalized in accordance with Ind AS framework.

- 1.9** ICAI invites comments on the Exposure Draft of the 13th Edition of its Code of Ethics

Editorial Note: The Ethical Standards Board of ICAI has issued the Exposure Draft of the 13th Edition of the Code of Ethics for public comments. The revised edition aligns with the IESBA Code of Ethics (2024 edition) and incorporates key updates on sustainability assurance, NOCLAR, and fee dependency. It also introduces Guidelines on Ethical

Issues (2025) and reflects amendments arising from recent legislative and professional developments.

1.10 Accounting Treatment of GST on Lease Payments under Ind AS 116

Editorial Note: This story examines the accounting treatment of the GST component on lease payments under Ind AS 116, Leases, in situations where the lessee's output services are exempt from GST and no input tax credit is available. It explores whether such GST should be included in the measurement of the Right-of-Use (RoU) asset and lease liability or treated separately in the financial statements.

1.11 Decoding Ind AS 37: Analytical case studies on recognition and measurement of provisions

Editorial Note: Ind AS 37 establishes the principles for recognizing provisions. The recognition of provision as per Ind AS 37 may appear easy as it simply outlines when and how a provision should be recognized. However, in practical scenarios, its application can be quite challenging. Determination of fact that whether provision should be recognized or not often involves significant judgment and interpretation of facts. Read to understand recognition of provision with analysis of some practical scenarios

Crypto Assets VS Capital Markets: **Convergence or Collision**



CA Chandra Bhanu Sinha

Email: sinhacbs@yahoo.co.in

The rapid rise of crypto assets over the last decade has sparked a fundamental debate among finance professionals. Are crypto markets converging with traditional capital markets, integration, productization, and regulation? Or are they colliding, creating systemic shocks, regulatory conflicts, and regulatory arbitrage?

This paper examines the economic functions and market structures of both ecosystems, compares their risk/return profiles, discusses regulatory and accounting implications, and uses real-world events (FTX collapse; Binance/SEC actions; spot-Bitcoin ETFs; India's tax regime) to illustrate where convergence has occurred and where collision remains likely. The conclusion offers practical guidance for chartered accountants, risk managers, and regulators.

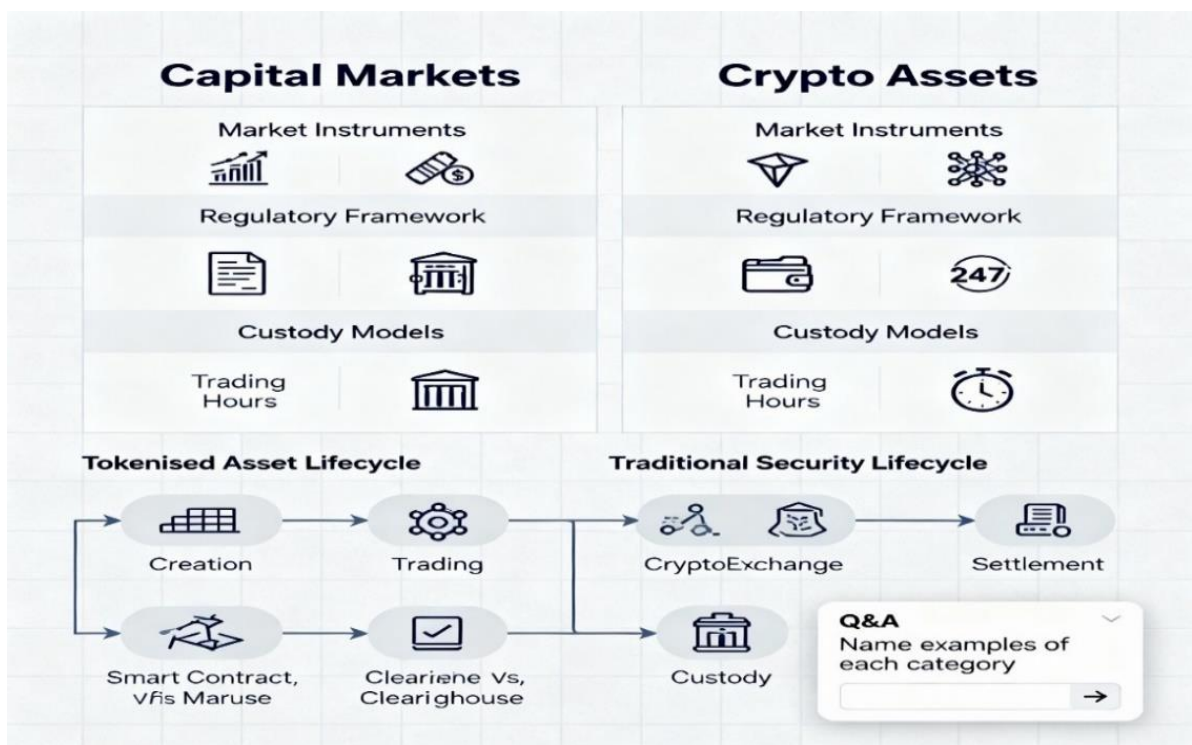
Introduction

“In 2024, institutional investments in crypto ETFs surpassed \$50 billion, yet the aftermath of the FTX collapse sent shockwaves across global capital markets.” This stark contrast encapsulates the core dilemma: Is crypto an evolutionary step forward for capital markets or a looming disruption waiting to explode?

Capital markets (equities, bonds, derivatives) have long provided funding, price discovery, and risk transfer supported by uniform legal frameworks, disclosure norms, and accounting standards. Crypto assets (tokens, coins, stablecoins, NFTs, DeFi instruments) promise new forms of settlement, fractionalisation, and programmability but operate in a different technological and institutional environment. For CAs advising clients, auditing funds, or performing due diligence, the practical question is: will crypto require merely an extension of existing capital-market controls or a fundamental rethinking of valuation, custody, and audit? Recent crises and regulatory moves make this question urgent and relevant.

Definitions & Conceptual Mapping

- **Capital Markets:** Regulated venues and instruments including equities, government and corporate bonds, listed derivatives, and ETFs, all with centralized clearing, KYC/AML, and accounting under IFRS, Ind AS, or US GAAP.
- **Crypto Assets:** Digital assets recorded on blockchains (cryptocurrencies like Bitcoin, Ether, utility/security tokens, tokenized real-world assets). Custodial and non-custodial holding models exist
- **Convergence:** Tokenisation of securities, custody solutions by regulated banks, launch of crypto ETPs/ETFs, institutional custody, and interoperability with payment/settlement rails.
- **Collision:** Structural mismatches—lack of unified legal status for tokens, counterparty and operational risks at crypto exchanges, and contagion risks transferring shocks to traditional markets (e.g., FTX collapse).



Points of Convergence : Where Crypto Meets Capital Markets

- **Productization & Institutional On-Ramps:**

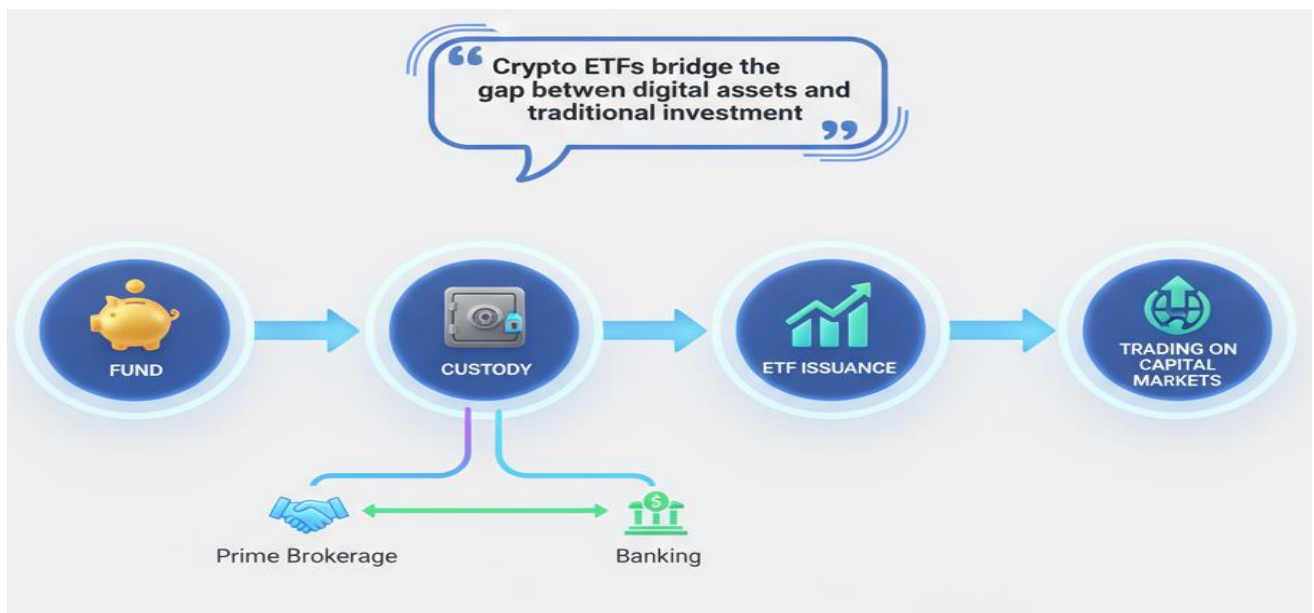
The creation of regulated investor products (spot Bitcoin ETFs, ETPs, tokenised funds) shows clear integration. These allow traditional investors exposure via familiar wrappers with custody and compliance layers. The U.S. approvals for spot Bitcoin ETFs since January 2024 showcase how institutional demand and ETF mechanics bridge crypto and capital markets seamlessly.

- **Custody, Prime Brokerage & Banking Relationships:**

Major custodians and banks now offer institutional custody and settlement services for crypto and tokenized securities. Prime brokerage services, including margining and lending, have emerged, bringing legacy operational controls into the crypto ecosystem and reducing counterparty risks.

- **Tokenisation of Real Assets:**

Securities, real estate, and commodities are being tokenised, promising fractional ownership and 24/7 settlement opportunities. Harmonised legal frameworks (combining securities law and DLT records) could increase market liquidity and open new avenues for capital raising.



Points of Collision: Where Risks and Frictions Persist

- **Exchange & Custody Failures — A Systemic Worry:**

Exchange custody failures remain systemic worries. The FTX collapse in November 2022 highlighted issues of commingled customer funds and opaque related-party trading, triggering market shocks.

- **Regulatory Mismatch and Cross-Border Enforcement:**

Divergent global regulatory treatments of tokens—as commodities, securities, or taxable property, permit regulatory arbitrage. High-profile enforcement actions (e.g., SEC vs Binance) reveal tensions regarding securities law compliance, creating investor and intermediary uncertainty.

- **Liquidity & Correlation Shocks:**

Despite market maturation, crypto still faces liquidity evaporation risks. Tokenised products tied to traditional portfolios can transmit volatility, especially when leverage is involved, risking contagion across broader markets.

- **Accounting & Valuation Challenges:**

Crypto assets lack globally consistent accounting standards, complicating asset classification (inventory, intangible, financial instrument), valuation methods, impairment testing, and disclosures. Auditors face new complexities and risk of misstatements.

Case Studies — Real Scenarios Illustrating Convergence and Collision

Case A — Spot Bitcoin ETFs (Convergence)

The approval of spot Bitcoin ETFs in the U.S. since January 2024 has translated crypto exposure into regulated investment vehicles, increasing institutional flows. The result: larger pools of capital accessible via brokerages and retirement accounts. This is a clear step toward integration.

Case B — FTX & contagion (Collision)

FTX's bankruptcy caused sharp declines in crypto markets and underscored the importance of regulated exchange clearing. The episode highlighted the difference between regulated exchange clearing and the bespoke, often unregulated matching engines used by crypto platforms.

Case C — Regulatory enforcement (Mixed)

Actions by the SEC against major platforms (e.g., Binance charges in 2023) show regulators applying securities and broker-dealer laws to crypto firms. These enforcement steps push the industry toward compliance, a convergence, but also create short-term market disruption and legal uncertainty, a collision.

Case D — India: taxation & containment (Regulatory mediation)

India's approach, imposing a 30% tax on crypto gains and TDS on transactions, shows how fiscal tools can bring crypto into the capital-market ecosystem by forcing disclosure and revenue recognition, while still keeping prudential oversight separate. This mitigates some systemic risk but leaves other regulatory questions (custody, securities classification) unresolved.

Implications for Chartered Accountants

- **Audit & assurance:** Demand for audit trails and proof of custody will grow. CAs must be skilled in DLT forensic methods, reconciliation between on-chain records and custodial statements, and valuation of illiquid tokens. Standardised attestation reports on reserves and segregation (similar to bank confirmations) will become routine for exchanges and custodial providers.

- **Taxation & compliance:** Understanding jurisdictional tax treatments (capital gains, GST/VAT, TDS) and designing compliance processes for clients is essential, especially as authorities intensify scrutiny.
- **Valuation & financial reporting:** CAs will need to advise on classification (inventory vs financial asset vs intangible), impairment testing, and disclosure for volatility-prone assets—working with auditors and regulators to adopt consistent treatment.
- **Risk advisory & governance:** Advise clients on custody models, segregation of assets, counterparty exposure limits, stress testing and scenario analysis tailored to crypto market dynamics.

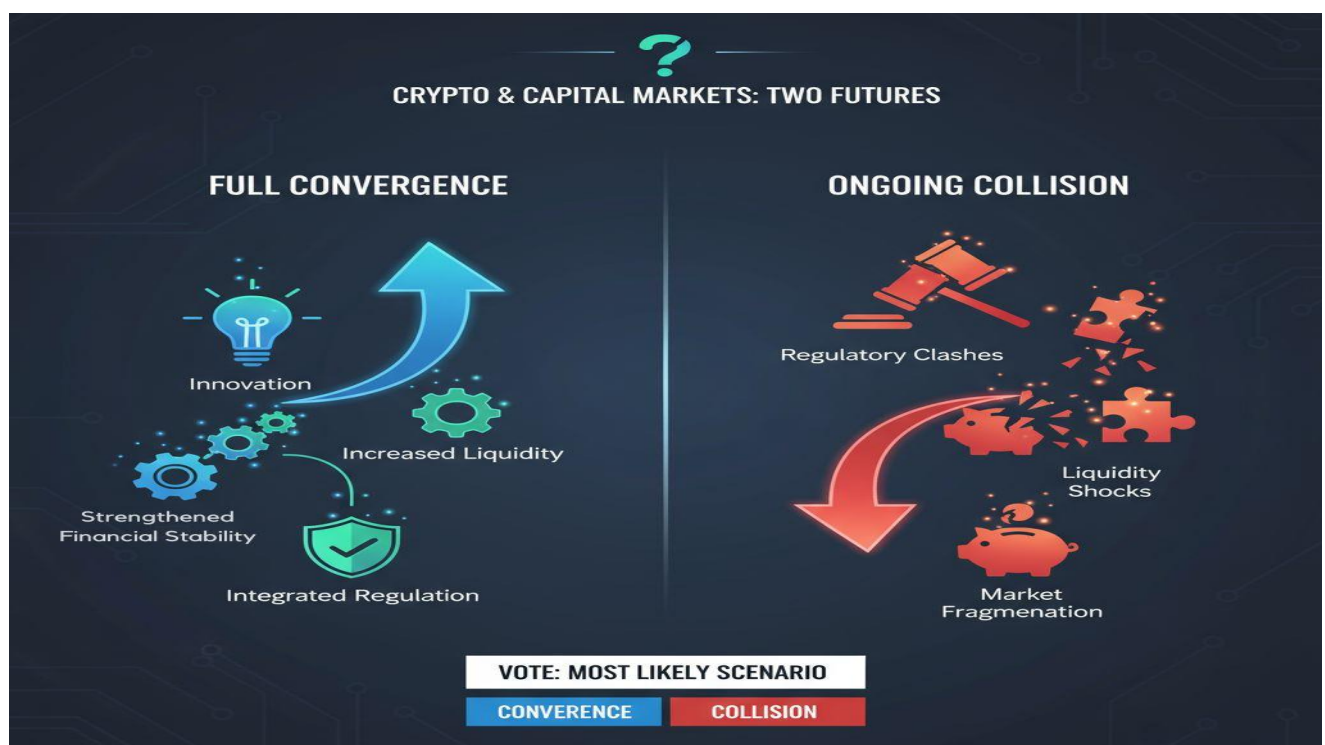
Are We Heading Toward Convergence or Collision? — A Balanced View

The evidence indicates that both processes are occurring simultaneously:

Convergence is propelled by productization (ETFs, tokenised securities), institutional custody, and regulatory clarifications that make crypto investible for traditional investors.

Collision persists where governance, custody standards, and legal definitions lag, leading to high-impact failures and market shocks (e.g., FTX) that can spill into regulated markets.

Thus, the near-term future is hybrid: capital markets will absorb crypto instruments under stronger safeguards, but until global harmonisation of rules and robust custody/clearing infrastructures emerge, occasional collisions are likely.



Practical Recommendations

For regulators, accounting bodies, banks, CAs, and investors to promote safe integration:

- **Regulators:** Harmonise token classification, require segregation of customer assets, and mandate independent attestations for custodians and exchanges.
- **Accounting bodies:** Issue clear guidance on classification and valuation of tokens to reduce auditor subjectivity.
- **Banks & custodians:** Implement insured, audited custody with multi-party governance and proof-of-reserves procedures.
- **CAs & auditors:** Build DLT audit capabilities, incorporate on-chain analytics into assurance methodologies.
- **Investors & fund managers:** Use regulated wrappers (ETFs/ETPs), robust counterparty checks, and liquidity stress tests before allocating material capital.

Conclusion

Crypto assets and capital markets are neither destined for seamless merger nor inevitable mutual destruction. Convergence is occurring where market design aligns with regulatory frameworks and traditional intermediaries add institutional controls. A collision happens when governance, legal certainty and operational risk remain deficient.

For chartered accountants and finance professionals, the immediate task is practical: create audit, tax and governance practices that allow safe integration, while remaining vigilant to the structural risks that can still produce damaging collisions. Both convergence and collision are underway. Convergence is driven by productization, institutional custody, and regulatory clarity. Collision persists where governance and legal standards lag.

~ *“We are what our thoughts have made us, so take care about what you think. Words are secondary. Thoughts live; they travel far.” — Swami Vivekananda*

MSME: Its Challenges and strategic Roadmap to Overcome such Challenges



CA Akhilesh Mishra

Email: fca.akmishra@gmail.com

MSME stands for Micro, Small, and Medium Enterprises. It's a classification used by the Indian government to categorize small businesses based on their size and investment level.

An MSME is a small business or company that operates with limited capital, a smaller number of employees, and generates moderate revenue. These are businesses that are bigger than a one-person operation but smaller than large corporations.

Classification of MSMEs in India

With effect from 1st April 2025, the Government of India, classified MSMEs into three categories based on investment in plant and machinery (or equipment) and annual turnover:

Enterprise Type	Investment Limit	Turnover Limit
Micro	Up to Rs 2.5 Cr.	Up to Rs 10 Cr
Small	Up to Rs 25 Cr	Up to Rs 100 Cr
Medium	Up to Rs 125 Cr	Up to Rs 500 Cr

Key Characteristics of MSMEs

- Limited Scale:
- Family-Owned or Entrepreneur-Led:
- Limited Access to Finance:
- Labour-Intensive:
- Location-Based or Sector-Specific:

Basic Problems in MSME Sector in India

The MSME sector, despite being the backbone of India's economy contributing approximately 30% to GDP and generating over 110 million jobs, faces significant structural and operational challenges that hinder growth, sustainability, and competitiveness. These problems create a cascading effect that undermines the sector's potential to drive economic development and employment generation. Understanding these core issues is:

1. Limited Access to Finance and Credit

Around 90% of MSME funding comes from informal sources like personal savings and money lenders with high interest rates. The main obstacles are stringent collateral requirements, limited credit history, complex lending procedures, and risk-averse banks. Many lack financial records and collateral to qualify for institutional credit. Only 16% of eligible MSMEs accessed loans under Mudra Yojana as of Nov 2024. This shortage of working capital restricts daily operations, inventory investment, and expansion.

2. Delayed Payments from Large Corporations

Payment delays of 90-120 days or more cause severe cash flow problems, impacting operations, employee wages, and supplier relations.

3. Technology Gap and Digital Divide

Many MSMEs cannot afford to upgrade equipment or adopt modern tools. The digital divide with larger firms is widening, making MSMEs less competitive.

4. Shortage of Skilled Workforce and Labour Challenges

MSMEs often lack resources for employee training and struggle to attract skilled workers, especially in rural or semi-urban areas. They also cannot compete with bigger firms on salaries, leading to high turnover and low productivity.

5. Complex Regulatory Compliance Burden

MSMEs face complicated labour laws, GST rules, environmental regulations, and corporate governance requirements, increasing costs and consuming time.

6. Infrastructure Deficiencies

Poor transport facilities, inadequate road connectivity, and inefficient rail freight hinder goods movement and increase logistics costs.

7. Raw Material Sourcing and Supply Chain Disruptions

Global demand, geopolitical issues, and import dependence cause problems in sourcing raw materials. Currency fluctuations and trade restrictions add to vulnerabilities.

8. Lack of Scheme Awareness and Accessibility to Government Scheme

MSMEs often lack awareness or face confusing procedures, uneven Centre-State coordination, and insufficient guidance, limiting their access to government schemes. Despite programs like ECLGS and Startup India, many MSMEs struggle to fully benefit due to limited knowledge.

Strategic Roadmap for MSMEs to Overcome Key Challenges in India

The challenges facing India's MSME sector are multifaceted and interconnected, yet each can be addressed through targeted strategies, leveraging government support, technology adoption, and collaborative approaches.

The following comprehensive roadmap outlines actionable steps MSMEs should take to build resilience and drive sustainable growth.

1. Leverage Government Financing Schemes

The Indian government has designed multiple financing options specifically for MSMEs, each catering to different business stages and requirements. MSMEs should strategically utilize these schemes:

- Pradhan Mantri Mudra Yojana (PMMY): Collateral-free loans up to ₹10 lakh for micro/small businesses via Shishu, Kishore, and Tarun categories.
- Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE): Collateral-free loans up to ₹2 crore with 75-85% credit guarantees, creating easier access.
- Prime Minister's Employment Generation Programme (PMEGP): Loans up to ₹50 lakh (manufacturing) or ₹20 lakh (services) plus 15-35% subsidies, reducing up-front costs.
- Stand-Up India Scheme: Loans of ₹10 lakh–₹1 crore for women and SC/ST entrepreneurs, supporting inclusivity.
- Explore Digital Lending Platforms: Digital lending (e.g., PSB Loans in 59 Minutes) simplifies paperwork and speeds approvals; supply chain finance and invoice discounting can greatly ease working capital constraints.

2. Managing Delayed Payments and Cash Flow Crises

Section 43B(h) of IT Act requires MSME vendor payments within 45 days. Use e-invoicing and TReDS to convert receivables to cash. Diversify customers to minimize impact from delayed.

3. Accelerating Digital Transformation

Adopt cloud solutions (subsidized for MSMEs), affordable software via government channels, and ERP systems for smoother operations. Join e-commerce platforms (e.g., Amazon, Flipkart, ONDC) for wider reach and high turnover growth.

Prioritize Affordable Business Software: MSMEs should leverage government-facilitated procurement programs that enable reduced-rate access to essential software like Tally, MS Office, and AutoCAD. GST-compliant software significantly reduces compliance burdens and accounting errors.

Leverage E-Commerce Platforms: Indian MSMEs integrated with e-commerce platforms report approximately 65% growth in turnover and over 50% report higher profits. Platforms like Amazon, Flipkart, Shopify, and ONDC (Open Network for Digital Commerce) provide national reach beyond local markets.

Implement Enterprise Resource Planning (ERP): A phased ERP implementation—starting with accounting, inventory, and customer management modules—streamlines internal operations, improves efficiency, and provides real-time visibility. Phased rollout allows team adaptation and reduces implementation risk.

4. Building and Retaining Skilled Workforce

Leverage Government Skilling Programs: The Skill India initiative, Apprenticeship Training Scheme (ATS), and sector-specific programs under MSME-DIs provide subsidized or free training for employees. Nearly 47% of MSME workers require reskilling or upskilling—government programs help address this without burdening individual enterprises.

5. Navigating Compliance and Regulatory Requirements

Simplify Compliance Through Technology: GST-compliant software automates invoicing, compliance filing, and record-keeping, reducing manual errors and compliance costs. Many platforms integrate multiple compliance requirements into a single dashboard.

Engage Professional Support: While professional guidance has costs, outsourcing compliance to chartered accountants, tax consultants, or compliance service providers can be more cost-effective than managing multiple regulatory frameworks internally, especially for MSMEs operating across multiple states.

Stay Updated on Regulatory Changes: Subscribing to government updates, joining industry associations, and attending regulatory awareness programs help MSMEs stay informed about compliance requirements without incurring heavy penalties for non-compliance.

6. Addressing Infrastructure and Supply Chain Challenges

Participate in Cluster Development Programs: MSMEs in clusters achieve 25% higher profitability through shared infrastructure, economies of scale, and collective action. Government cluster development initiatives provide financial and technical support for creating Common Facility Centres (for testing, training, raw material depots, effluent treatment). Clustering allows MSMEs to collectively meet large-scale orders and bulk purchase inputs at reduced costs.

7. Leveraging Government Support Mechanisms

Explore Union Budget 2025-26 Initiatives: The new budget increases MSME classification investment and turnover limits, enhances credit guarantee coverage for micro and small enterprises, introduces financial support for first-time entrepreneurs from disadvantaged backgrounds, and provides sector-specific initiatives.

Utilize Atal Innovation Mission (AIM): Expanded under AIM 2.0 till March 2028 with ₹2,750 crore allocation, the initiative supports MSME innovation through incubation networks, mentorship, and problem-solving culture development. MSMEs can access incubators, accelerators, and networking opportunities with investors and mentors.

Access PM Vishwakarma Scheme: This government initiative supports artisans and traditional craftspeople with credit, training, and market support. Eligible MSMEs in traditional sectors should explore this scheme for subsidized credit and skill development.

Participate in SFURTI (Scheme of Fund for Regeneration of Traditional Industries): This scheme provides financial and technical support for developing clusters in traditional industries like handlooms, handicrafts, and leather goods.

Conclusion

Overcoming MSME challenges in India requires a multifaceted approach combining government scheme utilization, technology adoption, supply chain optimization, market diversification, quality improvements, and collaborative partnerships. The path forward is not about implementing all solutions simultaneously but adopting a phased, pragmatic approach aligned with each MSME's unique circumstances. By systematically addressing financial constraints, modernizing operations, building skilled teams, navigating regulations, and diversifying markets, MSMEs can transform challenges into competitive advantages and contribute meaningfully to India's economic growth and employment generation. Government initiatives, industry partnerships, and internal strategic planning together create an enabling ecosystem for MSME resilience and sustainable success.

~ *“A true tax professional turns complexity into clarity with integrity.”*

SEBI's Recent Initiatives: Mutual Fund Reforms & IPO Market Dynamics



CA Amit Mukherjee
Email: cadmukherjee@gmail.com

Mutual Fund Sector: Key Suggestions & Regulatory Reforms

Over the past few months, SEBI has published a series of consultation papers and draft circulars aimed at revamping the regulatory framework governing the mutual fund industry. Major items include:

a) Scheme categorisation & overlap reduction

SEBI's "Consultation Paper on Categorisation and Rationalisation of Mutual Fund Schemes" (July 2025) sets out proposals to allow fund houses to launch **both "Value" and "Contra" equity schemes**, subject to a cap on portfolio overlap (no more than 50 %) between them. This represents a significant shift from previous policy which typically permitted only one scheme per category in many cases.

b) Additional schemes and AUM-based allowance

In the same draft, SEBI proposes to allow Asset Management Companies (AMCs) to launch a **second scheme in the same category** once the existing scheme's Assets Under Management (AUM) cross ₹50,000 crore — again subject to compliance with overlap rules.

c) Relaxation of recording obligations for portfolio managers / fund managers

Effective 3 August 2025, the requirement for fund managers to record **face-to-face conversations** (e.g., meetings outside dealing rooms) has been removed. However, this relief does *not* extend to telephonic or dealing-room communications during market hours, which continue to require recording.

d) Implications for investors & practitioners

- The proposed changes are designed to promote **product innovation** and **diversification** in the Indian mutual fund industry, enabling AMCs to tailor new solutions while reducing scheme-overlap confusion.
- From a compliance / auditor perspective: When reviewing an AMC's scheme structure, internal audit or valuation functions (such as your strategic-asset valuation work) must ensure that scheme documents, disclosures, and testing of diversification adhere to the new overlap thresholds.

- For clients investing via mutual funds: The clearer categorisation regime and overlap rules aim to reduce “look-alike” funds, which helps avoid duplication of exposures across schemes. Nonetheless, until the new rules are formally notified, fund houses will need to maintain robust self-certification that overlap limits are respected.

IPO Market: SEBI's Strategic Moves & Recent Listings

Alongside mutual fund reforms, SEBI has taken several steps to invigorate the IPO market, maintain investor interest, and streamline listings.

a) Increased reservation for domestic institutional investors

SEBI has proposed raising the anchor investor portion in IPOs from the current 33 % up to around 40 %, with a larger share directed at domestic institutional investors such as mutual funds, insurance companies and pension funds. This proposal signals recognition of the importance of domestic, long-term capital rather than purely speculative influx.

b) Significant IPO approvals and pipeline

- SEBI recently approved IPOs of six companies including Pine Labs Ltd, Hero Motors Ltd, Canara Robeco AMC Ltd, Manipal Payment and Identity Solutions Ltd and Orkla India Ltd in recent weeks, indicating a strong issuance backlog.
- A trend of strong listing-day gains is emerging: e.g., the IPO of Orkla India generated a listing price of ₹750.10 with a 2.75% gain on debut.
- According to Reuters, India's IPO market is set for a year-end rush, with expectations of raising up to \$8 billion in the October-December 2025 quarter.

c) Regulatory relaxations to facilitate large listings & foreign participation

Recent SEBI changes include the reduction of the minimum share sale size for large companies from 5% to 2.5% of the share capital (for companies with market cap > ₹5 trillion), and extension of the period for meeting the 25% public-float requirement from three to five years (and up to ten years for companies with market cap > ₹1 trillion). These relaxations aim to smoothen large sized IPOs and enhance market access for overseas investors, thereby increasing India's attractiveness in the global IPO pipeline.

d) Practical considerations for investors and value-builders

- For long-term stock investors (in line with your value-oriented philosophy): IPOs offer early entry opportunities but they also carry higher volatility and less historical data. As analysis suggests, many IPOs are being pursued more for “listing-gain” than long-term intrinsic value.

- Mutual funds (and your advisory clients) must monitor how the increased institutional allocation and anchor-bid mechanics affect share-pricing, lock-in norms and post-IPO volume structures.
- In audit/valuation terms: Contacts with newly listed companies (especially those backed by large private equity or global-tech sponsors) may require heightened scrutiny in financial disclosures, promoter-share lock-in, fair valuation of pre-IPO securities, and the impact of public-float mechanics.

Synthesis: What This Means for Your Practice

Given your expertise in tax, valuation, mutual funds and long-term investing, several practice-areas emerge:

- **Valuation Advisory:** For AMCs launching new funds under the revised categorization regime, you may get engagements to review scheme documents, portfolio overlap testing, and compliance alignment with SEBI's new draft norms.
- **Mutual Fund Advisory & Investor Education:** You could prepare seminars/webinars (through your platform) explaining to investors how the mutual fund framework is evolving — e.g., how value/contra fund overlaps will work, what it means for portfolio diversification and risk.
- **Tax & Compliance:** While the mutual fund reforms do not directly change tax laws, the evolving product structure may impact portfolio turnover, taxable events (for investors) and audit of AMCs. For IPOs, taxation of share allotments, listing gains, and valuations of pre-IPO shares may require additional guidance.
- **Content Creation & Thought Leadership:** You could publish articles comparing: (i) the regulatory drive behind mutual fund scheme rationalization, and (ii) the increasing IPO activity and how it fits into the broader macro-economy (domestic savings, foreign flows, valuations). This aligns well with your interest in macro-economic policy and personal-finance content.

Key References

1. SEBI "Consultation Paper on Categorisation and Rationalisation of Mutual Fund Schemes", 18 Jul 2025.
2. Reuters article: "India markets regulator proposes several changes to mutual fund rules", 18 Jul 2025.
3. Moneycontrol article: "SEBI issues draft circular on MF scheme categorisation... comments invited until Aug 8 2025".
4. Reuters / news: "India set for \$8 billion IPO rush in year-end blitz", 1 Oct 2025.
5. Livemint / Economic Times: "Upcoming IPOs: Pine Labs, Hero Motors... receive SEBI nod", 16 Sep 2025.

~ "In taxation, precision is duty - and wisdom is service."

Direct Taxes Professionals' Association

(Registered under Societies Registration Act, 1961. Registration No. 5/60583 of 1988-89)

Secretariat : 3, GOVT. PLACE (WEST), INCOME TAX BUILDING, KOLKATA - 700 001

Ph. +91 33 2242-0638, 4003-5451 • E-mail : dtpakolkata@gmail.com • Website : www.dtpa.org**APPLICATION FOR MEMBERSHIP**2 Pcs.
Pass Port
Colour
Photographs

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

Dear Sir,

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

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

1. Name in Full (Mr. / Mrs. / Miss) : _____
(BLOCK LETTERS)
2. Father's Name : _____
3. Date of Birth : _____
4. Academic and/or Professional Qualifications : _____
5. Professional Status (Pls. specify) : ☐ In Practice ☐ In Service ☐ In Business ☐ Others
6. Organisation : _____
8. Mem. No. of CA/CS/ICWAI/Bar Council : _____
9. Blood Group : _____ (Self) _____ (Spouse)
10. Name of Spouse : _____
11. Office Address : _____

12. Residence Address : _____

13. Telephone (Nos.) : (Off.) : _____ (Resi.) : _____ Fax : _____
Mobile : _____ E-mail : _____
14. Address where Circular etc. should be sent : ☐ Office ☐ Residence
Enclosed herewith Rs. _____ (Rupees _____)
by Cash/Cheque No. _____ Dated _____ Drawn on _____
towards ☐ Life Membership ☐ General Membership.

Place : _____

Date : _____

Signature of the Applicant

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

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

Area of Professional Interest (Pls. specify) : ☐ Indian Income Tax ☐ International Tax

- ☐ FEMA ☐ Company Law ☐ Auditing ☐ Corporate Finance ☐ Indirect Tax ☐ General Management
☐ Information Technology ☐ Human Resource ☐ Banking & Financial Services ☐ Investment Consultancy ☐ Others

I would like to receive News Letter / Notices / Circulars by ☐ E-mail ☐ Courier ☐ Both

Proposed By : Name : _____

DTPA Membership No. : _____

Signature : _____

Seconded By : Name : _____

DTPA Membership No. : _____

Signature : _____

FOR OFFICE USE ONLY

Date of Receipt _____ Membership Approved on _____ Membership No. Allotted _____

Chairman, Membership Sub-Committee

President

General Secretary

NOTES : 1. Fee for Life Membership (a) Individual Rs. 7,500/- (G.S.T. Extra @ 18%), (b) If application is made within a period of 5 years of attaining first professional qualification Rs. 5,000/- (G.S.T. Extra @ 18%), (c) Corporate Bodies Rs. 50,000/- (G.S.T. Extra @ 18%).

2. Cheques should be drawn in favour of "Direct Taxes Professionals' Association".

OFFICE BEARERS 2025-2026

President



CA. Manju Lata Shukla
9831491002
ml_shukla@rediffmail.com

I.P.P.



CA. Barkha Agarwal
9831184871
barkhaagarwal@hotmail.com

Sr. Vice-President



CA. Mahendra Kr. Agarwal
9830096405
mahendrasubhashandco@gmail.com

Vice-President



CA. Kedar Nath Gupta
9830648056
guptakn123@yahoo.co.in

General Secretary



CA. Shyam Agarwal
9903040775
shyam_ag12@yahoo.co.in

Joint Secretary



CA. Sujit Sultania
9831016678
sultaniasujit@gmail.com

Treasurer



CA. Mohan Lal Gupta
9836189880
mohangupta.814@gmail.com

EXECUTIVE COMMITTEE MEMBERS 2025-2026



CA. Ajit Kr. Tulsian
9831131100
aaakdt@gmail.com



CA. Akkal Dudhwewala
9748090242
akkal.dudh@gmail.com



Adv. (CA.) Ankit Kanodia
9831543580
ankitkanodia@gmail.com



Adv. (CA.) Arup Dasgupta
9831503290
orup.dasgupta@gmail.com



CA. Ashish Rustagi
9339768131
rustagico@rediffmail.com



CA. Amit Singhania
8777692789
amitsinghania86@yahoo.co.in



CA. Bharat D. Sarawgee
9830022057
bharatsarawgee@gmail.com



CA. Neena Maheshwari
9830281121
neenamaheshwari@gmail.com



CA. Neha Sultania
905114142
canehasultania@gmail.com



Adv. Rites Goel
9831029805
replyrites@gmail.com



CA. Ritesh Vimal
9830574278
vimalritesh@gmail.com



CA. Rashmi Bihani
9874177730
rashmi@bihanico.in



CA. Sahib Singh Choudhary
9339328137
sahibschoudhary@gmail.com



CA. Sanjay Satnalika
9830041626
satnalika2096@gmail.com

PAST PRESIDENTS



CA. K. C. JAIN
9830073387
kcjain34@yahoo.co.in



Adv. N. P. Jain
9830951252
npjainadv@gmail.com



Adv. J. R. Bhadani
9830135150
jrvtaxation@yahoo.com



Adv. V. K. Singhanian
9831003609
vitrum@vsnl.net



CA. Indu Chatrath
9831048516
ichatrath@yahoo.com



Adv. R. D. Kakra
9831052151
rdkakra@gmail.com



CA. Pawan Agarwal
9830038817/9830262464
pawan@asac.co.in



CA. Raja Ram Chowdhary
9830088796
rrchowdhary@hotmail.com



CA. D. N. Agrawal
9430339556
dn.agrawal@dbcca.co.in



Adv. S. D. Verma
9830026177
kdsanju@hotmail.com



CA. M. C. Jagwayan
9831021650
nitjags81@rediffmail.com



Adv. B. L. Kheria
9831696921
bl_kheria@yahoo.com



CA. R. N. Rustagi
9830030845
rustagico@rediffmail.com



CA. A. K. Tibrewal
9831070922
anand@nkpco.in



CA. Santosh Kulthia
9748731590
kkscaindia@gmail.com



CA. Nilima Joshi
9830039990
canilimajoshi@gmail.com



CA. P. R. Kothari
9830021198
pk.ramram@gmail.com



Adv. Arvind Agrawal
9831026660
gpakol.office@gmail.com



CA. Sajjan Kr. Sultania
9830037498
sundeepsultania@gmail.com



CA. Sanjay Bajoria
9331845005
sbacal2019@gmail.com



Adv. Subash Agarwal
9830052141
subash_sushma@yahoo.in



CA. Aghor Kr. Dudhwewala
9831039440
aghorassociates@yahoo.co.in



CA. Bishnu Kr. Loharuka
9830260400
bkloharuka2003@yahoo.com



CA. P. K. Himmatsinghka
9331024755
pkhkol@gmail.com



Adv. Paras Kochar
9831024563
paraskochar@hotmail.com



CA. K. P. Khandelwal
9830030216
ca.kpkhandelwal@gmail.com



CA. Sunil Surana
9831005533
thanmajji@hotmail.com



CA. Kamal Bagrodia
9830043311
kamalbagrodia@gmail.com



CA. Ramesh Kr. Chokhani
9748747044
rkchokhani@yahoo.com



CA. Vikash Parakh
9830969234
vikashparakh.ca@gmail.com



CA. N. K. Goyal
9831046053
ngc.narendra@hotmail.com



Adv. Kamal Kr. Jain
9830708341
kamalkrjain@yahoo.com



CA. D.S. Agarwala
9433097972
agards@gmail.com



CA. Rajesh Kr. Agrawal
9007217679
thinkvisor18@gmail.com

SUB COMMITTEES 2025-2026

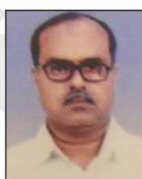
Sub-committee	Chairman/Chairperson	Co-chairman/Chairperson	Advisor
DIRECT TAXES & DIRECT TAXES CO-ORDINATION AND REPRESENTATION	Mr. S.K. Sultania	Mrs. Nilima Joshi Mr. Ramesh Kr. Chokhani	Mr. M.C. Jagwayan
DIRECT TAXES-RESEARCH & PUBLICATION	Mr. P.R. Kothari	Mr. Narendra Goyal Mr. Sanjay Bajoria Mr. Ajit Tulsyan	Mr. A.K. Tibrewal
ITAT CO-ORDINATION	Mr. Sunil Surana	Mr. Amit Agarwal Mr. Akkal Dudhwewala	Mr. P.K. Himmatsinghka
FELLOWSHIP	Mrs. Neha Sultania	Mrs. Rashmi Bihani	Mr. Ramesh Chokhani
AUDIT & ASSURANCE	Mr. D.N. Agrawal	Mrs. Neena Maheshwari	Mr. Pawan Agarwal
CORPORATE & ALLIED LAWS	Mr. Kashi Prasad Khandelwal	Mr. Ashish Rustagi Mr. Ravi Sureka	Mr. R.N. Rustagi
RESIDENTIAL CONFERENCE	Mrs. Barkha Agarwal	Mr. K.N. Gupta Mr. Mahendra Agarwal	Mr. Arvind Agrawal
PUBLIC RELATIONS & MEDIA	Mr. N.P. Jain	Mr. Kamal Kr. Jain	Mr. R.D. Kakra
INDIRECT TAXES	Mr. Arup Dasgupta	Mr. Sahib Singh Choudhary	Mr. Vikash Parakh
INDIRECT TAXES-RESEARCH & PUBLICATION	Mr. Ankit Kanodia	Mr. Prasanta Dutta	Mr. Vikash Parakh
DTPA JOURNAL	Mr. Sujit Sultania	Mr. Mohan Lal Gupta Mr. Rites Goel	Mr. Subhash Agarwal
E-BULLETIN	Mr. N.P. Jain	Mr. Ritesh Vimal	Mr. R.D. Kakra
INFORMATION TECHNOLOGY & EMERGING OPPORTUNITIES	Mr. Bharat D. Sarawgee	Mr. Sumit Bihani Mr. Amit Singhania	Mr. Sanjib Sanghi
CAPITAL MARKET	Mr. Sanjay Satnalika	Mr. Ravi Shah Mr. Rahul Parasrampur	Mr. Aghor Kr. Dudhwewala

Note : President and Secretary are Ex-Officio members of all Sub-Committees.

SPECIAL INVITEES 2025-2026



Adv. Amit Agarwal
9804118873
amit25385@gmail.com



Adv. Prasanta Dutta
9830162034
p_dutta_llb@yahoo.co.in



Adv. Rahul Parasrampur
9831042317
parasrampurarahul@gmail.com



CA. Ravi Sureka
9830608999
ravisureka_2000@yahoo.co.in



CA. Sanjib Sanghi
9831434000
sanjib@ssanghico.com

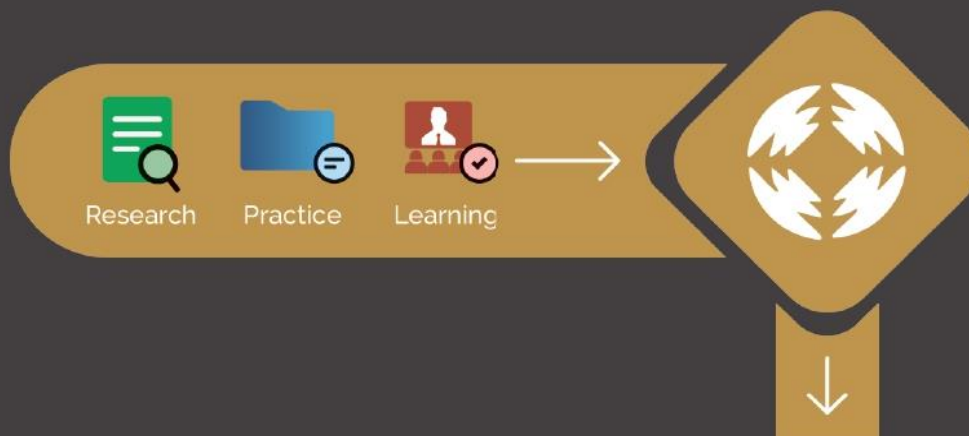


CA. Sumit Bihani
9830638499
bihani.sumit@gmail.com



CA. Ravi Shah
8981177169
ravikumar_shah@rediffmail.com

Introducing
Taxmann.com | Premium
Experience the Power of One.



7 Days Free Trial



taxmann.com
Premium

One Search. One Platform. One Unified Result.

All-in-One Access

Case Laws, Acts & Rules,
Circulars, Notifications,
Ready Referencers,
Articles, Tutorials,
Videos—everything in
one place

Advanced Filters & Instant Previews

Use dynamic search suggestions,
preview summaries, and switch
categories effortlessly. Find precisely
what you need, saving time and
boosting productivity

360° Professional Support

From statutory content and
case laws to expert opinions
and specialised videos,
Taxmann.com | Premium is your
partner for precision and efficiency

Plans that Fit. Savings that Matter.

Yearly Plans*

GST
₹ **35,000/-**** | Income Tax
₹ **37,000/-****

Save More. Do More.

Save approx. 30% with Combo
priced at ₹ **51,000/-****
No-Cost EMIs—Flexible payments
with no extra cost.

Enterprise plan
tailored to
your specific
requirements.

*Introductory Prices; Subject to Revision.
**GST Extra

DELHI : +91-11-45562222 | Email : sales@taxmann.com

UTTAR PRADESH : +91-9792423987 | Email: sales.lucknow@taxmann.com

ODISHA : +91-9937071353 | Email: sales.bhubaneswar@taxmann.com

WEST BENGAL : +91-9830071313 | Email: sales.kolkata@taxmann.com

JHARKHAND : +91-9304814022 | Email: sales.ranchi@taxmann.com

NORTH EAST : +91-7086624504 | Email: sales.guwahati@taxmann.com

PUNJAB & CHANDIGARH : +91-9871424307 | Email: sales.punjab@taxmann.com