March, 2025

TAX Bulletin

Volume - 179

02.03.2025

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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Headquarters: CMA Bhawan, 12, Sudder Street, Kolkata - 700016
Ph: 091-33-2252 1031/34/35/1602/1492
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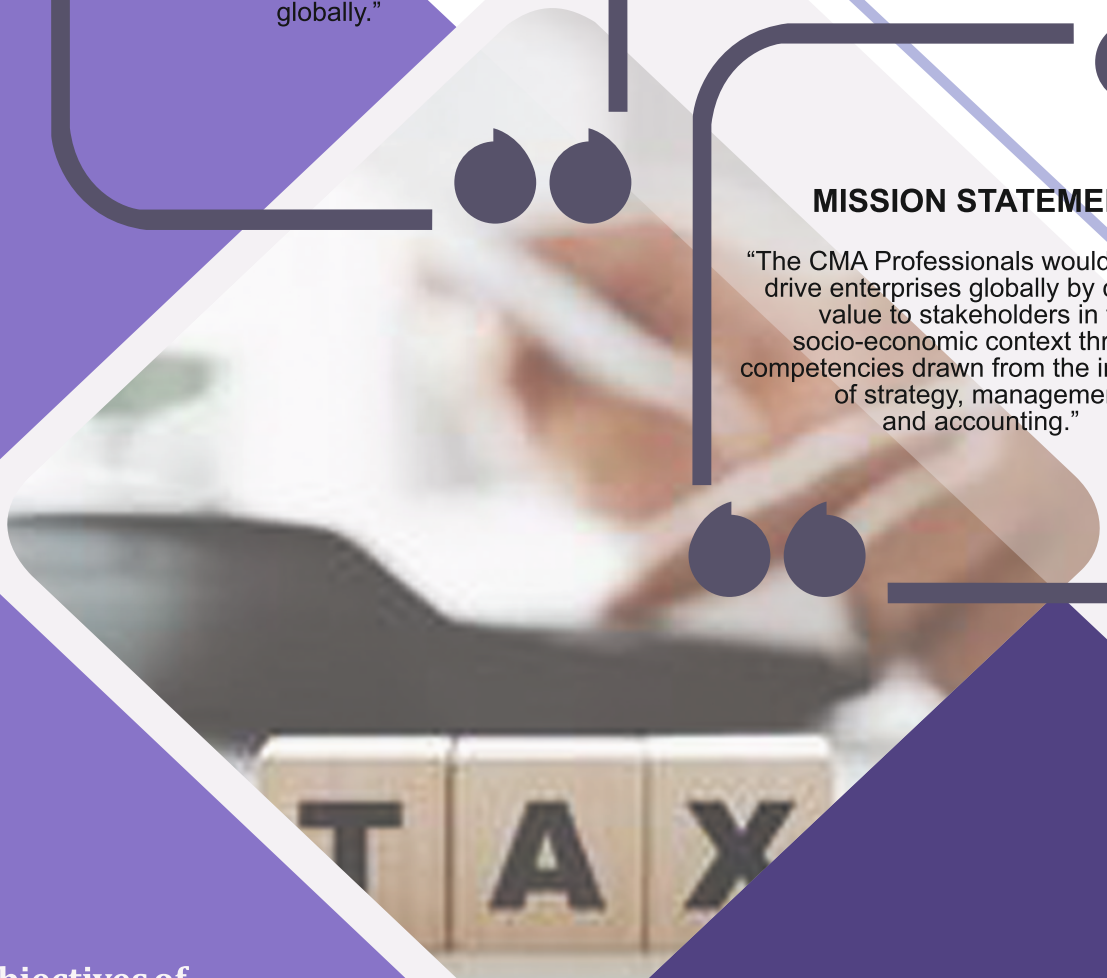

Objectives of Taxation Committees:

1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders and also Crash Courses on GST for Colleges and Universities.

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Behind every successful business decision, there is always a CMA

Chairman's Message

CMA Rajendra Singh Bhati

Chairman Direct Taxation Committee

In her Budget Speech for the Finance Bill, 2025, the Hon'ble FM Madam Nirmala Sitharaman, announced that the new tax law will be placed soon. On 7th February 2025, the Cabinet approved the Income-tax Bill, 2025 and it was tabled by Hon'ble FM in the Lok Sabha (Lower House) on 13 February 2025. For simplifying the existing provisions, following modifications have been stressed upon:

- Elimination of redundant provisions to reduce its length by nearly half;
- Change in drafting style to make the provisions easy to understand;
- Minimisation of cross references and consolidation of applicable provisions at one place; and
- Incorporation of tables and formulas for ease in presentation.

The IT Bill is proposed to be effective from 1 April 2026. The tax rates have been kept unaltered.

The proposed Income Tax Bill 2025 aims to reduce the complexity of India's current tax framework. This includes simplifying the language of the direct tax laws, deleting obsolete and redundant provisions, and reducing litigation. The Institute has also put in valuable suggestions on the Income Tax Bill and has submitted the same on various forums, key ministers of the Government and also with the Select Committee for consideration of the same.

While the existing Income Tax Act, 1961, consists of 52 chapters spread across 823 pages, the new bill consolidates the content into 23 chapters and 16 schedules over 622 pages. One of the key changes in the Income Tax Bill 2025 is India's presumptive taxation scheme by adding the concept of 'Profit claimed to have been actually earned' while computing business income. It has also officially categorized Virtual Digital Assets (VDAs), including cryptocurrencies, NFTs (non-fungible tokens), and other digital assets, under the "assets" category. This classification puts VDAs in the same category as property, jewelry, paintings, drawings, and shares for taxation purposes. The new Income Tax Bill is a subject to deep study and through understanding.

In this regard, on 25.02.2025 a webinar was on the subject, "Critical Aspects of Income Tax Bill 2025". The discussion included all the specific changes that are being brought about by the introduction of this new bill.

On the Departmental front also the Tax Bulletins have been published. The classes for the Taxation Courses are being continued and all other activities are also being taken up simultaneously.

I wish the best regards to the staff members of Tax Research department and the Resource Persons for their efforts.

CMA Rajendra Singh Bhati
Chairman – Direct Taxation Committee
The Institute of Cost Accountants of India
02.03.2025

Chairman's Message

CMA Dr. Ashish P. Thatte

Chairman Indirect Taxation Committee

In line with the recommendations of the 55th GST Council Meeting, the following clarifications have been issued by CBIC regarding the taxability of various goods [Ref: Circular no: 247/04/2025-GST]:

- Classification and GST rate on pepper / raisins:
  - Pepper of genus Piper, whether green (fresh), white or black, is classifiable under HSN 0904 and attracts GST @ 5%.
  - An agriculturist supplying dried pepper / raisins is not liable to be registered under section 23(1) of the Central Goods and Services Tax Act, 2017 (CGST Act).
- GST rate on Popcorn:
  - Ready-to-eat popcorn which is mixed with salt and spices is classifiable under HSN 2106 9099. Since such popcorn has the essential character of namkeens, they attract GST @ 12% (if sold as pre-packaged and labelled product) and 5% (in other cases).
  - When popcorn is mixed with sugar, its character is changed to sugar confectionery (eg. Caramel popcorn) and hence, it would be classifiable under HSN 1704 9090, attracting GST @ 18%.
  - Considering the doubts concerning applicable GST rate on ready to eat Popcorn with salt and spices, for the past period, i.e., up to 14 February 2025, the applicable GST rate is regularised on 'as is where is' basis.
- Autoclaved Aerated Concrete blocks containing more than 50% fly ash content will be classifiable under HSN 6815, attracting GST @ 12%.
- The Explanation in Sl. No. 52B in notification no:1/2017- Compensation Cess (Rate) dated 28 June 2017 as regards 'ground clearance' will apply with effect from 26 July 2023.

On the departmental side a webinar was conducted on the topic, "Taxability under Joint Development Agreement" on 20.02.2025. The discussion took both DT and IDT aspects into consideration. The discussion included topics like: (i) Background prior to introduction of Section 45(A) of Income Tax Act, (ii) Provisions related to taxability of JDA under Income Tax Act (iii) Applicability of Joint Development Agreement (iv) Salient features of definition of Specified Agreement (v) Taxability of Joint Development Agreements (vi) Meaning of Competent Authority (vii) Taxability in the hands of Land / Building Owner (vii) Discussion on Period of holding (viii) Computation and Calculation of Capital Gains with examples among others.

In February, 2025 the Tax Bulletins has been released by the Department along with the conduct of courses which are being carried on regularly. The quiz on indirect tax is conducted on every Friday pan India basis.

I wish the best to the members of the Tax Research Department and the Resource contributors.

Ashish Thatte

CMA (Dr) Ashish P Thatte

Chairman – Indirect Taxation Committee

The Institute of Cost Accountants of India

02.03.2025

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CONTENTS

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Please send the articles to

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TRAN-1 Credit Claimed in Another State due to Technical Glitch Upheld

CMA Bhogavalli Mallikarjuna Gupta

Co-opted Member Indirect Taxation Committee

Introduction

The implementation of the Goods and Services Tax (GST) in India on July 1, 2017, marked a pivotal transformation in the country's indirect tax framework. In order to facilitate a seamless transition from the erstwhile tax regime, taxpayers were granted the opportunity to claim input tax credit (ITC) for taxes paid under the previous regime through a one-time transitional return, namely TRAN-1. However, a significant number of businesses encountered technical impediments while attempting to file their TRAN-1 returns on the GST portal, leading to legal disputes and protracted litigation.

One such case involved Standard Chartered Bank, which encountered a technical malfunction that rendered it unable to file its TRAN-1 return in Maharashtra. Consequently, the bank was constrained to file the return in Telangana instead. This situation, emblematic of the systemic inefficiencies inherent in the GST framework, raises pertinent legal questions regarding the liability of taxpayers for failures attributable to technological shortcomings beyond their control.

Challenges Faced by Taxpayers Due to Technical Glitches

Numerous taxpayers were unable to file their TRAN-1 returns within the prescribed statutory timeline due to persistent technical issues on the GST common portal. Despite multiple deadline extensions provided by the government, several taxpayers continued to experience difficulties, including system crashes, login failures, and incorrect data population, which either prevented them from submitting their returns or led to erroneous filings.

These systemic failures resulted in the denial of rightful tax credits, subsequently exposing taxpayers to demands for tax, interest, and penalties from the tax authorities. The case of Standard Chartered Bank serves as a representative instance of this predicament, raising fundamental legal questions about whether taxpayers should be penalized for system malfunctions that were beyond their sphere of influence.

Factual Background

Standard Chartered Bank, having its headquarters in Mumbai, Maharashtra, was centrally registered under the erstwhile Service Tax regime as well as under the GST framework. The bank was entitled to transitional credit amounting to ₹1,41,26,69,646 under the provisions of the GST law. However, when attempting to file its TRAN-1 return in Maharashtra, it encountered a technical glitch that precluded it from completing the filing process. In an effort to adhere to the prescribed deadline, the bank opted to file the return through its registered branch in Telangana and subsequently transferred the credit to Maharashtra on the same day.

Subsequently, the tax authorities issued a show-cause

notice to the bank, contending that the credit availed in Telangana was ineligible and must be reversed, accompanied by applicable interest and penalties. Despite the bank's detailed representations justifying its actions, the authorities passed an adverse order, confirming the demand for reversal of credit, interest, and penalties [Para 16].

Contentions of the Petitioner (Standard Chartered Bank)

The petitioner, Standard Chartered Bank, advanced the following contentions:

1. The show-cause notice itself acknowledged that the bank had faced a technical malfunction while attempting to file its TRAN-1 in Maharashtra.

   The relevant portion of show cause notice dated 29.12.2021 reads as under:

   "2. M/s. Standard Chartered Bank, Hyderabad availed input tax credit of ₹.141,26,69,646/- through Table 5 (a) of TRAN-1 return filed by them on 18.10.2017. On being pointed out during the course of preliminary scrutiny of said TRAN-1 return by the officers of Hyderabad Audit-I Commissionerate, the tax payers vide their letter dated 19.07.2018, have submitted that they were not registered in the State of Telangana under Service tax regime as they have centrally registered in Maharastra. It was further informed that as they could not file TRAN-1 return in Maharashtra due to technical glitch faced on GST portal, they have filed the same in Telangana and availed the closing balance of Cenvat credit amounting to ₹.141,26,69,646/- which was appearing in their Service Tax return for the period ending 30.06.2017. It may be noted that post availment of said credit at Hyderabad, M/s Standard Chartered have transferred an amount of ₹.141,24,69,646/- on the same day through Table 8 of Tran-1 to their Mumbai Branch having GSTIN 27AABCS4681D1ZE keeping ₹.2,00,000/- with Telangana Unit. However, in terms of the provisions of Section 140 of CGST Act, 2017 and rules made there under, tax payers who are registered under existing law are only eligible to avail the carry forward amount of CENV AT credit of eligible duties available in the return relating to the period ending the day immediately preceding the appointed day. As M/s Standard Chartered were not registered in the State of Telangana under the existing law, it appears they are not eligible to avail any carry forward credit of eligible duties. In this regard, provisions of Section 140 of CGST Act, 2017 enabling the transitional arrangements for input tax credits from existing law to Goods and Service Tax are re-produced as under."

   16. A microscopic reading of this para makes it clear that it was an admitted fact in the show cause notice itself that the petitioner faced problem in filing return electronically because of technical glitch in the GST portal of Maharashtra. For this reason and considering the last date of filing return, the petitioner filed the return in the Telangana GST portal.

2. In the absence of any specific prohibition under the Central Goods and Services Tax (CGST) Act, 2017, against filing a return in any other state where the entity has a registered presence, the bank was left with no alternative but to file in Telangana to ensure compliance with statutory timelines.

3. Sections 140(1) and 140(8) of the CGST Act, 2017, do not explicitly bar the filing of TRAN-1 in a state where the taxpayer has an established and registered branch.Para 24 of the Judgement

   Admittedly, the petitioner had registration under the existing law i.e., Service Tax Law and also got himself registered under the Act. The last proviso to sub-section (8) of Section 140 of the Act leaves no room for any doubt that the credit may be transferred to any of the registered person having same Permanent Account Number for which the centralised registration was obtained under the existing law. The filing of return in the GST portal of Telangana and transfer of credit is squarely covered and permissible under the last proviso to sub-section (8) of Section 140.

4. The credit was rightfully transferred to Maharashtra on the same day, and no undue benefit was derived by the bank, nor was there any resultant revenue loss to the exchequer.

5. The bank placed reliance on various Supreme Court judgments, asserting that procedural deficiencies should not be used as a basis for denying substantive tax benefits, particularly in the absence of fraud, misrepresentation, or malfeasance [Para 27].

   Needless to emphasise that it was the duty of the Department to keep their portal functional. If the portal was not functional or having technical glitch and because of that the petitioner was compelled to file return in the portal of Telangana, the petitioner cannot be saddled with demand, interest and penalty. In other words, the Department cannot take benefit of its own wrong. In Devendra Kumar v. State of Uttaranchal [2013] 9 SCC 363, the Supreme Court held that a person having done wrong cannot take advantage of his own wrong. In such a case, the legal maxim 'Nullus Commodum Capere Potest De Injuria Sua Propria' applies.

Arguments of the Respondents (Tax Authorities)

Conversely, the tax authorities presented the following arguments:

1. Since the bank had centralized registration in Maharashtra, it was mandatorily required to file its TRAN-1 return in that state.

2. Even in the event of a technical glitch, the bank should have pursued redressal by approaching the GST authorities in Maharashtra rather than electing to file the return in Telangana.

3. Section 140 of the CGST Act mandates that transitional credit must be availed in the state where the entity is registered, and any deviation from this requirement is impermissible.

4. Permitting such deviations could potentially undermine the integrity of the centralized registration system and lead to systemic misuse.

5. On these grounds, the authorities contended that the demand for reversal of credit, along with interest and penalties, was legally warranted [Para 19].

Court's Judgment and Rationale

The **Telangana High Court** adjudicated the matter in favor of the petitioner, holding that the demand and penalties levied by the tax authorities were not legally sustainable. The court's key observations and reasoning were as follows:

1. The show-cause notice itself conceded that the petitioner faced technical difficulties while attempting to file TRAN-1 in Maharashtra, thereby affirming that the non-filing was not attributable to any fault or negligence on the part of the bank.

2. The tax authorities failed to establish any explicit legal prohibition against the filing of TRAN-1 in a state where the taxpayer has a registered business presence [Para 25].

   During the course of hearing, learned counsel for the Revenue could not establish that there exists any prohibition/bar in filing the return through electronic mode in GST portal of Telangana where petitioner's branch admittedly exists. The petitioner derived any undue benefit by filing return in the GST portal of Telangana and transferring the credit on the same day and the Revenue suffered any loss because of aforesaid action of the petitioner.

3. The judgment emphasized that the GST common portal was maintained by the government, and it was the responsibility of the authorities to ensure its seamless functionality. If a taxpayer encounters technical obstacles beyond its control, it cannot be subjected to penal consequences for seeking an alternative means of compliance[Para 27].

4. Needless to emphasise that it was the duty of the Department to keep their portal functional. If the portal was not functional or having technical glitch and because of that the petitioner was compelled to file return in the portal of Telangana, the petitioner cannot be saddled with demand, interest and penalty. In other words, the Department cannot take benefit of its own wrong. In Devendra Kumar v. State of Uttaranchal [2013] 9 SCC 363, the

Supreme Court held that a person having done wrong cannot take advantage of his own wrong. In such a case, the legal maxim 'Nullus Commodum Capere Potest De Injuria Sua Propria' applies.

5. The court invoked the legal principle Nullus Commodum Capere Potest De Injuria Sua Propria, which asserts that no party should derive an advantage from its own wrongdoing or failure. Consequently, the tax authorities could not take advantage of their own inefficiencies to penalize taxpayers [Para 27].

6. The demand for reversal of credit, along with interest and penalties, was deemed legally untenable, and the court ruled in favor of the petitioner [Para 29].

Conclusion and Legal Implications

The case of Standard Chartered Bank v. Tax Authorities underscores the significant legal and procedural challenges encountered by businesses due to technical glitches in the GST portal during the transitional phase. The ruling serves as a landmark precedent, emphasizing the need for tax authorities to adopt a fair, reasonable, and technology-sensitive approach in cases involving systemic failures.

This judgment reinforces the principle that taxpayers who act in good faith and do not cause any loss of revenue should not be penalized for procedural irregularities that arise due to technological inefficiencies in government-operated systems. The ruling further strengthens the jurisprudence that procedural law must serve as a facilitator, not as an impediment, to substantive justice.

The decision sets an important legal benchmark, ensuring that businesses are not unfairly burdened due to system-driven lapses, thereby promoting legal certainty and predictability in the evolving GST framework.

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Concerns Over CBDT Powers and Data Privacy: The Income Tax Bill, 2025

CMA Ajith Sivadas

Cost Accountant

India's proposed Income Tax Bill (ITB) 2025 marks a significant transformation of the nation's tax framework, aiming to simplify compliance, enhance transparency, and address the challenges of a digital economy. While the Bill aspires to modernize tax administration and curtail evasion, certain provisions—particularly those expanding the powers of the Central Board of Direct Taxes (CBDT) and authorizing broad access to digital data—have sparked widespread concerns. Critics argue that, although well-intentioned, these measures risk encouraging bureaucratic overreach, infringing on privacy rights, and imposing excessive compliance burdens on taxpayers.

This article explores two critical areas of concern: the potentially unchecked powers of the CBDT and the invasive access to digital data by tax authorities, analyzing their broader implications for individuals, businesses, and India's democratic framework.

1. Expansive Powers of the CBDT: Risks of Overreach

A focal point of contention is Clause 533 of the ITB, which grants the CBDT extensive authority to formulate administrative rules, compliance measures, and digital tax policies without requiring parliamentary approval. Proponents argue that such flexibility is necessary to create an agile tax regime capable of keeping pace with evolving financial practices—such as cryptocurrency transactions and cross-border digital commerce—which traditional legislative procedures may struggle to regulate efficiently.

However, this broad delegation of power raises serious concerns about accountability and transparency. Unlike conventional tax laws, which undergo thorough legislative scrutiny, Clause 533 effectively allows the CBDT to introduce and enforce policies without parliamentary oversight. This could potentially lead to arbitrary rule-making, creating uncertainty for businesses and taxpayers.

For instance, the CBDT could introduce sector-specific regulations that disproportionately burden small enterprises, which may lack the resources to adapt quickly. Such unilateral policymaking could stifle economic activity, creating administrative bottlenecks rather than promoting fairness.

Retention of Extensive Investigative Powers

Although the Bill emphasizes faceless assessments—a reform introduced to reduce human intervention and prevent harassment—it paradoxically retains and even expands the investigative powers of tax authorities. The ITB preserves provisions for searches, seizures, and surveys, granting tax officials substantial discretion to initiate invasive actions. This raises concerns over potential misuse, as it contradicts the very purpose of faceless assessments: reducing bias and ensuring fairness.

The absence of judicial oversight further exacerbates the risk of abuse. Unlike many democratic jurisdictions where intrusive investigative actions require judicial warrants, the ITB offers limited safeguards against disproportionate enforcement. Taxpayers may find themselves vulnerable to

aggressive tactics with minimal recourse, fostering an atmosphere of distrust rather than compliance.

Heightened Compliance Burden

The Bill also imposes expanded reporting obligations, particularly targeting cryptocurrency transactions and high-value digital payments. While aimed at preventing tax evasion, these requirements significantly increase compliance costs for businesses. Companies will need to invest in advanced record-keeping and reporting systems, driving up operational expenses. For startups and small enterprises—the backbone of India's economy—this could divert resources away from growth and innovation toward regulatory compliance.

2. Overriding Access to Digital Data: Privacy Concerns

Clause 247(1)(b)(iii) of the ITB has drawn significant criticism for authorizing tax officers to bypass security protocols and gain direct access to computer systems and virtual digital spaces. This clause, framed as a tool to combat tax evasion in the digital age, empowers authorities to penetrate online banking platforms, e-commerce systems, and blockchain networks.

While the intent is to prevent tax-related malpractices, the provision carries serious implications for privacy and data security. By allowing tax authorities to override access codes and security barriers without judicial approval, the Bill creates a dangerous precedent. Unlike global practices, where intrusive access to digital systems typically requires warrants or court authorization, the ITB permits such actions at the discretion of tax officials. This significantly undermines privacy safeguards and exposes individuals and businesses to potential data exploitation.

Constitutional and Legal Ramifications

The clause stands in direct conflict with the right to privacy enshrined under Article 21 of the Indian Constitution, following the landmark Justice K.S. Puttaswamy v. Union of India ruling (2017). The Supreme Court affirmed that any intrusion into privacy must meet the tests of necessity, proportionality, and judicial oversight—standards that Clause 247(1)(b)(iii) appears to sidestep.

The lack of safeguards raises the risk of fishing expeditions, where tax authorities may collect data unrelated to tax investigations. For individuals, this could mean the exposure of personal communications and sensitive financial information. For businesses, it could lead to the unauthorized retrieval of trade secrets, client data, and proprietary information, jeopardizing their competitive edge.

Chilling Effect on the Digital Economy

India has positioned itself as a global digital economy leader, with initiatives like Digital India fostering innovation and financial inclusion. However, the ITB's unrestricted access to digital systems could undermine public trust in digital platforms. Businesses may be reluctant to operate in an environment where tax authorities have unfettered access to their systems, potentially deterring foreign investment and stifling technological advancement.

Moreover, the vague language of the clause invites interpretative ambiguity. It fails to define what constitutes a "virtual digital space," leaving room for tax authorities to exploit the provision expansively. This could include access to cloud storage, email servers, and encrypted messaging platforms, further intensifying privacy risks.

3. Broader Implications and the Path Forward

The contentious provisions of the ITB reflect a broader challenge of balancing tax enforcement with civil liberties. While strengthening tax compliance is necessary, it must not come at the expense of privacy rights and due process.

Recommendations for Safeguards

To prevent overreach, lawmakers must incorporate adequate checks and balances into the Bill:

- Parliamentary Oversight for CBDT Rules:

Clause 533 should be subject to periodic review by Parliament or an independent oversight committee to prevent arbitrary rule-making.

- Judicial Warrants for Investigative Actions: Search, seizure, and data access powers should require judicial warrants to ensure proportionate and justified enforcement.
- Clarification and Scope Limitation: The vague language of Clause 247(1)(b)(iii) must be refined to clearly define the extent of permissible digital access and the types of systems covered.
- Enhanced Data Protection: The Bill should align with global standards such as the EU's GDPR to safeguard taxpayers' data and limit its misuse.
- Public Consultation: Engaging with businesses, legal experts, and civil society through public consultations could further refine the Bill and address stakeholder concerns.

Conclusion

The Income Tax Bill, 2025, is at its verge of implementation. It holds the potential to modernize India's tax regime and enhance revenue collection, but only if implemented with robust safeguards that uphold privacy rights and prevent overreach. Ensuring judicial oversight, transparent rule-making, and fair enforcement will be critical to fostering trust and promoting voluntary compliance. Without such reforms, the Bill risks becoming a cautionary tale of well-meaning legislation undone by excessive power centralization and privacy erosion.

The path forward must prioritize fairness, transparency, and accountability, striking the right balance between enforcement and protection of citizens' rights.

PRESS RELEASE

Monthly review of accounts of the Government of India upto January, 2025 (FY2024-25)

Posted On: 28 FEB 2025 4:47PM by PIB Delhi

The monthly account of the Government of India upto January, 2025, has been consolidated and reports published. The highlights are given below:-

The Government of India has received ₹24,00,412 crore (76.3% of corresponding RE 2024-25 of Total Receipts upto January, 2025 comprising ₹19,03,558 crore Tax Revenue (Net to Centre), ₹4,67,630 crore of Non-Tax Revenue and ₹29,224 crore of Non-Debt Capital Receipts. ₹10,74,179 crore has been transferred to State Governments as Devolution of Share of Taxes by Government of India upto this period which is ₹2,53,929 crore higher than the previous year.

Total Expenditure incurred by the Government of India is ₹35,69,954 crore (75.7% of corresponding RE 2024-25), out of which ₹28,12,595 crore is on Revenue Account and ₹7,57,359 crore is on Capital Account. Out of the Total Revenue Expenditure, ₹8,75,461 crore is on account of Interest Payments and ₹3,37,733 crore is on account of Major Subsidies.

NOTIFICATIONS

INDIRECT TAX

Customs (Tariff)

Notification No. 15 /2025-Customs

New Delhi, the 20th February, 2025

G.S.R.…. (E). — In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 785(E), dated the 30th June, 2017, namely:-

In the said notification, in the Table,-

Against S.No. 551 and S. No. 555, in column (6), for the entry "84", the entry "-" shall be substituted.

2. This notification shall come into force with immediate effect.

[F. No. 190354/180/2024-TRU]

Customs (Non - Tariff)

Notification No. 11/ 2025-CUSTOMS (N.T.)

New Delhi, the 17th February, 2025.

G.S.R…… (E) - In exercise of the powers conferred by section 157 read with section 143AA of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs, for the purposes of facilitation of trade, hereby makes the following regulations, namely:-

1. Short title and commencement.- (1) These regulations may be called the Customs (On - Arrival Movement for Storage and Clearance at Authorised Importer Premises) Regulations, 2025.

   (2) They shall come into force with effect from the date to be notified.

2. Definitions.– (1) In these regulations, unless the context otherwise requires,-

   (a) "Act" means the Customs Act, 1962 (52 of 1962);

   (b) "Authorised Importer" means the importer authorised under regulation 4;

   (c) "Authorised Importer Premises" means the designated place authorised for storage of imported goods before clearance or removal under regulation 4;

   (d) "Clearance at Authorised Importer Premises" includes movement of imported goods of Authorised Importer from port to the Authorised Importer Premises, storage, examination, clearance or removal thereof.

   (e) "Form" means the Form annexed to these regulations.

(2) The words and expressions used herein and not defined in these regulations shall have the same meanings as assigned to them in the Act or notifications issued thereunder.

3. Application.- These regulations shall apply to –

   (a) importers satisfying the following conditions, namely:-

      (i) importer is recognised as Authorised Economic Operator under Tier II or Tier III status;

      (ii) designated place demarcated within already licenced warehouse under section 58 or under section 58A of the Act;

(iii) licenced bonded warehouse where designated place is demarcated has permission under section 65 of the Act; and

(iv) the resultant goods pertain to goods classified under headings 8517-8548;

(b) such imported goods only, where no order is made under section 47 or section 60 of the Act and the importer is intending to avail clearance at Authorised Importer Premises.

4. Registration.- (1) Subject to regulation 3, the importer who intends to avail the facility of clearance at Authorised Importer Premises, shall make an application before the Commissioner of Customs having jurisdiction to issue licence under sections 58 or 58A of the Act, seeking to avail the facility of clearance at Authorised Importer Premises in the Form annexed to these regulations.

(2) The Commissioner shall get the Authorised Importer Premises verified within seven days.

(3) On the basis of verification under sub-regulation (2), the Commissioner shall decide the application within seven days and communicate to the applicant;

Provided that where the verification or information provided by the importer is insufficient to decide the application, the Commissioner of Customs may provide further period of fifteen days to importer for making it sufficient to decide the application.

Note: Any reference to the Commissioner of Customs shall also include a reference to the Principal Commissioner of Customs.

5. Declaration of intent to avail the facility.- The Authorised importer shall declare his intent in the Bill of Entry under section 46 of the Act along with the details of Authorised Importer Premises.

6. Grant of automated permission to avail this facility.- (1) On arrival of the goods and completion of the electronic process relating to goods covered in the Bill of Entry including reconciliation with the arrival manifest, an-automated permission for storage at the Authorised Importer Premises shall be granted by the Customs Automated System;

Provided that the above said permission shall not be available in the following situations, namely:-

(a) goods are selected for scanning and found suspicious after scanning; or

(b) no-objection is pending from any Government agency; or

(c) release is kept on hold based on specific intelligence.

(2) The decision regarding permission to avail this facility shall be made available to the importer electronically.

7. Movement, Storage and Clearance or Removal.-

(1) On grant of permission under regulation 6, the importer may move the goods to his Authorised Importer Premises under bond after affixing secured seal as specified by the Commissioner of Customs having jurisdiction over Authorised Importer Premises;

Provided that the Commissioner of Customs may having regard to the nature of goods or manner of transport, permit movement of such goods without affixing the secured seal.

(2) On arrival, the bond officer having jurisdiction over the Bonded warehouse of the Authorised Importer Premises may examine the goods, if required in accordance with examination order and provide report to the Port of Import electronically.

(3) Importer may submit any documents or respond to the query, if required during clearance or removal at the Authorised Importer premises.

(4) On completion of the formalities including examination, the goods may be cleared for home consumption under section 47 of the Act or permitted to be removed for warehousing under section 60 of the Act by the proper officer at the Port of Import.

8. Obligation of the Authorised Importer.- The Authorised Importer shall –

(a) provide continuity bond for custody of the goods during the movement;

(b) move the goods under his custody and inform

the bond officer regarding the arrival of the goods at the Authorised Importer Premise;

(c) provide for safe storage of the goods and to facilitate handling and examination at the expense of the authorised importer;

(d) ensure that goods are cleared or removed within fifteen days of permission granted under regulation 6;

Provided that the said period of fifteen days may be further extended by the Commissioner of Customs having jurisdiction over the bonded warehouse, if sufficient reason is shown that the causes for not conforming to the time period were beyond the importer's control;

(e) maintain records of receipt, handling, storing and removal of goods into or from the Authorised Importer Premises, as the case may be, and produce the same to the bond officer, as and when required; and

(f) abide by all the provisions of the Act and rules, regulations, notifications and orders issued thereunder.

9. Suspension of the facility.- The Commissioner of Customs, may suspend or revoke the authorisation granted under regulation 4, if any other conditions are not met or no longer valid after observance of due process of law.

10. Penalty.- If an Authorised Importer or any person contravenes any of the provisions of these regulations or abets such contravention or fails to comply with any of the provisions of these regulations, he shall be liable to penalty to an extent specified under clause(ii) of sub- section (2) of section 158 without prejudice to any other action which may be taken under the Act, rules or regulations made thereunder or under any other law for the time being in force.

11. Power to relax.- The Board having regard to the nature of the goods, their manner of transport or storage, may by order exempt a class of goods from any of the provisions of these regulations subject to such conditions specified therein.

[F. No. 450/10/2016-Cus IV(Pt.)]

Notification No. 12/2025-CUSTOMS (N.T.)

New Delhi, 28th February, 2025

S.O. … (E).– In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted, namely: -

"**TABLE-1**

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	1173
2	1511 90 10	RBD Palm Oil	1189
3	1511 90 90	Others – Palm Oil	1181
4	1511 10 00	Crude Palmolein	1200
5	1511 90 20	RBD Palmolein	1203
6	1511 90 90	Others – Palmolein	1202

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $Per Metric Tonne)
(1)	(2)	(3)	(4)
7	1507 10 00	Crude Soya bean Oil	1112
8	7404 00 22	Brass Scrap (all grades)	5511

TABLE-2

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed.	927 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed.	1025 per kilogram
3.	71	(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi- manufactured forms of silver falling under sub-heading 7106 92; (ii) Medallions and silver coins having silver content not below 99.9% or semi- manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	1025 per kilogram
4.	71	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units; (ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.	927 per 10 grams

TABLE-3

Sl. No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US $ Per Metric Ton)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	8140 (i.e., no change)"

2. This notification shall come into force with effect from the 01st day of March, 2025.

[F. No. 467/01/2025-Cus.V]

Customs (CVD)

Notification No. 01/2025-Customs (CVD)

New Delhi, the 25th February, 2025

G.S.R….(E). -Whereas, in the matter of "Saccharin in all its forms" (hereinafter referred to as the subject goods) falling under tariff item 2925 11 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in or exported from China PR (hereinafter referred to as the subject country), and imported into India, the designated authority in its final findings, published in the Gazette of India, Extraordinary, Part I, Section 1, vide notification No. 7/34/2023-DGTR, dated the 27th November, 2024, has inter alia come to the conclusion that the cessation of countervailing duty is likely to lead to continuation or recurrence of subsidization and injury to the domestic industry and has recommended continued imposition of countervailing duty on imports of the subject goods originating in or exported from the subject country.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (6) of section 9 of the Customs Tariff Act, read with rules 20, 22 and 24 of the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 and in supersession of the notification of the Government of India, Ministry of Finance (Department of Revenue) number 2/2019-Customs (CVD), dated the 30th August, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 610(E), dated the 30th August, 2019, except as respects things done or omitted to be done before such supersession, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under tariff items of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in or exported from the countries as specified in the corresponding entry in column (4), produced by the producers as specified in the corresponding entry in column (5), and imported into India, a countervailing duty of an amount as specified in the corresponding entry in column (6) of the said Table, namely:–

Table

S. No.	Tariff Item	Description of goods	Country of Origin/ Export	Producer	Duty amount as % of CIF Value
(1)	(2)	(3)	(4)	(5)	(6)
1.	2925 11 00	Saccharin in all its forms	China PR	Any	20

2. The countervailing duty imposed under this notification shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

Explanation – For the purposes of this notification,–

(a) the rate of exchange applicable for the purposes of calculation of such countervailing duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Act;

(b) "CIF value" means the assessable value as determined under section 14 of the Customs Act, 1962 (52 of 1962).

[F. No. CBIC-190354/18/2025-TRU Section-CBEC]

Direct Tax

Notification No. 17/2025

New Delhi, the 24th February, 2025

G.S.R. 145(E).—In exercise of the powers conferred by sub-section (1A) of section 115AD, sub-section (4) of section 115TCA, sub-section (4) of section 115UA and sub-section (7) of section 115UB read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

1. (1) These rules may be called the Income-tax (Fifth Amendment) Rules, 2025.

   (2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 1962,–

   (a) for rule 12CA, the following shall be substituted, namely:-

   "12CA. Statement under sub-section (4) of section 115UA.—(1) The statement of income distributed by a business trust to its unit holder shall be furnished by the person responsible for making payment of the income distributed on behalf of a business trust to –

   (i) the Principal Commissioner or the Commissioner of Income-tax, as the case may be, within whose jurisdiction the principal office of the business trust is situated by the 15th day of June of the financial year following the previous year during which the income is distributed electronically under digital signature, in Form No. 64A duly verified by an accountant in the manner indicated therein; and

   (ii) the unit holder by the 30th day of June of the financial year following the previous year during which the income is distributed in Form No. 64B after generating and downloading the same from the web portal specified by the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) or the person authorised by him and duly verified by the person paying the income distributed on behalf of the business trust in the manner indicated therein.

The entire notification can be read at *https://incometaxindia.gov.in/communications/notification/notification-no-17-2025.pdf*.

CIRCULARS

DIRECT TAX

Circular No. 2/2025

Dated the 18th February, 2025

Sub: Extension of due date for filing of Form No. 56F under the Income-tax Act, 1961- reg.

On consideration of difficulties reported by the taxpayers and other stakeholders in timely filing of report of accountant required to be filed under sub-section (8) of section l0AA read with sub-section (5) of section 10A of the Income-tax Act, 1961 ('the Act') and with a view to avoid genuine hardship to such cases, the Central Board of Direct taxes, in exercise of its powers under section 119(2)(b) of the Income Tax Act, 1961, hereby extends the due date of filing of report of the accountant as required to be filed under sub-section (8) of section 10AA read with sub-section

(5) of section l0A of the Act, for Assessment year 2024-25 from the specified date under section 44AB of the Act to 31.03.2025.

F.No. 300173/11/2025-ITA-I

Circular No. : 3/2025

20th February, 2025

SUBJECT: INCOME-TAX D11DUC"FION FROM SAI.ARIES DURING THE FINANCIAL YEAR 2024-25 UNDER SEC'FION 192 OF THE INCOME-TAX ACT, 1961.

Reference is invited to Circular No. 24/2022 dated 07.12.2022, whereby the rates of deduction of income-tax from the payment of income under the head "Salaries" under section 192 of the Income-tax Act, 1961 (hereinafter referred to as the Act'), during the financial year 2022-23, were intimated. The said Circular also explained certain related provisions of the Act and Income-tax Rules, 1962 (hereinafter referred to as 'the Rules').

The present Circular contains the amendments made vide the Finance (No.2) Act of 2024. Finance (No. 1) Act of 2024 and Finance Act of 2023 in respect of rates of deduction of income-tax Origin the payment of income under' the head "Salaries" under section 192 of the Act. W here no amendments have been made by the above referred Acts, in such cases, the above referred Circular No. 24 of 2022 shall continue to be applicable for F. Y. 2024-25. The relevant Acts, Rules, Forms and Notifications are available at the website of the Income Tax Department - www. incometaxindia.gov.in

F. No. 275/107/2024-IT(B)

The entire notification can be read at *https://incometaxindia.gov.in/communications/notification/notification-no-17-2025.pdf*.

JUDGEMENT

INDIRECT TAX

No exemption from GST for products sold by Kerala Khadi Village Industries Board: HC

Facts of the Case : Kerala Khadi & Village Industries Board v. Union of India - [2025] (Kerala)

The Kerala Khadi & Village Industries Board (the Petitioner) was a statutory body under the Kerala Khadi & Village Industries Board Act. It was exempted from VAT and service tax for the sale of khadi and village products before the introduction of the GST Act. However, after the GST Act came into force, the exemption was not continued, and the Petitioner was imposed with a huge tax liability. Aggrieved by such order, the Board filed a writ petition before the High Court of Kerala.

Decision of the Case :

The Court held that notwithstanding the nature of services being carried out by the Petitioner, the GST Act does not provide any exemption or a "zero rated tax" for the products of the Petitioner. In such circumstances, the claim for exemption based on the earlier statutes cannot have any legal basis. Further, there cannot be any estoppel against a statute. Since concededly, the taxing provisions of the GST Act are applicable to the Petitioner, the contentions based on the earlier statutes have no bearing.

Delay in filing revocation application to be condoned subject to deposit of all taxes, interest, late fee and penalty: HC

Facts of the Case : Saroj Kumar Maharana v. Superintendent, CGST and Central Excise - [2025] (Orissa)

The assessee, a registered person under the Odisha Goods and Services Tax Act, 2017, was issued a show-cause notice for cancellation of registration. Subsequently, the registration was cancelled by the proper officer.The assessee filed a writ petition before the Orissa High Court for condonation of delay in filing the application for revocation of the cancellation of registration.

Decision of the Case :

The High Court held that similar relief was granted by the High Court in the case of Mohanty Enterprises wherein the delay in invoking the proviso to Rule 23 of the Odisha Goods and Services Tax Rules, 2017 was condoned. The High Court directed that subject to the assessee depositing all the taxes, interest, late fee, penalty, etc., due and complying with other formalities, the assessee's application for revocation would be considered in accordance with the law. Accordingly, the writ petition was disposed of.

GST authority is directed to not take coercive action on SCN issued for period under DGGI investigation: HC

Facts of the case : DRJ Petrochem (P.) Ltd. vs. Sales Tax Officer - [2025] (Delhi)

The petitioner, a registered assessee under the Goods and Services Tax (GST) regime, challenged a Show Cause Notice (SCN) issued by the State GST authority under Section 73 of the Central Goods & Services Tax Act, 2017. The petitioner contended that the SCN was unsustainable as the same tax period was already under investigation and adjudication pursuant to a prior SCN issued by the Directorate General of GST Intelligence (DGGI), Chandigarh. It was argued that parallel proceedings by two authorities for the same tax period would lead to duplicative adjudication, potential conflicting conclusions, and an undue compliance burden. The writ petition was filed before the High Court, seeking relief against the impugned SCN. During the proceedings, the Revenue, relying on the decision in DLF Home Developers Limited v. Sales

Tax Officer Class II, AVATO, Govt. of NCT of Delhi & Anr. [WP(C) 11037/2024 dated 26 September 2024], submitted that no coercive steps would be taken under the impugned SCN until the adjudication of the DGGI proceedings was concluded.

Decision of the case :

The Hon'ble High Court held that when the same tax period is already under investigation by the DGGI, any parallel proceedings initiated by the State GST authority under Section 73 of the CGST Act, 2017, shall remain in abeyance pending the conclusion of the DGGI's adjudication. The court recorded and accepted the Revenue's statement that no coercive steps would be taken on the impugned SCN until the DGGI proceedings reached their conclusion. Accordingly, the writ petition was disposed of in these terms.

Builder can not deduct GST from refund of booking amount if no such clause exists in sale agreement: HC

Facts of the case : Emerald Haven Realty Developers (Paraniputhur) (P.) Ltd. vs. S.V. Ramesh - [2025] (Madras)

The assessee, a real estate developer, launched a residential project, wherein the respondent's father booked an apartment and made an advance payment towards its purchase. However, due to the sudden demise of his father, the respondent chose not to proceed with the purchase and formally requested a refund of the amount paid. In response, the assessee refunded the amount after deducting 10% of the total sale consideration as cancellation charges, along with an additional deduction towards GST. Aggrieved by the deduction of GST, the respondent filed a complaint before the Real Estate Regulatory Authority (RERA), challenging the deduction. RERA, after due consideration, partly allowed the complaint and directed the refund of the GST amount. The assessee, dissatisfied with the order, filed an appeal before the Appellate Tribunal. The Appellate Tribunal, through the impugned order, upheld RERA's decision, noting that the Sale and Construction Agreement did not explicitly authorize the deduction of GST in case of cancellation. Additionally, it was observed that the GST deduction was introduced for the first time in an email correspondence from the assessee regarding cancellation charges, without any prior contractual basis or valid justification.

Decision of the case :

The Hon'ble Madras High Court held that the respondent was entitled to withdraw the pre-deposit amount made by the assessee before the Appellate Tribunal under the RERA Act, as the respondent's application for a refund of the GST amount was still pending before the tax authorities. The Court further ruled that the assessee was not entitled to deduct GST before refunding the amount to the respondent, given the absence of any contractual provision justifying such a deduction. Consequently, the appeal against the impugned order was dismissed, and the decision of the Appellate Tribunal was upheld, reaffirming that deductions towards GST in such cases must be backed by statutory or contractual authority.

Order of rejection to be set aside as there was no restriction for persons outside State to seek GST registration in Andhra Pradesh: HC

Facts of the case: Tirumala Balaji Marbles and Granites vs. Assistant Commissioner ST - [2025] (Andhra Pradesh)

The petitioner, a business entity seeking to establish operations in Andhra Pradesh, applied for GST registration under the Andhra Pradesh Goods and Services Tax Act, 2017. The application, filed on 19.10.2024, was rejected by the first respondent through an order dated 04.11.2024. The rejection was based on the ground that neither the applicant nor the authorized representative belonged to the state of Andhra Pradesh. Aggrieved by this decision, the petitioner filed a writ petition before the Andhra Pradesh High Court, contending that such rejection was arbitrary and lacked statutory basis. The petitioner argued that the APGST Act did not impose any restriction on non-residents seeking registration and that the denial violated its fundamental right to conduct business under Article 19(1)(g) of the Constitution of India.

Decision of the case:

The Hon'ble Andhra Pradesh High Court held that the rejection of GST registration solely on the ground that

the applicant and its authorized representative did not belong to Andhra Pradesh was not legally sustainable. It was observed that no statutory provision under the APGST Act restricted a person from another state from obtaining GST registration in Andhra Pradesh. The court further emphasized that mere apprehension of tax evasion could not override the petitioner's fundamental right to carry on business. Accordingly, the order of rejection was set aside, and the respondents were directed to grant GST registration to the petitioner, while retaining the authority to monitor compliance and take appropriate measures to prevent tax evasion.

Direct Tax

No fatality could be said to attach to issuance of notice u/s 148 if info. of some other person was attached to it: HC

Facts of the case : Monish Gajapati Raju Pusapati vs. Assessment Unit Income-tax Department - [2025] (Delhi)

The Assessing Officer issued a notice under section 148 against the assessee on ground that information was received under section 135A pertaining to the transactions entered by some other assessee (MJ) having a different PAN and having no relation with the assessee.

Assessee filed objections to the reopening of assessment. However, the order rejecting objections of the assessee was passed without considering said error. On writ petition, the assessee submitted that notice was issued in an absolutely misconceived manner, vitiating the procedure laid down under section 148.

The matter was taken to the Delhi High Court.

Decision of the Case :

The Delhi High Court held that it was evident that the AO, by pure inadvertence, had annexed/attached the information pertaining to some other individual/ assessee and not the assessee. On account of such error/ mistake or inadvertence, no fatality can be said to attach to the issuance of the notice under section 148.

However, the passing of the order was absolutely unsustainable in overlooking the error apparent on the face of the record. It can be safely presumed that the authority did not apply its mind to the objections raised by the assessee.

The Court examined section 292B, which validates proceedings despite mistakes if they align with the Act's intent. While this provision protects the section 148 notice despite an error in annexed information, it does not save the order. Thus, the Court quashed the order but directed the AO to rectify the notice by providing the correct information from the Insight Portal and Specified Authority within a week, allowing the assessee to respond per law.

Non-registration of trust under State Trust Act not a hurdle for registration under Income Tax Act: ITAT

Facts of the case : APJ Abdul Kalam Education and Welfare Trust vs. Commissioner of Income-tax, Exemption - [2025] (Jaipur - Trib.)

The assessee-trust applied for registration under section 12AB. The Commissioner (Exemption) rejected the application because the assessee was not registered under the Rajasthan Public Trust Act, 1959 (RPT).

Decision of the Case :

On appeal, the Jaipur Tribunal held that Section 17 of the Rajasthan Public Trust Act, 1959 requires that trustees of the trust have to apply for registration of a public trust. However, no section in the RPT Act, 1959 prohibits a trust from carrying out its objects if it is not registered under the RPT Act, 1959.

Even if the assessee trust is not registered with the RPT Act, 1959 and the concerned officials under the RPT Act, 1959 deem it necessary to get the entity registered under section 17 of the RPT Act, 1959, appropriate action can be taken against the trustees of the trust. However, this issue can't be a hurdle in getting registration before the Income Tax Department under section 12AB.

There is no law which is required to be complied with for achieving the objects of the assessee trust. Both the statutes, i.e. The Income Tax Act, 1961 and RPT Act, 1959 have to be read together, and none of them has an overriding effect.

Therefore, the Commissioner (Exemption) was to be

directed to accept the application for registration of the assessee.

HC justified retention of cash seized during search as assessee raised his claim for return of money after a month

Facts of the case : Kamlesh Shah vs. Union of India - [2025] (TELANGANA)

The petitioner claimed himself to be the proprietor of 'ST' which was engaged in the business of agricultural produce like vegetables, fruits, post-harvest activities and other agro-based produce since 1984. According to him, on 03.09.2020, he had come from Ahmedabad to Hyderabad bringing along with him cash of ₹. 3.75 crores.

He contended that cash was his business money, which was already reflected in his bank statement. During the search and seizure operation, the cash was seized by the authorities. Aggrieved by the order, the petitioner filed a writ petition before the High Court of Telangana, seeking the release of the cash.

Decision of the case :

The High Court held that the petitioner had raised his claim for the return of money with the Income-tax Department in October 2020, almost after a month from the date of the amount so seized. This raised several doubts regarding the petitioner's credentials and his claim.

Further, no procedural irregularity was committed by the authorities concerned, and the requirement under section 132 had been met. Therefore, no strong case was made out by the petitioner calling for interference with the impugned action by the respondent.

Sequence of notices u/s 142(1) and 143(2) irrelevant if both served purpose of making valid assessment: HC

Facts of the case : Hexa Steel and Power (P.) Ltd. vs. National Faceless Assessment Centre - [2025] (Orissa)

The assessee filed its return of income, which was picked up for scrutiny assessment. Notice under section 143(2) was issued. The assessee complied. Subsequently, another notice was issued, this time under section 142(1), purporting to make an inquiry. The assessee complied, but the inquiry could not have been resorted to following a notice issued under section 143(2) on its return filed.

Furthermore, in doing the assessment, section 144B was also resorted to. As such, by notification dated 17-2-2021, substituted sub-paragraph (1) in paragraph 5 of the Faceless Assessment Scheme, 2019, required furnishing a copy of the draft assessment before the assessment was finalised.

The assessee filed a writ petition contending that the draft assessment order, preparation of it mandated under section 144B, was not made available to the assessee. Secondly, after the issuance of notice under section 143(2), a notice could not have been issued under section 142(1).

Decision of the Case :

The High Court of Orissa held that the assessment was made invoking the provision in section 143(3) read with section 144B on the assessee having complied with both notices, firstly issued under section 143(2) and then under section 142(1). The contention of revenue that the sequence does not matter inasmuch as the power to issue notice provided for in section 143(2) and section 142(1) is to make the assessment is to be accepted.

There was no dispute that the assessee's return was picked up for scrutiny assessment. The assessment had to be done. The commencement of the exercise of assessment was by issuing the section 143(2) notice. Then, further inquiry was felt necessary for the purpose of the assessment, and, therefore, the second notice was under section 142(1). Having complied with both notices, the assessee's allegation of not having had a full opportunity, particularly in view of statements made in the counter, was without basis.

No fault of revenue if notice wasn't served upon assessee due to non-updation of her address in PAN card: HC

Facts of the Case : Srimani Basu v. Income-tax Officer - [2025] (Bombay)

The Assessing Officer (AO) issued a notice to the

assessee under section 148A(b) and subsequently passed an order under section 148A(d). Consequent to such an order, he issued a notice under section 148.

In the writ petition, the assessee contended that the notices were not served to her either on the email ID or by post. Therefore, the proceedings were bad in law.

Decision of the case : The Bombay High Court held that it was the duty of the assessee to inform the Income-tax Department about the change of her address and make necessary changes in the PAN card details. As the assessee failed to do so, no fault could be attributed to the AO on account of non-service of the notices.

However, considering that the assessee was an individual lady and her husband was on a transferable job, the AO was directed to serve subsequent notices on the address and e-mail ID given by the assessee.

Tax Calendar

Indirect Tax

Due Date	Returns
Mar 10th, 2025	GSTR-7 (GST-TDS)
	GSTR-8 (GST-TCS)
Mar 11th, 2025	GSTR-1-Other than QRMP scheme
Mar 13th, 2025	GSTR-5-Non-Resident Taxable Person
	GSTR-6-Input Service Distributor

Direct Tax

Due Date	Returns
Mar 2nd, 2025	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194S & 194M in the month of January, 2024
Mar 7th, 2025	Due date for deposit of Tax deducted/collected for the month of February, 2024. 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
Mar 15th, 2025	Fourth instalment of advance tax for the assessment year 2024-25
	Due date for payment of whole amount of advance tax in respect of assessment year 2024-25 for assessee covered under presumptive scheme of section 44AD / 44ADA
	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of February, 2024 has been paid without the production of a Challan

E-PUBLICATIONS

Of

TAX RESEARCH DEPARTMENT

- Guide Book for GST Professionals
- Handbook for Certification for difference between GSTR-2A & GSTR - 3B
- Impact of GST on Real Estate
- Insight into Customs-Procedure & Practice
- Input Tax Credit and In depth Discussion
- Taxation on Co-operative Sector
- Guidance notes on Preparation and Filing of Form GSTR 9 and 9C
- Guidance Note on Anti Profiteering
- Handbook on GST on Service Sector
- Handbook on Works Contract under GST
- Handbook on Impact of GST on MSME Sector
- Assessment under the Income Tax Law
- Impact on GST on Education Sector
- International Taxation and Transfer Pricing
- Handbook on E-Way Bill
- Handbook on Filing of Returns
- Handbook on Special Economic Zone and Export Oriented Units

For E-Publications, Please Visit Taxation Portal
https://icmai.in/TaxationPortal/

TAXATION COMMITTEES - PLAN OF ACTION

Proposed Action Plan:

1. Successfully conduct all Taxation Courses.
2. Publication and Circulation of Tax bulletin (both in electronic and printed formats) for the awareness and knowledge updation of stakeholders, members, traders, Chambers of Commerce, Universities.
3. Publication of Handbooks on Taxation related topics helping stakeholders in their job deliberations.
4. Carry out webinars for the Capacity building of Members - Trainers in the locality to facilitate the traders/ registered dealers.
5. Conducting Seminars and workshops on industry specific issues, in association with the Trade associations/ Traders/ Chamber of commerce in different location on practical issues/aspects associated with GST.
6. Tendering representation to the Government on practical difficulties faced by the stakeholders in Taxation related matters.
7. Updating Government about the steps taken by the Institute in removing the practical difficulties in implementing various Tax Laws including GST.
8. Facilitating general public other than members through GST Help-Desk opened at Head quarter of the Institute and other places of country.
9. Introducing advance level courses for the professionals on GST and Income Tax.
10. Extending Crash Courses on Taxation to Corporates, Universities, Trade Associations etc.

Contact Details:

Tax Research Department

12, Sudder Street, KolKata - 700016

Phone: +91 33 40364714/ +91 33 40364798/ +91 33 40364711

E-mail: trd@icmai.in

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

Headquarters: CMA Bhawan, 12, Sudder Street, Kolkata - 700016
Ph: 091-33-2252 1031/34/35/1602/1492
Delhi Office: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110003
Ph: 091-11-24666100