

March, 2025

TAX Bulletin

Volume - 180

17.03.2025



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

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"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

MISSION STATEMENT

"The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting."

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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Certificate Courses Offered by the Tax Research Department

1. Certificate Course on GST (CCGST)
2. Advanced Certificate Course on GST (ACCGST)
3. Advanced Certificate Course on GST Audit and Assessment Procedure (ACGAA)
4. Certificate Course on TDS (CCTDS)
5. Certificate Course on Filing of Returns (CCFOF)
6. Advanced Course on Income Tax Assessment and Appeals (ACIAA)
7. Certificate Course on International Trade (CCIT)

Admission Link - <https://eicmai.in/advsc/DelegatesApplicationForm-new.aspx>

Modalities

Description	Course Name						
	CCGST	ACCGST	ACGAA	CCTDS	CCFOF	ACIAA	CCIT
Hours	72	40	30	30	30	30	50
Mode of Class	Offline/ Online	Online					
Course Fee* (₹)	10,000	14,000	12,000	10,000	10,000	12,000	10,000
Exam Fee* (₹)	1,000 per attempt						
Discounts	20% Discount for CMA Members, CMA Qualified and CMA Final Pursuing Students						

*18% GST is applicable on both Course fee and Exam fee

Eligibility Criteria for Admission

- ▲ Members of the Institute of Cost Accountants of India
- ▲ Other Professionals (CA, CS, MBA, M.Com, Lawyers)
- ▲ Executives from Industries and Tax Practitioners
- ▲ Students including CMA Qualified and CMA Pursuing

*On passing the examination with 50% marks
a Certificate would be awarded to the participant
with the signature of the President
of the Institute*

Course Details

<https://icmai.in/TaxationPortal/OnlineCourses/index.php>

Courses for Colleges & Universities by the Tax Research Department

Modalities

Eligibility

- ▲ B.Com/ BBA pursuing or completed
- ▲ M.Com/ MBA pursuing or completed

Description	Courses for Colleges and Universities	
	GST Course	Income Tax
Batch Size	Minimum 50 Students per Batch per course	
Course Fee* (₹)	1,000	1,500
Exam Fee* (₹)	200	500
Duration (Hrs)	32	32

For enquiry about courses, mail at: trd@icmai.in

*18% GST is applicable on both Course fee and Exam fee

Behind every successful business decision, there is always a **CMA**



Chairman's Message

CMA Rajendra Singh Bhati
Chairman Direct Taxation Committee



Tax Research Department in association with Bhubaneswar Chapter successfully organized the 2-Day CMA Tax Conclave on “Managing Tax & Avoiding Disputes – Eventual Role of CMAs” on 8th & 9th March, 2025 at the ICMR-Regional Medical Research Centre (RMRC), Bhubaneswar. Around 300 delegates, including corporate leaders, industry associations, government officials, regulators, CMA professionals attended the conclave.

Shri Saroj Kumar Mohapatra, Principal Commissioner, Income Tax, graced the inaugural session on day 1 as the Chief Guest in the presence of the Council Members, RCMs and Chapter Representatives. CMA Niranjana Swain and Shri Mrityunjay Acharjee delivered insightful presentations on the New Income Tax Bill, 2025. CMA Ravi Kumar Sahni addressed the delegates on “Inventory Valuation Provisions & Implications under the Income Tax Act” while CMA Shailendra Bardia delivered a talk on “TDS – An Important Area of Income Tax Law and Its Practice”

Shri Abhinav Yadav, Additional Commissioner - GST graced the inaugural session on day 2 as the Chief Guest in the presence of Shri Nihar Ranjan Nayak, Additional Commissioner, State Tax, Odisha and CMA Bikram Kesari Das, Director (Finance), Uranium Corporation of India Ltd. and others. Shri Dinesh Kumar Jain deliberated on “Critical and crucial provisions relating to ITC - Possible cause of dispute and remedies”. CMA Anil Sharma addressed on “Assessments, Adjudication and Appeals under GST & Amnesty Scheme under GST”. CMA Bhogavalli Mallikarjuna Gupta delivered on “Leveraging Technology in managing GST & Important Case laws that can be referred in redressal of disputes” and CMA Shiba Prasad Padhi took session on “Audit & SCN - Issues and challenges “

Another Conclave was conducted in association with Jaipur Chapter on “Recent Trends in Taxation” on

23rd March 2025 in Centre of Excellence for Revenue Research & Analysis (CoERRA) Bhawan, Plot no. 2, Near Aranya Bhawan, Jhalana Institutional Area, Jaipur. The Tax Conclave was attended by around 140 professionals and CMA Aspirants.

CMA Deepak Khandelwal, Chairman of the Jaipur Chapter, welcomed the delegates while CMA Rajendra Singh Bhati, Chairman of the Direct Taxation Committee, shared his thoughts on the current trends in taxation and significance of new tax regulations.

CMA (Dr) S.K. Gupta delivered his talk in session 1 on Inventory Valuation under the Income Tax Act – Focus on ICDS 2 and provided an in-depth analysis of how businesses should value their inventory for tax purposes under the Income Tax Act.

CMA Vivek Laddha led an insightful session on Indirect Taxation, focusing primarily on ISD (Input Service Distributor) distribution & the Appellate Tribunal and provided the attendees with a deeper understanding of ISD mechanisms and the critical role of the Appellate Tribunal in managing tax-related disputes.

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

17.03.2025



Chairman's Message

CMA Dr. Ashish P. Thatte

Chairman Indirect Taxation Committee



The net goods and services tax (GST) collection grew marginally by 7.3 per cent year-on-year (Y-o-Y) to ` 1.76 trillion in March, according to provisional data released by the government on Monday. Sequentially, the mopup was higher than February's ` 1.62 trillion, which saw 8.1 per cent Y-o-Y growth. The gross GST collection — the amount before adjusting for refunds — rose by 9.9 per cent in March to ` 1.96 trillion. Domestic refunds rose by 2.8 per cent, while total refunds, including those on imports (201.9 per cent Y-o-Y), climbed by 41.2 per cent to ` 0.19 trillion. From April-March period of financial year 2024-25 (FY25), total refunds grew by 16.4 per cent Y-o-Y to ` 2.52 trillion.

It is to be noted here, that to run a country, the government requires revenue. The GST collection is one of the primary sources of revenue for the Indian government. India's GST collections have broken all its previous records, and this figure signals not just economic resilience but the transformative power of digital tax administration. High inflation rate, buoyancy in consumption patterns triggered by the economic recovery, alongside greater enforcement actions against anti-evasion activities have contributed to the rise in GST collections. These parameters truly show that India is a progressing and moving towards a more Tax Compliant Nation.

In March, 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

17.03.2025

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C O N T E N T S



Articles on the Topics of Direct and Indirect Taxation are invited from readers and authors. Along with the article please share a recent passport-sized photograph, a brief profile and the contact details. The articles should be the author's own original.

Please send the articles to
trd@icmai.in / trd.dd2@icmai.in

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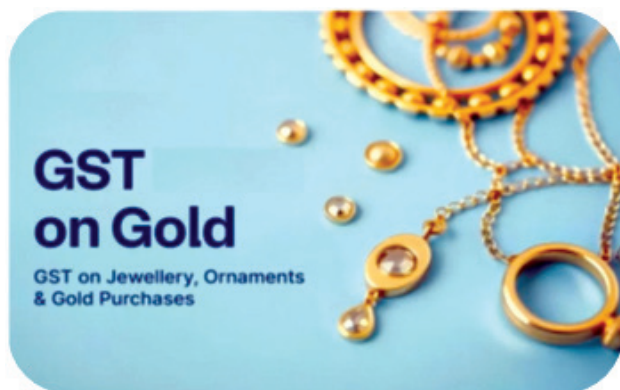
GST on Gold in India:2025



CMA Mahendra Saini

Cost Accountant

Goods and Services tax means a Tax on supply of goods or services or both except tax on supply of alcoholic liquor for human consumption: **Article 366 (12A).**



As per section 7 (1) of CGST act “supply” includes all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business.

As per Section 2(52) of the CGST Act 2017, the: “Goods” means every kind of movable property. other than money and securities but includes action- able claim, growing crops, grass and things attached.

From the above definitions it is clarified that the Gold is both a supply and goods, so it is taxable element in GST.

In this article, we would understand all the provisions regarding GST applicable on Gold and other precious metals.

What is Gold: Gold is a yellow, metallic element that is used to make jewellery, coins, and electronics. It’s also a colour, and can be used to describe things that are made of gold.

A gold business can involve manufacturing, importing, exporting, or trading gold. Gold is one of the most valuable asset in India, and the demand for it is growing.

In other words the Business of Jewellery deals in gold, silver or diamond etc



Taxes on Gold: Different taxes like Basic Custom Duty, Agriculture Infrastructure & Development Cess and GST is levied on gold.

GST on Gold in India:

In general, GST in India is levied at a 3% on the value of gold, gold jewellery, gold coins and gold bars.

There can be below three categories as below:

1. Trader of Gold Jewellery, or
2. Manufacturer of Gold jewellery, or
3. Diamond merchant.

1. Trader of Gold Jewellery:

Trader of jewellery means a person whose business is buying and selling of gold or silver etc (Ready-Made Jewellery).

There can be below two categories:

(A) GST on Purchase and Sales of Loose Gold or Silver:

GST will be levied by at 3% (1.5% CGST & 1.5 SGST) on supply of Gold or silver etc.

ITC Provisions:

ITC will be allowed on sales of loose jewellery subject to fulfilment of the conditions of Sec.16 of CGST act.

- ▶ **Note:** The GST rate on gold is 3% regardless of whether the gold is 22-carat, 24-carat, or any other purity.
- ▶ **Note:** For gold bars and coins, the GST rate is also 3%, it's applied solely to the value of the gold itself. Since there are no additional services or making charges involved, the tax calculation is straightforward.
- ▶ **Note: GST on Second-Hand Gold:** The GST treatment for second-hand gold varies depending on whether the seller is a registered dealer or an individual.
 - ❑ If **Registered Dealers:** When a registered dealer sells second-hand gold, GST rate of 3% is applicable on the sale price.
 - ❑ If **Individuals:** Individuals selling second-hand gold generally don't pay GST, as they are not considered businesses. However, the buyer (usually a registered jeweller) will be liable for GST on the purchase on RCM basis.

(B) Purchase and Sales of loose Diamond:

GST will be levied by at 0.25% (.125% CGST & .125% SGST) on Supply of diamond.

ITC Provisions:

ITC will be allowed on sales of loose jewellery subject to fulfil the condition of Sec.16 of CGST act.

2. Manufacturer of Gold jewellery:

A person who manufactures/makes the jewellery and does further sales (Custom-Made Jewellery).

1. If only a single amount in mentioned in bill:

It will be considered as composite supply and GST on gold will be levied as single rate by at 3%.

ITC Provisions:

ITC will be allowed if input available of GST paid at 3% on purchase of gold.

2. If Separate amount is mentioned of gold and making charge in bill:

GST on Gold will be lived @3%, and GST on Making charges will be levied at 5%.

ITC Provisions:

- ▶ ITC will be allowed if input available of GST was paid at 3% on purchase of gold.
- ▶ ITC on Making charge:
 - ❑ If In house making – No ITC, or
 - ❑ If Making from Job worker – ITC will be allowed of at 5%.

Note: If the goldsmith or specialist (Job worker) is not registered under GST, the gold merchant or jeweller is responsible for paying the 5% GST on the making charges under the and ITC will be allowed to merchant

Example: If RK jewellers sells 10 grams of gold worth ₹. 85,500 and the making charges are ₹. 15,000, it will pay:

- GST on gold: ₹.2,550 (3% of ₹. 85,500)



- GST on making charges: ₹.750 (5% of ₹. 15,000)
- Total GST: ₹.3,300.

Note: Is GST Applicable When Exchanging Old Gold Jewellery for New Gold Jewellery?

Generally, no GST is applicable when someone exchange old gold jewellery for buying new gold jewellery. This is because the sale of old gold by an individual is not considered a business activity and therefore falls outside the scope of GST.

Particulars	HSN Code	GST Rate
Precious stones (excluding diamonds) and semi-precious stones, whether worked or graded but not strung, mounted, or set	7103, 7104	0.25%
Diamonds, gold, pearls, silver, articles of jewellery (gold or silver), synthetic or reconstructed stones, unworked or simply sawn/roughly shaped	7101, 7102, 7106, 7107, 7108, 7109, 7111, 7113, 7114, 7116, 7118	3%
Job work related to cut and polished diamonds, plain or studded jewellery of gold, silver, etc.	9988	1.50%

Conclusion:

Gold is a taxable supply so there are two taxes that are levied on gold transitions i.e. custom duty and GST as per the Union Budget 2024-2025, the Government of India has reduced customs duties on gold and silver to 6% from the previous 15%. And rate of GST is 3% and 5%. ITC will be allowed on GST paid on gold.

Silent change! Big impact!

Tax on Inter Corporate Dividends under the New Income Tax Bill 2025.



CMA Pramod Kumar Agarwal

Dy. General Manager | Finance & Accounts- Taxation | GAIL (India) Ltd

Brief about Income Tax Bill 2025

On July 23, 2024, the Hon'ble Finance Minister announced the decision to undertake a comprehensive review of the Income Tax Act 1961 with the objective of simplifying the law, making it more uncluttered, and minimizing disputes arising from its intricate language.

Consequently, Income Tax Bill, 2025 ("ITB") was introduced in Parliament on 13-02-2025 which is set to take effect from April 1, 2026. The primary objective of Income Tax Bill 2025 is to simplify income tax laws, reduce litigation, and eliminate redundant provisions from the existing Income-tax Act, 1961. ITB 2025 remains largely aligned with ITA 1961 on major aspects— such as residency rules, scope of total income, computation and classification of income, and assessment procedures. Though language is being made lucid for readers, but no straight modifications have been noticed on scope of minimizing litigation.

In this article, I have tried to analyze only one silent change, having big impact on corporate investors.

A Silent Change in the ITB 2025

Deduction of inter-corporate dividend not allowed for companies opting for 22% concessional tax regime under ITB 2025

Presently, under section 80M of the ITA 1961, domestic

companies opting for concessional tax regime (CTR) of either 15% or 22%, are allowed to claim deduction in respect of employment cost of new employees and inter corporate dividend subject to fulfillment of conditions stipulated in the respective sections.

Under the ITB 2025, the deduction with reference to inter-corporate dividends has not been provided for companies opting for 22% CTR.

The removal of the inter-corporate dividend deduction under the 22% concessional tax regime in the Income Tax Bill 2025 is indeed one of the most debatable changes. This shift has significant implications, especially for businesses that rely on the current provisions under ITA 1961 and opted for irreversible concessional tax regime, which allows companies to deduct dividends received from investments to avoid double taxation. This deduction effectively made inter-corporate investments more attractive, as it helped lower the overall tax burden on distributed profits.

Background of Concessional Tax Regime

To boost the sluggish economy and promote investment, a giant tax relief in form of Concessional and alternative tax regime was introduced by the Indian government through the Taxation (Amendment) Ordinance 2019. With few other sections, a particular Section 115BAA was inserted under the Income Tax Act, wherein, domestic companies can pay tax at a rate of 22% instead of the 30% regular corporate tax rate.



Though, this rate of tax was offered as an alternative to the existing higher rate of 30% by foregoing all the deductions & exemptions except only few. On top of all, option of concessional tax regime, once exercised is irreversible. In other words, companies opted to pay concessional rate of tax u/s 115BAA, are not allowed to switch back to the higher rate of tax. Gratefully, deduction u/s 80M in respect to inter corporate dividend was allowed for companies opting to pay tax u/s 115BAA.

Basically, section 80M is applicable to domestic companies that have declared a dividend and are also receiving a dividend from another domestic or foreign company. Companies receive dividend and declare dividend at the same time, a deduction is allowed for dividends received if they are distributed as dividends to their shareholders.

Since, companies once opted for concessional tax regime are not allowed to switch back to old regime, before adopting concessional tax regime companies must have factored-in the deduction of inter corporate dividend and planned their tax expenses accordingly. Therefore, if deduction is removed under concessional tax regime, it may upsurge overall tax expenses for companies availing deduction u/s 80M.

Rationale of deduction of Inter Corporate Dividend

The primary rationale behind this deduction is to eliminate the cascading effect of dividend taxation when a domestic company receives a dividend from another company and subsequently distributes it to its shareholders. Otherwise, companies receiving

dividends and distributing them further had to pay tax on the same income at multiple levels, leading to double taxation.

Section 80M allows the recipient company to claim a deduction for the amount of dividends received and subsequently distributed within the prescribed time, thereby preventing excessive taxation. Without this deduction, companies might be discouraged from distributing dividends due to the additional tax burden. The provision ensures that companies continue to distribute profits efficiently rather than retaining them solely to avoid taxation.

With the abolition of Dividend Distribution Tax (DDT) in Finance Act, 2020, dividends became taxable in the hands of shareholders. To maintain a fair tax structure, Section 80M ensures that dividend received and redistributed is taxed only once in the hands of the final recipient. By reducing the tax burden on intermediate companies, Section 80M facilitates a smoother flow of capital among corporate entities. This deduction also encourages investments in holding-subsidiary structures and reduce tax inefficiencies.

Conclusion:

Stability and consistency are essential for fostering taxpayer confidence and ensuring a predictable tax regime. While ITB 2025 remains largely aligned with ITA 1961 on key policy aspects. The silent removal of the inter-corporate dividend deduction under the 22% concessional tax regime in the Income Tax Bill 2025 is certainly one of the most debatable changes. Though, this bill is expected to go through the consultation and approval process, intention of this change will crystalized before its final enactment. Companies getting impacted should represent appropriately before lawmakers.

PRESS RELEASE

DIRECT TAX

CBDT issues Frequently Asked Questions (FAQs) relating to Revised Guidelines for Compounding of Offences under Income-Tax Act, 1961

The FAQs are based on feedback from stakeholders on Revised Guidelines for Compounding of Offences under Income-Tax Act, 1961, issued on 17th October 2025

Posted On: 17 MAR 2025 7:30PM by PIB Delhi

The revised Guidelines for Compounding of Offences under the Income-Tax Act, 1961 (hereinafter referred to as “the guidelines”) were issued on October 17, 2024. These guidelines supersede all existing guidelines on the subject and are applicable to all pending as well as new applications from the date of their issuance.

Following the issuance of the guidelines, queries were received from stakeholders seeking clarifications on various provisions. Based on these queries, the CBDT has issued Circular No. 04/2025, dated March 17, 2025, in the form of answers to frequently asked questions (FAQs). These FAQs provide the necessary clarifications on the scope of the guidelines, eligibility for filing applications, the mode of filing compounding applications and payment of fees, terms for compounding, compounding charges and procedures for payment, time limits, and other related aspects.

The FAQs are available on the official website of the Income Tax Department at <https://incometaxindia.gov.in/news/circular-no-04-2025.pdf>.

The guidelines have been simplified compared to the previous version, inter alia, by eliminating the categorisation of offences, removing the limit on the number of occasions for filing applications, allowing fresh applications upon curing of defects, permitting the compounding of offences under sections 275A and 276B of the Act, and removing the existing time limit for filing applications, which was previously set at 36 months from the date of filing of the complaint.

NOTIFICATION

INDIRECT TAX

GST

Notification No. 10/2025 – Central Tax

New Delhi, the 13th March, 2025

G.S.R.....(E).– In exercise of the powers conferred by section 3 read with section 5 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and section 3 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 02/2017-Central Tax, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 609(E), dated the 19th June, 2017, namely: -

In the said notification, in Table, -

- (i) for serial number 7 and the entries relating thereto, the following shall be substituted, namely: -

“7.	Alwar	Districts of Alwar, Khairthal-Tijara, Kotputli-Behror, Bharatpur, Deeg, Dholpur, Dausa, Karauli, Sawaimadhopur, Sikar and Jhunjhunu in the state of Rajasthan.”;
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- (ii) for serial number 23, and the entries relating thereto, the following shall be substituted, namely:-

“23.	Chennai Outer	Districts of Viluppuram, Kallakurichi, Thiruvannamalai, Vellore, Tirupathur, Ranipet, Tiruvallur, Kanchipuram, Chengalpattu and areas covered under Pallavaram
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		Cantonment Board excluding Chennai Corporation Zone Nos. I to XV (from Ward No. 1 to 200 in existence as on 01.04.2017) and St. Thomas Mount Cantonment Board in the State of Tamil Nadu”;
--	--	--

- (iii) for serial number 49 and the entries relating thereto, the following shall be substituted, namely: -

“49.	Jaipur	Districts of Jaipur, Ajmer, Beawer and Tonk in the state of Rajasthan.”;
------	--------	--

- (iv) for serial number 53 and the entries relating thereto, the following shall be substituted, namely: -

“53.	Jodhpur	Districts of Jodhpur, Phalodi, Nagaur, Didwana-Kuchaman, Pali, Sirohi, Jalore, Barmer, Balotra, Jaisalmer, Bikaner, Churu, Ganganagar and Hanumangarh in the state of Rajasthan.”;
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- (v) for serial number 63, and the entries relating thereto, the following shall be substituted, namely:-

“63.	Madurai	Districts of Madurai, Ramanathapuram, Sivagangai, Virudhunagar, Tuticorin, Tirunelveli, Tenkasi, Kanyakumari, Theni, Dindigul (except D. Gudalur Village of Palayam Firka of Veda sandur Taluk) in the State of Tamil Nadu.
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		The territorial waters and the seabed and sub soil underlying such waters from where the nearest point of the appropriate baseline is located in the state of Tamil Nadu and the Union territory of Puducherry.”;
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for serial number 100 and the entries relating thereto, the following shall be substituted, namely:-

“100.	Tiruchirapalli	Districts of Tiruchirappalli, Perambalur, Ariyalur, Karur, Pudukottai, Thanjavur, Thiruvarur, Nagapattinam, Mayiladuthurai, Cuddalore, and D. Gudalur village of Palayam Firka of Veda sandur Taluk of Dindigul District in the State of Tamil Nadu.”;
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(vi) for serial number 102 and the entries relating thereto, the following shall be substituted, namely:-

“102.	Udaipur	Districts of Udaipur, Salumbar, Rajsamand, Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Bundi, Baran, Kota and Jhalawar in the state of Rajasthan.”;
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Customs (Tariff)

Notification No. 16/2025-Customs

New Delhi, the 7th March, 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) read with section 124 of the Finance Act, 2021 (13 of 2021) and section 110 of Finance Act, 2018 (13 of 2018), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby amends the following notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table below, to the extent specified in the corresponding entries in column (3) of the said Table, namely:-

Table

S. No.	Notification No. and Date	Amendments
(1)	(2)	(3)
1.	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	In the said notification, in the TABLE, against S. No. 21D, in column (4), for the entry, the entry “5%” shall be substituted;
2.	11/2018-Customs, dated the 2nd February, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 114(E), dated the 2nd February, 2018	In the said notification, in the TABLE, after Sl. No. 5 and the entries relating thereto, the following Sl. No. and the entries shall be inserted, namely: -



S. No.	Notification No. and Date	Amendments
(1)	(2)	(3)
3.	11/2021-Customs, dated the 1st February, 2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 69(E), dated the 1st February, 2021	In the said notification, in the Table, against S. No. 5, in column (4), for the entry, the entry "5%" shall be substituted;
4.	49/2021-Customs, dated the 13th October, 2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 734(E), dated the 13th October, 2021	In the said notification, in the Table, S. No. 4 and the entries relating thereto shall be omitted.

2. This notification shall come into force with effect from 8th March, 2025.

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010323/ENG/Notifications>.

Notification No. 17/2025-Customs

New Delhi, the 7th March, 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) read with section 124 of the Finance Act, 2021 (13 of 2021), 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 in the Ministry of Finance (Department of Revenue), No. 64/2023-Customs, dated the 7th December, 2023, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 884(E), dated the 7th December, 2023, namely:-

In the said notification, in the Table, against S. No. 1, in Column (4), for the words and figures "28th day of February, 2025", the words and figures "31st day of May, 2025" shall be substituted.

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

Customs (Non-Tariff)

Notification No. 13/2025-Customs (N.T.)

New Delhi, 13th March, 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	1169

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
(1)	(2)	(3)	(4)
2	1511 90 10	RBD Palm Oil	1172
3	1511 90 90	Others – Palm Oil	1171
4	1511 10 00	Crude Palmolein	1188
5	1511 90 20	RBD Palmolein	1191
6	1511 90 90	Others – Palmolein	1190
7	1507 10 00	Crude Soya bean Oil	1098
8	7404 00 22	Brass Scrap (all grades)	5438

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	941 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	1067 per kilogram
3.	71	<p>(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;</p> <p>(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.</p> <p>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.</p>	1067 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;	941 per 10 grams



Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
		(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.	

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 14th day of March, 2025.

Customs (ADD)

Notification No. 01/2025-Customs (ADD)

New Delhi, the 7th March, 2025

G.S.R. ...(E).- Whereas, in the matter of “Trichloro Isocyanuric Acid” (hereinafter referred to as the subject goods), falling under tariff items 2933 69 10 or 2933 69 90 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 and Japan (hereinafter referred to as the subject countries) and imported into India, the designated authority in its final findings vide notification F. No. 6/20/2023-DGTR, dated the 10th December, 2024, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 10th December, 2024, has, inter alia, come to the conclusion that-

- (i) the subject goods have been exported to India

at a price below normal value, thus resulting in dumping;

- (ii) the domestic industry has suffered material injury as a result of the dumped imports in India;
- (iii) the landed price of imports is below the level of selling price of the domestic industry and is undercutting the prices of the domestic industry, and has recommended imposition of anti-dumping duty on imports of the subject goods, originating in, or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010325/ENG/Notifications>

Notification No. 02/2025-Customs (ADD)

New Delhi, the 17th March, 2025

G.S.R...(E). – Whereas, in the matter of “Aluminium

foil upto 80 micron, excluding aluminium foil below 5.5 micron for non-capacitor application” (hereinafter referred to as the subject goods) falling under tariff items 7607 11 10, 7607 11 90, 7607 19 10, 7607 19 91, 7607 19 92, 7607 19 93, 7607 19 94, 7607 19 95, 7607 19 99, 7607 20 10 or 7607 20 90 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 preliminary findings issued vide notification No. 6/35/2023-DGTR, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 28th August, 2024, read with Corrigendum dated 11th February, 2025 has provisionally concluded that-

- (i) the subject goods have been exported to India from the subject country at a price below the normal value, resulting in dumping;
- (ii) the domestic industry has suffered material injury;
- (iii) material injury has been caused by the dumped imports of the subject goods from the subject country, and has recommended imposition of provisional anti-dumping duty on imports of the subject goods, originating in, or exported from the subject country and imported into India, in order to remove injury to the domestic industry.

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010329/ENG/Notifications>

Notification No. 03/2025-Customs (ADD)

New Delhi, the 17th March, 2025

G.S.R (E).- Whereas, in the matter of “vacuum insulated flask and other vacuum vessels, of stainless steel” (hereinafter referred to as the subject goods), falling under tariff items 9617 00 11, 9617 00 12, 9617 00 90 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 vide notification No. 06/10/2023-DGTR, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 19th December, 2024, has, inter alia, come to the conclusion that-

- i. the product under consideration has been exported to India at a price below normal value, thus resulting in dumping;
- ii. the dumping of the subject goods has resulted in material injury to the domestic industry in India;
- iii. the landed price of imports is below the level of selling price of the domestic industry and is undercutting the prices of the domestic industry, and has recommended imposition of anti-dumping duty on imports of the subject goods, originating in, or exported from the subject country and imported into India, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, 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 the tariff item of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (7), in the currency as specified in the corresponding entry in column (9) and as per unit of measurement as specified in the corresponding entry in column (8) of the said Table, namely :-



TABLE

S N	Heading/ Subheading/ Tariff item	Description of Goods	Country of Origin	Country of Export	Producer	Amount	UoM	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	9617 00 11, 9617 00 12, 9617 00 90	Vacuum insulated flask and other vacuum vessels, of stainless steel*	China PR	Any including China PR	Any	1,732	MT	USD

**Vacuum insulated flask and other vacuum insulated vessels, of stainless steel” such as vacuum insulated cups/ mugs, bottles/ flasks, and carafes/ kettles including vacuum-insulated body of flask and other vacuum-insulated vessels. Vessels and containers like dispensers, casseroles, vacuum lunch boxes/ tiffin, ice buckets and boxes, etc. fall outside the scope of the product under consideration. Further, single walled flask i.e., a flask with no vacuum, electric kettles and other electric vessels are excluded from the scope of the PUC.*

- The anti-dumping 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, rate of exchange applicable for the purpose of calculation of such anti-dumping 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 Customs Act.

CIRCULAR

INDIRECT TAX:

Customs

Date: 5th March, 2025

New Delhi, Dated 04th March, 2025

Subject: Disposal of Unmanned Aircraft Systems (UAS)/Unmanned Aerial Vehicles (UAV)/Remotely Piloted Aircraft Systems (RPAS)/Drones-reg.

Kind attention is invited towards CBIC's Circular No. 32/2019 dated 20.09.2019 amended by Circular No. 05/2024-Customs dated 22.05.2024 on the above-mentioned subject.

2. In partial modification to the said Circular, the following amendments are being made:-

(i) Para 4.b. of the said Circular shall be substituted as follows:

"All the Drones of all the categories shall be transferred to the warehouses of the following Customs formations, namely, Chennai (Airport), Delhi (IGIA), Kolkata (Airport), Mumbai (Airport) and Bengaluru (Airport & Air Cargo), which shall be the focal Commissionerates for stocking, segregation, joint inspection by all agencies and distribution. For this purpose, all the Customs Zones have been mapped to these focal Commissionerates as indicated at Annexure-A."

(ii) Annexure-A of the said Circular shall be substituted by the Annexure appended to this circular as Appendix-I.

(iii) Annexure-C of the said Circular shall be substituted by the Annexure appended to this circular as Appendix-II.

The entire Circular can be read at <https://taxinformation.cbic.gov.in/view-pdf/1003268/ENG/Circulars>.

Subject: Regulation of import of pet dog and pet cat under the Live- stock Importation Act, 1898: Facilitation for final Quarantine Clearance - regarding.

Madam/Sir,

Attention is invited to Board's Circular No. 35/2020-Customs dated 10.08.2020. in respect of revised procedure relating to import of Pet / Live Animals.

2. Now, the Ministry of Fisheries, Animal Husbandry & Dairying, Department of Animal Husbandry & Dairying (DAHD) has issued Office Memorandum dated 20.02.2025 (copy enclosed), issued from File No. 109-01/2012-Trade (E-17748) prescribing Regulation of import of pet dog and pet cat under the Live-stock Importation Act, 1898: Facilitation for final Quarantine Clearance. The Relevant portion is reproduced for ease of reference:

"3. In the interest of welfare of pet dog and pet cat as well as facilitation to owners, the final "No Objection Certificate (NoC)" by the concerned AQCS will be issued to imported pet dog and pet cat round the clock at the port of entry itself. However, the owner has to ensure receiving of advance NoC from the respective AQCS after submission of requisite documents and prior intimation of date & time of arrival through email."

3. It may also be noted that import of pet dogs and pet cats is allowed only through the following ports as notified by DAHD1:-

(a) airports located at Delhi, Bengaluru, Hyderabad and Kochi; and

(b) seaports or airports located at Mumbai, Chennai and Kolkata.



4. In addition to the procedures stated in Circular No.35/2020-Customs dated 10.08.2020, the above facilitation measure by AQCS may be brought to the notice of the trade / airlines / carriers by issuing suitable Trade / Public Notices. Suitable Standing order / instructions may be issued for the guidance of the field officers.
5. Difficulties faced, if any, may be brought to the notice of the Board immediately.

The entire Circular can be read at <https://taxinformation.cbic.gov.in/view-pdf/1003269/ENG/Circulars>

DIRECT TAX

Circular No. 04/2025

Dated: March 17, 2025

Sub: Frequently Asked Questions (FAQs) on Guidelines for Compounding of Offences under the Income-Tax Act, 1961 dated 17.10.2024

CBDT issued revised guidelines for Compounding of offences ('guidelines') under the Income-tax Act, 1961 (the 'Act') on 17.10.2024. The revised guidelines superseded all existing guidelines on the subject and are applicable to pending as well as new applications, from the date of their issuance.

2. The revised guidelines have been simplified from previous guidelines, inter-alia, by eliminating categorization of offences, removing the limit on number of occasions for filing applications, allowing fresh application upon curing of defects, which was not permissible under earlier guidelines, allowing compounding of offences under section 275A and 276B of the Act, removing the existing time limit for filing application viz 36 months from the date of filing of complaint, etc..

The entire Circular can be read at <https://incometaxindia.gov.in/communications/circular/circular-no-04-2025.pdf>.

JUDGEMENT

INDIRECT TAX

Order cancelling registration with retrospective effect to be modified providing cancellation from date of SCN: HC

Facts of the case :

Radha Rani Metal vs. Principal Commissioner of Goods and Service Tax North Delhi - [2025] (Delhi)

The petitioner, a registered assessee under the Central Goods and Services Tax Act, 2017 (CGST Act), was subjected to cancellation proceedings initiated through a Show Cause Notice (SCN). The SCN did not indicate any intent or justification for retrospective cancellation. However, the revenue authorities subsequently passed an order cancelling the petitioner's GST registration with retrospective. Aggrieved by the retrospective cancellation, the petitioner challenged the impugned order, contending that the absence of prior notice regarding the retrospective effect and the failure to provide reasons in the SCN rendered the order legally unsustainable. The petitioner argued that Section 29 of the CGST Act mandates adherence to due process and that any retrospective cancellation must be specifically proposed and justified within the SCN to afford the assessee an opportunity to respond appropriately.

Decision of the case :

The Hon'ble High Court held that the impugned order was invalid due to the absence of reasons in the SCN justifying retrospective cancellation and the failure to place the petitioner on prior notice of such an intent. The Court emphasized that retrospective cancellation affects substantive rights and cannot be effectuated without explicit notice and reasoning in the SCN. Accordingly, the Court modified the cancellation order, directing that the petitioner's GST registration cancellation shall take effect from the date of the SCN. Consequently, the stipulation in the impugned order providing for retrospective cancellation was quashed.

Provisional release of vehicle denied as confiscation proceedings already initiated to be adjudicated within 10 days: HC

Facts of the case :

Peter Santhosh Rodrigues vs. State Tax Officer - [2025] (Kerala)

The petitioner, an assessee engaged in goods transportation, had multiple vehicles intercepted and detained by the authorities for transporting goods without requisite documents. Initially, proceedings under Section 129 of the Central Goods and Services Tax Act, 2017 (CGST Act) were initiated for detention and penalty. However, suspecting tax evasion, the authorities subsequently initiated confiscation proceedings under Section 130 of the CGST Act. The writ petition was filed before the Hon'ble High Court challenging the denial of provisional release and seeking an early adjudication of the confiscation proceedings.

Decision of the case :

The Hon'ble High Court ruled that since notices for confiscation under Section 130 of the CGST Act had already been issued, the adjudication proceedings must necessarily culminate in a final order. While the Court did not grant provisional release of the vehicles, it acknowledged the urgency of the matter and directed the authorities to conclude the confiscation proceedings within ten days. The petitioner was instructed to appear before the respondent for the adjudication process. The Court mandated the respondents to complete the proceedings expeditiously within ten days from the petitioner's appearance, ensuring procedural fairness. Accordingly, the writ petition was disposed of with these directives.



Authority is directed to consider appeal filed by assessee against order passed by AO: HC

Facts of the case:

CG Tollway Ltd vs. Union of India - [2025] (Rajasthan)

The petitioner, a Special Purpose Vehicle (SPV), was formed for the execution of a road construction project. The project was awarded by National Highways Authorities of India (NHAI) on the Built, Operate & Transfer (BOT) Model. Under the BOT contract, the SPV constructs and maintains the road during the concession period and is given toll collection rights to recover the costs so incurred. The SPV has further sublet the work of construction and maintenance of the highway to its parent company. During the audit, the authority found that the petitioner had declared ITC as available but ineligible in the Annual Return but failed to produce any documentary evidence regarding ineligible ITC as listed in the Annual Statement. The petitioner contended that it had not provided any construction services to NHAI and was not entitled to any claim of ITC under GST. It reversed the ITC in the respective month while filing the GST returns. The matter reached the Rajasthan High Court.

Decision of the case:

The High Court held that the authority had passed the order based on the audit report and the petitioner had agreed to file an appeal against such order. The counsel for the petitioner submitted that the petitioner was ready to file an appeal and the respondents shall consider the same keeping in mind the Audit Reports passed by the State of Gujarat and the State of Karnataka. The learned AAG also assured the Court that if an appeal is brought by the petitioner, the same shall be considered strictly in accordance with the law while keeping in mind the above referred circular, audit reports and all the other relevant laws. Accordingly, the writ petitions were disposed of with a direction to the petitioner to move an appeal against the final orders passed by the authority. The appeal shall be decided expeditiously, preferably within a period of 3 months from the date of filing of the same strictly in accordance with the law.

Order to be set aside as SCN was uploaded on GST portal without direct communication to assessee: HC

Facts of the case:

Tvl.Sai Ram Packaging vs. Assistant Commissioner (ST) - [2025] (Madras)

The petitioner, engaged in the wholesale and retail business of cartons and boxes, was subjected to an assessment order under Section 73 of the CGST Act, 2017, for allegedly availing excess Input Tax Credit (ITC) due to purchases from cancelled dealers, return defaulters, and reconciliation discrepancies. The petitioner contended that the assessment order was issued without proper service of a Show Cause Notice (SCN), as it was merely uploaded on the GST portal without direct communication, violating natural justice principles. Citing similar cases where courts had remanded matters upon partial tax deposit, the petitioner expressed willingness to pay 25% of the disputed tax and sought an opportunity to submit objections.

Decision of the case:

The High Court set aside the assessment order, subject to the petitioner depositing 25% of the disputed tax within four weeks, with any prior payments adjusted. The order was treated as a Show Cause Notice, allowing the petitioner to submit objections with supporting documents. The tax authorities were directed to reconsider the matter and pass a fresh order after providing a reasonable opportunity of hearing. Non-compliance with the payment or submission timelines would result in the restoration of the assessment order, while any ongoing recovery proceedings, including bank attachments, would be withdrawn upon compliance.

Bail denied to person arrested for availing fraudulent ITC due to multiple similar offences registered against him: HC

Facts of the case:

Maheshdan Prabhudan Langa vs. State of Gujarat - [2025] (Gujarat)

An FIR was registered on 27-11-2024 against the

petitioner, alleging fraudulent availment of ITC of a substantial amount under the Central Goods and Services Tax Act, 2017 and Gujarat Goods and Services Tax Act, 2017. The petitioner was subsequently arrested on 20-12-2024. Upon investigation, multiple other offences of a similar nature were found to be registered against him. The petitioner sought regular bail, contending that the FIR was lodged with a delay and that he was willing to repay the amount in question. The prosecution opposed the bail, arguing that the investigation was ongoing and

that granting bail could hinder legal proceedings.

Decision of the case:

The Honourable High Court held that, given the pending investigation and the registration of multiple similar offences, bail could not be granted at this stage. The Court emphasized that repayment of ITC does not nullify criminal liability, and the nature of the allegations necessitated judicial restraint in granting bail. Accordingly, the bail application was dismissed.

DIRECT TAX

ARC obligation to restore cell sites to their original condition at end of lease period is allowable as business exp.: HC

Facts of the case:

Vodafone Mobile Services Ltd. vs. Deputy Commissioner of Income-tax - [2025] (Delhi)

Assessee-Vodafone, a company engaged in providing telecommunication services, entered into a lease agreement with the owners of various office spaces for setting up cell site towers. The lease agreement obligated the assessee to restore the site to its original condition at the expiry of the lease period.

The assessee capitalized certain sums on account of the asset reconstruction cost (ARC) obligation, which represented the estimated cost likely to be incurred at the network sites and office premises to restore them to their original condition at the end of the lease period. The assessee claimed depreciation in this respect.

The Assessing Officer (AO) disallowed the said provision holding that it was not an ascertained liability. The Tribunal upheld the order of AO. Aggrieved-assessee filed the instant appeal before the High Court.

Decision of the case:

The High Court held that the issue pertaining to ‘actual cost’ as it appears in Section 32(1) need not be considered. Upon a holistic examination of the rival submissions, it is manifest that it is the alternate plea based on Section 37 that alone would merit further consideration.

Section 37 focuses on expenditure “laid out” or

“expended” as opposed to the identification of an actual cost and which constitutes the heart of Section 32. The Madras High Court had an occasion to review a similar situation in *Vedanta Limited vs. The Joint Commissioner of Income Tax* [Tax Case (Appeals) Nos. 2117 to 2119 of 2008].

It was held that the words ‘laid out’ or ‘expended’ are not confined to an immediate expenditure but would also comprehend an expenditure that may arise in the future. All that Section 37(1) requires is that the expenditure should be “laid out” or “expended” for the purposes of business.

Thus, the provisioning for ARC qualified the prescriptions of AS 29, and the assessee was justified in accounting for the same. The ARC obligation clearly met the test of a positive obligation flowing from a past event, being a conceivable probability as well as being measurable.

Definition of ‘Sikkimese’ for Sec. 10(26AAA) is only for Income Tax; not for any other purpose: HC

Facts of the case:

Dr. Doma T. Bhutia vs. Union of India - [2025] (SIKKIM)

The writ petition was filed by a designated Senior Advocate, as a Public Interest Litigation (PIL), challenging the vires to Explanation (v) contained under section 10(26AAA) of the Income Tax Act, 1961, which was introduced by way of amendment in terms of the Finance Act, 2023.

The petitioner contended that the amendment



to the definition of the term “Sikkimese” under section 10(26AAA) violated Article 371F (k) of the Constitution of India. According to the writ petitioner, it is the responsibility of the State of Sikkim to ensure protection of the old laws including its preservation/protection as provided under Article 371F (k) of the Constitution of India, in public interest.

■ Decision of the case :

The High Court held that the relevant amendment was introduced by the Union of India through the Ministry of Law and Justice (Legislative Department) following a judgment of the Hon’ble Supreme Court of India in the case of Association of Old Settlers of Sikkim [2023] 146 taxmann.com 271 (SC).

The Supreme Court passed the judgment on two writ petitions filed before it under Article 32 of the Constitution of India. The petitioners prayed before the Supreme Court for an appropriate writ, order, or direction, striking down section 10(26AAA), more particularly, the definition of “Sikkimese” as contained in section 10(26AAA) to the extent it excludes Indians who have settled in Sikkim before the merger of Sikkim with India on 26th April 1975.

The Supreme Court disposed of the writ petitions with the direction to the Union of India to amend the Explanation to Section 10(26-AAA), to extend the exemption from payment of income tax to all Indian citizens domiciled in Sikkim on or before 26-4-1975. Consequently, the Finance Act, 2023, was enacted on 31st March 2023.

In the instant case, the learned Additional Advocate General representing the State of Sikkim has drawn the Court’s attention to a Press Release dated 04th April 2023, issued by the Government of India, Ministry of Finance, Central Board of Direct Taxes (Tax Policy & Legislation Division). The said press release clarified that the term “Sikkimese” was defined for the said clause, is only for the Income-tax Act, 1961, and not for any other purpose.

The High Court held that the said clarification makes it abundantly clear that the term “Sikkimese” defined for the Income Tax Act, 1961, by the Finance Act, 2023, is only for the Income Tax Act, 1961, and not for any other purpose.

In that view, the High Court held that the clarification did not touch upon the sanctity of the rights and privileges reserved for genuine indigenous Sikkimese, which are carefully preserved and protected under Article 371F (k) of the Constitution of India. Thus, the writ petition was liable to be dismissed and accordingly dismissed.

Reliance on special audit report from earlier AY to assume similar pattern in subsequent AY is unjustified: HC

■ Facts of the case:

World Vision India vs. ITO - [2025] (Madras)

The petitioner was a trust registered under section 12AA of the Income-tax Act, 1961. For the Assessment Year 2014-2015, a report under Section 142(2A) was prepared. Pursuant to this, the return of income was scrutinised by placing reliance on the Special Audit Report and the Assessment Orders passed for the Assessment Years 2014-2015, 2015-2016 and 2017-2018.

The entire amount claimed towards salary disbursed to the staff has been added to the income of the petitioner. Aggrieved by the order, the assessee filed a writ petition to the Madras High Court.

■ Decision of the case:

The High Court held that the demand was confirmed based on the Special Audit Report of the External Auditor appointed for this purpose under Section 142(2A). A reading of Section 142(2A) indicates that the report can relate only to a particular Assessment Year.

The Assessing Officer, having regard to the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts or the specialised nature of the assessee’s business activity, and the interests of the revenue, can direct the assessee to get the accounts audited by an accountant. Assessee required to furnish a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars, as may be prescribed, and such other particulars as the Assessing Officer may require.

This report generated for the earlier Assessment Years cannot be a basis to conclude that the similar pattern would have been followed by an assessee during the subsequent Assessment Years. To do so would amount to assessment by sampling which is frowned upon by the Court.

Therefore, the matter was remitted back to the Assessing Officer to pass a fresh order on merits and in accordance with law independently without getting influenced by the Special Audit Report generated for the Assessment Year 2014-2015.

Orissa Pollution Control Board is ‘State’ under Article 12; entitled to immunity from Income Tax under Article 289: ITAT

Facts of the case:

State Pollution Control Board vs. ITO - [2025] (Cuttack - Trib.)

The assessee was a Board constituted under the Orissa Water (Prevention and Control of Pollution) (Amendment) Act, 1974. It filed an appeal against the order of CIT(A) claiming it was considered to be a “State” within the meaning of Article 12 of the Constitution of India and its income was not liable for taxation as per the provisions of Article 289(1) of the Constitution of India.

Decision of the case:

The Tribunal held that in the case of the assessee, it has no control over the finance insofar as the fees and charges are also fixed by the Government of Odisha and published in the State Gazette Notification. If the assessee winds up, the funds would be returned to the state government.

It was submitted by the assessee at the time of hearing that the assessee cannot even open a bank account without specific permission of the State Government. The assessee has not done anything to dislodge itself from the protection granted to the State or a Constituent of the State, of immunity from taxation under Article 289 of the Constitution of India. In the case of the assessee, all the tests are in the affirmative, and it is held to be a ‘State’.

The assessee-Board is completely controlled financially

and administratively by the government. Consequently, it is held that the assessee herein falls within the definition of ‘State’ under Article 12 of the Constitution of India. Accordingly, additional ground raised by the assessee stands allowed.

No DAPE in India if local subsidiary pursued independent business with Indian customers: HC

Facts of the case :

Commissioner of Income-tax vs. Nokia Network OY - [2025] (Delhi)

Assessee, a foreign company, was engaged in manufacturing advanced telecommunication systems and equipment. It had established a liaison office in India in 1994, which was followed by incorporation of a fully owned subsidiary, NIPL, in India. The Assessee filed its return of income, taking a position that offshore supplies were not exigible to tax.

Assessing Officer (AO) held that NIPL was liable to be treated as Dependent Agent Permanent Establishment (DAPE). He further held that 70% of total equipment revenue was attributed to the sale of hardware, 30% of the same was attributed to the supply of software, and the same was taxed as royalty.

The matter reached before the Delhi High Court.

Decision of the case:

The Delhi High Court held that NIPL was pursuing an independent line of business with Indian telecom operators. AO had abjectly failed to prove that NIPL had conferred the authority to bind or conclude contracts on the assessee’s behalf.

NIPL was not generating any revenue or income for the assessee. Onshore activities of NIPL were totally disconnected from the assessee’s supply contracts. There was thus a clear and discernible distinction between activities undertaken by NIPL and supply contracts executed by the assessee.

On facts, no DAPE could be said to have come into existence and, thus, assessee could not be said to have a Fixed Place PE in India. Thus, income derived from the sale of equipment and licensing of software licensing in India could not be taxed by the assessee.



TAX CALENDAR

INDIRECT TAX

Due Date	Returns
March 20th, 2025	GSTR-3B-Other than QRMP scheme
	GSTR-5A-OIDAR Services

DIRECT TAX

Due Date	Returns
March 17th, 2025	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194S & 194M in the month of January, 2024
March 30th, 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 February, 2024
March 31st, 2025	Country-By-Country Report in Form No. 3CEAD for the previous year 2022-23 by a parent entity or the alternate reporting entity, resident in India, in respect of the international group of which it is a constituent of such group
	Country-By-Country Report in Form No. 3CEAD for a reporting accounting year (assuming reporting accounting year is April 1, 2022 to March 31, 2023) by a constituent entity, resident in India, in respect of the international group of which it is a constituent if the parent entity is not obliged to file report under section 286(2) or the parent entity is resident of a country with which India does not have an agreement for exchange of the report etc.
	Uploading of statement [Form 67], of foreign income offered to tax and tax deducted or paid on such income in previous year 2022-23, to claim foreign tax credit [if return of income has been furnished within the time specified under section 139(1) or section 139(4)]

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.

Disclaimer:

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