

April, 2025

# TAX Bulletin

Volume - 181

02.04.2025



## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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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**



**I**n alignment with the comprehensive review of the Income-Tax Bill 2025 an effort is being made by the Government to collect inputs from stakeholders on income-tax rules and related forms on provisions of Income Tax Bill 2025, after it was introduced in Parliament and to work on simplification of the associated Income Tax Rules and Forms. Suggestions on the same have been solicited by the department from Regional Councils, Chapters and Members, to be mailed to [trd@icmai.in](mailto:trd@icmai.in).

Also, The President of the Institute along with Chairman – Direct Taxation Committee, constituted a Task Force to review and provide its recommendations on the Income-Tax Bill 2025. The Task Force was formed with the objective of ensuring that the new Income-Tax legislation is aligned with the principles of fairness, transparency, and efficiency in taxation. The Task Force met virtually on 22nd February 2025 and 8th March 2025 to discuss the modalities of carrying out the assignment by the Task Force so that the recommendation on the IT Bill, 2025 can be finalized by the Task Force in a structured manner. Comments from the general members of the Institute was also compiled and placed before the Task Force electronically. The actions of the taskforce are operational in full strength and the results would be presented to the Select Committee of the Lok Sabha.

A Tax 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 myself being the Chairman of the Direct Taxation Committee, shared my 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.

The efforts of the members of the Tax Research Department and the Resource Persons who have contributed thoughtfully in the development are appreciated herein.

**CMA Rajendra Singh Bhati**

Chairman – Direct Taxation Committee

**The Institute of Cost Accountants of India**

02.04.2025



# Chairman's Message

**CMA Dr. Ashish P. Thatte**

**Chairman Indirect Taxation Committee**



**A**s I write for this edition of the Tax Bulletin, the most important aspect that comes to my mind is the release of the Notification No. 11/2025-Central Tax, issued on 27 March 2025. As per this notification, amendments have been made to Rules 164(4) and 164(7) of the Central Goods and Services Tax Rules, 2017 (CGST Rules), which outline the guidelines and conditions for resolving proceedings and applying for the Relief Program under Section 128A of the Central Goods and Services Tax Act, 2017 (CGST Act). The brief can be noted as:

- Previously, if a tax notice, statement, or order covered both the Relief Program period (1 July 2017 – 31 March 2020) and a later period, the taxpayer could only apply for the program after settling the entire tax demand, including the subsequent period's liabilities. Additionally, the taxpayer was responsible for any interest and penalties related to the post-Relief Program period.
- Under the revised provision, businesses can now opt for the Relief Program exclusively for the eligible period while retaining the right to challenge tax demands for later periods before the Appellate Authority or the Goods and Services Tax Appellate Tribunal (GSTAT). Instead of withdrawing the appeal entirely, taxpayers must simply inform the Appellate Authority/GSTAT that they are only relinquishing the case for the Relief Program period. The authority will then issue an order specifically for the contested period(s). Any appeal will be considered withdrawn only for the Relief Program period, as per the taxpayer's intimation.
- Furthermore, any tax, interest, or penalties that were already paid for both the Relief Program period and subsequent periods before this amendment will not be refunded. Therefore, amounts settled before 26 March 2025 will not be eligible for reimbursement.

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.

In April, 2024 the department would also intend to undertake webinars on different topics of IDT for enhancement of knowledge of the stakeholders.

*Ashish Thatte*

**CMA (Dr) Ashish P Thatte**

Chairman – Indirect Taxation Committee

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02.04.2025

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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](mailto:trd@icmai.in) / [trd.dd2@icmai.in](mailto:trd.dd2@icmai.in)

## PAGE NO.

### ARTICLES

01	Deciphering AS IS WHERE IS in GST Circulars: An In-Depth Analysis for CMAs - <b>CMA Poornima M</b>	<b>01</b>
02	TDS under section 194T and 194Q of Income Tax Act, 1961 - <b>CMA Harish U</b>	<b>07</b>

### PRESS RELEASE

Indirect Tax	<b>10</b>
Direct Tax	<b>12</b>

### NOTIFICATIONS

Indirect Tax	<b>13</b>
Direct Tax	<b>20</b>

### CIRCULARS

Indirect Tax	<b>21</b>
Direct Tax	<b>22</b>

### JUDGEMENT

Indirect Tax	<b>24</b>
Direct Tax	<b>26</b>

### TAX CALENDAR

Indirect Tax	<b>29</b>
Direct Tax	<b>29</b>

### PUBLICATIONS

E-Publications of Tax Research Department	<b>30</b>
---	-----------

# Deciphering AS IS WHERE IS in GST Circulars: An In-Depth Analysis for CMAs



**CMA Poornima M**

**Cost & Management Accountant**

## Introduction: The Need for Clarity in GST Implementation

The Goods and Services Tax (GST) regime in India, while a landmark reform, has presented its share of interpretational challenges since its inception. The GST Council, the apex decision-making body for GST, has continuously strived to address these challenges through the issuance of circulars and clarifications. These circulars play a crucial role in providing guidance to both tax authorities and taxpayers on various aspects of GST law, including the determination of applicable tax rates and the classification of goods and services.

However, the implementation of these circulars has sometimes led to ambiguities. One such area of ambiguity revolves around the phrase ‘as is’ or ‘as is, where is basis’, which is frequently used in circulars to regularize past tax treatments. This phrase, while seemingly straightforward, carries significant implications for taxpayers and tax authorities alike.

To address the prevailing doubts and provide much-needed clarity, the Government of India, Ministry of Finance, Department of Revenue (Tax Research Unit), has issued Circular No.236/30/2024-GST on 11th Oct 2024. This article aims to provide an in-depth analysis of this circular, with a specific focus on its implications for tax professionals & accountants like Cost & Management Accountants (CMAs).

## Understanding the Foundation: Defining AS IS, WHERE IS

Before delving into the specifics of the circular and its GST implications, it’s essential to establish a clear understanding of the phrase ‘as is, where is’.

### AS IS, WHERE IS in its General Context

Generally, in commercial parlance, the phrase ‘as is, where is’ is commonly used in transactions involving the transfer of property, particularly real estate or assets. It signifies that the property is being transferred in its existing condition, irrespective of its state. The transferee accepts it with all its existing faults, defects, and imperfections, whether apparent or not. This principle essentially absolves the transferor from any liability related to the condition of the property.

For example, if a company sells an old piece of machinery ‘as is, where is’, the buyer is responsible for any repairs or maintenance required, regardless of any underlying issues with the machinery.

### AS IS, WHERE IS in the GST Context: A Nuanced Interpretation

While the fundamental principle of ‘as is, where is’ remains the same, its application in the GST context is more nuanced. In GST, this phrase is used to regularize

past tax positions adopted by taxpayers, often in situations where there were genuine interpretational ambiguities.

Specifically, regularized on ‘as is where is basis’ in GST implies that:

- A Payment made at a lower GST rate by the taxpayer will be accepted as full and final payment of the tax liability.
- Exemption claimed by the taxpayer will be accepted.
- No refund will be granted to taxpayers who have paid GST at a higher rate.

The core intent behind this regularization is to provide closure to past disputes and avoid unnecessary litigation arising from genuine differences in interpretation. It acknowledges that in a complex tax system like GST, differing interpretations are inevitable, especially in the initial years.

It is crucial to note that the tax position adopted by the taxpayer, as reflected in their GST returns, forms the basis for this regularization.

## Analysis of Circular: Clarifying the Ambiguity

Circular No.236/30/2024-GST is a crucial document that clarifies the scope and applicability of ‘as is, where is basis’ in GST circulars. It addresses the doubts that have arisen among field formations and the trade, providing clear guidance on how to interpret and apply this phrase.

### Role of Circulars in GST Administration

To properly contextualize the circular, it’s important to understand the role of circulars issued by the Department of Revenue. The Department of Revenue, under the Ministry of Finance, plays a key role in the administration of tax laws. It issues circulars and clarifications to provide guidance to its officers and to ensure the effective implementation of these laws.

While the Central Board of Indirect Taxes and Customs (CBIC) is primarily responsible for the administration of GST and also issues circulars, the Department of Revenue, through its various units, also contributes to providing clarifications and instructions.

It’s a well-established legal principle that circulars, including those issued by the Department of Revenue, are not binding on the courts. Courts have the authority to interpret the law independently, and they may or may not agree with the interpretation provided in a circular. However, such circulars can have persuasive value and may be taken into consideration by the courts if they find the interpretation to be reasonable and in line with the legislative intent.

Circulars from the Department of Revenue are generally binding on the tax authorities. This means that the tax authorities cannot take a stand that contradicts what is stated in the circular. Taxpayers or tax professionals can rely on these circulars to argue that the tax authorities should not take a particular action against them.

### Situations Leading to Regularization

The circular highlights the specific situations where regularization on an as is, where is basis is typically applied. These situations generally involve:

- **Competing Entries with Different Rates:** When there are two or more competing entries in the GST rate notifications, leading to uncertainty about the applicable tax rate.
- **Diverse Interpretations:** When different taxpayers have adopted varying interpretations of the GST law, resulting in some paying a lower rate (or claiming exemption) while others pay a higher rate.

In such scenarios, the GST Council may recommend regularization to bring uniformity and avoid disputes.

### Implications for Taxpayers: A Detailed Examination

The circular’s clarification has significant implications for taxpayers, particularly in terms of their past tax liabilities and potential refunds.

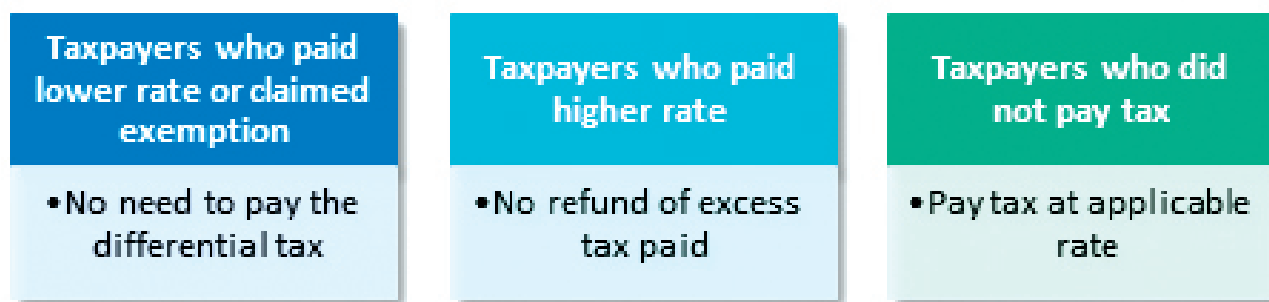


Figure 1: Implications for Taxpayers

### 1. Taxpayers Who Paid Lower Rate/Claimed Exemption:

- ▶ For taxpayers who have paid GST at a lower rate in situations where there were competing rates, such payment will be treated as full and final discharge of their tax liability for the regularized period.
- ▶ They will not be required to pay any differential tax.
- ▶ Similarly, if a taxpayer has claimed an exemption due to genuine doubt, such non-payment will be considered a full discharge of tax liability.

### 2. Taxpayers Who Paid Higher Rate:

- ▶ Taxpayers who have paid GST at a higher rate in the past will not be entitled to any refund of the excess tax paid.
- ▶ This is a crucial aspect of the 'as is, where is' principle – it provides finality but does not allow for refunds.

### 3. Taxpayers Who Did Not Pay Tax:

- ▶ It is critical to emphasize that the regularization on an as is, where is basis does not apply to situations where taxpayers have not paid any GST.
- ▶ In such cases, the applicable tax, as clarified by the circular, will be recovered from the taxpayer.

## Practical Examples: Applying the AS IS, WHERE IS Principle

To solidify the understanding of the 'as is, where is' principle and its application, let's analyze some practical examples. These examples will build upon the illustrations provided in the circular and expand on them for a more comprehensive understanding.

### Example 1: Conflicting Rate Notifications

- **Scenario:** A particular product, say Widget X, was subject to interpretational ambiguity. Some manufacturers paid GST at 5%, while others paid 12%, citing different tariff classifications. The GST Council, in its meeting, recommended reducing the applicable rate prospectively as 5% and regularizing past payments on an as is, where is basis. This clarification was notified on say, March 1, 2025.
- **Implications:**
  - ▶ Manufacturers who paid 5% GST for the period before March 1, 2025, will be deemed to have fully discharged their GST liability. They will not be required to pay the 7% differential.
  - ▶ Manufacturers who paid 12% GST will not be eligible for a refund of the 7% excess paid.

## Example 2: Exemption vs. Taxable Supply

- **Scenario:** There was confusion regarding the taxability of say Service Y. Some service providers treated it as an exempt supply, while others paid GST at 5%, believing it to be a taxable service. The GST Council clarified that Service Y is indeed taxable at 5% and regularized the past period on an 'as is, where is' basis. This clarification was notified on say March 1, 2025.
- **Implications:**
  - ▶ Service providers who did not pay GST, treating Service Y as exempt in their GST returns, will be considered to have fully complied with their tax obligations for the period before March 1, 2025.
  - ▶ Service providers who paid 5% GST will not be eligible for any refund.

## Example 3: Complex Interpretational Issue with Non-Payment

- **Scenario:** The taxability of say Product Z was highly contentious. Some taxpayers paid 5% GST, others paid 12%, and some did not pay any GST owing to confusion. The GST Council clarified that Product Z is taxable at 12% and regularized the past period on an 'as is, where is' basis. This clarification was notified on say March 1, 2025.
- **Implications:**
  - ▶ Taxpayers who paid 5% GST will be deemed to have fully discharged their liability for the period before March 1, 2025. They will not have to pay the differential.
  - ▶ Taxpayers who paid 12% GST will not be eligible for a refund.
  - ▶ However, taxpayers who did not pay any GST will be liable to pay the full 12% GST along with interest, late fee, penalty, as applicable. The 'as is, where is' principle does not apply to them.

## Example 4: Expanding on GENUINE DOUBT

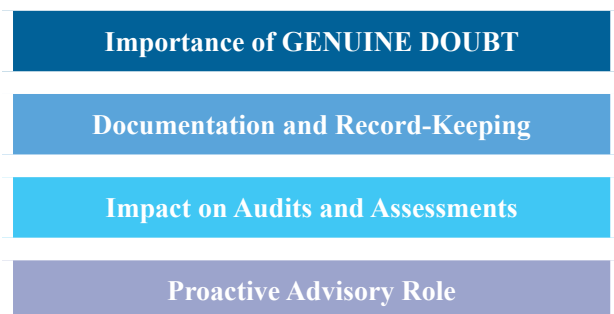
- **Scenario:** Consider a scenario where say a

new technology product was launched, and its classification under the GST tariff was unclear. Some businesses, acting on a reasonable interpretation, classified it under a category attracting nil GST, while others classified it under a category subject 18% GST. Later, the GST Council clarifies that the correct classification attracts 5% GST and regularizes the past period 'as is where is'.

- **Implications:**
  - ▶ Businesses that paid 18% GST will not be entitled to a refund of the difference between 18% and 5%.
  - ▶ Businesses that paid nil GST will be considered to have met their tax obligations for the past period.
  - ▶ Here, the critical element is the genuine doubt. If the tax authorities believe that the nil GST classification was a deliberate attempt to evade tax rather than a result of genuine interpretational difficulty, they may dispute the application of 'as is where is'.

## Considerations for CMAs

The circular provides valuable clarification, but CMAs must carefully consider its implications and limitations.



*Figure 2: Implications of the Circular*

### Importance of GENUINE DOUBT

- The concept of genuine doubt is central to the application of the 'as is, where is' principle.

CMAs must exercise their professional judgment in determining whether a particular interpretation adopted by a taxpayer can be considered a result of genuine doubt.

- Factors to consider may include:
  - ▶ The complexity of the legal provisions involved.
  - ▶ The availability of clear guidance or precedents.
  - ▶ Industry practices.
  - ▶ The taxpayer's intent and conduct, etc.

### Documentation and Record-Keeping

- Maintaining thorough documentation is crucial. Taxpayers and their advisors should retain all relevant records to support the tax positions adopted in the past. This documentation may include:
  - ▶ Invoices and other transaction documents.
  - ▶ GST returns.
  - ▶ Legal opinions or expert that was sought.
  - ▶ Correspondence with tax authorities etc.

### Impact on Audits and Assessments

- This clarification will significantly impact GST audits and assessments. Tax authorities will need to apply the as is, where is principle in accordance with the circular.
- CMAs should be prepared to represent their clients' cases, providing evidence of genuine doubt and proper application of the principle.

### Proactive Advisory Role

- CMAs should proactively advise their clients on the implications of this circular, helping them understand their rights and obligations.
- This includes advising clients on potential refund claims (where applicable and permissible), potential liabilities, and the importance of maintaining adequate documentation.

## Limitations and Potential Challenges

While the circular provides clarity, some potential challenges and limitations remain:

- **Subjectivity in GENUINE DOUBT:** The interpretation of genuine doubt can still be subjective and may lead to disputes between taxpayers and tax authorities.
- **Cases Not Explicitly Covered:** The circular may not cover all possible scenarios, and further clarifications may be needed in the future.
- **Implementation Challenges:** Consistent application of the circular across different field formations may be a challenge.

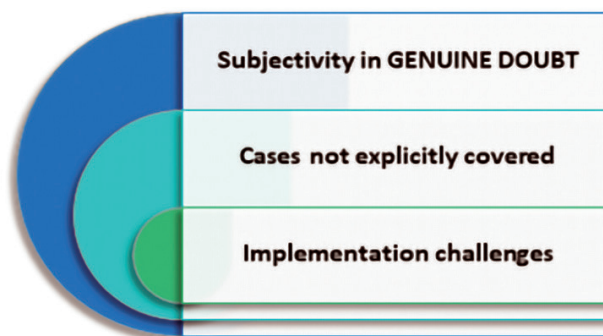


Figure 3: Limitations of the Circular

## Fairness and Equity: The Refund Dilemma

Building upon the limitations and challenges discussed above, it's crucial to address the fairness and equity considerations arising from denial of refunds to taxpayers who have paid excess GST in as is, where is scenarios. There are valid arguments both for and against this stance:

- **Arguments against Allowing Refunds:**
  - ▶ **Finality and Closure:** The primary objective of the as is, where is basis is to provide finality to past tax disputes and bring closure to long-standing uncertainties. Allowing refunds would reopen these settled issues, leading

to administrative complexities and potential litigation.

- ▶ **Administrative Burden:** Processing refunds can be a cumbersome and time-consuming process for tax authorities. Denying refunds reduces the administrative burden and allows the authorities to focus on current tax administration.
- ▶ **Equity Among Taxpayers:** It can be argued that not allowing refunds ensures a degree of equity among taxpayers. Some taxpayers, due to a more conservative interpretation, paid the higher rate, while others paid the lower rate. Granting refunds would create a disparity, benefiting those who took a more aggressive position.
- ▶ **Revenue Protection:** From the government's perspective, not granting refunds helps protect revenue. Refunds would result in an outflow of funds, which could impact the government's fiscal position.
- **Arguments for Allowing Refunds:**
  - ▶ **Principle of Unjust Enrichment:** Denying refunds could be seen as violating the principle of unjust enrichment, which states that no one should unjustly benefit at the expense of another. The government, in this case, benefits from the excess tax paid by taxpayers, which could be considered unjust.
  - ▶ **Fairness and Equity:** It seems inherently unfair to penalize taxpayers who, in good faith, paid a higher amount of tax. Taxpayers should not be worse off for being compliant.
  - ▶ **Encouraging Compliance:** Denying refunds might discourage voluntary compliance in the future. Taxpayers may be less inclined to pay higher amounts if they know they would not be able to claim a refund.
  - ▶ **Potential for Arbitrariness:** The denial of refunds can appear arbitrary, especially if there is no clear rationale provided. This can erode trust in the tax system.

## **Towards a Balanced Approach**

Considering the above arguments, finding a balanced approach is crucial. While the need for finality and administrative efficiency is important, the principles of fairness and equity should not be disregarded. A possible approach could involve:

- **Case-by-Case Consideration:** In exceptional cases where the excess payment is substantial and the taxpayer's good faith is evident, there could be a mechanism for partial refunds or adjustments.
- **Future Guidance:** Clearer guidelines on how 'as is, where is' will be applied in future situations, with a more transparent approach to refunds, could enhance fairness and predictability.
- **Taxpayer Education:** Enhanced taxpayer education and outreach programs can help reduce interpretational ambiguities and minimize situations where excess payments occur.

By acknowledging the competing interests and striving for a more balanced and transparent approach, the GST system can better achieve its goals of efficiency, compliance, and fairness.

## **Conclusion: Navigating the AS IS, WHERE IS Landscape**

The circular is a welcome step towards providing clarity on the application of the 'as is, where is' principle in GST. It offers valuable guidance to taxpayers in navigating the complexities of past tax treatments.

However, a thorough understanding of the nuances of this principle, coupled with careful consideration of the specific facts of each case, is crucial. CMAs must exercise their professional judgment, ensure proper documentation, and provide proactive advice to their clients. By doing so, they can effectively manage GST-related risks and ensure compliance in an evolving tax landscape.

### **Source:**

- <https://taxinformation.cbic.gov.in/view-pdf/1003241/ENG/Circulars>.

# TDS under section 194T and 194Q of Income Tax Act, 1961



CMA Harish U

Practicing Cost Accountant

## TDS

Tax Deducted at Source (TDS) is a plan of action introduced by the Government for collection of tax in advance.

Under this mechanism, a person (Deductor) shall deduct tax at source at certain percentage specified as per Income Tax Act, 1961 at the time of making payment towards specified nature to any other person (deductee).

The Deductor remits the tax deducted amount to the account of the Government periodically and later, issues a TDS certificate to the deductee as a proof of tax payment to the Government.

The deductee is entitled to claim credit for the amount deducted at the time of making income tax payment.

firm, shall, at the time of credit of such sum to the account of the partner (including the capital account) or at the time of payment thereof, whichever is earlier shall, deduct income-tax thereon at the rate of ten per cent.

- (2) No deduction shall be made under sub-section (1) where such sum or the aggregate of such sums credited or paid or likely to be credited or paid to the partner of the firm does not exceed twenty thousand rupees during the financial year.”

As per section 194T certain payments made to a partner by a firm shall be liable for TDS.

TDS will be applicable @10% only if the aggregate payment made to partner exceeds ₹.20,000.00 in a financial year.

## Section 194T

### Introduction: -

In Finance Bill 2024, it is proposed to insert a new section 194T in the Income Tax Act, 1961. Accordingly, in clause 62 of Finance Act, 2025 inserted section 194T and made effective from 01st April, 2025

This section introduced to bring the payments made to partners under TDS for timely accounts finalisation and to increase the transparency in the firm accounts.

### Section 194T - Payments to partners of firms.

- (1) Any person, being a firm, responsible for paying any sum in the nature of salary, remuneration, commission, bonus or interest to a partner of the

**The following payments made to partners are covered under TDS**

- Salary
- Remuneration
- Commission
- Bonus or
- Interest on loan or capital

**TDS is to be deducted at earlier of the following dates:**

1. Credit of sum/payment to the account of partner in the books of the firm or
2. Payment to the partner

### Steps to be taken by the partnership firms

- The threshold limit is only ₹.20,000 in a financial

year, So it seems to be applicable for all the Partnership firms.

- Make an arrangement in a standard way for withdrawal of partner salary every month
- Deduct the TDS @ 10% on value of any sum withdrawn by the Partners.
- Deposit the TDS amount before the due date specified.
- Before closure of books of accounts, it is important to reconcile the Partner salary/remuneration/any sum paid to partners with TDS deduction.

### Key Points

- TDS rate would be 20% if the payee doesn't have a valid PAN or Aadhar authentication is not made.
- TDS deduction at lower rate under section 197 is not applicable.
- TDS filing in form 26Q (non-Salary)
- TDS certificate to be issued to partners in form 16A (non-Salary)
- This provision is applicable for partnership firm or LLP
- TDS not applicable on repayment of capital amount.
- TDS not applicable on the amount payable to the partner related transactions accounted in books prior to 1st April 2025.
- Partners are liable to make the advance tax payments if the estimated income tax for the relevant financial year exceeds the estimated TDS deduction.

### Consequences of non-deduction

- If TDS is not deducted on time, interest is charged at 1% per month or part of the month, calculated from the date the tax was deductible until the actual date of deduction.
- If TDS is deducted but not deposited timely, interest at 1.5% per month or part of the month is levied from the date of deduction to the date of deposit.
- If TDS is required but not deducted, 30% of the expense amount will be disallowed for computation of taxable income.

### Conclusion:-

Section 194T marks a significant change in tax treatment adopted in the partnership firms. Now it's the responsibility of the partnership firms to deduct the TDS on payments made to the partners.

It increases the burden of tax deduction on Partnership firms and the firms should adopt a systematic practice in payments made to the partners and in maintaining the accounting records.

## Section 194Q

### Introduction

Section 194Q was introduced in Finance Act, 2021 effective from 1st July 2021. It was introduced to cover the high value transaction in the ambit of TDS.

The main purpose of introducing this section to track the large value transactions in the country and to increase the transparency in financial transactions.

### 194Q.

- (1) Any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent of such sum exceeding fifty lakh rupees as income-tax.

Explanation.—For the purposes of this sub-section, “buyer” means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

- (2) Where any sum referred to in sub-section (1) is credited to any account, whether called “suspense account” or by any other name, in the books of



account of the person liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.

- (3) If any difficulty arises in giving effect to the provisions of this section, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty.
- (4) Every guideline issued by the Board under sub-section (3) shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income-tax authorities and the person liable to deduct tax.
- (5) The provisions of this section shall not apply to a transaction on which—
  - (a) tax is deductible under any of the provisions of this Act; and
  - (b) tax is collectible under the provisions of section 206C.

### Section 194 applicability

This provision applies to the buyer who is making payments for the purchase of goods to a resident seller (seller based in India). Below conditions to be satisfied for deduction of TDS.

- (a) **Buyer Turnover :-** A buyer whose turnover or gross receipt or sales in the immediately preceding financial year was more than ₹ 10 crores.
- (b) **Purchase Value:-** The total value or cumulative value of goods purchased from the same seller in a financial year exceeds ₹.50 lakhs.

Tax is to be deducted at source at the rate of 0.1% on the amount exceeding ₹ 50 lakhs in a financial year from each seller.

TDS is to be deducted at earlier of the following dates:

1. Crediting i.e payment to the supplier

### Steps to be taken

- Determine the total value of goods purchased from a seller in the financial year

- If the total value exceeds ₹.50 Lakhs deduct TDS @0.1% on value after reducing ₹.50 Lakhs from the total amount.
- Every year TDS is applicable on value above the ₹.50 Lakhs, So every year separate computation is required.

### Key Points

- TDS not applicable on payment made to foreign parties (Imports)
- TDS is not applicable if the TDS is to be deducted or TCS is to be collected under any provision of the Income Tax Act
- If the seller does not have a valid PAN or Aadhar authentication was not made, then the TDS rate will be 5%
- This provision applicable for both purchase of revenue goods as well as capital goods
- Before 1st April 2025 there is provision for collection of TCS under section 206C(1H) which was applicable on sale of goods exceeding ₹.50 Lakhs in a financial year, even in such case TDS under section 194Q was the dominating section. If the buyer not liable to deduct TDS, then the responsibility comes to the seller for TCS.

### Consequences of non-deduction of TDS

- If TDS is not deducted on time, interest is charged at 1% per month or part of the month, calculated from the date the tax was deductible until the actual date of deduction.
- If TDS is deducted but not deposited timely, interest at 1.5% per month or part of the month is levied from the date of deduction to the date of deposit.
- If TDS is required but not deducted, 30% of the expense amount will be disallowed for computation of taxable income.

### Conclusion

Adopting the Section 194Q with maintain proper tax practices is very difficult for the small business engaged in trading or manufacturing activity. It is essential to ensure compliance with section 194Q to avoid the legal complications.

# PRESS RELEASE

## INDIRECT TAX

### **CGST Delhi East Commissionerate encourages greater compliance and awareness among unregistered manufacturers and traders during GST Registration Campaign 2025**

In the two-days of campaign, more than 2,000 queries from potential and unregistered traders addressed by GST officers; More than 100 fresh GST registration applications generated; 7,500 pamphlets highlighting provisions of GST Registration in Hindi and Urdu distributed 200 students as GST Ambassadors from reputed Universities create awareness during the two-day campaign

**Posted On: 23 MAR 2025 12:09PM by PIB Delhi**

The Central Goods and Services Tax (CGST) Delhi East Commissionerate successfully launched its GST Registration Campaign on 21st-22nd March, 2025, with the aim of encouraging greater registration and compliance under the Goods and Services Tax (GST) regime. This initiative sought to engage unregistered manufacturers and traders in falling under the jurisdiction of CGST Delhi East to help them understand the importance of registering with the GST Department and complying with the provisions of the law, like:

- Hallan Chowk, Old Seelampur
- Gole Baithak, Old Seelampur
- Jacket Market of Jaffrabad and
- Subhash Road, Gandhi Nagar
- New Seelampur

GST Helpdesks were set up at the above locations to address queries and help in the GST registration process. This initiative received a warm and encouraging response from the local trade community, many of whom were previously unregistered, often conducting their transactions primarily in cash, which has a negative impact on the Indian economy.

Over the course of the campaign, more than 2,000 queries from traders were addressed by GST officers, who provided valuable assistance with the registration process. The drive proved to be a success, with a significant number of unregistered traders coming forward to voluntarily register their businesses under GST, with more than 100 registration applications being generated on spot after following due process.

As part of the outreach efforts, 200 students from reputed Universities were invited to be GST Ambassadors to create awareness for the two-day campaign. These volunteers/GST Ambassadors were closely monitored and guided by a large team of GST officers comprised of 10 Assistant Commissioner/Deputy Commissioners and more than 80 officials.

The students actively participated in spreading awareness about GST provisions and assisted traders by going shop-

to-shop to brief them about the process and benefits. The students went for door-to-door campaigning and helped conduct survey through aid of pre-decided questionnaire. Standard script was prepared and the student's academic knowledge of Sales/Marketing/Market Survey was leveraged to generate leads for GST officers to follow up later. They distributed 7,500 pamphlets published in Hindi and Urdu, highlighting the provisions of GST Registration. A public announcement system, skits, street plays, mohalla campaigns at different locations were also organised by National School of Drama (NSD) team so that the people are made aware of the importance of payment of tax to the government as well as consequences of non-payment of tax.

The successful execution of this campaign marks a crucial step in increasing GST registration among the unorganised sectors, thereby improving compliance and contributing to the overall growth and stability of the Indian economy.

The CGST Delhi East Commissionerate remains committed to continuing such initiatives and ensuring that all sectors of trade are brought into the formal economy, fostering greater transparency, accountability, and economic growth.

The GST registration campaign was carried out under the overall guidance of Shri Pawan Kumar, Commissioner of CGST Delhi East and Shri Paras Shankhla, Additional Commissioner and executed under close supervision of Shri Jyotiraditya, Additional Commissioner along with the GST officials, including, Smt. Anu Joshy, Deputy Commissioner, Shri Mingma Sherpa, Deputy Commissioner, Shri Anshuman Yadav, Assistant Commissioner, Shri K.K. Singh, Assistant Commissioner, Shri Maujood Siddique, Assistant Commissioner, Shri O.P. Meena, Assistant Commissioner and Ms. Akshita Srivastava, Assistant Commissioner.

The campaign culminated in a closing ceremony presided over by Shri Mahesh Kumar Rustogi, Director General, Directorate General of Taxpayer Services (DGTS), with an address the student volunteers, trade associations and civic society organisations along with the team of officers and officials.

## **CBIC to introduce electronic processing of import/ export through personal carriage by air passengers from 1st May 2025 at specified airports**

Nine airports at Delhi, Mumbai, Kolkata, Chennai, Kochi, Coimbatore, Bangalore, Hyderabad and Jaipur to allow personal carriage export of gems and jewellery

Seven airports at Delhi, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad and Jaipur to allow personal carriage import of gems and jewellery

Four airports at Bengaluru, Chennai, Delhi and Mumbai to allow personal carriage samples/prototypes of machinery

**Posted On: 01 APR 2025 6:06PM by PIB Delhi**

The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, has introduced electronic processing of Bill of Entry/ Shipping Bill pertaining to gems and jewellery/samples/prototypes through personal carriage by air passengers from 01.05.2025 onwards at specified airports.

The export/import through personal carriage shall be subject to the provisions of Foreign Trade Policy (FTP) 2023 and Handbook of Procedures (HBP), 2023.

The facility of personal carriage will be available, for export of gems and jewellery in the nine airports (Delhi, Mumbai, Kolkata, Chennai, Kochi, Coimbatore, Bangalore, Hyderabad and Jaipur) specified in para 4.87 of HBP and for import of gems and jewellery in the seven airports (Delhi, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad and Jaipur) specified in para 4.88 of HBP. In case of samples/prototypes of machinery, the facility is initially being made available in Bengaluru, Chennai, Delhi and Mumbai airports.

The harmonised procedure and electronic processing will promote ease of doing business for such mode of transaction especially for gems and jewellery and high-end manufacturing.

## **DIRECT TAX**

### **CBDT seeks inputs from stakeholders on income-tax rules and related forms on provisions of Income Tax Bill 2025, after it was introduced in Parliament**

CBDT has launched a utility on e-filing portal for stakeholders to submit inputs through an OTP-based validation process

**Posted On: 18 MAR 2025 3:11PM by PIB Delhi**

In reference to the Income Tax Bill, 2025, that was introduced in Parliament and is currently under examination by the Select Committee for detailed consideration, stakeholders are encouraged to continue submitting their suggestions on the provisions of the Bill, which will be compiled and forwarded to the Select Committee for its review.

To facilitate this, a utility has been launched on the e-filing portal, which can be accessed through the following link:

<https://eportal.incometax.gov.in/iec/foservices/#/pre-login/ita-comprehensive-review>.

The above link is live and accessible to all stakeholders from 08.03.2025 on the e-filing portal. Stakeholders can submit their inputs by entering their name and mobile number, followed by an OTP-based validation process.

All suggestions should clearly specify the relevant provision of the Income-tax Rules, 1962 (including the specific section, sub-section, clause, rule, sub-rule, or form number) to which the recommendation pertains under the aforementioned four categories.

In alignment with the comprehensive review of the Income-tax Act, 1961, an effort is underway to collect inputs and work on simplification of the associated Income Tax Rules and Forms. The objective of this initiative is to enhance clarity, reduce the compliance burden, and eliminate obsolete rules, making tax processes more accessible for taxpayers and other stakeholders. Additionally, streamlining the Rules and Forms aims to simplify tax compliance, improve taxpayer comprehension and ease of filing, lower administrative burdens and errors, and enhance transparency and efficiency.

As part of a wider consultative process, the committee formed to review the Rules and Forms invites inputs and suggestions from stakeholders in the following four categories:

1. Simplification of Language
2. Reduction of Litigation
3. Reduction of Compliance Burden
4. Identification of Redundant/Obsolete Rules and Forms.

# NOTIFICATION

## INDIRECT TAX

### GST

#### Notification No. 11/2025–Central Tax

New Delhi, the 27th March, 2025.

G.S.R... (E).—In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:—

1. (1) These rules may be called the Central Goods and Services Tax (Second Amendment) Rules, 2025.
- (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Central Goods and Services Tax Rules, 2017,—
  - (a) in rule 164, —
    - (i) in sub-rule (4), after the words “after payment of the full amount of tax”, the words “related to period mentioned in the said sub-section and” shall be inserted.
    - (ii) after sub-rule (4), the following Explanation shall be inserted, namely: -  
*“Explanation, - No refund shall be available for any tax, interest, and penalty, which has already been discharged for the entire period, prior to the commencement of the Central Goods and Services Tax (Second Amendment) Rules, 2025, in cases where a notice or statement or order mentioned in sub-section (1) of section 128A, includes a demand of tax, partially for the period mentioned in the said sub-section and partially for a period other than mentioned in the said*

*sub-section.”.*

- (b) in rule 164, in sub-rule 7, after the first proviso, the following proviso shall be inserted, namely:—

*“Provided further that where the notice or statement or order mentioned in sub-section (1) of section 128A of the Act includes demand of tax, partially for the period mentioned in the said subsection and partially for the period other than that mentioned in the said sub-section, the applicant instead of withdrawing the appeal, shall intimate the appellate authority or Appellate Tribunal that he does not wish to pursue the appeal for the period mentioned in the said sub-section and the relevant authority shall, after taking note of the said request, pass such order for the period other than that mentioned in the said sub-section, as he thinks just and proper.*

Explanation,— For the removal of doubt, it is clarified that the appeal application shall be deemed to have been withdrawn to the extent of the said intimation for the period from the 1st July, 2017 to the 31st March, 2020 or part thereof, for the purpose of sub-clause (3) of section 128A.”

### Customs : (Tariff)

#### Notification No. 18/2025-Customs

New Delhi, the 20th 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), 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. 9/2012-Customs, published in the Gazette of India,

Extraordinary, Part II, section 3, sub-section (i) vide number G.S.R. 129(E), dated the 9th March, 2012, namely:-

In the said notification, in condition (v), for the proviso, the following proviso shall be substituted, namely:-

*“Provided that a variance not exceeding  $\pm 0.05$  mm in diameter for round shape diamonds and  $\pm 0.07$  mm in length and breadth for diamonds of other shapes, variance not exceeding  $\pm 0.01$  mm in height and variance not exceeding  $\pm 1$  cent in weight shall be allowed.”.*

## **Notification No. 19/2025-Customs**

**New Delhi, the 22nd 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), 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. 27/2011-Customs, dated the 1st March, 2011, published in the Gazette of India, Extraordinary, Part II, Section 3,

Sub-section (i), vide number G.S.R. 153(E), dated the 1st March, 2011, namely :-

In the said notification, in the TABLE, against S. No. 1, in column (4), for the entry, the entry “nil” shall be substituted.

2. This notification shall come into force from the 1st day of April, 2025.

## **Notification No. 20/2025-Customs**

**New Delhi, the 27th 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 further 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.	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, against Sl. No. 1, in column (2), after the figures “0713 10,” the figures “ 0713 20 20,” shall be inserted;
2.	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 Sl. No. 3, in column (4), for the entry, the entry “Nil” shall be substituted.

2. This notification shall come into force from the 1st day of April, 2025.

## **Notification No. 21/2025-Customs**

**New Delhi, the 28th 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), 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. 22/2022-Customs, dated the 30th April, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 328(E), dated the 30th April, 2022, namely :-

In the said notification,-

- (i) for TABLE I, the following Table shall be substituted, namely: -

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010345/ENG/Notifications>.

## Notification No. 22/2025-Customs

New Delhi, the 28th 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), 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.25/2021-Customs, dated the 31st March, 2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 241 (E), dated the 31st March, 2021, namely :-

In the said notification, -

- (i) for TABLE 1, the following Table shall be substituted, namely: -

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010346/ENG/Notifications>.

### Customs : (Non-Tariff)

## Notification No. 14/2025- Customs (N.T.)

New Delhi, the 18th March, 2025

G.S.R.178 (E).- In exercise of the powers conferred by sub-section (1) of section 156 read with section 28DA of the Customs Act, 1962, the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby amend the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020, namely :-

1. (1) These rules may be called the Customs (Administration of Rules of Origin under Trade Agreements) Amendment Rules, 2025.
- (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020-
  - (a) in rule 2, in sub-rule (1), in clause (f), for the word “certificate”, the word “proof” shall be substituted;
  - (b) in rule 3, —
    - (i) in sub-rule (1), —
      - (A) in clauses (c) and (d), for the word “certificate”, the word “proof” shall be substituted;
      - (B) in clause (d), in sub-clauses (i), (ii) and (v), for the word “certificate”, the word “proof” shall be substituted;
    - (ii) in sub-rule (2), for the word “certificate”, the word “proof” shall be substituted;
  - (c) in rule 6, -
    - (i) in sub-rule (1), for the word “certificate”, the word “proof” shall be substituted;
    - (ii) in sub-rule (1), in clauses (a) and (b), for the word “certificate”, the word “proof” shall be substituted;
3. In Form I, in Section III, in Part B, in paragraph 2, at serial number g, for the letters “CoO”, the words “proof of origin” shall be substituted.

## Notification No. 15/2025-Customs (N.T.)

New Delhi, the 24th March, 2025

G.S.R. 190(E). - In exercise of the powers conferred by clause (a) of sub-section (1) read with sub-section (2) of section 7 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs hereby makes the following further amendment in the

notification of the Government of India, Ministry of Finance (Department of Revenue) No. 61/94-Customs (N.T.) dated the 21st November, 1994, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 828 (E), dated the 21st November, 1994, namely :-

In the said notification, in the Table, against serial number 11 relating to the State of Maharashtra, in column (3), after the entry at (f) and corresponding entry in column (4), the following item and entries shall be inserted, namely :-

(1)	(2)	(3)	(4)
		“(g) Navi Mumbai	Unloading of imported goods and the loading of export goods or any class of such goods.”.

In the said notification, in the Table, against serial number 16 relating to the State of Uttar Pradesh, in column (3), after the entry at (g) and corresponding entry in column (4), the following item and entries shall be inserted, namely :-

(1)	(2)	(3)	(4)
		“(h) Noida International (Jewar)	Unloading of imported goods and the loading of export goods or any class of such goods.”.

## Notification No.16/2025-Customs (N.T.)

**New Delhi, the 26th March, 2025**

S.O. (E). – In exercise of the powers conferred by sub-section (1) of section 4 read with section 3 and sub-sections (1) and (1A) of section 5 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs, hereby appoints officer mentioned in column (4) of the Table below to exercise the powers and discharge duties conferred or imposed on officers mentioned in column (3) of the said Table in respect of noticee mentioned in column (1) of the Table, for purpose of adjudication of show cause notices mentioned in column No (2) therein, namely:-

Table

Name of the Noticee(s) and Address (M/s.)	Show Cause Notice Number and Date	Name of Adjudicating Authorities	Common Adjudicating Authority appointed
(1)	(2)	(3)	(4)
M/s Delhi Airport Metro Express Private Ltd. (IEC: 0508050910)	Show Cause Notice dated 15.06.2022 vide F. No. CUS/APR/PROJ/47/2022-GR-5-6-O/o Pr Commr-Cus-Mundra	Commissioner of Customs, MCH, Mundra.	Commissioner of Customs, MCH, Mundra, Gujarat,
	Show Cause Notice dated 05/07/2022 bearing C No.VIII/ICD/TKD/6AG/Gr.VI/Delhi Airport/133/2022	Assistant Commissioner of Customs (Group-VI), ICD-import, TKD, New Delhi.	
	Show Cause Notice dated 14/07/2022 issued vide file No. S/26-MISC-160/2022-23/GR.VI/NS-V	Joint Commissioner of Customs, NS-V, JNCH, Maharashtra	

Name of the Noticee(s) and Address (M/s.)	Show Cause Notice Number and Date	Name of Adjudicating Authorities	Common Adjudicating Authority appointed
(1)	(2)	(3)	(4)
	Show Cause Notice dated 18/02/2022 issued vide file No. S/5- 17/2009 CC	Assistant Commissioner of Customs, Contract Cell, NCH, Mumbai, Maharashtra.	
	Show Cause Notice dated 21/04/2023 bearing C No. VIII/6/ ICD/PPG	Assistant Commissioner of Customs, ICD Patparganj, Delhi.	
	Show Cause Notice dated 13/02/2024 issued vide file No. CUS/ APR/SCN/1016/2023-GR-3/4/6-O/o Pr COMM-R-CUSACC(I)-DELHI	ADC, ACC-Import Commissionerate, NCH, New Delhi	

## Notification No. 17/2025-CUSTOMS (N.T.)

New Delhi, 28th 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: -

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010341/ENG/Notifications>

## Notification No. 18/2025 - Customs (N.T.)

New Delhi, the 28th March, 2025

S.O.....(E).- In exercise of the powers conferred by section 157 read with section 84 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs hereby makes the following regulations, namely:-

- Short title and commencement.— (1) These regulations may be called the Postal Imports Regulations, 2025.  
(2) They shall come into force with effect from the date to be notified.
- Application.- (1) These Regulations shall apply to assessment and clearance of goods imported through Foreign Post Offices notified under clause (e) of sub section (1) of section 7 of the Customs Act, 1962.

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010342/ENG/Notifications>

## Notification No. 19/2025-Customs (N.T.)

**New Delhi, the 28th March, 2025**

S.O....(E). In exercise of the powers conferred by sub-section (1) of section 4 read with section 3 and sub-sections (1) and (1A) of section 5 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs hereby appoints the officer mentioned in column (4) of the Table below, to exercise the powers and discharge duties conferred or imposed on the officers mentioned in column (3) of the said Table, for purpose of adjudication of the Show Cause Notices, mentioned in column (2) of the said Table, in respect of the Noticees mentioned in column (1) therein, namely:-

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010344/ENG/Notifications>

## Notification No 20./2025-Customs (N.T.)

**New Delhi, dated 28 March, 2025**

G.S.R. (E). In exercise of the powers conferred by section 157, read with sections 30, 30A, 41, 41A, 53, 54, 56, sub-section (3) of section 98 and sub-section (2) of section 158 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs hereby makes the following amendments in the Sea Cargo Manifest and Transshipment Regulations, 2018, namely:-

1. Short title and commencement (1) These regulations may be called the Sea Cargo Manifest and Transshipment (Second Amendment) Regulations, 2025.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Sea Cargo Manifest and Transshipment Regulations, 2018,-
  - (1) In the TABLE after FORM-XII:
    - i. against Sr. No. 6, in column (3), for the

entry, the entry “31.05. 2025” shall be substituted.

## CORRIGENDUM

**New Delhi, the 2nd April, 2025**

S.O.....(E).- Government of India, Ministry of Finance (Department of Revenue) Notification

No. 18/2025- (N.T.), dated 28th March, 2025, published under G.S.R. 1516(E), dated 28th March, 2025, in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), on page 1, in line 13, for the words “from the date of their publication in the Official Gazette”, the words “They shall come into force with effect from the date to be notified.” shall be read.

## Customs (ADD)

## Notification No. 04/2025-Customs (ADD)

**New Delhi, the 18th March, 2025**

G.S.R. --- (E).- Whereas in the matter of ‘Soft Ferrite Cores’ (hereinafter referred to as the subject good) falling under tariff item 8505 11 10 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, issued vide notification No. 6/22/2023-DGTR, dated the 23rd December, 2024, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 23rd December, 2024, has inter-alia come to the conclusion that—

- (i) the subject good has been exported to India from the subject country at dumped prices;
- (ii) the domestic industry has suffered material injury on account of subject import from subject country;
- (iii) the material injury has been caused by the dumped imports of subject good from the subject country, and has recommended imposition of an anti-dumping duty on the imports of 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 good, the description of which is specified in column (3) of the Table below, falling under 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 as specified in the corresponding entry in column (7) of the said Table, namely:-

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010330/ENG/Notifications>.

## Notification No. 05/2025-Customs (ADD)

**New Delhi, the 21 March, 2025**

G.S.R...(E). Whereas, in the matter of 'Poly Vinyl Chloride Paste Resin' (hereinafter referred to as the 'subject goods') falling under tariff items 3904 10 10, 3904 10 20, 3904 10 90, 3904 21 00, 3904 22 00, 3904 30 10, 3904 30 90, 3904 40 00, 3904 90 00 and 3904 90 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, Korea RP, Malaysia, Norway, Taiwan and Thailand (hereinafter referred to as the 'subject countries') and imported into India, the designated authority vide its preliminary findings No. 6/17/2023-DGTR, published in the Gazette of India, Extraordinary, Part I, Section 1, dated 26th April, 2024, had recommended imposition of

provisional anti-dumping duty on the imports of subject goods, originating and exported from the subject countries;

And, whereas, on the basis of the aforesaid findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods with effect from 13th June, 2024, vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 09/2024-Customs (ADD), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S. R. 323(E), dated 13th June, 2024;

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010334/ENG/Notifications>.

## Notification No. 06/2025-Customs (ADD)

**New Delhi, the 24th March, 2025**

G.S.R.---(E).- Whereas in the matter of 'Roller Chains' (hereinafter referred to as the subject goods) falling under tariff item 7315 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, vide notification No. 06/26/2023-DGTR, dated the 26th December, 2024, published in the Gazette of India, Extraordinary, Part I. Section 1, dated the 26th December, 2024, has inter-alia come to the conclusion 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 on account of subject imports from subject country,
- (iii) the material injury has been caused by the dumped imports of subject goods from the subject country.

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010335/ENG/Notifications>.

## Notification No. 07/2025-Customs (ADD)

**New Delhi, the 25th March, 2025**

G.S.R....(E). Whereas, in the matter of “Acrylic Solid Surfaces” (hereinafter referred to as the subject goods), falling under tariff items 3506 99 99, 3920 51 11, 3920 51 19, 3920 51 99, 3920 63 90, 3921 9039 or 3926 90 69 of the First Schedule of 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 F. No. 06/06/2023-DGTR, dated the 26th December, 2024, published in the Gazette of India, Extraordinary, Part I. Section 1, dated

the 26th December, 2024, has come to the conclusion, inter alia that-

- (i) the product under consideration has been exported to India from the subject country at dumped prices:
- (ii) the domestic industry has suffered material injury:
- (iii) the material injury has been caused by the dumped imports of the subject goods from the subject country, 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.

The entire notification can be read at <https://taxinformation.cbic.gov.in/view-pdf/1010336/ENG/Notifications>.

## DIRECT TAX

### Notification No. 22/2025

**New Delhi, the 27th March, 2025**

G.S.R. 195(E).— In exercise of the powers conferred by section 295 read with section 194T 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 (Seventh Amendment) Rules, 2025.
- (2) They shall come into force on the date of their publication in Official Gazette.
2. In the Income-tax Rules, 1962, in Appendix II,—
  - (A) in Form No. 26Q, —
    - (i) in the heading, after the figures and letter “194S”, the figures and letter “194T” shall be inserted;
    - (ii) in the Annexure, in the Note no. 16, in the Table at the end, the following shall be inserted, namely

“194T	Payment of salary, remuneration, commission, bonus or interest to a partner of firm	94T”;
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- (B) in Form No. 27Q,—
  - (i) in the heading, after the figures and letter “194N”, the figures and letter “194T” shall be inserted;
  - (ii) in the Annexure, in the Note no. 13, in the table, for the row,—

“195	“Other sums payable to a non-resident	195”;
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the following rows shall be substituted, namely :-

“194T	Payment of salary, remuneration, commission, bonus or interest to a partner of firm	94T
“195	Other sums payable to a non-resident	195”

# CIRCULAR

## INDIRECT TAX

### CGST

#### Circular No. 248/05/2025-GST

**Dated: 27th March 2025**

**Subject: Various issues related to availment of benefit of Section 128A of the CGST Act, 2017-reg.**

Based on the recommendations of the GST Council made in its 53rd and 54th meetings, a new section 128A was inserted in the Central Goods and Services Tax Act, 2017 (hereinafter referred to as CGST Act, 2017) and Rule 164 has been inserted in the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as CGST Rules, 2017) w.e.f. 1st November 2024 to provide for waiver of interest or penalty or both relating to demands raised under Section 73 for the period from 1st July 2017 to 31st March 2020. In this regard, circular No. 238/32/2024-GST dated 15th October 2024 has also been issued clarifying various issues related to implementation of the said provisions.

2. Representations have been received from trade and industry highlighting certain issues being faced in availing the benefit provided under section 128A of the CGST Act, 2017 such as eligibility of cases for benefit under section 128A, where payment has been made through GSTR-3B instead of DRC-03 and treatment of withdrawal of appeals filed by the taxpayer against consolidated adjudication order covering periods beyond the one specified under section 128A of the CGST Act, 2017 for the purpose of availing the said benefit.
3. Accordingly, in view of the difficulties being faced by the trade and industry and to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168 (1) of the CGST Act, 2017, hereby clarifies the issues detailed hereunder.

4. Unless otherwise specified, all the sections mentioned in this circular refer to sections of the CGST Act, 2017 and all the rules mentioned herein refer to the rules of CGST Rules, 2017.

The entire Circular can be read at <https://taxinformation.cbic.gov.in/view-pdf/1003271/ENG/Circulars>.

### Customs

#### Circular No. 08/2025-Customs

**Dated the 24th March, 2025**

**Subject: Clarification on the scope of the Camera Module of Cellular Mobile Phones –reg.**

Madam/Sir,

Reference is invited to entry at S. No. 5A of notification No. 57/2017- Customs dated 30.06.2017 vide which a concessional basic custom duty (BCD) rate of 10% has been prescribed on the camera modules for use in manufacture of a cellular mobile phone and entry at S.No. 6B and 6BA of the said notification vide which inputs or parts including the camera lens or sub-parts of the parts used in the manufacture of the camera modules have been fully exempted from BCD.

2. DRI has sought issuance of clarification on the scope of camera module under entry at S.No. 5A of the notification No. 57/20217- Cus dated 30.06.2017 stating that the camera module and its contents have not been defined/specified till date. An investigation carried out by DRI has raised doubts on whether on two camera modules sealed in a metal chassis bracket can be treated as camera module considering that if the chassis was imported separately, the same would attract 15% for the period prior to 30.01.2024. As per the investigations, imports of camera modules consist of not only camera but other parts of mobile phones, such as flexible printed circuit having connectors,

plastic cover, metal chassis with space/cavity for other components of mobile phone, cover plates, camera modules fitted in the metal chassis.

The entire Circular can be read at <https://taxinformation.cbic.gov.in/view-pdf/1003270/ENG/Circulars>.

## Circular No. 09/2025-Customs

**New Delhi, dated the 28th March, 2025**

**Subject: Procedure for import/export through Personal Carriage - reg.**

Madam/Sir,

CBIC has introduced several measures in the recent times to facilitate export/ import by leveraging technology and harmonizing the procedures including simplified regulatory framework to facilitate export of jewellery through e commerce on postal or courier mode, electronic filing and clearance of exports through postal route. Further various benefits have been extended to AEOs considering their trust worthiness in the supply chain.

- Representations have been received for streamlining and simplification of procedure for personal carriage of commercial cargo, especially for export/ import of gems and jewellery and for prototypes that can reduce time and cost for exports/imports.
- In this regard, relevant paras of Foreign Trade Policy (FTP), 2023 and Handbook of Procedures (HBP), 2023 may be referred regarding the policy conditions for the import and export of Gems and Jewellery or samples/prototypes (Summary of certain key paras is provided in Annexure I for ease of reference).

The entire Circular can be read at <https://taxinformation.cbic.gov.in/view-pdf/1003272/ENG/Circulars>.

## Circular No. 10/2025-Customs

**Dated the 28th March, 2025**

**Subject: Implementation of the Sea Cargo Manifest and Transshipment Regulations (SCMTR) reg.**

Madam/Sir,

The Board has examined the implementation of the Sea Cargo Manifest and Transshipment Regulations (SCMTR), 2018 and it has been noted that the messages to be filed by Carriers on arrival of the cargo has been made mandatory. However, the messages to be filed by Carriers (including Shipping Lines/Freight Forwarders) on export of cargo at sea ports has not yet been tested sufficiently, leading to non-implementation of SCMTR. Similarly, transshipment messages have also not been tested by transshippers (shipping lines, custodians, train operators, as the case may be).

- In this regard, attention is invited to penal provisions provided in the Regulation no. 13 of the Sea Cargo Manifest and Transshipment Regulations (SCMTR), 2018 issued vide notification no. 38/2018-Customs (N.T.) dated 11th May, 2018, wherein, an authorized carrier who contravenes any provision of these regulations shall be liable to a penalty which may extend to rupees fifty thousand. It is expected that the respective stakeholders comply with the legal provisions, so far as it relates to the implementation of the SCMTR, thus not attracting penal provisions.

The entire Circular can be read at <https://taxinformation.cbic.gov.in/view-pdf/1003273/ENG/Circulars>.

## DIRECT TAX

### Circular No. 5/2025

**New Delhi, 28th March, 2025**

**Subject: Order under section 119 of the Income-tax Act, 1961 for waiver on levy of interest under section**

**201(1A)(ii)/ 206C(7) of the Act, as the case maybe, in specific cases -regarding.**

Section 201(1A) of the Income-tax Act (hereinafter "the Act") provides for levy of interest on account of failure to deduct or pay the deducted tax to the credit of the Central Government by the deductor. Further,



section 206C(7) of the Act provides for levy of interest on account of failure to collect or pay the collected tax to the credit of the Central Government by the collector.

2. Representations have been received by the Central Board of Direct Taxes (hereinafter “the Board”) that while making payments of taxes deducted at source (TDS) and taxes collected at source (TCS) to the credit of the Central Government as per section 200 and 206C of the Act, the taxpayers have encountered technical glitches. On account

of such glitches, while the payment is initiated by the taxpayers/ deductors/ collectors and the amounts are debited from their bank accounts on or before the due date, the actual credit to the Central Government is done after the due date. In such cases, notices have been received by such taxpayers for levy of interest under section 201(1A) (ii)/ 206C(7) of the Act, as the case maybe.

The entire Circular can be read at <https://incometaxindia.gov.in/communications/circular/circular-no-5-2025.pdf>.

# JUDGEMENT

## INDIRECT TAX

### **Order to be set aside as no extraneous influence or corrupt motive found and petitioner relied on master file to verify cancelled E-way bills: HC**

#### **Facts of the Case :**

#### **Y. Kayalvizhi vs. Secretary, Commercial Taxes and Registration Department - [2025] (Madras)**

The petitioner, a statutory appellate authority under Section 109 of the Tamil Nadu GST Act, 2017, challenged disciplinary proceedings and a punishment order alleging negligence in handling appeals for Financial Year's 2018-19 and 2019-20. A show cause notice under Rule 17 of the Tamil Nadu Civil Services (Discipline and Appeal) Rules, 1955, accused the petitioner of relying on cancelled E-way bills not submitted in appeal files. The disciplinary authority imposed a penalty of stoppage of increment for two years, which the appellate authority upheld. The petitioner contended that reliance was placed on the master file for verification and that, as a quasi-judicial officer, penalization for legal errors was unwarranted in the absence of extraneous influence or corrupt motives.

#### **Decision of the Case:**

The Hon'ble High Court held that quasi-judicial officers cannot be penalized for mere errors of law unless extraneous influence or corrupt motives are established. Neither the disciplinary nor the appellate authority found that the cancelled E-way bills were absent from the master file, and no extraneous considerations were alleged. Consequently, the disciplinary proceedings and punishment were set aside, and the writ petition was allowed.

### **Denial of cross-examination of witnesses by authorities would render proceedings as void: HC**

#### **Facts of the Case :**

#### **Joint Commissioner vs. Nishad K.U. - [2025] (Kerala)**

The assessee contested an order issued under Section 74(9) of the CGST Act, 2017, which imposed tax and penalty, asserting that the proceedings were unfair due to the denial of cross-examination of witnesses whose statements formed the basis of the order. The single judge of the High Court acknowledged this concern, emphasizing that the right to cross-examine is fundamental to ensuring procedural fairness. Consequently, the order was set aside. The GST authorities appealed, maintaining that the CGST Act does not explicitly provide for cross-examination in adjudication proceedings and sought to reinstate the original order.

#### **Decision of the Case:**

The Hon'ble High Court upheld the single judge's decision, affirming that when an adjudication order relies on third-party statements, cross-examination is a fundamental right. The court underscored that denying this right compromises procedural fairness and renders the proceedings void, even if not expressly mandated by the statute. Emphasizing adherence to natural justice in proceedings under Section 74(9), the court concluded that the assessee was justified in seeking cross-examination and refused to interfere with the single judge's decision.

### **Order to be set aside as only summary notice was issued without issuing proper and prior SCN: HC**

#### **Facts of the Case:**

#### **Maverick Technologies vs. State of Assam - [2025] (Gauhati)**

The assessee challenged the order issued under Section 73 of the Assam Goods and Services Tax Act, 2017 (AGST Act) on the ground that no proper and prior show cause notice (SCN), as mandated under Section 73(1), was issued. Instead, the department merely issued an attachment to the determination of tax under Section 73(3) along with a summary of the SCN in Form GST



DRC-01. The assessee contended that such issuance was not in compliance with Section 73(1) of the AGST Act and Rule 142(1) of the AGST Rules. Consequently, the assessee sought to set aside the impugned order on the basis that the statutory requirement of serving a valid SCN before adjudication was not met.

### Decision of the Case:

The Hon'ble High Court held that the non-issuance of a proper and prior SCN and the mere issuance of a summary SCN along with an attachment to the determination of tax do not satisfy the mandatory requirements of Section 73(1) of the AGST Act and Rule 142(1) of the AGST Rules. The court emphasized that compliance with the procedural safeguards laid down in sub-sections (1) to (8) and (10) to (11) of Section 73, along with sub-rule (1) of Rule 142, is a condition precedent for rendering an order under Section 73(9) valid. In the absence of a duly issued SCN, the adjudication process was vitiated, rendering the impugned order legally unsustainable. Accordingly, the court decided in favour of the assessee and set aside the impugned order.

## No conflicting orders can be passed by AO on same issues in same period; second order to be quashed: HC

### Facts of the Case:

**Siemens Ltd. vs. Sales Tax Officer/GST Officer - [2025] (Delhi)**

The petitioner, a GST-registered assessee, challenged the issuance of two conflicting assessment orders for the same tax period. The first order confirmed a demand based on discrepancies in output tax liability, mismatches in outward supplies, and excess ITC claims. The second order imposed an additional tax demand on ITC availed against invoices from suppliers whose GST registration was cancelled. The petitioner argued that Section 73 of the CGST Act does not permit multiple competing orders for the same period and sought to quash the second order before the Hon'ble High Court.

### Decision of the Case:

The Hon'ble High Court determined that two conflicting orders for the same tax period cannot be sustained. It

observed that the second order selectively omitted certain issues while confirming a demand on ITC availed against deregistered suppliers, an issue already addressed in the first order. The Court decided that ITC denial on this ground must be challenged through an appeal and quashed the second order, stating that the first order would govern the petitioner's output tax liability and outward supplies declarations.

## Appellate authority directed to decide appeal on merits within 3 months while assessment kept in abeyance during pendency of appeal: HC

### Facts of the Case:

**Madurai Radha Travels vs. Assistant Commissioner (ST) (FAC) - [2025] (Madras)**

The petitioner, an assessee under the CGST Act challenged the assessment proceedings initiated against him. The dispute arose from proceedings under Form DRC-07, culminating in an order under Section 73 of the CGST Act, along with an attachment notice under Form DRC-13. Aggrieved by the final order issued pursuant to an earlier show cause notice, the petitioner filed an appeal before the Joint Commissioner of CGST and Central Excise (Appeals), Coimbatore at Madurai. Contending that the appeal remained pending, the petitioner sought relief from the Hon'ble High Court, requesting that the appellate authority be directed to decide the matter on merits while keeping the assessment order in abeyance.

### Decision of the Case:

The Hon'ble High Court held that the Joint Commissioner of CGST and Central Excise (Appeals), Coimbatore at Madurai must adjudicate the appeal on merits and pass an appropriate order in accordance with the law within three months from the date of receipt of the court's order. The court further directed that, in the interim, the assessment orders shall remain in abeyance pending the disposal of the appeal. The court clarified that it had not expressed any opinion on the merits of the matter, leaving it open for the appellate authority to decide independently. Accordingly, the writ petition was disposed of, with no order as to costs, and all connected miscellaneous petitions were closed.

## DIRECT TAX

### **Benefit of sec. 10(26) available only if income accrued in areas specified in said provision: HC**

#### **Facts of the Case:**

#### **Union of India vs. Capital Hardware Enterprises - [2025] (Gauhati)**

Assessee was a member of a Scheduled Tribe as defined in Article 366(25) of the Constitution. He was a resident of Arunachal Pradesh. During the relevant assessment year, the assessee received interest on compensation from the Railway for the delay in delivering the consignment. The consignment was booked from Jharkhand to North Lakhimpur. On such interest income, the assessee claimed exemption from tax under section 10(26).

The benefit of exemption was denied to the assessee. The matter reached the Gauhati High Court.

#### **Decision of the Case:**

The Court held that section 10(26) exempts income arising to a member of a Scheduled Tribe from sources located in certain specified areas. The benefit of exemption is granted to those Scheduled Tribes who are listed as Scheduled Tribes in terms of the Constitution (Scheduled Tribes) Order, 1950.

In the instant case, the consignment was booked from Jharkhand to North Lakhimpur. The entitlement of the interest on the compensation has to be taken as income accrued at North Lakhimpur. The said area, i.e. North Lakhimpur, does not fall within the ambit of Paragraph 20 of the Sixth Schedule insofar as the State of Assam is concerned.

Considering the above, as the benefit under section 10(26) can only be permissible to a Schedule Tribe when the income had accrued in the areas as specified in section 10(26), it is opined that the Railway Tribunal erred in law and committed an error in exercising its jurisdiction while granting exemption only on the ground that the claimant was a tribal of Arunachal Pradesh.

### **HC upholds sec. 68 additions on Co. providing accommodation entries as it failed to explain source of bank deposits**

#### **Facts of the Case:**

#### **Principal Commissioner of Income-tax vs. Buniyad Chemicals Ltd. - [2025] (Bombay)**

The assessee was a company formed and registered under the Companies Act. During the scrutiny proceedings, the assessee admitted that it was engaged in the business of providing accommodation entries. However, the details of the credits in the disclosed and undisclosed bank accounts of the assessee were not furnished. In response, the assessee contended that the credits in its bank accounts belong to the customers to whom the accommodation entries were given.

The Assessing Officer (AO) contended that the assessee failed to explain the credit in its bank account. Thus, it cannot be ascertained whether the credits belong to the customer of the assessee. The AO added to the assessee's income and treated the same as unexplained cash credit under section 68. On appeal, CIT(A) reversed the order of AO and made additions only in the case of identified beneficiaries, and confirmed additions were made in the case of unidentified beneficiaries.

The Tribunal then reversed the order of CIT(A), and the matter reached the Bombay High Court.

#### **Decision of the Case:**

The High Court held that Section 68 requires an assessee to explain the credits by providing the identity, creditworthiness, and genuineness. It was incumbent upon the assessee to give the details of these credits because unless the details of these credits are provided, it cannot be ascertained as to whether the credits appearing belong to the customer of the assessee.

Merely because the assessee states that he is only an accommodation entry provider and, therefore, the credits in the assessee's bank accounts belong to the customers to whom the accommodation entries were given cannot absolve the assessee from its obligation to provide the



details. It is one thing to boldly and even proudly admit that a racket for providing accommodation entries was being operated but quite another to evade statutory liability or taxes based upon such an assertion.

Even in the absence of provisions of Section 68, the credits appearing in the bank accounts of an assessee could be added as unexplained income if such an assessee fails to explain the details of the source from which such deposits are made. The submission of the assessee that, in the case of many deposits, he does not know the customer who has deposited money in his bank account is a submission that has to be rejected at the outset. Any law does not support such a contention and cannot appeal to the conscience of the Court.

Therefore, the assessee cannot act as a shield for beneficiaries by making such a submission and simultaneously refuse to pay taxes for the unexplained amounts in its bank accounts.

## **Sec. 153C can be initiated based on incriminating material alone, without links between entities: HC**

### **Facts of the Case:**

#### **Shiv Parkash Bansal v. DCIT - [2025] (Delhi)**

A search and seizure operation under Section 132(1) was carried out in the case of certain persons. During the search, cash and jewellery, incriminating documents containing cash transactions pertaining to said person were found and seized.

The Assessing Officer (AO) came to the conclusion that the digital evidence obtained in the course of that search pertained or related to the assessee. Accordingly, AO proceeded to draw proceedings referable to section 153C for the assessment years 2015-16 to 2021-22.

The assessee contended that the action under section 153C must be premised upon some connection between the searched and non-searched entity. The matter was before the Delhi High Court.

### **Decision of the Case:**

The High Court held that Section 153C caters to a contingency where the search may lead to the unearthing of money, bullion, jewellery or other valuable articles

or thing. The section 153C action is thus aimed at reopening an assessment made in respect of a person other than the one referred to in section 153A and such person being the non-searched entity. All assessments pending on the date of commencement of an action under that provision stand abated, and the AO becomes empowered to commence assessment afresh.

The trigger for section 153C is thus the discovery of documents or articles in the course of a search that pertain or belong to a third party and which may have a bearing on the determination of the total income of such other person for the six assessment year period or the relevant assessment years.

However, as Section 153C is read, it becomes apparent that the provision clearly neither envisages nor mandates the existence of a connection between persons and individuals who may fall within the ambit of Section 153A and those against whom action under Section 153C may be initiated.

The latter provision is solely concerned with the discovery of documents and articles belonging to or pertaining to a person other than the one subjected to search, which is likely to have an impact on the total income of such other person. Section 153C is thus premised on material or information alone as opposed to the discovery of a connection or link between the searched person and the non-searched entity.

Since the statute neither required nor obliged the Assessing Officer of other person to find or uncover a relationship or an association between searched and non-searched persons, the challenge to initiating action under section 153C against the assessee was misconceived.

## **Assistance in implementing brand strategy for use of network of members not royalty under India-UK DTAA: ITAT**

### **Facts of the Case:**

#### **Deputy Commissioner of Income-tax vs. Deloitte Touche Tohmatsu India LLP - [2025] (Mumbai - Trib.)**

The assessee, Deloitte Touche Tohmatsu India LLP ('DTTILLP'), entered into a shared service agreement with Deloitte Global Services Holding Limited ('DGSHL'), UK to avail various services from the

latter. DTTILLP applied under section 195(2) seeking authorization to remit payments for the services availed under the agreement to DGSHL without deduction of tax at source.

Assessing Officer (AO) held that out of the various services enumerated in the agreement, payments for three services, namely, Global Brand, Global Communication, and Global Technology/Knowledge Management, were to be regarded as being in the nature of 'Royalty'. Accordingly, he directed DTTILLP to deduct tax at source from the said payments at the rate of 3%.

On appeal, CIT(A) gave relief to the assessee. The matter then reached the Mumbai Tribunal.

### Decision of the Case:

The Tribunal held that the payments were made for information concerning commercial experience. The guidance provided by Holdings to its members is for internal use by the member firms. It is essentially an agreement for rendering services within the Deloitte network. Therefore, the payment for such services cannot be considered payment for the use of information concerning the commercial experience.

There was no transfer of intellectual property by Holdings to the assessee. Moreover, the provision of services cannot be regarded as the provision of information concerning commercial experience. The information utilised/provided in the course of rendering these services is not of confidential or secret in nature but is published information available in the public domain.

Therefore, such a payment cannot be regarded as consideration for imparting any information concerning commercial or knowledge, experience or skill as contemplated in the definition of royalty as contained in clause (iv) of Explanation 2 to section 9(1)(vi) or under article 11(3)(a) of the India-UK tax treaty.

## Provisional approval granted to trust under new regime couldn't be sole basis for rejecting renewal of registration u/s 80G: ITAT

### Facts of the Case:

Sheth Vijilal Laxmidas Tribvondas vs. CIT (Exemptions) - [2025] (Mumbai - Trib.)

The assessee-trust was incorporated with an object of relief to the poor, education, medical relief and advancement of any other objects of general public utility. The assessee filed an application in Form 10A for seeking provisional registration under section 80G. The application was granted, and the assessee received the 80G registration.

Subsequently, the assessee filed an application seeking approval under section 80G. Commissioner (Exemption) rejected the application on the basis that the application was filed under the wrong section.

Aggrieved by the order, the assessee filed an appeal to the Mumbai Tribunal.

### Decision of the Case:

The Tribunal held that the application filed by the assessee seeking approval under section 80G was for renewal of the registration already available with the assessee. From the perusal of the provisions of the first proviso to section 80G(5), it is evident that clause (ii) is applicable to the trusts that already have regular approval and the application is made for the renewal of the same, while in case the trust has been provisionally approved and such approval is expiring, clause (iii) of the first proviso to section 80G(5) is applicable.

In the instant case, since the assessee was already an approved trust, the application was rightly made by the assessee under clause (ii) of the first proviso to section 80G(5), and the grant of provisional approval cannot be the sole basis for rejecting the same.

Accordingly, in the interest of justice and fair play, the application filed by the assessee for renewal of regular approval under section 80G(5) was restored to the file of the Commissioner (Exemption) for de novo adjudication in accordance with the law and after consideration of the facts in entirety.

# TAX CALENDAR

## INDIRECT TAX

Due Date	Returns
Apr 10th, 2025	GSTR – 7 (March 2025)
	GSTR – 8 (March 2025)
Apr 11th, 2025	GSTR – 1 (March 2025)
Apr 13th, 2025	GSTR – 1 (Jan – March, 2025)
	GSTR – 5 (March 2025)
	GSTR – 6 (March 2025)

## DIRECT TAX

Due Date	Returns
Apr 7th, 2025	Due date for deposit of tax deducted/collected by an office of the government for the month of March, 2025. However, all sum deducted 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.
	Uploading of declarations received in Form 27 C from the buyer in the month of March, 2025.
Apr 14th, 2025	Due date for issue of TDS certificate for tax deducted under section 194 –IA, 194 – IB, 194M, 194S in the month of February, 2025.
Apr 15th, 2025	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15 CC for quarter ending March, 2025.
	Due date for furnishing statement in Form no.3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of March, 2025.
	Due date for furnishing statement by a recognized association in respect of transactions in which client codes been modified after registering in the system for the month of March, 2025.

# 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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