May, 2025

TAX Bulletin

Volume - 184

17.05.2025

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

Headquarters: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110003
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"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

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Objectives of Taxation Committees:

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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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Mode of Class	Offline/ Online	Online					
Course Fee* (₹)	10,000	14,000	12,000	10,000	10,000	12,000	10,000
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Exam Fee* (₹)	200	500
Duration (Hrs)	32	32

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

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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

- On 6 May 2025, India and the UK concluded a Free Trade Agreement (FTA) aimed at doubling bilateral trade in goods and services from USD 60 billion to USD 120 billion by 2030. The agreement seeks to enhance economic cooperation, eliminate trade barriers, and boost investment and employment. However, two key challenges could impact its success: concerns over the UK's proposed carbon tax and the slow progress on finalising a Bilateral Investment Treaty (BIT). Experts caution that addressing these issues will be critical to realising the FTA's full potential.
- The Central Board of Direct Taxes (CBDT) has notified the revised ITR-2 Form for the Assessment Year 2025-26 amending the Income-tax Rules, 1962 through the Income-tax (Fifteenth Amendment) Rules, 2025. This amendment, issued under the powers conferred by Section 139 read with Section 295 of the Income-tax Act, 1961, will come into effect from 1st April 2025.The updated ITR-2 form applies to individuals and HUFs not having income from business or profession, replacing the earlier format in Appendix-II. Key changes include:
- Schedule-Capital Gain now distinguishes gains before and after 23.07.2024, aligning with recent Finance Act changes.
- It permits claiming capital loss on share buyback if corresponding dividend income is declared under other sources post 01.10.2024.
- The reporting threshold for assets and liabilities has been raised to ₹1 crore of total income, with enhanced reporting requirements for deductions such as 80C and 10(13A).
- Additionally, the form mandates reporting of TDS section codes in Schedule-TDS

These updates aim to improve transparency and align tax reporting with recent legislative changes.

On the department side, the admissions to the Taxation Courses are live and the upcoming exam of the course are also scheduled on the 1st of June, 2025. We also plan to take up learning sessions and webinars on the filing of Income Tax Returns, this month.

Best wishes for the members of Tax Research Department and the Resource Persons for their contributions and pro-active inputs.

CMA Rajendra Singh Bhati
Chairman – Direct Taxation Committee
The Institute of Cost Accountants of India
17.05.2025

Chairman's Message

CMA Dr. Ashish P. Thatte

Chairman Indirect Taxation Committee

GSTN has introduced key changes in the refund filing process, for categories such as export of services with tax payment, supplies to SEZ with tax payment, and deemed export refunds by the supplier. The requirement to select a tax period has been removed; taxpayers can now directly create refund applications. Filing has shifted from a tax period-based system to an invoice-based one. Taxpayers must ensure all relevant returns (GSTR-1, GSTR-3B, etc.) are filed before applying. Once uploaded, invoices will be locked and cannot be amended or reused unless the application is withdrawn or a deficiency memo is issued. These changes aim to simplify and streamline the refund process. Some other changes, that I would like to discuss here are as follows:

Anti-Dumping Duty on Titanium Dioxide

In line with the recent Notification No. 12/2025-Customs (ADD) dated 10.05.2025, Anti-Dumping Duty (ADD) has been imposed on imports of Titanium Dioxide originating in or exported from China PR. However, to support critical sectors, the notification excludes Titanium Dioxide used in food, pharma, skin-care, textiles, fibre, and nano or ultra-fine applications.

To streamline implementation, a new electronic declaration facility has been introduced in the Bill of Entry (BE) for importers using Titanium Dioxide exclusively in the excluded sectors. Importers can now declare the intended end-use electronically, ensuring exemption from ADD, while also undertaking to pay applicable duties with interest if goods are diverted to non-exempt uses.

Customs Duty Exemption for Art and Antiquities

In public interest, the Government has exempted customs duty on works of art, public memorials, and antiques imported for public exhibition in museums or art galleries, under Section 25(1) of the Customs Act, 1962.

This exemption is subject to conditions including:

- The importer must be a museum or gallery.
- Submission of an undertaking for public display use only.
- Certification from the Ministry of Culture.
- Registration of antiquities with the ASI within 90 days of import.

On the side of the department two important webinars have been conducted:

- GST Registration: Challenges and Issues by CMA Anil Sharma
- Input Service Distributor under GST by CMA Rahul A Chincholkar

The admissions are live for the Taxation Courses and the Quiz has been conducted as per the schedule.

I wish the best for the Resource Persons and the members of Tax Research Department.

Ashish Thatte

CMA (Dr) Ashish P Thatte

Chairman – Indirect Taxation Committee

The Institute of Cost Accountants of India

17.05.2025

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Please send the articles to

trd@icmai.in /trd.dd2@icmai.in

Serving Tax with Taste - Unpacking GST on Restaurant Services_v1 (1)

CMA Kanchan Agarwal

Cost Accountant

Background

The restaurant industry, encompassing a wide spectrum from fine-dining establishments and cafés to quick service restaurants (QSRs), plays a pivotal role in India's service-driven economy. As one of the largest segments within the hospitality sector, it significantly contributes to employment generation, providing direct and indirect jobs to millions across both urban and semi-urban areas. India's food services sector is on a strong growth trajectory with an anticipated compound annual growth rate (CAGR) of 8.1% between 2024 and 2028 (as per NRAI India Food Services Report 2024). This expansion is being fuelled by key drivers such as rapid urbanization, robust GDP growth, a rising young demographic, and greater consumer exposure to diverse cuisines and dining experiences. At present, the sector accounts for approximately 1.9% of the country's GDP. Despite its rocketing growth, the industry grapples with challenges such as high compliance burdens, unstructured labour practices, and evolving tax structures, particularly under the Goods and Services Tax (GST) regime. Understanding GST's impact is essential to address these issues and support the sector's sustainable development.

GST has significantly transformed the landscape of restaurant services in India, bringing with it a host of opportunities, challenges, and intricate compliance requirements. At its core, restaurant service is classified as a composite supply of services under Schedule II of the CGST Act, where the principal supply is the service of food or beverage, even though it includes elements of goods. However, this seemingly simple classification unfolds a complex web of nuances—ranging from the exclusion of alcoholic liquor for human consumption from the ambit of GST to differential treatment of supplies like cold drinks, ice creams, and provision of outdoor catering. The landscape further deepens with the involvement of e-commerce operators, who are now responsible for tax collection at source (TCS) and compliance obligations on behalf of the listed restaurants. Additionally, varying rates of tax, input tax credit restrictions, and optional registration schemes—like the composition scheme—add layers of complexity. As we delve deeper into this article, we will unravel these multifaceted aspects that define the GST framework for restaurants.

Evolution of GST on Restaurant Services

Prior to the implementation of GST, restaurant billing was fragmented, comprising multiple taxes such as VAT levied by states on food and beverages, Service Tax on air-conditioned dining services, Excise Duty on alcoholic beverages, and additional cesses like Swachh Bharat and Krishi Kalyan. GST brought a much-needed overhaul by subsuming these varied levies into a unified tax structure, tailored to the nature of the restaurant and the services provided.

When GST was introduced in July 2017, restaurant service providers were offered two rate structures: a concessional rate of 5% with no entitlement to claim Input Tax Credit (ITC), and a standard rate of 18% also

with ITC (CGST (Rate) Notification No. 11/2017 dated 28 June 2017). This dual-option system was designed to give businesses flexibility depending on their input costs and pricing models. However, it soon became evident that many restaurants were availing ITC but not passing on the benefit to consumers in the form of reduced prices. There were widespread concerns about profiteering, and compliance complexities were mounting, particularly among smaller and mid-sized eateries that struggled with the paperwork and audits associated with ITC claims.

A uniform GST rate of 5% was introduced for all standalone restaurants effective 1 October 2019 (CGST (Rate) Notification No. 20/2019 dated 30 September 2019) regardless of whether they were air-conditioned or not, but with a significant trade-off—withdrawal of ITC benefits. The rationale behind this move was twofold: first, to ensure simplicity and ease of compliance for businesses, especially in the unorganized sector; and second, to make restaurant services more affordable and consumer-friendly by mandating a lower tax rate. However, this also meant that restaurants had to bear the cost of input taxes on goods and services they procured, leading many to adjust pricing or absorb the loss, especially in high-rent urban areas. This shift highlighted the government's intent to prioritize consumer interests and streamline the taxation process, even if it meant increased cost pressures on service providers.

Gst Composition Scheme: A Simplified Route for Restaurants

Under the GST regime, restaurant service providers have the option to register under the composition scheme, a simplified tax mechanism aimed at small businesses. Restaurants opting for this scheme are subject to a flat GST rate of 5% on their turnover. However, key features distinguish them from regular taxpayers: they are not permitted to collect GST from customers, and they cannot claim Input Tax Credit (ITC) on goods or services used in their operations. This means the tax is paid out of their own margin, not charged over and above the bill amount.

A common point of confusion arises from the fact that both composition scheme restaurants and regular taxpayers (opting for 5% without ITC) operate at the same GST rate. Yet, their billing practices and tax treatment differ significantly. For instance, regular taxpayers must mention GST on the invoice, while composition dealers cannot do so. It is therefore essential for consumers to understand that a flat 5% tax does not necessarily mean GST is being added to the bill, especially in the case of composition dealers who absorb the tax themselves.

Amendments W.e.f. 1 April 2025

The 55th GST Council has recommended key changes to the taxation of hotel and restaurant services, which took effect from April 1, 2025. Under the revised structure, GST rates will be determined based on the actual transaction value of accommodation services, replacing the earlier system that relied on the "declared tariff." For restaurants operating within hotels, a 5% GST rate without Input Tax Credit (ITC) will apply by default. However, these establishments can charge 18% GST with ITC if the room tariff exceeded ₹7,500 in the previous financial year, provided they give a declaration confirming this either before the new financial year begins or at the time of registration. This move is aimed at introducing a more transparent and equitable tax regime for the hospitality industry, aligning tax liabilities more closely with actual pricing and service models.

The summary of applicable GST rates on various types of services in the restaurant sphere is tabulated below:

Particulars	GST Rate
Railway Catering Services	5% (without ITC)
In-Hotel Outdoor Catering (Room Tariff < `7,500)	5% (without ITC)
Standalone Restaurants & Takeaways	5% (without ITC)

Particulars	GST Rate
Hotel-Based Restaurants (Room Tariff < `7,500)	5% (without ITC)
Standalone Catering or Delivery Services	5% (without ITC)
In-Hotel Outdoor Catering (Room Tariff ≥ `7,500)	18% (with ITC)
Hotel-Based Restaurants (Room Tariff ≥ `7,500)	18% (with ITC)

In-Hotel Outdoor Catering (Room Tariff ≥ `7,500) – GST @18% with ITC

This refers to catering services provided by a hotel outside the premises of its restaurant or rooms—like for banquets, lawns, conferences, or wedding functions—but still within the hotel premises or as part of their hospitality package.

Example: A 5-star hotel organizes a wedding reception in its banquet hall. Food is served buffet-style, and the guest rooms booked have tariffs of `8,000 per night. Since the catering is a separate supply from restaurant dining and occurs in a banquet setup, it qualifies as "outdoor catering." GST at 18% with ITC applies.

Hotel-Based Restaurants (Room Tariff ≥ `7,500) – GST @18% with ITC

This category refers to in-house dining services provided by restaurants operating within hotels that have room tariffs of `7,500 or more. It includes buffet or à la carte dining within the restaurant area.

Example: A guest staying in a hotel room costing `8,000 dines at the hotel's rooftop restaurant. This restaurant service is billed separately. Since the hotel has high room tariffs, the restaurant service is taxed at 18% with eligibility to claim ITC.

GST Implications for E-Commerce Operators in Restaurant Sector

With effect from January 1, 2022, the supply of restaurant services through e-commerce operators (ECOs) such as Zomato, Swiggy. Etc., has been brought under the purview of Section 9(5) of the CGST Act, 2017. Under this provision, the ECO is deemed to be the supplier for the limited purpose of tax liability and is required to discharge GST at 5% (without ITC) on such restaurant services, regardless of whether the restaurant itself is registered. As a result of this shift, ECOs are no longer obligated to collect Tax Collected at Source (TCS) and file GSTR-8 for these transactions where they are paying GST under Section 9(5). This move simplifies compliance for restaurants while ensuring effective tax collection through a centralized platform.

To clarify the GST treatment of services involving e-commerce operators (ECOs), it is important to distinguish between: (1) services provided by ECOs on their own account, and (2) restaurant services supplied through ECOs on which they are liable to pay tax under Section 9(5) of the CGST Act.

Services Provided by ECO on Its Own Account: E-commerce operators (ECOs) offer their own services as intermediaries on their digital platforms—such as facilitating orders, managing logistics, or providing technological support—for which they charge a commission or fee. To provide these services, ECOs procure various inputs and input services and are eligible to avail Input Tax Credit (ITC) on such procurements. This ITC can be used to discharge their GST liability on services rendered on their own account to the restaurants. This position remains unchanged even after ECOs were made liable to pay GST on restaurant services under Section 9(5) of the CGST Act, 2017. Therefore, ECOs are not required to reverse ITC related to their own service supplies.

Restaurant Services Supplied Through ECO (Section 9(5)): When ECOs facilitate restaurant services on behalf of restaurants, they are liable to pay GST on such supplies of restaurant services made through usage of their online platform as per Section 9(5) of the Act. In this case, the ECO must discharge the entire GST liability in cash and cannot use any available ITC for this purpose. This separation ensures that ITC availed for the ECO's own services is not mixed with the tax liability arising from restaurant services supplied on behalf of others.

Tax Treatment of F&B Supplies at Theatres/ Cinema Halls:

The term eating joint in the definition of 'restaurant services' encompasses a wide array of food service formats, including refreshment stalls, kiosks, food counters, or restaurants situated within cinema complexes. These may be operated directly by the cinema or outsourced to third-party vendors. Customers have the flexibility to engage with these offerings at their discretion. Additionally, cinemas may offer ancillary amenities such as vending machines or coin-operated entertainment, which are also optional and independent of the core cinema service.

From a GST standpoint, the supply of food or beverages within a cinema hall qualifies as restaurant service when:

(a) The supply is part of a service experience, and

(b) It is offered independently of the movie screening.

However, when food and cinema tickets are bundled together in a manner that constitutes a composite supply, the entire offering is taxed at the rate applicable to the principal component—i.e., the cinema exhibition. This ensures tax alignment with the dominant element of the bundled transaction.

The Karnataka Authority for Advance Ruling (AAR) in the case of M/s Hotel Sandesh Private Limited [2021 (3) TMI 143] addressed the applicable GST rate on the supply of food by the applicant through a proposed stand-alone restaurant located within the Mysuru Zoological Garden, a government-owned premises. The applicant, already registered under GST and providing accommodation and restaurant services at their main premises, sought clarity on the GST implications for the new branch operating within the zoo.

The AAR held that the supply of food through the restaurant at the zoo qualifies as restaurant service other than at specified premises and is therefore taxable at 5% GST without eligibility for ITC. This is subject to the condition that the applicant either obtains separate GST registration for the zoo premises or maintains separate accounts for the business vertical.

Alternatively, if the applicant chooses to treat the zoo branch as part of the existing registration and maintains common accounts, they are still liable to pay 5% GST, but must reverse proportionate ITC in compliance with Section 17 of the CGST Act and Rules 42 and 43 of the CGST Rules for common inputs. The ruling clarifies the procedural and tax compliance implications for businesses operating multiple branches with varied supply profiles under a single GSTIN.

Classification and GST Rate on Services by Cloud Kitchen:

A cloud kitchen (also known as a central kitchen or ghost kitchen) is a commercial kitchen facility that prepares food exclusively for delivery or takeaway, without any dine-in service. In the case of centralized kitchen/s, they often serve as a backend kitchen unit for a chain of restaurants or multiple brands or for their own, enabling standardized preparation and efficient distribution to various outlets or directly to customers.

The scope of "restaurant service" under GST extends beyond dine-in facilities to include takeaway, room service, and door delivery of prepared food. Consequently, entities engaged in the preparation and supply of food, including those operating exclusively through cloud kitchens or centralised kitchens, fall within the ambit of restaurant services and are liable to GST at 5% without eligibility to claim input tax credit.

GST on Outdoor Catering

Outdoor catering refers to the provision of food and beverages as part of a service, delivered at specific venues or events rather than at a fixed restaurant location. These services are typically offered at exhibition halls, conferences, weddings, banquets, corporate gatherings, or similar indoor or outdoor functions. The supply under outdoor catering also includes associated services such as setup, serving, staffing, and cleanup. The defining feature of outdoor catering is that it is event-based and

occasional, not a regular food service at a permanent establishment.

In M/s The Tollygunge Club Limited [2024 (10) TMI 192], the West Bengal AAR held that when a club provides catering services along with renting of premises for events like weddings or conferences, it qualifies as a composite supply of outdoor catering. If the room tariff is below ₹7,500, the supply is taxable at 5% GST without ITC. However, if the tariff is ₹7,500 or more, the premises become 'specified', and the supply attracts 18% GST with ITC. The ruling emphasized that suppliers cannot opt between the two rates; the applicable GST rate depends on the declared room tariff at the time of service.

GST Treatment of Supply of Ice-Cream by Ice-Cream Parlours:

Ice cream parlours function primarily as retail outlets selling pre-manufactured ice cream directly to customers. Unlike traditional restaurants, these parlours do not engage in any form of cooking or food preparation at the point of sale. Their operations involve serving a ready-to-consume, factory-produced item, often with minimal or no modification.

From a GST perspective, this distinction is important. While restaurant services involve an element of preparation or cooking during the course of providing food, ice cream parlours simply dispense pre-made goods. Therefore, their supply is classified as a sale of goods rather than a service.

The GST Council has clarified that in such cases, even if the parlour offers seating or other customer service elements, the core activity remains the supply of goods—specifically, ice cream. As a result, ice cream sold through these outlets attracts GST at the rate of 18%, and Input Tax Credit (ITC) is available on inputs and input services used in the business.

In M/S. HRPL RESTAURANTS PVT. LTD [2023 (3) TMI 54], the Gujarat AAR addressed whether the sale of ice cream from the outlets of the applicant, which operates various restaurant brands, qualifies as a 'restaurant service' under GST. The applicant contended that its outlets serve both cooked food and ice cream, and that the supply should be treated as restaurant service taxable at 5% without input tax credit (ITC). However, the AAR held that ice cream sold as a standalone item, especially when it is pre-manufactured and not prepared at the outlet, constitutes a supply of goods, not a restaurant service, and hence attracts 18% GST with ITC. However, the AAR clarified that if ice cream is supplied as part of a composite meal—for example, as a dessert along with freshly cooked food—it forms a composite supply, with the cooked food being the principal supply. In such cases, the entire supply qualifies as restaurant service and is taxable at 5% without ITC.

The Road Ahead

The scheme of GST has brought significant simplification and uniformity in the taxation of restaurant services, replacing a host of pre-GST levies with a streamlined structure. While measures such as a uniform 5% GST rate (without ITC) and departmental clarity on classifications like restaurant services, outdoor catering, cloud kitchens, and ice cream parlours have addressed many ambiguities, certain challenges remain. The ineligibility of ITC for most restaurant operators, coupled with rate parity between regular and composition taxpayers, often leads to confusion among businesses and consumers alike. Moving forward, the sector would benefit from rationalization of ITC provisions and technology-driven compliance tools. Encouraging digitization, invoicing transparency, and targeted reforms could further optimize GST efficiency for restaurants, reduce disputes, and support sustainable growth for one of India's most dynamic service sectors. Streamlined policies and clarity in enforcement can help make the regime not only more business-friendly but also more transparent and efficient for all stakeholders.

Input Tax Credit Of GST Availed Under Incorrect Tax Head – No Revenue Loss, Hence No Proceedings Can Be Initiated!

(Maruthengal Moideen vs State Tax Officer, Kerala)

ACMA Neeraj Kedia
Senior Account Assistant | Gail Gas Limited

The Hon'ble judges of Kerala High Court set aside the interest and penalty imposed for the alleged wrongful cross-availment of input tax credit (ITC). The Court observed that the Electronic Credit Ledger should be treated as a unified pool of funds for different types of taxes. The Court concluded that the petitioner's mistake was technical and did not constitute the wrongful availment or utilization of ITC.

FACT OF THE CASE

The Petitioner engaged in the wholesale trading of Iron and Steel and was accused of wrongly availedd Integrated Goods and Service Tax ('IGST') credit instead of Central GST ('CGST') and State GST ('SGST') in Form GSTR 3B. This led to mismatch of ITC between Form GSTR 2B and Form GSTR 3B. The Appellate Authority upheld the tax demand along with interest and penalty.

The Appellate Authority argued that there is contravention of eligibility criteria prescribed under section 16(2) of the Central Goods and Services Tax Act, 2017 ('CGST'). Additionally, no documents were presented to substantiate such credits availed.

ISSUE

Whether there is revenue loss to the department due to Petitioner mistakenly claims ITC under the wrong tax head?

HELD

The Court found that the petitioner's mistake of availing IGST credit instead of CGST and SGST credit was a technical one and did not result in any revenue loss.

The Court observed that Electronic Credit Ledger represents a wallet with compartments of IGST, CGST and SGST funds. Thus, the entire wallet should be considered instead of individual compartments.

The Court clarified that credit available in the Electronic Credit Ledger under any head can be utilized for the payment of IGST liability.

Ultimately, the Court set aside the order and directed to issue a fresh order within two months.

RELEVANT PROVISION

Section 73 of CGST act is applicable when

- Taxes has not been paid;

- Short payment of taxes;
- Erroneously refunded of any amount; and
- Wrongly availed/utilized of input tax credit other than fraud or any willful misstatement.

Circular No. 192/04/2023 has been issued by CBIC which clarified that credit available in the Electronic Credit Ledger under any head can be utilized for payment of IGST liability.

CONCLUSION

The decision highlights that ITC claim under the wrong head should not lead to the denial of ITC if no revenue loss occurs. This decision will help businesses which are receiving notices and enquiries from tax authorities on similar lines.

Since there was no loss of revenue to the department, invocation of Section 73 was unwarranted.

Press Release

Indirect Tax

CBIC celebrates 'Sundays on Cycle' – A fitness and GST awareness initiative in run up to completion of 8 years of GST

Posted On: 18 APR 2025 11:37AM by PIB Delhi

In the run-up to completion of eight years of GST, the Central Board of Indirect Taxes and Customs (CBIC), in coordination with the FIT INDIA Movement, organised a nationwide cyclothon titled "Sundays on Cycle" under the aegis of FIT INDIA movement launched by the Prime Minister, Shri Narendra Modi. The flagship event was organised at Major Dhyan Chand National Stadium, New Delhi, early morning today, with more than 100 CGST commssionerates also participating across the country.

Flagging the cyclothon at New Delhi, Shri Shashank Priya, Member (GST), CBIC, highlighted the transformational impact of GST on the Indian taxation system and emphasised how GST has unified around 30 different indirect taxes into a single, transparent tax structure, thereby simplifying tax administration and compliance for both businesses and citizens.

Shri Priya also apprised participants of the significant benefits extended to small taxpayers through initiatives such as the GST Composition Scheme and the Quarterly Return Monthly Payment (QRMP) Scheme, which reduce compliance burden and foster ease of doing business.

The Mumbai and Pune Zone of CGST also roped in Bollywood celebrities like Mr. Sunil Shetty, Mr. Milind Sonam, and Mr. John Abraham.

The cyclothon witnessed enthusiastic participation from more than 50,000 cyclists across the country, including senior officers from CBIC — Shri Rajesh Sodhi, Principal Chief Commissioner, CGST Delhi Zone; Shri C.P. Goyal, Pr. Director General of GST (DGGST), CBIC, and Shri Mahesh Kumar Rustagi, Director General of Taxpayer Services (DGTS), CBIC; representatives from various ministries and departments, and members of the general public.

At the venue, a dedicated GST Help Desk "Know About GST" was set up to engage with participants and to answer queries about GST. To enhance accessibility and outreach, a wide array of informational brochures on key GST topics were distributed, and digital kiosks equipped with QR codes were strategically placed across the venue allowing participants to scan and download GST resource materials directly to their mobile devices.

Additionally, vibrant hoardings and banners highlighting key GST reforms and taxpayer-centric initiatives — especially for support for MSMEs, GST registration process, etc. — were prominently displayed. Together, these efforts created a comprehensive and engaging environment, aligning with CBIC's vision of brining GST closer to people through public engagement and education.

The cyclothon is part of a broader initiative blending public health advocacy with taxpayer engagement. This initiative is yet another example of CBIC's commitment to engaging with taxpayers and the general public through innovative and inclusive outreach programmes, celebrating both national health goals and the ongoing journey of GST reform, as India marks eight successful years under this landmark tax regime.

NOTIFICATIONS

INDIRECT TAX

Customs (Tariff)

Notification No. 29/2025-Customs

New Delhi, the 9th May, 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 exempts goods of the description specified in column (2) of the TABLE below and falling within the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Act), when imported into India, from the whole of the duty of customs leviable thereon specified in the said Schedule, subject to the relevant conditions specified in the Annexure to this notification, the Condition number of which is referred to in the corresponding entry in column (3) of the said TABLE.

TABLE

S. No.	Description of goods	Condition No.
(1)	(2)	(3)
1.	Works of art including statuary and pictures intended for public exhibition in a museum or art gallery	1
2.	Works of art namely memorials of a public character intended to be put up in a public place including, materials used or to be used in their construction, whether worked or not	1
3.	Antiques and all items under the definition of "antiquity" under 'The Antiquities and Art Treasures Act, 1972" that is intended for public exhibition in any museum or art gallery	1 and 2

Annexure

Condition No.	Condition
1.	If,- i. the establishment operating such a museum or an art gallery is itself the importer being the purchaser or owner of such works of art or antiques; ii. the importer submits an undertaking before the Assistant Commissioner of customs or the Deputy Commissioner of Customs, as the case may be, that the goods so imported shall be used for public exhibition and shall not be sold or traded after importation and that in case of failure to comply with this condition, he shall be liable to pay, in respect of such quantity of the said goods as is proved to be not being so used for the specified purposes, an amount equal to the duty leviable on such quantity but for the exemption under this notification; and iii. the importer produces a certificate issued by "Authorized Officer" as per the Ministry of Culture's Gazette Notification dated 28.05.2015 certifying that- a. the importer runs a museum or an art gallery which allows unrestricted access to public; and b. the building housing such a museum or gallery is clearly meant for the operation of a museum or art gallery.

Condition No.	Condition
2.	Such antiquities are registered with the Archaeological Survey of India within 90 days from the date of importation.

Customs (Non-Tariff)

Notification No. 34/2025-CUSTOMS (N.T.)

New Delhi, 15th May, 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/1010379/ENG/Notifications*

Customs (Anti-Dumping Duty)

Notification No. 09/2025-Customs (ADD)

New Delhi, the 8th May, 2025

G.S.R. …(E).- Whereas, in the matter of "Glufosinate and its salt" (hereinafter referred to as the subject goods), falling under tariff item 3808 91 93, 3808 91 99, 3808 93 91, 3808 93 99, 3808 99 12, 3808 99 91 and 3808 99 99 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. 6/19/2024-DGTR, dated the 10th February, 2025, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 10th February, 2025, has, inter alia, come to the conclusion that-

(i) the subject goods have been exported to India at a price below normal value, thus resulting in dumping;

(ii) the dumping of the subject goods has resulted in material injury to the domestic industry in India;

(iii) the landed price of imports is below the level of selling price of the domestic industry and is undercutting the prices of the domestic industry, and has recommended imposition of anti-dumping duty on imports of the subject goods, originating in, or exported from, the subject country and imported into India, in order to remove injury to the domestic industry

The entire notification can be read at *https://taxinformation.cbic.gov.in/view-pdf/1010373/ENG/Notifications*.

Notification No. 10/2025-Customs (ADD)

New Delhi, the 08th May, 2025

G.S.R...(E).- Whereas, the designated authority, vide notification No. 7/08/2024-DGTR, dated the 30th September, 2024, published in the Gazette of India, Extraordinary, Part I, Section 1, dated 30th September, 2024, had initiated the review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), and read with rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, in the matter of continuation of anti-dumping duty on imports of "Sodium Citrate" (hereinafter referred to as the subject good) falling under tariff item 2918 15 20 of the First Schedule to the Customs Tariff Act, originating in or exported from China PR (hereinafter referred to as

the subject country), imposed vide notification of the Government of India, Ministry of Finance (Department of Revenue), No. 8/2020-Customs (ADD), dated the 19th May, 2020, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 302 (E), dated the 19th May, 2020;

And whereas, in the matter of review of anti-dumping duty on imports of the subject goods, originating in or exported from the subject country, the designated authority in its final findings, published vide notification No. 7/08/2024-DGTR, dated the 12th February, 2025, published in the Gazette of India, Extraordinary, Part-I, Section 1, dated the 12th February 2025, has come to the conclusion that-

(i) there is continued dumping of the subject goods from the subject countries and the imports are likely to enter the Indian market at dumped prices in the event of cessation of duty;

(ii) dumped imports from subject countries are causing injury to the domestic industry;

(iii) the information on record shows likelihood of continuation of dumping and injury in case the anti-dumping duty in force is allowed to cease at this stage;

(iv) there is sufficient evidence to indicate that the revocation of the anti-dumping duty at this stage will lead to continuation of dumping and injury to the domestic industry,

and has recommended continued imposition of the anti-dumping duty on imports of the subject goods, originating in or exported from the subject country, in order to remove injury to the domestic industry.

The entire notification can be read at *https://taxinformation.cbic.gov.in/view-pdf/1010374/ENG/Notificationst*.

Notification No. 11/2025-CUSTOMS (ADD)

New Delhi, the 8th May, 2025

G.S.R. ...(E). – Whereas, in the matter of "Textured Tempered Coated and Uncoated Glass" (hereinafter referred to as the subject goods), falling under tariff headings 7003, 7005, 7007, 7016, 7020 and 8541 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in or exported from China PR and Vietnam (hereinafter referred to as the subject countries) and imported into India, the designated authority in its preliminary findings vide Notification No. 6/29/2023-DGTR, dated the 5th November, 2024, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 5th November, 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 the 4th December, 2024 vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 26/2024-Customs (ADD), dated the 4th December, 2024, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S. R. 749(E), dated the 4th December, 2024;

And, whereas, the designated authority in its final findings vide notification F. No. 6/29/2023-DGTR, dated the 10th February, 2025, published in the Gazette of India, Extraordinary, Part I, Section 1, dated 10th February, 2025, while confirming the preliminary findings, dated the 5th November, 2024, has come to the conclusion that-

(i) there is substantial increase in the volume of dumped imports of subject goods from the subject countries over the injury period in absolute and relative terms;

(ii) the product under consideration that has been exported to India from the subject countries are at dumped prices;

(iii) the domestic industry has suffered material injury;

(iv) material injury has been caused by the dumped imports of the subject goods from the subject countries, and has recommended imposition of anti-dumping duty on imports of the subject goods, originating in or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

The entire notification can be read at *https://taxinformation.cbic.gov.in/view-pdf/1010375/ENG/Notifications*

Notification No. 12/2025-Customs (ADD)

New Delhi, the 10th May, 2025

G.S.R....(E).- Whereas in the matter of "Titanium dioxide" (hereinafter referred to as the subject goods) falling under tariff items 2823 00 10, 3206 11 10 and 3206 11 90 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in, or exported from China PR (hereinafter referred to as the subject country), and imported into India, the designated authority in its final findings vide notification F. No. 6/03/2024-DGTR, dated the 12th February, 2025, published in the Gazette of India, Extraordinary, Part I, section 1, dated the 12th February, 2025, has come to the conclusion that-

(i) the subject goods have been exported to India from the subject country at dumped prices;

(ii) the domestic industry has suffered material injury on account of subject imports from the subject country;

(iii) the material injury has been caused by the dumped imports of the subject goods 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.

The entire notification can be read at *https://taxinformation.cbic.gov.in/view-pdf/1010377/ENG/Notifications*.

Customs (CVD)

Notification No. 03/2025-Customs (CVD)

New Delhi, the 10th May, 2025

G.S.R.…. (E). -Whereas, in the matter of "Textured Toughened (Tempered) Coated or Uncoated Glass" (hereinafter referred to as the subject goods) falling under heading 7003, 7005, 7007, 7016, 7020 and 8541 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 Vietnam (hereinafter referred to as the subject country), and imported into India, the Designated Authority in its final findings, published in the Gazette of India, Extraordinary, Part I, Section 1 vide notification F. No. 6/32/2023-DGTR, dated the 11th February, 2025, has come to the conclusion that-

(i) the subject goods have been exported to India from the subject country at subsidized prices, leading to subsidisation of the subject goods;

(ii) the domestic industry has suffered material injury due to subsidisation of the subject goods;

(iii) the material injury has been caused by the subsidised imports of the subject goods originating in or exported from the subject country,

and has recommended the imposition of countervailing duty on import of the subject goods originating in or exported from the subject country.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (6) of section 9 of the Customs Tariff Act, read with rules 20 and 22 of the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the Designated Authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under heading of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries 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, a countervailing duty calculated as a difference between the landed value of the subject goods and the reference price amount specified in the corresponding entry in column (7), provided the landed value is less than the value indicated in column (7), in the currency as specified in

the corresponding entry in column (9) and as per unit of measurement as specified in the corresponding entry in column (8) of the said Table, namely:-

The entire notification can be read at *https://taxinformation.cbic.gov.in/view-pdf/1010378/ENG/Notifications*.

Direct Tax

Notification No. 43/2025

3rd May, 2025

G.S.R 287(E).— In exercise of the powers conferred by section 139 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

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

   (2) They shall come into force with effect from the 1st day of April, 2025.

2. In the Income-tax Rules, 1962, in Appendix-II, for FORM ITR-2, the following FORM shall be substituted, namely:—

The entire notification can be read at *https://incometaxindia.gov.in/communications/notification/notification-43-2025.pdf*.

Notification No. 44/2025

New Delhi, the 6th May, 2025

G.S.R 290(E).- In exercise of the powers conferred by section 139 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

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

   (2) They shall come into force with effect from the 1st day of April, 2025.

2. In the Income-tax Rules, 1962, in Appendix II, for FORM ITR-6, the following FORM shall be substituted, namely: ——

The entire notification can be read at *https://incometaxindia.gov.in/communications/notification/notification44-2025.pdf*

Notification No. 45/2025

7th May, 2025

G.S.R. 294(E).— In exercise of the powers conferred by section 139 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend Income tax Rules, 1962, namely:-

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

   (2) They shall be deemed to have come into force on the 1st day of April, 2025.

2. In the Income-tax Rules, 1962, in Appendix II,—

   (a) for FORM ITR-V, the following FORM shall be substituted, namely: —

The entire notification can be read at *https://incometaxindia.gov.in/communications/notification/notification45-2025.pdf*.

Notification No. 46/2025

9th May, 2025

G.S.R. 303(E).—In exercise of the powers conferred by section 139 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely: -

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

   (2) They shall be deemed to have come into force on the 1st day of April, 2025.

2. In the Income-tax Rules, 1962, in Appendix - II, for FORM ITR-7, the following FORM shall be substituted, namely: ——

The entire notification can be read at *https://incometaxindia.gov.in/communications/notification/notification46-2025.pdf*.

CIRCULAR

INDIRECT TAX

Customs

Circular No.16/2025-Customs

Dated 11th May, 2025

Subject: Anti-Dumping Duty on imports of "Titanium Dioxide" originating in or exported from China PR — Implementation -Reg.

Madam/Sir,

Attention is invited to Notification No. 12/2025-Customs (ADD) dated 10.05.2025 recommending the imposition of Anti-Dumping Duty (ADD) on imports of "Titanium Dioxide" originating in or exported from China PR. The said notification has recommended that Anti Dumping Duty be levied only for specified end uses, and excludes from its scope Titanium Dioxide for use in products covered under its description relating to food, pharma, skin-care, textile, fibre, or nano or ultra fine titanium dioxide.

2. To ensure that ADD is not collected on "Titanium Dioxide" originating in or exported from China PR when imported for use in excluded sectors and to facilitate smooth clearance of those importers importing goods for use in those excluded products, a facility is being introduced in Bill of Entry to make an electronic declaration for those importers importing for use in such excluded products, as follows:

   I / we declare that the goods imported are for use in products of description excluded in terms of Notification No. 12/2025- Customs (ADD) dated 10.05.2025 relating to food, pharma, skin-care, textiles, fibre, nano or ultrafine titanium dioxide.Without prejudice to any other action taken under the Customs Act or under Customs Tariff Act, I/we undertake to pay applicable Anti-Dumping Duty along with interest, if any, in case the goods are supplied for use in products not excluded in terms of Notification No. 12/2025- Customs (ADD) dated 10.05.2025.

3. To enable those importers of Titanium di-oxide for use in those excluded products/sectors in terms of the notification, to make electronic declaration during BE filing, DG (Systems) shall issue suitable advisory relating to system implementation. The officers under your jurisdiction may be sensitized on the above facility.

4. Any difficulty in implementation of the above circular may be brought to the notice of the Board.

JUDGEMENT

INDIRECT TAXATION

Authority is directed to release goods and vehicle as assessee is willing to comply with necessary requirements of payment of tax and penalty: HC

Facts of the case :

Sobha Enterprises vs. Asst. Enforcement Officer Enforcement Squad - [2025] (Kerala)

The petitioner, a registered taxpayer under the CGST/ Kerala GST Act, 2017, engaged in the purchase and supply of arecanut, had its vehicle intercepted by the department on while transporting goods. The interception was due to the excess quantity of goods being transported, which exceeded what was covered by the E-way bill. A statement of the driver was recorded, and the department issued an order for the physical verification of the goods. The petitioner, seeking to resolve the issue, requested the release of the vehicle by agreeing to pay the tax and penalty on the excess goods. Despite the request, the department insisted on a detailed inspection and required the petitioner's presence for verification. As a result, the department issued an order for detention of the goods and vehicle under Section 129(1) of the CGST Act. The petitioner then approached the Kerala High Court by filing a writ petition, seeking directions for the release of the detained goods and vehicle, contingent on the payment of applicable taxes and penalties.

Decision of the case :

The Hon'ble Kerala High Court held that in the instant case, it was evident that the department had initiated proceedings under Section 129 of the CGST Act. Therefore, the statutory scheme provides for the release of the goods upon compliance with the stipulations specified therein, and thus no specific orders from the Court were necessary. Further, the petitioner had expressed its willingness to pay any applicable penalty or other sums that might be imposed in accordance with the law. In light of the above facts, the Court determined that no additional orders were required to be issued. However, the Court directed the department to release the detained goods and vehicle upon the completion of the physical verification of the goods in the presence of the petitioner, and after payment of any penalty or other demands in accordance with Section 129 of the CGST Act.

Order to be set aside as GST not exigible on solatium component of compensation received in land acquisition: HC

Facts of the case :

Smt. Asha R vs. Assistant Commissioner of Commercial Taxes - [2025] (Karnataka)

The petitioners, owners of immovable properties, had their land acquired by the state for a metro rail project. As part of the land acquisition process, the petitioners were offered a compensation package, which included a solatium component. This solatium was paid as additional compensation for the land acquisition. Subsequently, the respondents issued show-cause notices to the petitioners, demanding the payment of Goods and Services Tax (GST) on the solatium component of the compensation received. The petitioners, in response, contested the levy of GST, arguing that the compensation for land acquisition, specifically the solatium component, should not attract GST, as the sale of land—whether as is or after development—falls under the exemption provided in Entry No. 5 of Schedule III of the CGST and Kerala GST (KGST) Acts. The petitioners further referred to Circular No. 177/09/2022-TRU, dated 03-08-2022, which clarified that land transactions are not subject to GST. Despite these arguments, the impugned orders were passed, confirming the GST demand, prompting the petitioners to file the petition challenging the same.

Decision of the case :

The Hon'ble High Court held that the sale or acquisition of land is constitutionally within the State List and is expressly excluded from GST under Entry No. 5 of Schedule III. It affirmed that there was no legislative intent to tax such transactions and endorsed the clarification issued under Circular No. 177/09/2022-TRU, 03-08-2022. Accordingly, the Court declared that the solatium component received by the petitioners was not exigible to GST. The impugned show-cause notices and orders were quashed, and the matter was decided in favour of the petitioners.

Order to be set aside as transaction of assignment of industrial plot is not subject to GST: HC

Facts of the case :

Time Technoplast Ltd. vs. Union of India - [2025] (Gujarat)

The petitioner, a company, was originally allotted an industrial plot by the Gujarat Industrial Development Corporation (GIDC) on leasehold basis for its industrial use. The allotment conferred leasehold rights over the land and the building constructed thereon in favour of the petitioner, in accordance with the terms and conditions prescribed by GIDC. Subsequently, the petitioner, having obtained full leasehold rights, entered into a Deed of Assignment, whereby the entire interest in the said plot, including the leasehold rights, was transferred to its wholly-owned subsidiary. The transfer was executed for full and adequate consideration, duly reflected in the deed. Pursuant to this transaction, the jurisdictional GST authority issued a show cause notice under section 74 of the CGST Act proposing to demand GST on the transfer fee received by the petitioner. The notice alleged that the said transaction amounted to a 'supply' within the meaning of section 7(1)(a) of the CGST Act, and attracted GST under section 9. The notice specifically relied on clause 5(b) of Schedule II, asserting that the transaction amounted to a lease or letting of land and building, classifiable as a supply of services. The authority also invoked clause 5 of Schedule III in conjunction with clause 5(b) of Schedule II to contend that the transaction did not qualify as a sale of land or building, and hence did not fall within the exclusions under Schedule III, rendering it liable to GST.

Aggrieved by the issuance of the show cause notice, the petitioner approached the Gujarat High Court by filing a writ petition, seeking quashing of the said notice on the ground that the transaction was a mere transfer of immovable property and fell outside the scope of GST.

Decision of the case :

The Hon'ble Gujarat High Court held that the transaction involving the assignment of leasehold rights in the industrial plot and building by the assessee to its subsidiary amounted to a complete transfer of immovable property and could not be treated as a 'supply' under section 7(1)(a) of the CGST Act. The Court observed that the Deed of Assignment executed between the parties evidenced a one-time, absolute transfer of leasehold rights for valuable consideration and did not constitute a service of leasing or renting as contemplated under clause 5(b) of Schedule II. Furthermore, the Court clarified that clause 5 of Schedule III, which excludes certain transactions from the scope of supply, was inapplicable in the instant case. Accordingly, impugned show cause notice was to be set aside

Refund of accumulated ITC allowed even if principal input and output attract same tax rate: HC

Facts of the Case :

Indian Oil Corporation Ltd. vs. Assistant Commissioner of Central Tax - [2025] (Karnataka)

The petitioner, a public sector undertaking engaged in the bottling and distribution of Liquefied Petroleum Gas (LPG), filed a claim for a refund of accumulated Input Tax Credit (ITC) under Section 54(3)(ii) of the CGST Act. The petitioner had accumulated ITC due to the higher tax rates on certain inputs, such as valves, safety caps, and other components, which were taxed at 18%. However, the tax rate on the principal input (bulk LPG) and the principal output (bottled LPG) was the same, i.e., 5%. The department, however, rejected the refund claim, arguing that Section 54(3)(ii) only allows refunds

when the tax rate on the principal input is higher than the tax rate on the principal output. Following the rejection by the department, the petitioner filed an appeal before the Karnataka High Court.

Decision of the Case :

The Hon'ble Karnataka High Court held that Section 54(3)(ii) of the CGST Act does not impose a restriction on granting refunds solely based on a difference in tax rates between the principal input and principal output. The Court clarified that the provision allows for a refund of accumulated ITC when the ITC arises from any inputs being taxed at a higher rate than the output supplies, regardless of whether the tax rates on the principal input and output are identical. Accordingly, the impugned order was quashed and department was directed to refund ITC along with interest within a period of four weeks from date of receipt of this order.

Assessment order upheld as assessee failed to respond to repeated notices highlighting return mismatches: HC

Facts of the case:

Shashi Contractors vs. State of U.P. - [2025] (Allahabad)

The petitioner, a taxpayer under the CGST Act, was initially issued a notice under Section 61 of the CGST Act after discrepancies were identified in its tax returns following scrutiny. This was followed by a notice under Section 73 of the CGST Act, seeking an explanation for the discrepancies in the returns. Despite multiple reminders, the petitioner failed to respond to these notices. Consequently, the Assessing Officer (AO) issued an assessment order under Section 73(9) of the CGST Act, creating a demand which included tax, interest, and penalty. The petitioner challenged the assessment order before the Allahabad High Court, contending that the order violated Section 75(6) of the CGST Act due to a lack of reasons and Section 75(7) for not specifying the penalty amount.

Decision of the case :

The Hon'ble Allahabad High Court held that the assessment order was valid and justified. The Court observed that the petitioner's failure to respond to the repeated show cause notices meant that the Assessing Officer was not required to anticipate potential defenses but was entitled to base its decision solely on the material available on record. The show cause notice clearly specified the tax, penalty, and interest liabilities, with the penalty described as "as per CGST Act, 2017," fulfilling the requirements of Section 75(7). The Court further concluded that the assessment order provided sufficient reasoning for the conclusion that the petitioner was liable for the demand. As such, the writ petition was dismissed in favour of the revenue, upholding the levied tax, interest, and penalty.

Direct Taxation

Section 50C applies even to leasehold rights acquired through assignment; the manner of holding property is immaterial: HC.

Facts of the case:

Vidarbha Veneere Industries Ltd. vs. Income-tax Officer - [2025] (Bombay)

The assessee held land through lease rights assigned to it by a previous lessee. MIDC transferred the land in question in favour of VVI through a lease. The rights under the lease were assigned by VVI, the lessee, in favour of the assessee by way of a deed assignment. The assessee claimed that section 50C did not apply to a property held in leasehold right and thus, tax would not be payable on sale consideration.

The Assessing Officer (AO) rejected the claim of the assessee. On appeal, the Commissioner (Appeals) upheld the order of the AO. The Tribunal also upheld the order of the Commissioner (Appeals). The matter reached the Bombay High Court.

Decision of the case:

The High Court held that the expression used in section 50C is ''consideration received or accruing as a result of transfer of a capital asset, being land or building or both''. This must be related to the definition of ''capital

asset'', as in section 2(14). A perusal of the definition of ''capital asset'' in section 2(14) would indicate that it includes property of any kind, held by an assessee. What is material to note is that the expression is ''held by an assessee'' and not owned by an assessee.

Insofar as the immovable property, i.e. land or building, is concerned, there are several ways in which it can be held. The holding can be either as an owner, lessee, sub-lessee, allottee, tenant, licensee, gratuitous licensee or any other mode, permissible or recognised by law. Therefore, the expression ''held by an assessee'' does not restrict how the land or building can be held. The holding of land is merely a method by which rights to the land can be held or acquired by a person. That cannot be equated with land or building but rather would be a species of the right to have it, which, as indicated above, are of multiple natures.

Therefore, it is found that merely because the MIDC originally allotted the land by way of a lease to the predecessor of the assessee, who in turn has received the same by way of an assignment, that being one of the modes of transfer, of land or building, the mere use of a particular mode of transfer cannot create any exception vis-à-vis the holding of the land or building by the assessee.

The word ''transfer'' as used in section 50C(1) also cannot be used in a restricted sense and will have to be given the widest amplitude, considering the nature and purpose of the section. Thus, it would include all modes and methods of transfer that are permissible and recognisable in law.

Sec. 194N applicable on cash withdrawal by cooperative credit society irrespective of its nature: HC

Facts of the case:

A 1160 Manjanaickanpatti Primary Agricultural Cooperative Credit Society Ltd. vs. Deputy Commissioner of Income-tax - [2025] (Madras)

The petitioner was a cooperative credit society constituted by its members as shareholders, dedicated to serving their interests. The Government of India and the Government of Tamil Nadu implement their policies through such societies. The Government's sanction funds through District Central Co-operative Banks to primary cooperative societies, and members benefit from loans, subsidies, waivers and annual gifts like Pongal gifts distributed through ration shops under the control of these societies.

The petitioner contended that the amendment to the Income Tax Act exempted cooperative societies engaged in banking activities from the purview of Section 194N. It had been consistently held that gifts like Pongal gifts and banking transactions are not subject to Section 194N.

Decision of the case:

The Madras High Court held that Section 194N applies to the petitioner's transactions, including loans and subsidies, irrespective of the cooperative society's nature. The legal provisions and amendments are clear, and no exemption applies in this case as claimed by the petitioner. The respondents have followed the procedures properly and passed the impugned orders in accordance with the law.

The court distinguished the precedents cited by the petitioner, noting that the factual circumstances of those cases differed from the present case. Therefore, the court upheld the respondents' actions, including the deduction of TDS, as lawful and procedurally correct.

Bombay HC declined to entertain writ petition as a substantial portion of the cause of action accrued at Kolkata

Facts of the case:

Trustcap (P.) Ltd. vs. Income-tax Officer Ward 2(1) - [2025] (Bombay)

The petitioner/assessee filed the instant writ petition challenging the order made under section 148A(d) and notice issued under section 148 by the Income-tax Officer, Kolkata, and the Chief Commissioner of Income-tax, Kolkata. The revenue submitted that the entire cause of action had arisen at Kolkata, and therefore, the Bombay High Court may not have territorial jurisdiction to entertain this petition.

Decision of the case :

The High Court held that the Income-tax officials in

Kolkata issued the impugned order/notices. The case papers and other materials on which the notices are issued are in Kolkata, and the assessee's assessing authorities are based there.

Thus, a substantial portion of the cause of action has accrued in Kolkata. Applying the principle of forum conveniens, it would be appropriate if the petitioner were relegated to availing of the remedies at Kolkata. The concept of forum conveniens fundamentally means that it is obligatory on the part of the Court to see the convenience of all the parties before it.

The convenience would include a more appropriate forum, the expenses involved, the law relating to the list, verification of specific facts necessary for just adjudication of controversy, and other ancillary aspects. The balance of convenience is also to be taken note of.

The cause of action arising within the Court's jurisdiction does not, by itself, serve as a determining factor that compels the Court to hear the matter while exercising its jurisdiction. Additionally, the Court cannot be entirely oblivious to the concept of forum conveniens.

Non-resident can't be denied credit of tax deducted on income not liable to tax in India under DTAA: HC

Facts of the case:

Munchener Ruckversicherungs Gesellschaft Aktiengesellschaft in Munchen vs. Commissioner of Income-tax, Internation Taxation - [2025] (Delhi)

The assessee, a non-resident, earned income from an entity in India. Such entity deducted tax at source (TDS) from the payment. When the assessee filed its return of income, it claimed credit for TDS deducted. However, the same was denied because the assessee didn't offer such income for tax and Form 26AS was not presented before the Assessing Officer (AO).

Aggrieved by the order, the assessee filed an application before the Commissioner of Income Tax (CIT) under Section 264. However, the CIT rejected the application. The assessee then filed a writ petition to the Delhi High Court.

Decision of the case:

The High Court held that the assessee consistently asserted that the income received from the entity would not be taxable in India under the Double Taxation Avoidance Agreement (DTAA). Also, the assessee's return for the relevant year was processed under section 143(3) with no additions being suggested. The position taken by the assessee thus appears to have been duly accepted. The CIT also had not decided whether the income received by the assessee was liable to be taxed under the Act. Therefore, the assessee's claim that the income was not taxable under the Act remained uncontested.

Section 155(14) of the Act prescribes that where tax credit has not been given on the ground of either a certificate not having been furnished or filed, but which is subsequently presented before the AO, the same would be sufficient for the assessment order to be amended.

Sub-section (14) neither contemplates nor mandates the original return being amended or revised. That provision takes care of contingencies where TDS is either subsequently credited or reflected in Form 26AS after a time lag. The assessee may face such a spectre on account of a variety of unforeseeable reasons.

However, that in itself can neither be viewed as fatal nor an irreversible event that would detract from the assessee's right to claim the tax benefit which has been duly deducted. Since the tax which was deducted by the entity stood duly embedded in the Form 26AS, which the assessee produced, and the income earned from that entity had never been held to be subject to tax under the Act.

The refusal on the part of the CIT to refund that amount was rendered wholly illegal and arbitrary.

Repayment of loan in cash as per lender's request is reasonable cause u/s 273B; penalty deleted: HC

Facts of the case:

Kamaljeet Kaur Gill vs. Joint Commissioner of Income-tax - [2025] (Chhattisgarh)

The assessee repaid a loan in cash, contravening the modes prescribed under section 269T. The assessee contended that she made a cash payment because

the financer had insisted on cash repayment of loan instalments. Therefore, she was constrained to make payments in cash. AO imposed a penalty on the assessee under section 271E for repaying the loans in contravention of the mode prescribed under section 269T.

On appeal, CIT(A) and the Tribunal confirmed the penalty. The aggrieved assessee filed the instant appeal before the High Court.

Decision of the case:

The High Court held that the provision of section 271E included in Chapter XXI of the Act deals with penalties for failure to comply with the provisions of section 269T. It speaks of the levy of a penalty equal to the deposit amount repaid in contravention of section 269T. Section 271E is a penal provision, as the assessee's failure to comply with the provisions contained in section 269T would attract a penalty as a sum equal to the amount of the loan or deposit. This penal provision has to be construed strictly.

Further, section 273B is a provision that contemplates certain exigencies in which, though the assessee is liable to suffer a penalty, the penalty is not to be imposed in certain cases. Section 273B also includes reference of Section 271E.

Section 273B says that no penalty shall be imposed for any failure referred to in the said provisions if the assessee proves that there was reasonable cause for the said failure. However, the word 'reasonable cause' has not been defined. Therefore, in the context of the penalty provisions, the words 'reasonable cause' would mean a cause beyond the assessee's control.

'Reasonable cause' obviously means a cause which prevents a reasonable man of ordinary prudence from acting under normal circumstances without negligence or inaction or want of bona fides. Bona fide belief coupled with the genuineness of the transactions would constitute a reasonable cause.

Furthermore, the bona fide transaction that did not aim to avoid any tax liability would constitute a reasonable cause within the meaning of section 273B for not invoking section 271E.

In the instant case, the finance company insisted upon the assessee's repayment of the loan in cash, which persuaded the assessee to make the payment of the loan amount in cash. This would constitute a reasonable cause within the meaning of section 273B. Therefore, the assessee was not liable to pay penalty under section 271E for non-compliance with section 269T.

TAX CALENDAR

INDIRECT TAX

Due Date	Returns
May 20th, 2025	GSTR – 3B (Apr, 2025)
	GSTR – 5A (Apr, 2025)

DIRECT TAX

Due Date	Returns
May 30th, 2025	Due date for furnishing of challan – cum statement in respect of tax deducted under section 194-IA, section 194M, section 194IB, section194S in the month of April, 2025.
	Issue of TCS certificate for the 4th Quarter of the Financial Year 2024-2025.
	Furnishing of statement required under section 285B for the previous year 2024-2025.
May 31th, 2025	Quarterly statement of TDS deposited for the quarter ending March 31, 2025.
	Return of Tax deduction from contributions paid by trustees of an approved superannuation fund.
	Due date for furnishing of statement of financial transaction (in Form No.61A as required to be furnished under sub – section (1) of Section 285BA of the Act respect for financial year2024-2025.
	Due date for e-filing of annual statement of reportable accounts as required to be furnished under section 285BA (1)(k) (in Form No.61B) for calendar year 2024 by reporting financial institutions.
	Application in Form 9A for exercising the option available under Explanation to Section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on or before July 31, 2025).
	Statement in Form no. 10 to be furnished to accumulate income for future application under Section 10(21) or Section 11(1) (if the assessee is required to submit return of income on or before July 31, 2025).
	Statement of donation in Form 10BD to be furnished by reporting person under Section 80G(5) (iii) or section Section 35(1A)(i) in respect of the financial year 2024-25.
	Certificate of donation in Form no. 10BE as referred to in Section 80G(5)(ix) or Section 35(1A) (ii) to the donor specifying the amount of donation received during the financial year 2024-25.
	Furnishing of the certificate from a Chartered Accountant specifying the amount invested in each year by the company or fund making application under Section 2(48) for notification of zero-coupon bond.
May 31th, 2025	Application for allotment of PAN in case of non-individual resident person, which enters into a financial transaction of ₹. 2,50,000 or more during FY 2024-25 and hasn't been allotted any PAN
	Application for allotment of PAN in case of person being managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer of the person referred to in Rule 114(3)(v) or any person competent.

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.

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