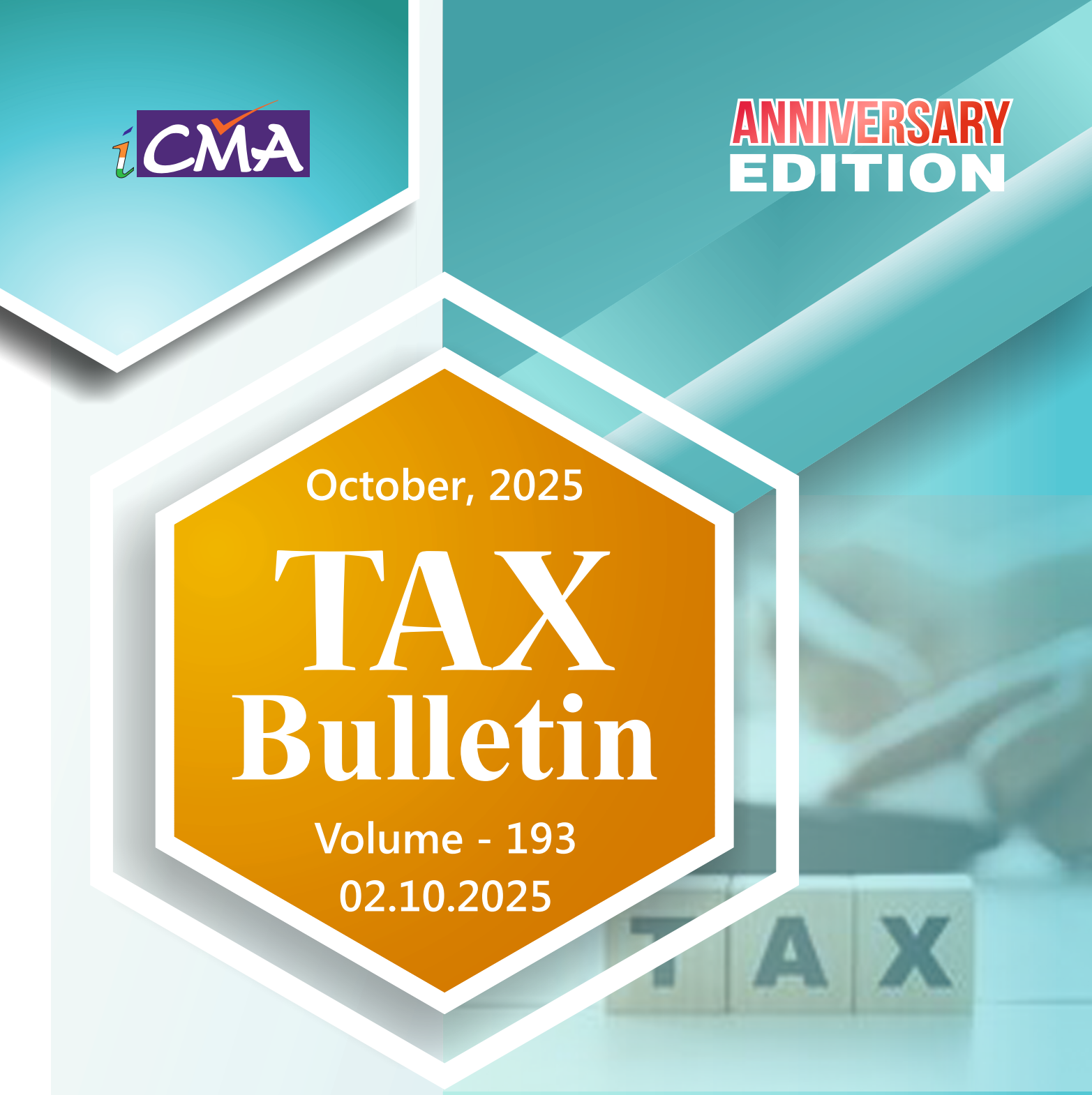
ANNIVERSARY EDITION

October, 2025

TAX Bulletin

Volume - 193
02.10.2025



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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
भारतीय लागत लेखाकार संस्थान
Statutory Body under an Act of Parliament
(Under the Jurisdiction of Ministry of Corporate Affairs)
Headquarters: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110003. Ph: 091-11-24666100
Kolkata Office: CMA Bhawan, 12, Sudder Street, Kolkata - 700016. Ph: 091-33-2252 1031/34/35/1602/1492

VISION STATEMENT

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

MISSION STATEMENT

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

Objectives of Taxation Committees:

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

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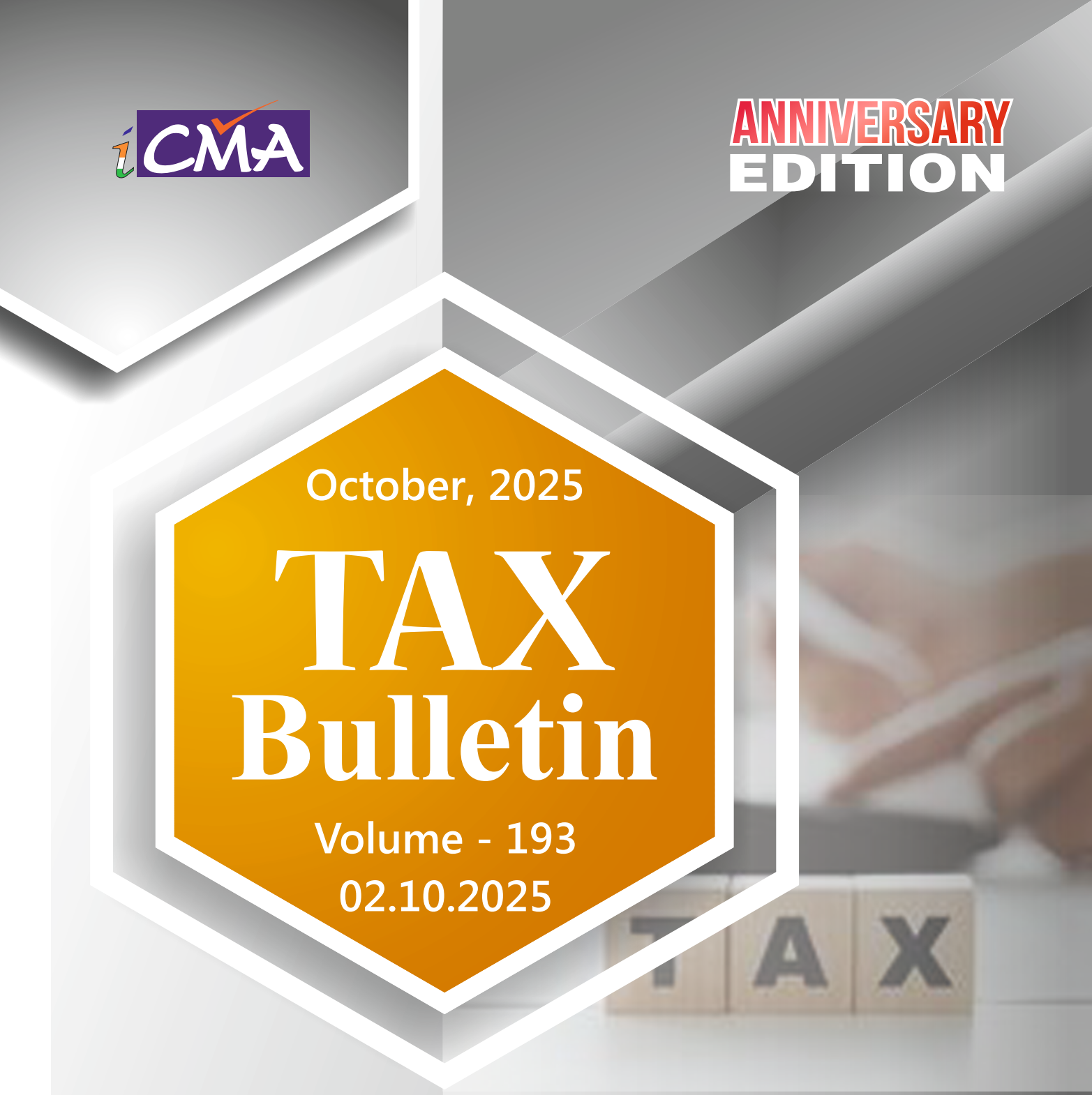

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2. Advanced Certificate Course on GST (ACCGST)
3. Advanced Certificate Course on GST Audit and Assessment Procedure (ACGAA)
4. Certificate Course on TDS (CCTDS)
5. Certificate Course on Filing of Returns (CCFOF)
6. Advanced Course on Income Tax Assessment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

Admission Link - ***https://eicmai.in/advscc/DelegatesApplicationForm-new.aspx***

Modalities

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

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

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- Executives from Industries and Tax Practitioners
- Students including CMA Qualified and CMA Pursuing

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

Course Details

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

Courses for Colleges & Universities by the Tax Research Department

Eligibility

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

Modalities

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

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

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

Behind every successful business decision, there is always a CMA

Chairman's Message

CMA Rajendra Singh Bhati
Chairman
Direct Taxation Committee

Congratulations to the Tax Research Department on the release of this 8th Anniversary Edition of the Tax Bulletin.

The Tax Research Department (TRD) of the Institute had the privilege of participating in the prestigious program on 'Next-Gen GST Reform Committee, West Bengal' held on 18th September 2025. The event was graced by the esteemed presence of Smt. Nirmala Sitharaman, Hon'ble Finance Minister, Government of India. The session focused on the landmark decision regarding GST Rate Rationalisation, in line with the recommendations of the 56th GST Council Meeting, and highlighted the strategic importance of the upcoming Next-Gen GST reforms to key stakeholders.

Spreading the knowledge on the Income Tax Act, 2025 the department conducted an important webinar on 17.09.2025 on the topic, "Income Tax Law 2.0: Insights on the Income-tax Act, 2025". CMA Nitta Ravi Kishore, Cost Accountant had been the speaker for the session.

The "Tax Research Department" has commenced work on the Pre-Budget Memorandum (PBM), an important annual exercise of the Institute aimed at contributing to the national policy discourse. Through this initiative, valuable suggestions are being invited from Members, Regional Councils, Chapters, and practicing professionals etc. across the country. The PBM serves as a platform for the Institute to present constructive recommendations to the Government, reflecting the collective expertise and insights of the CMA fraternity on matters of taxation, fiscal policy, and economic development.

Also, the classes for the ongoing taxation courses concluded in September 2025, and admissions for the next batches have now begun. Interested candidates can register via the following link: https://eicmai.in/OCMAC/TRD/TRD.aspx.

On the knowledge perspective:

- The Central Board of Direct Taxes (CBDT) has recently undertaken several significant measures aimed at providing relief and clarity to taxpayers, tax practitioners, and institutions, reflecting a responsive and taxpayer-friendly approach.
- The extension of the 'specified date' for furnishing audit reports for Assessment Year 2025–26, from 30th September to 31st October 2025, comes in response to representations from professional bodies highlighting challenges in timely completion of audits. Factors such as disruptions caused by natural calamities and floods in certain regions have impacted the ability of both taxpayers and professionals to comply within the originally prescribed timelines. This extension demonstrates the CBDT's sensitivity towards ground realities while ensuring continued compliance.
- The notifications exempting the Real Estate Regulatory Authority, Rajasthan, and the High Court Legal Services Committee, Chandigarh, from tax on specified incomes further reflect the government's commitment to supporting public service institutions. These exemptions ensure that grants, penalties, fees, and interest income received by these authorities can be fully utilized for their statutory objectives, without diversion toward tax liabilities, promoting social welfare and efficient public administration.
- Additionally, the order under section 119 of the Income-tax Act waiving interest on delayed payments arising from rectifications of rebates under section 87A illustrates a balanced approach in addressing inadvertent hardships faced by taxpayers. By providing a clear deadline of 31st December 2025 for compliance to avail this relief, the CBDT ensures that taxpayers are not unduly penalized for circumstances beyond their control, reinforcing fairness and trust in the system.
- Collectively, these measures reinforce the principles of taxpayer-centric governance, striking a balance between compliance enforcement and facilitation, and fostering confidence in the integrity and responsiveness of the direct tax system.

I personally thank all the resource persons and the staff members of TRD for their relentless efforts and sincerity. I am also happy to share my heartfelt warmth and best wishes to all the readers in this festive season.

CMA Rajendra Singh Bhati
Chairman – Direct Taxation Committee
The Institute of Cost Accountants of India
02.10.2025

Chairman's Message

CMA Dr. Ashish P. Thatte
Chairman
Indirect Taxation Committee

I am immensely happy as I congratulate to the Tax Research Department on the release of this 8th Anniversary Edition of the Tax Bulletin.

The recent weeks have been eventful for the indirect taxation landscape, marked by several significant policy updates and administrative reforms aimed at enhancing transparency, compliance, and ease of doing business.

As part of its outreach and knowledge-sharing initiatives, the department, in collaboration with the Hyderabad Chapter, organized a physical seminar titled "GST 2.0: The New Era – Change, Challenges, Competitiveness" at the Chapter premises in Sanath Nagar, Hyderabad. The session was honoured by the presence of Shri G. Shreenivasa Rao, IRS, Principal Commissioner, CGST, Rangareddy, Hyderabad, as the Chief Guest. The session was enriched by a detailed presentation from CMA B. M. Gupta, Cost Accountant, whose insightful delivery made the 4-hour seminar engaging and informative. The event witnessed the participation of over 120 attendees, including a significant number of recently qualified CMAs from the June 2025 Examination Term.

The department has also submitted a formal representation to Shri Sanjay Kumar Agarwal, IRS, Chairman, Central Board of Indirect Taxes and Customs (CBIC) on 26th September 2025. The representation emphasized the role of CMAs in ensuring the benefits of tariff reduction under GST 2.0 reach the end consumers.

An important webinar has also been conducted on 25.09.2025 on the topic, "GSTAT and the Way Forward". The faculty for the session has been CMA Dipak N Joshi, Practising Cost Accountant.

Following the 56th GST Council Meeting, the Government has issued a series of new notifications revising GST rates, exemptions, and compensation cess, thereby simplifying the tax structure and providing greater clarity to taxpayers. The release of FAQs-3 by CBIC has further aided stakeholders in understanding these changes, particularly in relation to goods rate

revisions, exemptions, and sector-specific implications such as handicrafts and petroleum operations.

Parallelly, the Special Campaign 5.0 launched by CBIC across all zones and directorates reinforces the Board's commitment to clean governance, record optimization, and administrative efficiency. The focus on e-waste disposal and digital file management reflects a strong alignment with sustainable and technology-driven governance.

On the Customs front, the issuance of Notifications introduces revised exemptions and duty benefits under India's trade agreements with Switzerland, Norway, and Iceland. These measures strengthen India's global trade partnerships and support importers through transparent and rules-based facilitation.

Further, the clarification regarding Document Identification Number (DIN) for communications through CBIC's eOffice marks an important step in digital transformation, ensuring verifiable authenticity of electronic correspondence while reducing procedural duplication.

Additionally, the withdrawal of Circular No. 212/6/2024-GST reflects the Board's responsiveness to field-level feedback and its continuous endeavor to maintain uniformity and clarity in GST implementation.

I wish the best to the members of TRD for their continued efforts.

Ashish Thatte

CMA (Dr) Ashish P Thatte
Chairman – Indirect Taxation Committee
The Institute of Cost Accountants of India
02.10.2025

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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 /trd.dd2@icmai.in

Anti-profiteering under GST is not an ultimate weapon for price reduction whenever there is a reduction in GST rates

CMA Vishwanath Bhat

Practising Cost Accountant

Introduction

The Anti-profiteering provisions under Section 171 of the CGST Act, 2017 were introduced to ensure that any reduction in GST rates or benefit of Input Tax Credit (ITC) is passed on to consumers through a commensurate reduction in prices. The intent was to safeguard consumer interest during the initial implementation of GST. However, anti-profiteering is not an ultimate weapon for enforcing price reduction — it serves as a temporary corrective tool to ensure fair benefit transfer. With the shift toward GST 2.0, India's tax administration is moving toward greater transparency, automation, and self-regulation, reducing the need for a standalone Anti-Profiteering Authority NAA.

1. Objective of Anti-profiteering

The goal of the anti-profiteering mechanism was to prevent businesses from unfairly retaining the benefits arising out of tax rate cuts or additional ITC. It was never meant to be a price control mechanism. The law only required suppliers to pass on the actual tax benefit to consumers. However, prices in the real economy depend on multiple factors—input cost, inflation, demand, logistics, and exchange rate fluctuations. Therefore, price reductions cannot always match the percentage of GST rate reduction, and the law does not compel companies to reduce prices beyond the genuine tax benefit.

2. Experience and Effectiveness of the Mechanism

Since its inception, the National Anti-Profiteering Authority (NAA) and Directorate General of Anti-Profiteering (DGAP) have examined numerous cases across sectors like FMCG, construction, and hospitality. While some companies were penalized for withholding tax benefits, the overall success rate remained moderate due to a lack of clear methodology to calculate "commensurate benefit." Moreover, many proceedings were time-consuming and subjective.

3. Market Competition and GST 2.0 Vision

Under GST 2.0, the focus has shifted toward digital compliance, transparency, and market competitiveness rather than policing prices. In a competitive market, businesses naturally pass on cost benefits to stay competitive. Factors like e-invoicing, online analytics, and real-time reporting under GST 2.0 strengthen transparency and allow authorities to track pricing trends indirectly. Instead of relying solely on anti-profiteering actions, market competition itself acts as a natural regulator, making unfair retention of tax benefits increasingly difficult.

4. Role of Awareness and Transparency

The success of anti-profiteering provisions depends largely on awareness among consumers and suppliers. Earlier, limited understanding of Section 171 led to confusion and fear among businesses. Under GST 2.0, the government is emphasizing voluntary compliance and data-based monitoring, encouraging businesses to self-declare tax benefits through transparent pricing and communication. Similarly, informed consumers are more likely to question non-compliance, reducing the need for regulatory intervention. Awareness and digital governance, rather than strict enforcement, are the way forward.

Conclusion

The anti-profiteering provision was an essential transitional safeguard during the early years of GST, ensuring consumers were not deprived of tax benefits. But in the era of GST 2.0, it is clear that anti-profiteering cannot be viewed as the ultimate weapon for price reduction. Price regulation must now evolve through market discipline, competition, digital transparency, and consumer awareness. The phasing out of the NAA marks a mature shift in India's GST system — from regulatory enforcement to self-regulated fairness, where both consumers and businesses benefit from a transparent and technology-driven tax environment.

GSTAT Rules 2025 (Q & A)

CMA (Dr.) Anil Sharma

Practising Cost Accountant

FAQ: GST Appellate Tribunal Rules 2025 – PART-01

FAQ: 01 What is 'Computation of time period' concept under GSTAT Rules 2025?

'Computation of time period' concept under GSTAT Rules 2025 is where a period is prescribed by the CGST/SGST/IGST Act or the Rules or GSTAT rules or under any other law or is fixed by the Appellate Tribunal for doing any act, in computing the time, the day from which the said period is to be reckoned shall be excluded, and if the last day expires on a day when the office of the Appellate Tribunal is closed, that day and any succeeding day or days on which the Appellate Tribunal remains closed shall also be excluded.

For Example: If as per provisions of laws, an application is to be filed within seven days from the date of issue of Order and order is issued on 7th Nov, 2025 than application need to be filed by 14th of Nov, 2025. So, 7th Nov is excluded.

If for any reasons 14th Nov. 2025 happens to be a holiday than 15th Nov & 16 Nov.2025 is also holiday on account of Saturday & Sunday, then application has to be filed on 17th Nov, 2025.

Question arises, if on line portals are available for filing and other purposes what is the relevance of said provisions under laws?

In case of Monthly, Quarterly and Annual Returns this computation of Time does not apply.

FAQ 2: Can time fixed for any act or rules made there under or under GSTAT Rules be extended?

Yes, the Appellate Tribunal may extend the time appointed by these rules or fixed by any order, for doing any act or taking any proceeding, upon such terms, if any, as the justice of the case may require, and any extension may be ordered, although the application for the same is not made until the expiration of the time appointed or allowed. (Rule :14 & 107)

FAQ 03: What is time frame for listing cases in Appellate Tribunal?

Any urgent matter filed before 12:00 noon shall be listed before the Appellate Tribunal on the following working day, if it is complete in all respects as provided in GSTAT rules and in exceptional cases, it may be received after 12:00 noon but before 3:00 p.m. for listing on the following day, with the specific permission of the Appellate Tribunal or President. (Rule:12)

FAQ 04: Can parties to the case or appeal to be filed with Tribunals be exempted from any of the compliance under GSTAT rules 2025?

The Appellate Tribunal may on sufficient cause being shown, exempt the parties from compliance with any requirement of these rules and may give such directions in matters of

practice and procedure, as it may consider just and expedient on the application moved in this behalf to render substantial justice.

FAQ 05: Can a joint appeals or single appeal under GSTAT rules be filed against an impugned order passed by respective authorities involving numerous parties?

In case an impugned order is in respect of more than one person, each aggrieved person will be required to file a separate appeal. Common appeals or joint appeals shall not be entertained. Rule: 18(3)(b)

FAQ 06: What are the important documents required to file an appeal before Appellate Tribunal?

At the time of filing of appeal following documents are to be filed with an appeal before Appellate Tribunal:

- a certified copy of the order appealed against in the case of an appeal against the original order passed by the adjudicating authority,
- where such an order has been passed in appeal or revision, there shall be a certified copy of the order passed in appeal or in revision along with the order of the original authority along with all the relevant documents including relied upon documents,
- where an application filed under the direction of the Commissioner, the copy of the order appealed against shall be an attested copy instead of a certified copy.
- Fee as prescribed in sub-rule 5 of rule 110 of the Rules
- All other relevant and relied upon documents.

FAQ 07: Can an appeal form be amended once filed with Tribunals?

Yes, in can be amended as per the directions issued by the Registrar and appellant may make necessary amendments within such time as it may allow, which may in any case not exceed thirty days.

FAQ 08 : Can an appeal be listed by the registrar with defective documents?

Yes, in cases where Registrar is not satisfied with the

steps taken by the party for removal of defects, he shall list the same with defects for hearing before the appropriate bench of the Tribunal and the Bench may, after hearing the party, accept to register the appeal or may, in its discretion, reject the said appeal.

FAQ 09: Is it necessary to endorse copy of appeal filed along with relied upon documents to respondent?

Yes, A copy each of appeal and relevant documents along with relied upon documents shall be provided to the respondent as well as to the concerned Commissioner, as the case may be, as soon as they are filed

FAQ 10: Can Interlocutory applications be filed under GSTAT rules? If so for what reasons it can be filed?

Yes, an interlocutory application can be filed for stay, direction, rectification in order, condonation of delay, early hearing, exemption from production of copy of order appealed against or extension of time prayed for in pending matters.

An interlocutory application shall be filed in GSTAT FORM-01 along with an affidavit supporting the application.

FAQ 11: How a notice or communication from the Appellate Tribunal shall be served to the parties to the appeals filed?

Any notice or communication to be issued by the Appellate Tribunal may be served by any of the method specified in Section 169 of the CGST Act.

Explanation - For the purpose of this rule, the common Portal referred in the said section shall mean the GSTAT Portal.

Appellate Tribunal may after taking into account the number of respondents and their place of residence or work or service are so many that they could not be affected in any manner and other circumstances, direct that notice of the petition or application shall be served upon the respondents in any other manner, including any manner of substituted service, as it appears to the Appellate Tribunal just and convenient.

FAQ 12: Can additional evidence or examination of witness be done during hearing proceedings?

No, but if the Appellate Tribunal is of opinion that any documents shall be produced or any witness shall be examined or any affidavit shall be filed to enable it to pass orders or for any sufficient cause, or if adjudicating authority or the appellate or revisional authority has decided the case without giving sufficient opportunity to any party to adduce evidence on the points specified by them or not specified by them, the Appellate Tribunal may, for reasons to be recorded, allow such documents to be produced or witnesses to be examined or affidavits to be filed or such evidence to be adduced.

FAQ 13 :Can evidence be produced through affidavit?

Yes, The Appellate Tribunal may direct the parties to give evidence, if any, by affidavit.

FAQ 14: Can other statue or citations be referred during hearing proceeding and how?

Yes, during proceeding other statue or citations can be referred and the parties or authorised representative or legal practitioners shall, before the commencement of the proceedings for the day, furnish to the Court officer a list of law journals, reports, statutes and other citations, which may be needed for reference or photocopy of full text thereof.

FAQ 15: Can an Appeal be referred to larger Bench?

Yes, in case of different opinion of Members of Bench while hearing an appeal, the appeal shall be referred to larger Bench by the President, as it deems fit, for disposal of the appeal.

FAQ 16 : How far date of order pronounced is important?

Yes, date of order pronounced is important and order must contain date as under:

(1) Every order of the Appellate Tribunal shall be in writing and shall be signed and dated by the Members constituting the Bench concerned

(2) Last date of hearing of the matter shall be typed on the first page of the order.

(3) If the order is dictated on the Bench, the date of dictation will be the date of the final order.

(4) If the order is reserved, the date of final order will be the date on which the order is pronounced

(5) In cases, where gist of the decision is pronounced without the detailed order, the last para of the detailed order shall specify the date on which the gist of the decision was pronounced and, in such cases, the date of the final order shall be the date on which all the Members of the Bench sign the order and where the order is signed on different dates by the Members of the Bench, the last of the dates will be the date of the order.

FAQ 17: Who can pronounced order?

Any Member of the Bench may pronounce the order for and on behalf of the Bench.

If the Members of the Bench who heard the case are not readily available or have ceased to be Members of the Appellate Tribunal, the President may authorise any other Member to pronounce the order on his behalf after being satisfied that the order has been duly prepared and signed by all the Members who heard the case.

FAQ 18: How an authorised representative can appear before the Appellate Tribunal?

No legal practitioner or authorised representative shall be entitled to appear and act, in any proceeding before the Appellate Tribunal unless he files into Appellate Tribunal vakalatnama or Memorandum of Appearance or letter of authorisation which shall include all the information as specified in GSTAT FORM-04 as the case may, duly executed by or on behalf of the party for whom he appears.

FAQ 19: Can authorised representative be changed or replaced during the proceedings?

Yes. In any pending case or proceeding before the Appellate Tribunal in which there is already a legal practitioner or authorised representative on record, can be changed or replaced only with the written consent of the legal practitioner or the authorised representative on record.

If there is a refusal to the consent by such representative, on an application with the permission of Appellate Tribunal, he or she can be removed.

FAQ 20: Can the President or a Member of the Appellate Tribunal recuse himself from hearing an appeal?

Yes, by recording reasons in writing, the President or a Member of the Appellate Tribunal shall recuse himself if :

- in any case involving persons with whom the President or the Member has or had a personal, familial or professional relationship
- in any case concerning which the President or the Member has previously been called upon in another capacity, including as advisor, representative, expert or witness
- if there exist other circumstances such as to make the President or the Member's participation seem inappropriate (Rule-106)

Understanding GSTR-1 and GSTR- 3 B

CMA Ajay Deep Wadhwa

Practicing Cost Accountant

Every business that is registered under GST has to regularly inform the government about its sales, purchases, and taxes paid or collected. This is done through a set of GST returns, out of which GSTR-1 and GSTR-3B are the most commonly used.

GSTR 1

GSTR-1 is a return that contains details of all outward supplies — that means all sales of goods or services made by a business during a specific period.

Every registered GST taxpayer who sells goods or provides services must file GSTR-1, whether the sales are made to another business or directly to consumers.

The return has following sections -

Table No.	Details/information to be submitted
1, 2 & 3	GSTIN, legal and trade names, and aggregate turnover in the previous year
4	Taxable outward supplies to registered persons (including UIN-holders) excluding zero-rated supplies and deemed exports
5	Taxable outward inter-state supplies to unregistered persons where the invoice value is more than ₹.2.5 lakh
6	Zero-rated supplies as well as deemed exports
7	Taxable supplies to unregistered persons other than the supplies covered in table 5 (net of debit notes and credit notes)
8	Outward supplies that are nil rated, exempted and non-GST in nature
9	Amendments to outward supplies that are taxable and reported in table 4,5 & 6 of the earlier tax periods' GSTR-1 return (including debit notes, credit notes, refund vouchers issued during the current period)
10	Debit note and credit note issued to unregistered person
11	Details of advances received or adjusted in the current tax period or amendments of the information reported in the earlier tax period.
12	Outward supplies summary based on HSN codes
13	Documents issued during the period.
14	For suppliers - Reporting ECO operators' GSTIN-wise sales through e-commerce operators on which e-commerce operators are liable to collect TCS u/s 52 or liable to pay tax u/s 9(5) of the CGST Act
14A	For suppliers - Amendments to Table 14
15	For e-commerce operators - Reporting both B2B and B2C, suppliers' GSTIN-wise sales through e-commerce operators on which e-commerce operator must deposit TCS u/s 9(5) of the CGST Act
15A	For e-commerce operators - Table 15A I - Amendments to Table 15 for sales to GST registered persons (B2B) Table 15A II - Amendments to Table 15 for sales to unregistered persons (B2C)

GSTR 1 includes invoice details such as invoice numbers, date, taxable value, place of supply, and the amount of GST charged. In simple words, it is a report of how much business a taxpayer has done and how much tax has been collected from customers.

The due date of filing GSTR 1 depends on how the taxpayer is registered:

- If filing monthly, GSTR-1 is due on the 11th day of the next month.
- If filing quarterly under the QRMP scheme (Quarterly Return Monthly Payment), it is due on the 13th of the month following the quarter.

This data from GSTR-1 also automatically reflects in the buyer's GSTR-2A and GSTR-2B, which helps buyers claim input tax credit. GSTR-1 even after the due date. However, we have to pay a late fee based on the delayed number of days.

GSTR-3B

While GSTR-1 is all about reporting sales,

GSTR-3B is about summary and payment. It is a self-declaration return where the taxpayer summarizes:

- Total sales and purchases made during the month,
- The input tax credit (ITC) available,
- The tax liability for the period, and
- The tax paid to the government.

Through GSTR-3B, the taxpayer actually pays the GST.

Every registered taxpayer under GST has to file it — even if there are no transactions in that period. In that case, a nil return is filed. Generally, it is filed monthly, by the 20th of the following month. But for small taxpayers under the QRMP scheme, it is filed quarterly.

GSTR 3 B is divided into different sections. Important ones are as follows –

- Outward supplies and inward supplies on reverse charge i.e. Details where tax is payable by tax payer – It has following sub sections –
  - Outward taxable supplies – It does not include supplies which are zero-rated, or have a nil rate of tax or are exempt from GST; these must be provided separately. It includes only those supplies on which GST has been charged.

    This sub section can be summarised as –

    Value of Taxable Supplies = Value of invoices + value of debit notes – value of credit notes + value of advances received for which invoices have not been issued in the same month – value of advances adjusted against invoices.

    Details of advances as well as adjustment of advances against invoices are not required to be shown separately.
  - Outward taxable supplies (zero-rated) – It includes only those supplies on which GST rate is zero. Zero-rated supplies may be exports or supplies made to SEZ.
  - Other outward supplies (nil rated, exempt) – This sub section includes supplies which are exempt from GST or are nil rated. Nil-rated supplies are those for which the GST rate is nil. Or which have been kept exempt from GST. For e.g. salt, puja samagri, curd, lassi, fresh milk.
  - Inward supplies (liable to reverse charge) – It provides details of purchases made by unregistered dealers on which reverse charge applies. In such cases, we have to prepare an invoice for ourself and pay the applicable GST rate of tax.
  - Non-GST outward supplies – It is the detail of those which have been kept wholly out of GST. For example alcohol and petroleum products.
- Eligible ITC - This is the detail required for the input tax credit. It must be provided separately for IGST, CGST, SGST, UTGST, and Cess. Only total values have to be reported and invoice level information is not required. This information must be broken down into ITC on:
  - import of goods,
  - import of services,
  - inward supplies on reverse charge (other than on import of goods and services reported above)
  - inward supplies from your Input Service Distributor (ISD) basically your head office registered as an ISD under GST
  - all other ITC
- TDS / TCS - The section requires taxpayers to report the value of TDS and TCS deducted or collected for the tax period
- Tax Payment - Under this section, we have to report the final tax payable by us on taxable supplies made by us. The amount is separately reported under IGST, CGST, SGST, and UTGST and includes the credit which has been availed against these. The balance tax is to be deposited by us. If any interest or late fee has been deposited that must also be reported.

Difference between GSTR-1 and GSTR-3B

GSTR-1 gives the details of sales invoices — it's like reporting what business we have done.

GSTR-3B is a summary return — it tells how much tax we owe and pay to the government.

Both are essential and interlinked. If the figures in GSTR-1 and GSTR-3B do not match, it can lead to notices or penalties from the tax department.

GSTR-1 and GSTR-3B are the backbone of GST compliance. They help ensure transparency, prevent tax evasion, and maintain a smooth flow of tax credit between buyers and sellers. Timely and accurate filing of these returns not only helps the government keep track of tax collection but also helps businesses build trust and stay compliant with the law.

By understanding and filing these returns correctly, we contribute to a more transparent and efficient tax system in our country.

Considerations in Post-Search Assessment as made by the Department along with Priviledges thereof on Behalf of the Assessee

Advocate Tapas Kumar Majumder

Advocate and Tax Practitioner

The ultimate weapons to collect proper revenue is undoubtly a specific formulated well planned search and seizure operation of the department provided that a substantial mismatch is appearing in consideration of the disclosed income of the assessee or of that particular group of assessee. The relevant Provisions U/s 132 and Section 132A of the Income Tax Act, 1961 (corresponding to Section 247 and 249 of Income Tax Act, 2025) are required to be called for along with proper issuance of warrant of search of all respective premises, bank lockers, vehicles etc. However, on post facto of search and seizure operation the department has to assess the entire incomes on the basis of the cost of money, bullion, jewelleries and all other movable and immovable properties considering the books of accounts of the respective assessee and it can be considered as value based where the cost is not determinate or the disclosed cost is substantially very much lower than its ultimate value thereof. Hence it's very crucial in the assessment proceedings as under, which may become the strong weapon of the assessee.

1. Principles of natural justice should be provided to the assessee

a. The basic principles of natural justice are fundamental in nature, it's very much specific as empowered in the constitution for an assessee and it is not to be construed or mistaken as a mere formality.

b. It is also known as 'hearing opportunity' and is based upon the rule of "audi alteram partem". This principle is known since time immemorial. It is a fundamental rule of law that no decision must be taken which will affect the rights of any person without first giving him/her an opportunity of putting forward his case.

c. Question arises as to what will be the consequences of violation of principles of natural justice i.e. when an assessee is denied opportunity of being heard or is denied for furnishing any information or documents or evidence. For example, when confession by a third party is relied upon by the Assessing Officer to draw adverse inference against an assessee with reference to any money received or transaction with such third party under section 68 and that too without giving copies of such confessional statement at the third party to the assessee and without giving opportunity to seek cross examination of the third party, such addition cannot be sustained. This is because the material used by the Assessing Officer was not in the nature of admissible evidence. In such circumstances, it has been held that the order, being in violation of principles of natural justice, is null and void.

Balakrishnan Nair (Dr. C) Vs.CIT (1999) 237 ITR 70/103 Taxman 242 (Ker.).

Where the violation has been occurred under search or seizure operation during a validly as initiated proceeding, it should be curable but only before the authority who had faulted in this matter.

R.B. Shreeram Durga Prasad & Fatehchand Nursing Das v. ITSC [1989] 176 ITR 169/43 Taxman 34 (SC).

If principles of natural justice are violated at the stage of assumption of jurisdiction, it would nullify the entire action of subsequent orders e.g. block assessment order passed in pursuance of an invalid search.

Guduthur Brothers v. ITO [1960] 40 ITR 298 (SC)

Tin Box Co. v CIT [2001] 249 ITR 216/116 Taxman 491 (SC)

CIT v. Krishnan (N) [1999] 235 ITR 386 (Ker.)

It has been held that failure to follow the principles of natural justice cannot be made good in subsequent occasion even on further appeal.

2. Burden of proof and shifting of burden:

Basically on the basis of the well settled principle if any proof is to be pressed before the assessing authority the burden vested on the assessee provided the same is on the basis of the books of accounts. However, any adverse inference if required to be placed in the assessment proceeding which is either absolutely or partially prejudicial to the interest of the assessee, the selective burden off course will be shifted to the department which are as under.

a. In assessment proceedings burden of proof keeps on shifting just as volleyball in a volleyball match. However, some deeming provisions is generally vested a proper due step to play where the primary burden of proof has been vested on assessee for the purpose U/s 68,69 and 69A etc.(corresponding to Section 102,103 and 104 of the Income Tax Act,2025).

b. Onus is an important rule of evidence. And very interestingly the verdict of an eminent tax practitioner Mr. Mahendra B. Gabhawala is reproducing hereunder. "Onus… just as in the game of cricket, the toss decides as to whose obligation it is to ball first, in legal proceedings, it is for the person on whose shoulders onus lies to defend him by laying evidence. Let us imagine a situation where there is a deadlock in the sense that neither the department has got any evidence nor the

assessee. Question arises as to in such a case, the matter will be decided in whose favour? The answer will depend as to onus was on whose shoulders. Assuming that the onus was on the shoulders of the assessee and if he has failed to discharge the onus, the matter will be decided against him and vice versa.

The general rule is that onus i.e. the initial burden of proof is always on the party who asserts a proposition or fact which is not self-evident. The onus to prove that the apparent is not real is on the party who claims it to be so. If no evidence is offered by a party who asserts a fact which is not self-evident, the issue has to be decided against it. If the department alleges that a transaction is sham or bogus or that the assessee is benami or somebody else burden lies upon the Assessing Officer to prove the same by laying evidence"

Examples where the onus lies on the department are as under:

- Burden of prove is vested on the department where to prove that the notice was actually served on the assessee;
- Burden of prove is also vested on the department where to prove that a particular transaction is sham, bogus or a benami;
- Burden of prove is also vested on the department where to show that a particular receipt constitute income and that the income is liable to tax;
- Burden of prove is also vested on the department where to prove that a particular income has accrued in a particular place;
- Income has escaped assessment and the conditions necessary for invoking the provisions of under section 147 exist (corresponds to Section 279 of the Income Tax Act,2025);
- Burden of prove is also vested on the department where to prove that an assessee has made unexplained investment, expenditure etc.;
- An isolated transaction constitutes an adventure in the nature of trade;
- The method of accounting followed by an assessee is liable to be rejected; and
- To satisfy the Court that there existed reasons to believe to justify search and seizure action under section 132 or requisition under section 132A (corresponds to Section 247 and 249 of the Income Tax Act,2025);

An illustrative list of circumstances in which onus of proving is on the assessee:

- Where the assessee claims that an income is exempt or a receipt is not income;
- In the case of a cash credit, identity of the creditor, his creditworthiness or capacity to advance loan and the genuine-ness of the transaction;
- Where an assessee claims deduction of an expenditure to prove that a return of income or an appeal was filed in time and/or to prove capital contribution by proprietor/partners; and the Assessing Officer has acted on mala fide intention.
- Income as considered by the department is without jurisdiction of the Block period which pertains to the earlier period prior to the Block period itself.
- Income as considered by the department that may accrue to other assessee excluding the group of assessee.
- However, law does not expect an assessee to do an impossible – (Lex cogit ad impossible followed in)

LIC of India v. CIT [1996] 219 ITR 410/85 Taxman 313 (SC)

3. Deeming provisions and presumptions

a. In a deeming provision it is one which deems a red colour sheet to become a black colour sheet and vice versa.

The word "deemed" is not elaborately defined but on the basis of the general connotation it means apt to include the obvious, the uncertain and even the impossible. Sometimes, it is used to put beyond doubt a particular construction that might otherwise be uncertain.

b. A deeming provision is sometimes intended to elaborate or enlarge the meaning of a particular word which includes matters which otherwise may or may not fall within the provision. Thus, the consequences and incidents following from a legal fiction should also be deemed to be real.

c. There is difference between a legal fiction and a legal presumption. A legal fiction is a legal provision which creates a fact out of what is not a fact. Legal fictions are only for a definite purpose. They have to be strictly construed and they are limited to the purpose for which they are created and should not be extended beyond their legitimate field. There can be no fiction upon fiction. It assumes significance in the context of penalty provision. Since deeming provisions are created by a fiction, there can be no fiction upon fiction and, therefore, the deemed income cannot ipso facto be liable for penal-ties. The law is fairly well-settled that though the finding recorded in the assessment orders may be relevant to initiate penalty for concealment, yet these cannot be sufficient for holding the assessee guilty of concealment. The fictions created under sections 68, 69, 69A, 69B and 69C (corresponds to 102,103,104 and 105 of the Income Tax Act,2025) by itself cannot be extended to penalty proceedings to raise the presumption about concealment of such income reliance is place on CIT v. Baroda Tin Works [1996] 221 ITR 661 (Guj.).

d. A legal presumption is a legal inference to be drawn from a particular fact or set of facts etc. When a legal presumption is sought to be raised by a specific and distinct provision, Hence it cannot be said to be simply clarificatory in nature but, for all intents and purposes, it has to be treated to be a substantive provision of law and without legal inference it cannot be drawn up at all.

e. An inference of fact drawn from other known or proved facts is a 'presumption'. Three types of expressions are generally used in this context, viz

'May presume

'Shall presume' and

'Conclusive proof'.

May presume' means such presumption which is absolutely optional which may be invoked or it may not be invoked. Such presumption is rebuttable. For example, in section 132(4A) of the Act, (corresponds to 249 of the Income Tax Act,2025) the words "may be presumed have been used and presumptions are raised for the books of account, valuables etc. found in the possession of the person searched, that they belong to that person, the contents are true and so on. However the person so searched is entitled to lead evidence to rebut such presumption.

f. 'Shall presume' does not give any option at all to the authority but to assume it to be so. However, such presumption is also rebuttable by the evidence.

g. 'Conclusive proof' means an irrebuttable presumption. It cannot be rebutted by dint of any evidence to the contrary

h. A rebuttable presumption is merely a rule of evidence and it defines as to upon whose shoulders the initial onus lies. Such a person gets an opportunity to displace such presumption by leading evidence. Direct documentary evidence, circumstantial evidence, a statement of the assessee or even his mere denial may discharge the onus, depending upon facts of each case.

i. In sections 44AD, 44AE, 44AF (corresponds to section 58 of the Income Tax Act,2025) any deduction allowable under sections 30 to 38 shall be deemed to have been allowed. Further, the written down value of any asset used for the purpose of business shall be calculated as if the assessee had claimed and actually allowed depreciation. These presumptions are of conclusive nature having no scope of their rebuttal.

j. Value of presumptions - Where any document, valuable etc. is found in the possession or

control of any person in the course of a search, the Assessing Officer may presume under section 132(4) that:

- Such account books, document etc. belong to such person;
- Contents of such account books, documents etc. are true;
- Signature and every other part of account books, documents etc. which purport to be in the handwriting of any particular person or which may reasonably be assumed to have been signed by, or to be in the handwriting of any particular person are in that person's handwriting;
- In case of documents stamped, executed or attested that it was duly stamped and executed or attested by the person by whom it purports to have been so executed or attested.
- It has been held by Allahabad High Court that the presumption under section 132(4A) is for the limited purpose of Search & Seizure proceedings and for retaining the assets under section 132(5) and nothing more: Pushkar Narain Sarraf v. CIT [1990] 183 ITR 388/50 Taxman 213 (All.)
- In certain circumstances, an Assessing Officer can reject accounts and make best judgment assessment on the lines of section 144 of the Act. It is discussed separately under the head, "Ex parte Assessment.

k. For estimating income from contract business, reference may be made to the following decisions:-

- Profit should be estimated with reference to net payment after excluding from gross payment value of materials supplied.. Brij Bhushan Lal Parduman Kumar v. CIT [1978] 115 ITR 524 (SC)/CIT v. Haridas Kapoor & Co. [1989] 180 ITR 329 (All)
- If rate of profit is applied on Contract Receipts, depreciation should be further deducted. - CIT v. Bishambhar Dayal & Co [1994] 210 ITR 118/74 Taxman 123 (All.)

l. Rule against bias

(i) All authorities, including an Assessing Officer, under the Income-tax Act are quasi-judicial authorities and are expected to discharge their functions in an unbiased and judicious manner.

(ii) An Assessing Officer must proceed without bias and give sufficient opportunity to the assessee to place his case before the department and he must conduct himself in accordance with the principles of justice, equity and good conscience.

(iii) An Assessing Officer has to follow principles of natural justice and he has an obligation to allow a meaningful opportunity to the assessee to offer explanation and to adduce evidence.

(iv) The most difficult task in an assessment is impartial evaluation of evidence. Many a time, an Assessing Officer has to deal with circum stantial evidence when he has to consider the same in totality of the circumstances.

(v) It is the duty of an Assessing Officer to draw the attention of the assessee to the deductions, reliefs and refunds to which the latter is prima facie entitled to but has not claimed the same.

Though an Assessing Officer is not a judicial Court, but must proceed in a judicial manner and come to a judicial conclusion. No arbitrarily act is permissible under law. He must respect on the evidences as furnished by the assessee with proper logic in absence of evidence thereon without appreciating any inadmissible evidence or placing reliance upon guess work.

Even Scope of section 143(3) An Assessing Officer has to make assessment after hearing the books of accounts along with evidence as the assessee may produce before the assessing officer may require the assessee to produce and after taking into account all relevant

material which the assessee has produced having gross nexus to material on record.

CIT vs. Mahesh Chand[1993] 199 ITR 247/[1992] 63 Taxman 27 (AIL)

Special attentions are required to the assessee on loose sheets gathered or impounded by the department. The taxing authorities exercise quasi-judicial power. In doing so, they must act in a fair and not under any biased manner where the taxpayer's responsibility to Identify the Dumb document and special efforts logically to convert the loose sheet as Dumb document

During the course of survey under section 133A as well as during the course of search and seizure made under section 132, it is a case of experience that frequently indiscriminately large number of loose papers etc. are found and taken into custody by the Income Tax department.

b. The concerned assesse or his representative has to identify and explain each one of them during assessment proceedings. Under section 132(4A) there is a presumption against the assesse that such loose papers belongs to the assesse as it is found from the assessee's premises and its contents are correct. However, such presumption may be strongly are rebuttable on the basis of the contents of the loose sheets.

c. Mostly, such loose papers contain scribbling's or rough notes and may not mean anything. However, the department is always arbitrarily trying ventures into coding and decoding and income is sought to be estimated by applying multiplier of thousand or even lac or crore. To overcome such issues it is better to establish the same as a estimated figure if the same is appearing as lump sum basis where the name and year must be appeared otherwise it is quite easy to conclude the same as a dumb document.

d. Further over the course of time, the Courts have held that the department have no such authority and unless meaningful data can be culled out which can be corroborated from other material, no addition is called for on the basis of such dumb documents. It is for the department to supply language to dumb documents.

e. Reference may be made to the undernoted decisions:-

No any presumption or assumption is permissible on suspicion, surmise, conjecture and imagination.

Amar Natvarlal Shah v. Asstt. CIT [1997] 60 ITD 560, 564-565 (Ahd.)

In absence of any evidence about the nature of figures noted on loose paper seized, date, name of party etc., no addition can be made merely upon suspicion.

Asstt. CIT v. Shailesh S. Shah [1997] 63 ITD 153 (Bom.)

"In the instant case, the only known facts are that certain papers were found in the business premises of the assesse and it contained certain computations (origin and connection of which is not known) and no intelligible inference therefrom can be drawn. There is no possibility to draw any sensible inference from such known facts or circumstances. In this light of context and views thereof, all additions made appear imaginary as a result of suspicion where no reason to suspect come into play rather the substances of reason to believe thereon.

Brijlal Rupchand v. ITO [1991] 40 TTJ 668 (Indore)

Hence it is now cleared that ultimately the L'd A.O. has to pass the speaking order in consideration the whole logic along with evidences thereof where generally the L'd A.O. is acting based on the higher side of the balance of the physical Net worth in comparison to books and documents as recorded either in the assessee's premises or in any other assessee's premises and on the basis thereof Notice will be issued either U/s 153A else U/s 153C respectively to conclude the search assessment at all.

PRESS RELEASE

INDIRECT TAX

Frequently Asked Questions-3 (FAQs-3) on the decisions of the 56th GST Council held in New Delhi

Posted On: 18 SEP 2025 11:00AM by PIB Delhi

Q1. In which notification will I find the CGST rates changes for goods? Is a new Notification being issued?

You will find the changes in CGST rates on goods in Notification No. 9/2025- Central Tax (Rate) dated 17.9.2025. This Notification No. 9/2025- Central Tax (Rate) dated 17.9.2025 has been issued in supersession of earlier Notification No.1/2017- Central Tax (Rate) dated 28th June 2017.

The same is available on:

https://taxinformation.cbic.gov.in/view- pdf/1010436/ENG/Notifications

Q2. In which notification will I find the list of exempted goods from CGST? Is a new Notification being issued?

You will find the list of goods exempted from CGST in Notification no. 10/2025-Central Tax (Rate) dated 17.9.2025. This Notification no. 10/2025-Central Tax (Rate) dated 17.9.2025 has been issued in supersession of earlier Notification No.2/2017- Central Tax (Rate) dated 28th June 2017.

The same is available on:

https://taxinformation.cbic.gov.in/view- pdf/1010437/ENG/Notifications

Q3. In which notification will I find the GST rate for handicrafts? Is a new Notification being issued?

You will find the GST rates for handicrafts in Notification no. 13/2025-Central Tax (Rate) dated 17.9.2025. This Notification no. 13/2025-Central Tax (Rate) dated 17.9.2025 has been issued to amend Notification No.21/2018- Central Tax (Rate) dated 26th July, 2018.

The same is available on:

https://taxinformation.cbic.gov.in/view- pdf/1010440/ENG/Notifications

Q4. Which notification prescribes the amended rates of compensation cess?

Notification no. 1/2017-Compensation Cess (Rate) dated 28.6.2017 has been amended vide Notification no. 2/2025-Compensation Cess (Rate) dated 17.9.2025 to notify the changes in compensation cess rates.

The same is available on:

https://taxinformation.cbic.gov.in/view- pdf/1010449/ENG/Notifications

Q5. Which is the notification relating to change in GST rate on goods imported for petroleum operations?

Please refer to notification no. 11/2025- Central Tax (Rate) dated 17.9.2025 in this regard.

The same is available on:

https://taxinformation.cbic.gov.in/view- pdf/1010438/ENG/Notifications

Q6. Has a new notification been issued for bricks under Special Composition Scheme?

There is no change in GST rate under the special composition scheme for bricks other than sand lime bricks. Notification no. 14/2025- Central Tax (Rate) dated 17.9.2025 has been issued in this regard.

The same is available on:

https://taxinformation.cbic.gov.in/view- pdf/1010441/ENG/Notifications

CBIC and all Zones and Directorates under it are participating with enthusiasm to achieve targets under Special Campaign 5.0 between 2nd-31st October 2025

Posted On: 01 OCT 2025 6:17PM by PIB Delhi

The Central Board of Indirect Taxes and Customs (CBIC) is enthusiastically participating in the Special Campaign 5.0 as announced by Govt. of India from 2nd – 31st October, 2025 for cleanliness and disposal of pending matters with a focus on disposal of e-Waste generated as per E-Waste Management Rules 2022 of MoEFCC, space management and enhancing work place experience of Field offices.

During the preparatory phase of Special Campaign 5.0, to strengthen coordination and effective implementation, nodal officers have been designated in all the Zones and Directorates under CBIC. Extensive efforts have been undertaken to ensure that nodal officers across the country are thoroughly sensitised about the objectives, scope, and various activities envisaged under the campaign. These officers have been tasked with the responsibility of guiding and sensitising field formations, ensuring that the prescribed timelines are strictly adhered to, fostering a culture of innovation by encouraging brainstorming sessions for identifying new initiatives that can further enhance the outcomes of Special Campaign 5.0.

Formations under CBIC across India are actively participating in the Special campaign 5.0 and following activities are proposed to be undertaken -

- 46,733 physical files will be reviewed and redundant files as per norms will be weeded out.
- 7292 e-files will be reviewed and subsequently be closed.
- 1073 places in and around office premises and public places have been selected to be cleaned under this campaign
- 26,226 kg scrap, including e-waste of 16,113 kg will be disposed off during this campaign which would not only generate space for constructive use but would also earn revenue.

Further, CBIC has also identified a target for disposing of 1,236 public grievances and 176 grievance appeals registered on CPGRAM Portal during the preparatory phase of Special Campaign 5.0.

DIRECT TAX

CBDT extends 'specified date' for filing of various reports of audit for the Assessment Year 2025-26 from 30th September, 2025 to 31st October, 2025

Posted On: 25 SEP 2025 5:08PM by PIB Delhi

The 'specified date' of furnishing of the report of audit under any provision of the Income-tax Act, 1961, for the Previous Year 2024-25 (Assessment Year 2025-26), in the case of assessees referred to in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act, is 30th September, 2025.

The CBDT has received representations from various professional associations, including Chartered Accountant bodies, highlighting certain difficulties being faced by taxpayers and practitioners in timely completion of audit report. The reasons cited in these representations include disruptions caused by floods and natural calamities in certain parts of the country, which have impeded normal business and professional activity. This matter has also come up before High Courts.

It is clarified that the Income-tax e-filing portal has been operating smoothly and without any technical glitches and the Tax Audit Reports are being uploaded successfully. The system is stable and fully functional, enabling submission of various statutory forms and reports. At the close of 24th September 2025, 4,02,000 Tax Audit Reports (TARs) were uploaded, with

over 60,000 Tax Audit Reports (TARs) uploaded on 24th September, 2025. Furthermore, more than 7.57 crore ITRs have been filed till 23rd September,2025.

However, keeping in view the representation of the Tax practitioners and their submissions before the Hon'ble Courts, the 'specified date' for furnishing of the report of audit under any provision of the Income-tax Act, 1961, for the Previous Year 2024-25 (Assessment Year 2025-26), in the case of assessees referred to in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act is extended from 30th September, 2025 to 31st October, 2025.

A formal order/notification to this effect is being issued separately.

ANNIVERSARY EDITION

NOTIFICATION

INDIRECT TAX

Notification No. 40/2025-Customs

New Delhi, the 25" of September, 2025

G.S.R...(E).—In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Cenoal 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. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 785(E), dated the 30th June, 2017, namely:-

In the said notification, in the TABLE, -

(i) against S. No. 597, in column (3), for the second proviso, the following provisos shall be substituted, namely: -

"Provided further that item (i) shall cease to have effect after 30th September, 2025: Provided also that items (iii) and (v) shall cease to have effect after 30th September, 2027.";

(ii) against S. No. 598, in column (3), for the figures, "2025", the figures, "2027" shall be substituted;

(iii) against S. No. 601, in column (3), for the figures, "2025", the figures, "2027" shall be substituted;

(iv) against S. No. 602, in column (3), for the figures, "2025", the figures, "2027" shall be substituted;

(v) against S. No. 603, in column (3), for the figures, "2025", the figures, "2027" shall be substituted.

2. This notification shall come into force with effect from 30" September, 2025.

Notification No. 41/2025-Customs

New Delhi, the 30th September, 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, being satisfied that it is necessary in the public interest so to do, hereby exempts, -

(i) goods of the description as specified in column (3) of the TABLE I appended below and falling under the Tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in the corresponding entries in column (2) of the said TABLE, -

(a) from so much of the duty of customs leviable thereon, as is in excess of the amount calculated at the rate specified in the corresponding entries in column (4) of the said TABLE;

(b) from so much of the Agriculture Infrastructure and Development Cess (AIDC) leviable under section 124 of the Finance Act, 2021 (13 of 2021), as is in excess of the amount calculated at the rate specified in the corresponding entries in column (5) of the said TABLE;

(c) from so much of the Health Cess leviable under section 141 of the Finance Act, 2020 (12 of 2020), as is in excess of the amount calculated at the rate specified in the corresponding entries in column (6) of the said TABLE,

(ii) goods of the description as specified in column (3) of the TABLE II appended below and falling under the Tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in the corresponding entries in column (2) of the said TABLE, from so much of the duty of customs leviable thereon as is in excess of the amount calculated at the rate specified in the corresponding

entries in column (4) of the said TABLE and from so much of the Agriculture Infrastructure and Development Cess (AIDC) leviable under section 124 of the Finance Act, 2021 (13 of 2021), as is in excess of the amount calculated at the rate specified in the corresponding entries in column (5) of the said TABLE,

when imported into Republic of India from Switzerland:

Provided that the exemption shall be available only if importer proves to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, that the goods in respect of which the benefit of this exemption is claimed are of the origin of Switzerland, in terms of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 and rules as may be notified in this regard by the Central Government by publication in the official Gazette.

Entire Notifications can be read at: *https://taxinformation.cbic.gov.in/view-pdf/1010476/ENG/Notifications*

Notification No. 42/2025-Customs

New Delhi, the 30th September, 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, being satisfied that it is necessary in the public interest so to do, hereby exempts goods of the description as specified in column (3) of the TABLE appended below and falling under the Tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in the corresponding entries in column (2) of the said TABLE, -

(i) from so much of the duty of customs leviable thereon, as is in excess of the amount calculated at the rate specified in the corresponding entries in column (4) of the said TABLE;

(ii) from so much of the Agriculture Infrastructure and Development Cess (AIDC) leviable under section 124 of the Finance Act, 2021 (13 of 2021), as is in excess of the amount calculated at the rate specified in the corresponding entries in column (5) of the said TABLE;

(iii) from so much of the Health Cess leviable under section 141 of the Finance Act, 2020 (12 of 2020), as is in excess of the amount calculated at the rate specified in the corresponding entries in column (6) of the said TABLE,

when imported into Republic of India from Norway:

Provided that the exemption shall be available only if importer proves to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, that the goods in respect of which the benefit of this exemption is claimed are of the origin of Norway, in terms of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 and rules as may be notified in this regard by the Central Government by publication in the official Gazette.

Entire Notifications can be read at: *https://taxinformation.cbic.gov.in/view-pdf/1010477/ENG/Notifications*

Notification No. 43/2025-Customs

New Delhi, the 30th September, 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, being satisfied that it is necessary in the public interest so to do, hereby exempts goods of the description as specified in column (3) of the TABLE appended below and falling under the Tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in the corresponding entries in column (2) of the said TABLE, - (i) from so much of the duty of customs leviable thereon, as is in excess of the amount calculated at the rate specified in the corresponding entries in column (4) of the said TABLE;

(ii) from so much of the Agriculture Infrastructure and Development Cess (AIDC) leviable under section 124 of the Finance Act, 2021 (13 of 2021), as is in excess of the amount calculated at the rate specified in the corresponding entries in column (5) of the said TABLE;

(iii) from so much of the Health Cess leviable under section 141 of the Finance Act, 2020 (12 of 2020),

as is in excess of the amount calculated at the rate specified in the corresponding entries in column (6) of the said TABLE,

when imported into Republic of India from Iceland:

Provided that the exemption shall be available only if importer proves to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, that the goods in respect of which the benefit of this exemption is claimed are of the origin of Iceland, in terms of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 and rules as may be notified in this regard by the Central Government by publication in the official Gazette

Entire Notifications can be read at: *https://taxinformation.cbic.gov.in/view-pdf/1010478/ENG/N*

DIRECT TAX

NOTIFICATION

New Delhi, the 22nd September, 2025

S.O. 4251(E).—In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Real Estate Regulatory Authority' Rajasthan, Jaipur (PAN: AAAGR0430E) an Authority constituted by the Rajasthan State Government, in respect of the following specified income arising to that Authority, namely: - (a) Amount received as Grant-in-aid or loan/ advance from Government; (b) Fee/penalty received as per the provisions of 'The Real Estate (Regulation and Development) Act, 2016' (No. 16 of 2016); (c) Interest earned on (a) & (b) above 2. This notification shall be effective subject to the conditions that 'Real Estate Regulatory Authority' Jaipur, Rajasthan - (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. 3. This notification shall be deemed to have been applied for assessment years 2023-2024 to 2025-2026 relevant for the financial years 2022-2023 to 2024-2025 and shall be applicable for assessment year 2026-2027 to 2027-2028 relevant for the financial year 2025-2026 to 2026-2027.

NOTIFICATION

New Delhi, the 22nd September, 2025

S.O. 4252(E).—In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'High Court Legal Services Committee' (PAN AAAAH6532R), an Authority constituted by the State Authority, Union Territory, Chandigarh in consultation with the Chief Justice of the High Court of Punjab and Haryana under the Legal Services Authority Act, 1987 (Central Act No. 39 of 1987), in respect of the following specified income arising to the said Authority, as follows: (a) Cost imposed by Hon'ble Punjab & Haryana High Court, Chandigarh; (b) Grant(s) received from Central Government, State Government(s), Govt agencies & other authority(ies) for the purposes of the Legal Services Authorities Act, 1987; (c) Interest income earned on bank deposits. 2. This notification shall be effective subject to the conditions that High Court Legal Services Committee, Chandigarh- (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. 3. This notification shall be deemed to have been applied for the Assessment Years 2023-2024 to 2025-2026 relevant for Financial Years 2022-2023 to 2024-2025 and shall apply with respect to the Assessment Years 2026-2027 and 2027-2028 relevant to Financial Years 2025-2026 and 2026-2027.

CIRCULAR

INDIRECT TAX

GST

Circular No. 252/09/2025 -GST

New Delhi, Dated – 23rd September 2025

Subject: - Communication to taxpayers through eOffice - requirement of Document Identification Number (DIN) - reg.

Attention is invited to Board's Circular No. 122/41/2019-GST dated 05th November 2019 and 128/47/2019-GST dated 23rd December 2019 regarding Generation and Quoting of Document Identification Number (DIN), initially on specified documents and subsequently expanded to all communications (including e-mails) sent to taxpayers and concerned persons.

2. Attention is also invited to subsequent Board's Circular No. 249/06/2025-GST dt. 09thJune 2025 clarifying that for communications via GST common portal (in compliance with Section 169 of the CGST Act, 2017) having verifiable Reference Number (RFN), quoting of Document Identification Number (DIN) is not required and such communication bearing RFN is to be treated as a valid communication.

3. On similar lines, it has been brought to the notice of the Board that communications issued through eOffice of CBIC bear an automatically generated unique 'Issue number'. However, no online utility was available to verify the authenticity of such communications through Issue number, hence DIN was required to be generated and quoted on such communications. Now an online utility has been developed and made functional (URLhttps://verifydocument.cbic.gov.in), where the taxpayers and other concerned persons can verify online the electronically generated unique "Issue number" borne on communications dispatched using public option in eOffice application by CBIC officers. Upon verification, this utility confirms the Issue number, and other details and provides information to authenticate the document, like, -

   i. File number,
   ii. Date of issuing the document,
   iii. Type of communication,
   iv. Name of Office issuing the document,
   v. Recipient name (masked),
   vi. Recipient address (masked),
   vii. Recipient email (masked).

4. The name of the office issuing the document is captured from the data available within eOffice, while the document type, recipient name, recipient address, recipient are entered in the metadata by the officers creating the document. Officers responsible for issuing communications via CBIC's eOffice must mandatorily fill and ensure correctness of this information in the metadata while creating the draft before its approval.

5. In light of the above, quoting separate DIN on such communications dispatched using public option in eOffice application, which already bear issue number, will result into two different electronically generated verifiable unique numbers namely Issue No. & DIN on the same communication, which renders quoting of separate DIN on such communication unnecessary. It is therefore decided that for communications dispatched using public option in CBIC's eOffice application, the verifiable eOffice 'Issue number' shall be deemed to be the Document Identification Number and such communication shall be treated as a valid communication.

6. The Document Identification Number generated through DIN utility shall continue to be mandatorily quoted on all other communications which have either not been dispatched using public option in CBIC's eOffice application or which do not bear the verifiable Reference Number (RFN) generated on GST common portal.

7. To the above extent, Circular No. 122/41/2019-

GST dated 05th November 2019,Circular No. 128/47/2019-GST dated 23rd December 2019 and Circular No. 249/06/2025-GST dated 09th June 2025 issued by the Board, stands modified.

Circular No. 253/10/2025 – GST

New Delhi, dated the 1st October, 2025

Subject: - Withdrawal of circular No. 212/6/2024-GST dated 26th June, 2024 – reg...

Kind attention is invited to circular No. 212/6/2024-GST dated 26th June, 2024 wherein clarifications were given in relation to mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers.

2. In order 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 Central Goods and Services Tax Act, 2017, hereby withdraws, circular No. 212/6/2024-GST dated 26th June, 2024. Therefore, the procedure prescribed vide the aforesaid circular for providing evidence of compliance of conditions of Section 15(3)(b)(ii) shall not be required.

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in implementation of this circular may please be brought to the notice of the Board..

DIRECT TAX

Circular No. 13 /2025

New Delhi, 19th September, 2025

Subject: Order under section 119 of the Income-tax Act, 1961 for waiver of interest payable under section 220(2) due to late payment of demand, in certain cases - reg.

The provisions of section 115BAC(1 A) of the Income-tax Act, 1961 ('the Act') are subject to the other provisions of Chapter XII of the Act. Therefore, incomes chargeable to tax at special rates as specified under various provisions of Chapter XII of the Act are not included while determining the chargeability to tax under section 115BAC(1 A) of the Act. Further, the clause (b) of proviso to section 87A is applicable to incomes chargeable to tax under section 115BAC(1 A) of the Act. 2. It is noticed that in certain cases, the returns had already been processed and rebate was allowed under section 87 A of the Act on incomes chargeable to tax at special rates. In such cases, rectifications have to be carried out to disallow such rebate, which has been incorrectly allowed. Such rectifications will result in demands getting raised. If the payments of such demands raised are delayed then the same are liable for charging of interest under section 220(2) of the Act. 3. In order to mitigate the genuine hardship arising to such taxpayers on account of interest payable under section 220(2) of the Act, the Central Board of Direct Taxes ('the Board'), in exercise of its powers conferred under section 119 of the Act, directs that the interest payable under section 220(2) of the Act shall be waived in such cases where the payment of the demands raised, is made on or before 31.12.2025. 4. In such cases, if a taxpayer fails to pay the demand raised as a result of rectification order passed by the CPC on or before 31.12.2025, the interest shall be charged under section 220(2) of the Act from the day immediately following the end of the period mentioned in subsection (I) of section 220 of the Act. 5. Hindi version shall follow.

Circular No.14/2025

New Delhi, dated 25th September 2025

Subject: - Extension of timelines for filing of various reports of audit for Financial Year 2024-25 (relevant to Assessment Year 2025-26) by auditable assessees- reg

The Central Board of Direct Taxes (CBDT), in exercise of its powers under Section 119 of the Income-tax Act,1961 (the Act) hereby extends the 'specified date' for the assessees referred in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act for furnishing of report of audit under any provisions of the Act for the Financial Year 2024-25 (relevant Assessment Year 2025-26) from 30th September, 2025 to 31st October, 2025.

JUDGEMENT

INDIRECT TAX

GST authorities cannot decide civil disputes over will validity; such matters belong to Civil Court: HC

Facts of the Case:

Ved Prakash Agarwal vs. State of Telangana - [2025] (Telangana)

The petitioners, sons of the deceased proprietor of a spices and masala manufacturing business, challenged the GST registration obtained by the grandson of the deceased, who claimed entitlement under a Will allegedly executed in his favor. The grandson had filed a civil suit seeking a permanent injunction restraining the sons from interfering with the business, but the Civil Court refused to grant injunction, holding that the Will appeared to be forged. Subsequently, the sons filed a petition before the GST authorities seeking cancellation of the GST registration obtained by the grandson on the ground that it was obtained by playing fraud and based on forged documents. The GST authorities refused the petition. Both parties then filed writ petitions before the High Court seeking cancellation of each other's GST registration. The matter was accordingly placed before the High Court of Telangana.

Decision of the Case:

The Telangana High Court held that the validity of the Will was sub-judice and that civil disputes or conflicting claims regarding genuineness and validity of instruments like Will, succession, and similar matters should not be adjudicated by GST authorities. The Court observed that the appropriate forum for determination of rights in such matters lies with the Civil Court. It was noted that the sons had the right to claim their share in the property, including the business of the deceased, in the pending civil suit. Consequently, the Court directed that GST registration of both parties should be verified only after determination of rights of the parties in the civil suit, clarifying that GST authorities cannot adjudicate civil disputes or claims over succession and validity of documents under Section 29 of the CGST Act.

Denial of cross-examination of key witness whose transactions were treated as turnover breached natural justice; order quashed: HC

Facts of the Case :

X L Interiors vs. Deputy Commissioner (Intelligence), SGST Department - [2025] (Kerala)

The assessee, subjected to inspection by the intelligence unit at its premises, faced a show cause notice alleging suppression of turnover based on statements of several witnesses and documents, including bank statements and books of accounts, collected during the inspection. The assessee filed detailed objections and produced supporting documents before the adjudicating authority and requested permission to examine or cross-examine certain witnesses. The authority rejected the request without considering whether any of the witnesses were relevant, observing that the assessee had sought to examine multiple persons unrelated to the transactions. The matter was accordingly placed before the High Court.

Decision of the Case:

The High Court held that denial of opportunity to cross-examine a key witness, whose transactions with the assessee were relied upon to treat advances as turnover, violated principles of natural justice. It was observed that examination of this witness was necessary to adjudicate disputes regarding the nature of the transactions in a judicious manner. Consequently, the impugned adjudication order was quashed, and the revenue was directed to re-hear the matter, ensuring that the assessee is afforded the opportunity to examine the relevant witness.

Services provided to foreign university for student enrolment not intermediary services; refund allowed: HC

Facts of the Case:

IDP Education India (P.) Ltd. vs. Union of India - [2025] (Rajasthan)

The petitioner, a subsidiary of an Australian company, provided services related to student placement in foreign universities, including guidance on courses, qualifications, counselling, and enrolment assistance. The petitioner had no contractual relationship with the foreign universities or the students and did not influence the final admission process. The petitioner classified the services supplied to the Australian company as export of services and claimed refund of IGST paid on such zero-rated supply. Both the original and appellate authorities held that the petitioner acted as an intermediary and accordingly denied export status and refund. The matter was accordingly placed before the High Court.

Decision of the Case:

The High Court held that for an entity to qualify as an 'intermediary', there must be a three-party contractual arrangement, which was absent in the present case. The Court observed that the petitioner's services were rendered solely to the Australian company under a bipartite arrangement and, therefore, qualified as export of services. It was further held that the petitioner had no role in the final admission process, nor any direct dealings with students or foreign universities, reinforcing that the services could not be treated as intermediary services. The Court remanded the matter to the Adjudicating Authority for processing the refund claim and directed that the IGST refund be paid along with applicable interest.

Parallel proceedings initiated by State authority for same period would be barred under section 6(2)(b): HC

Facts of the Case:

Lotus Valley Resort vs. Union of India - [2025] (Allahabad)

The petitioner, a registered assessee under GST, was initially issued a show cause notice by the jurisdictional officer under CGST for a specified period. Subsequent to this, proceedings under section 70 were also initiated by the jurisdictional officer under the Uttar Pradesh GST Act, resulting in the passing of an order against the petitioner. The petitioner contended that once proceedings had already been initiated by the central authority, any parallel initiation by the state authority for the same period was barred under section 6(2)(b). It was accordingly urged that the order passed by the state authority was without jurisdiction and liable to be quashed, and the matter was placed before the High Court.

Decision of the Case:

The High Court held that in terms of section 6(2)(b), where a proper officer under CGST has initiated proceedings on a particular subject matter, no proceedings on the same matter can be initiated by the proper officer under the State GST law. The Court observed that the issuance of a show cause notice by the central authority constituted initiation of proceedings, and consequently, the order passed by the state authority was barred. It further directed that the order of the state authority be set aside and that the state authorities hand over all documents and data pertaining to the assessee to the central authority for completion of the proceedings already initiated.

Appellate Authority must verify assessee's documents before reversing refund order: HC

Facts of the Case:

Hitachi Energy India Ltd. vs. Union of India - [2025] (Gujarat)

The petitioner filed a refund claim under the category 'Export of Goods/Services without payment of Tax' in terms of Section 54 of the CGST/Gujarat GST Act, along with Bank Realisation Certificates (BRC) and other relevant documents evidencing receipt of foreign remittance for zero-rated services. The refund claim was verified and sanctioned by the department after review of the submitted documents. Subsequently, the Appellate

Authority reversed the refund sanction on the ground that details of the BRC and other supporting documents were not mentioned. The petitioner submitted that the BRC and relevant documents had been filed along with a statement containing invoice numbers and dates, and that the documents were verified during the original sanction of the refund. The matter was accordingly placed before the High Court.

Decision of the Case:

The High Court held that the Appellate Authority failed to consider that the petitioner had submitted the BRC along with relevant documents and that these were verified by the department during the original refund sanction. The Court observed that the Appellate Authority also ignored the details recorded in the refund sanction order regarding the documents uploaded by the petitioner and their verification. Accordingly, the impugned order reversing the refund sanction was contrary to the records and was quashed and set aside. The High Court directed that the original refund order be restored.

DIRECT TAX

Wife can't claim release of gold seized during search if same was assessed in hands of husband: HC

Facts of the Case:

Lakshmi R. Nair v. Principal Commissioner of Income-tax - [2025] (Kerala)

The petitioner was the wife of a former Chief Secretary of Kerala. A search was conducted by the officers of the Income Tax authorities at the petitioner's house under Section 132. Along with the petitioner, her husband and her mother were also staying there. After the search, 379.6 sovereigns of Gold belonging to the Petitioner, her mother, daughter, son and son-in-law, along with cash and title deeds of properties, were seized by the Income Tax officials.

Based on the search, an assessment was made against the petitioner's husband. Since the husband contended that the gold ornaments belonged to the petitioner, a protective assessment was initiated against the petitioner. During the said proceedings, the petitioner submitted a representation before the Chief Commissioner of Income Tax, requesting the release of the gold ornaments seized. Since there was no response, the petitioner submitted repeated representations, in which they referred to the earlier representations they had submitted.

The Chief Commissioner rejected the representations, stating that the articles were seized based on the warrant issued in the name of the petitioner's husband. The valuables, jewellery and other articles were seized in the name of the husband of the petitioner. Therefore, if at all any release is to be ordered, the same has to be done only to the husband of the petitioner.

The matter reached the Kerala High Court.

Decision of the Case:

The High Court held that the gold in question had already been assessed in the proceedings initiated against the petitioner's husband. The petitioner's husband took a specific contention that all these articles belonged to him, but this contention was rejected, and the assessment was completed, except for a certain portion of the gold.

The challenge raised against such assessment orders, wherein the gold claimed by the petitioner was assessed in the name of the petitioner's husband, ultimately resulted in a judgment by a Division Bench of the High Court. In the said judgment, the findings of the appellate authority with regard to the inclusion of the said gold in the name of the husband of the petitioner were upheld.

The question regarding the entitlement and ownership of the gold claimed by the petitioner has already been decided by the High Court, and such a decision has become final. The petitioner cannot make a further claim in respect of the same. To be precise, such a claim is beyond the legal competence of the petitioner, as the petitioner has no right to make such a claim.

HC slams AO for blindly following info. provided by software system; imposes cost of ₹. 10,000

Facts of the Case:

Punjab National Bank vs. Income-tax Officer - [2025] (Gujarat)

The assessee was a bank. Oriental Bank of Commerce (OBC) had merged with the assessee, and the PAN of OBC had been requested to be cancelled since 2013. However, the Assessing Officer (AO) passed the assessment order against the non-existent entity under the said PAN.

The matter reached before the Gujarat High Court, where the High Court proposed the imposition of costs of ₹. 1 crore on the AO for negligent assessment action without independent verification and over-reliance on the software system.

On receipt of the notice, the AO filed an affidavit stating that the Systems were being continuously updated to address such issues and tendered an unconditional apology, seeking relief from the proposed costs.

Decision of the Case:

The High Court held that instead of taking help from the software system, the AO was being directed by the software system as if the software system were the master of the AO. The AO was blindly following the information made available by the software system and taking action without verifying its veracity.

It may, therefore, happen that if someone enters false or wrong information in the software system, the AO would take action based on such information without verifying its correctness, resulting in multiple and protracted litigation. Furthermore, the Jurisdictional Assessing Officers were acting as a tool of the software system to initiate proceedings, rather than taking information as the sole basis, without conducting any inquiry or applying their mind.

Thus, the present case was a classic example where little verification or application of mind by the Jurisdictional Assessing Officer would not have led to this litigation, and it could have been avoided by not taking any action, particularly given the merger of one National Bank with the petitioner bank. Ultimately, the petition was disposed of with token costs of ₹. 10,000 payable by the Revenue to the Gujarat State Legal Service Authority, in place of the initially proposed ₹. 1 crore.

Income from sale of seeds produced by getting them cultivated through farmers is agricultural income: HC

Facts of the Case:

Principal Commissioner of Income-tax v. Nuziveedu Seeds Ltd - [2025] (Telangana)

The assessee was a company engaged in the business of research, production, and sale of agricultural/hybrid seeds. It entered into agreements with farmers to utilise their lands, under which the farmers performed normal agronomic practices for the production of seeds from foundation seeds supplied by the assessee under its supervision and control.

For the relevant assessment year, the assessee claimed exemption under section 10(1). During the assessment proceedings, the Assessing Officer (AO) disallowed the exemption on the ground that the assessee was not directly involved in agricultural activity. On appeal, the CIT(A) allowed the assessee's claim. The Tribunal also allowed the claim, and the matter reached the High Court.

Decision of the Case:

The High Court held that the parent seeds were produced through agricultural cultivation. The company undertook cultivation under its supervision and at its own cost and risk.

The production of these seeds and the farmer, wherein under the supervision, technical guidance, and control of the company, is in agreement for the production of the Hybrid seeds, since they have a direct nexus with the land owned by it or on the leased lands by supplying seeds to the farmers and getting them cultivated under its supervision and control and the company plays an active role of action of monitoring and nurturing the plants by the assessee cultivated by the farmers.

Although the assessee may not be directly involved in the cultivation activity, it was indirectly involved through farmers in the production of hybrid seeds yielding high yields for various types of hybridisation, which were used in agriculture to produce high-yielding seeds. Therefore, the assessee was indirectly involved in the said activity.

Accordingly, the Tribunal was justified in allowing deduction under section 10(1) of the Income-tax Act by taking the income of the assessee as agricultural income.

AO can't make additions if assessee didn't claim deduction of expenses in ITR: HC

Facts of the Case:

Kedaara Captial Fund II LLP v. Assessment Unit, National Faceless Assessment Centre (NFAC), Delhi - [2025] (Bombay)

The assessee was a Category II AIF, a closed-ended fund registered with SEBI. It filed its return declaring nil income. It was an investment fund as defined under Section 115UB and earned only short-term capital gains of a certain amount, which were exempt under Section 10(23FBA) read with Section 115UB.

During the year, the assessee made significant investments aggregating to a substantial amount using the capital raised from its unit holders. The assessee had incurred certain expenses, including management fees and other related costs paid to its investment advisor, as well as other expenses such as personnel costs and salaries. Same were debited to the statement of profit and loss for the year. Assessing Officer (AO) disallowed expenses on the ground that expenses were neither found genuine nor any income had been offered against these expenses, and added the same to the assessee's income.

The aggrieved assessee filed a writ petition to the Bombay High Court.

Decision of the Case : The Bombay High Court held that the AO wrongly relied on the accounting treatment to make the aforesaid addition. He failed to recall the well-established principle of law that treatment given by the assessee in its books of account is not decisive/ conclusive for determining the taxable income under the Act. Whether an assessee is entitled to a deduction or not entirely depends upon the provisions of the Act dehors the disclosure in its books of account.

In the instant case, it was undisputed that the addition of expenses made by the AO was never claimed as a deduction by the assessee in its return of income. In other words, these expenses were never claimed as a deduction to give rise to the AO to add back those deductions in the income returned by the assessee. Therefore, the addition of expenses made by the AO in the income returned by the assessee was wholly unsustainable.

ITAT sets aside addition for alleged suppression of fertilizer stock due to AO's distorted figures: ITAT

Facts of the Case:

Gangadhar Agarwal vs. Income-tax Officer - [2025] (Hyderabad - Trib.)

The assessee was engaged in the business of trading in fertilisers. During scrutiny, the Assessing Officer (AO) observed that the quantitative details filed by the assessee did not tally with those that were placed on his record on the earlier occasion. The AO observed that the Trading, Profit & Loss account uploaded by the assessee revealed a quantitative suppression of a value of ₹. 5.19 crore, specifically suppressed purchases and sales without corresponding purchases.

Thus, the AO made an addition of ₹. 5.19 crore by treating it as unexplained expenditure under section 69C or unexplained money under section 69A. On appeal, the CIT(A) sustained the addition made by the AO. Aggrieved by the order, the assessee filed an appeal to the Hyderabad Tribunal.

Decision of the Case:

The Tribunal held that, upon perusing the controversy at hand, in the backdrop of the reconciliation, substance was found in the assessee's explanation. The assessee claims that the discrepancy arose because the brand/ sub-heads of the parent items traded by the assessee were considered separately by the AO, rather than the parent items themselves.

The AO had not only confined the discrepancy to the parent item but also extended it through alleged inferences regarding the brands/sub-head items. The alleged discrepancy has its roots in the AO's failure to appreciate that the "opening stock" of MOP (the parent item) was comprised of PPL-MOP (a brand item of MOP).

Thus, the glaringly distorted quantitative facts/ figures provided by the AO had resulted in the alleged discrepancies being drawn in the form of suppressed purchases, sales, and closing stock. The very basis for the adoption of the distorted figures by the AO, based on which he has drawn adverse inferences, both regarding the parent items and the brands/sub-heads (of the parent items), resulting in an exorbitant addition of ₹. 5.19 crore in the hands of the assessee, is not understandable.

The AO failed to correctly appreciate the facts of the case as were discernible from the record available to him, and thus, the same cannot be sustained.

TAX CALENDAR

INDIRECT TAX

Due Date	Returns
Oct 10th, 2025	GSTR – 7 (Sept, 2025)
	GSTR – 8 (Sept, 2025)
Oct 11th, 2025	GSTR –1 (Sep,2025)
Oct 13th, 2025	GSTR –1(July – Sep 2025)
	GSTR – 5 (Sept, 2025)
	GSTR – 6 (Sept, 2025)

DIRECT TAX

Due Date.	Return.
October 7th 2025 -	Due date for deposit of tax deducted/collected for the month of September, 2025. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production
	Due date for deposit of TDS for the period July 2025 to September 2025 when Assessing Officer has permitted quarterly deposit of TDS under section 192 , section 194A , section 194D or section 194H
	Uploading of declarations received in Form 27C from the buyer in the month of September, 2025
	Due date for deposit of TDS for the period July 2025 to September 2025 when Assessing Officer has permitted quarterly deposit of TDS under section 192, section 194A , section 194D or section 194H
	Uploading of declarations received in Form 27C from the buyer in the month of September, 2025

Due Date.	Return.
October 15th 2025 -	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of September, 2025 has been paid without the production of a challan
	Due date for issue of TDS Certificate for tax deducted under section 194-IB, section 194-IA, section 194M, section 194S in the month of August, 2025
	Quarterly statement of TCS deposited for the quarter ending September 30, 2025
	Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 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 September, 2025
	Furnishing of quarterly statement (by an authorised dealer) in respect of foreign remittances made during the quarter ending September 30, 2025
	Furnishing of quarterly statement (by an IFSC unit) in respect of foreign remittances made during the quarter ending September 30, 2025
	Furnishing of statement under Rule 114AAB (by specified fund) for the quarter ending September 30, 2025.

ANNIVERSARY EDITION

E-PUBLICATIONS
Of
TAX RESEARCH DEPARTMENT

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

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

TAXATION COMMITTEES - PLAN OF ACTION

Proposed Action Plan:

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

Contact Details:

Tax Research Department

12, Sudder Street, KolKata - 700016

Phone: +91 33 40364714/ +91 33 40364798

E-mail: trd@icmai.in

ICMAI
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
भारतीय लागत लेखाकार संस्थान

Statutory Body under an Act of Parliament
(Under the Jurisdiction of Ministry of Corporate Affairs)

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