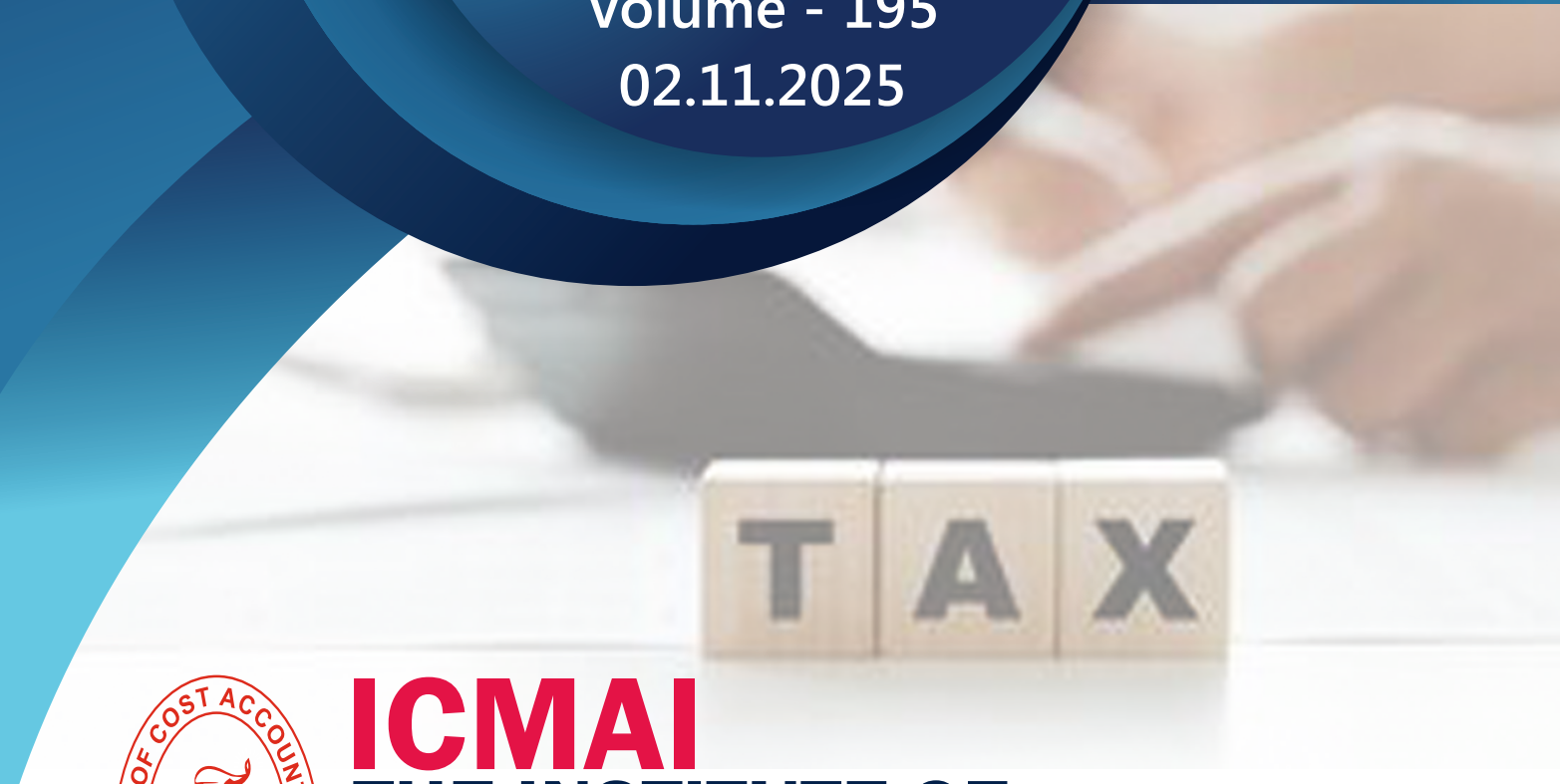
November, 2025

TAX Bulletin

Volume - 195
02.11.2025



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Statutory Body under an Act of Parliament
(Under the Jurisdiction of Ministry of Corporate Affairs)
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"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

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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.
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5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders and also Crash Courses on GST for Colleges and Universities.

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Description	Course Name						
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Mode of Class	Offline/ Online	Online					
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Behind every successful business decision, there is always a CMA

Chairman's Message

CMA Rajendra Singh Bhati

Chairman Direct Taxation Committee

To ensure that our members remain fully aligned with the rapidly transforming direct tax landscape, the Committee curated a series of high-impact, knowledge-enriching webinars during the month. These thoughtfully designed sessions aimed to sharpen professional acumen, enhance interpretative clarity, and provide deeper insights into the emerging provisions of the renewed Income-tax framework.

The first session on 14th October 2025, "Capital Gains under the Income Tax Act, 2025", conducted by CMA Nilay Baran Som, offered clarity on the revised capital gains framework and its transitional and computational aspects. This was followed by the webinar on 24th October 2025, "The Income Tax Act, 2025 – Reshaping the Tax Framework", where CMA Gopal Krishna Raju provided an overview of the restructured Act and its impact on compliance and governance. The series concluded on 28th October 2025 with "NRI Taxation – 360°", led by CMA Ajith Sivadas, delivering a comprehensive summary of taxation issues relevant to non-resident Indians. Together, these sessions strengthened members' understanding of the new direct tax framework and supported their ongoing professional development.

The recent developments in the direct tax landscape highlight the Government's continued commitment to creating a robust, transparent, and taxpayer-centric compliance environment. These measures aim to facilitate ease of doing business, ensure clarity in administration, and offer timely relief to taxpayers during the peak reporting season.

A key milestone has been the coming into force of the Double Taxation Avoidance Agreement (DTAA) between India and Qatar on 10th September 2025. This Agreement, now formally notified, strengthens bilateral economic cooperation by eliminating double taxation and preventing fiscal evasion. It reflects India's broader strategy of fostering cross-border investment while safeguarding revenue interests.

Further, the CBDT has taken several steps to streamline domestic compliance. The due date for filing Income Tax Returns for AY 2025-26 has been extended to 10th December 2025, with the deadline for filing various audit reports extended to 10th November 2025. These relaxations cover a wide range of taxpayers, including corporates, non-corporates, trusts, educational and medical institutions, and entities claiming specified deductions. This extension offers meaningful support to tax professionals and assessees, ensuring adequate time for accurate data reconciliation and reporting.

In addition, the CBDT's notification under section 120 empowers the Commissioner of Income Tax (CPC), Bengaluru, to exercise concurrent rectification and demand-issuing powers under sections 154 and 156. This will help in faster correction of processing errors, consideration of prepaid taxes, rectification of interest computations under section 244A, and efficient issuance of revised demands or refunds. The delegation of powers further to Additional and Joint Commissioners, and then to Assessing Officers, ensures a seamless and accountable administrative structure.

Clear timelines for routine statutory obligations for October–November 2025 have also been reiterated. These include due dates for TDS/TCS deposits, Form 27C uploads, TDS certificates under sections 194-IA/IB/M/S, Form 24G by Government offices, and compliance filings by stock exchanges and recognised associations. The structured schedule reinforces the importance of timely tax deduction, collection, and reporting, which form the backbone of effective tax administration.

Collectively, these initiatives underline the Government's emphasis on efficiency, digital integration, and taxpayer facilitation. As we move forward, I encourage all stakeholders to stay updated, leverage the provided extensions, and maintain the highest standards of compliance. Our Committee remains committed to supporting taxpayers and professionals through continued guidance and advocacy.

CMA Rajendra Singh Bhati

Chairman – Direct Taxation Committee

The Institute of Cost Accountants of India

02.11.2025

Chairman's Message

CMA Dr. Ashish P. Thatte

Chairman Indirect Taxation Committee

Indirect taxation remains a pivotal pillar of India's fiscal framework, not only as a source of revenue but also as a catalyst for trade, industry, and economic development. Over the years, the system has evolved significantly, embracing digitalisation, data-driven governance, and policy reforms aimed at simplifying compliance while ensuring transparency and accountability. As we advance, the focus is on creating a robust, technology-enabled, and taxpayer-friendly ecosystem that balances efficient revenue collection with facilitation of business.

It gives me immense pleasure to present this month's update on the evolving indirect tax landscape, marked by several significant legislative and administrative developments. These changes reflect the Government's continued focus on strengthening compliance systems, leveraging technology, and ensuring smoother facilitation for taxpayers and trade.

During the month, the GST regime saw important reforms, beginning with Notification No. 17/2025 – Central Tax, extending the due date for filing GSTR-3B for September 2025 and the July–September 2025 quarter to 25th October 2025. This timely relief acknowledges the practical challenges faced by businesses and reinforces a collaborative approach to compliance.

The introduction of the Central Goods and Services Tax (Fourth Amendment) Rules, 2025, effective 1st November 2025, marks a substantive shift towards technology-driven governance. The newly inserted Rule 9A provides for automatic electronic grant of registration based on data analytics and risk parameters, significantly reducing processing time. The introduction of Rule 14A—an optional facility for small taxpayers with monthly output tax liability below ₹ 2.5 lakh—represents another major step towards simplifying onboarding and offering differentiated compliance pathways. While these relaxations are aimed at ease of doing business, the associated Aadhaar authentication, verification procedures, and provisions for withdrawal ensure the integrity of the registration ecosystem.

In the customs domain several notifications have rationalised exemptions, updated tariff treatments, and revised duty structures, including the standard and AIDC rates for Yellow Peas effective 1st November 2025 balancing revenue considerations with the need to stabilise domestic markets. A significant administrative development is the issuance of Circular No. 26/2025 – Customs, which lays down guidelines for voluntary post-clearance revision of entries under the newly introduced Section 18A. This mechanism enables importers and exporters to self-correct bona fide errors, pay duties with interest, and regularise issues without penalty—except where proceedings have already commenced.And also the extension of the MOOWR online application portal till 15th November 2025 ensures seamless application processing until the CBIC's dedicated module is deployed.

The department in October, 2025 has undertaken GST Course for College and University students at Adhiparasakthi College of Arts & Science, Kalavai (Vellore) and ASC Degree College, Bengaluru.

Ashish Thatte

CMA (Dr) Ashish P Thatte

Chairman – Indirect Taxation Committee
The Institute of Cost Accountants of India
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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

Article_GSTAT Rules 2025

CMA (Dr.) Anil Sharma

Practising Cost Accountant

FAQ: GST Appellate Tribunal Rules 2025 - PART-02

FAQ: 01 When an appeal can be filed with Appellate Tribunal?

Any person aggrieved by order passed against him by appellate authority u/s 107 or 108, may file an appeal to appellant Tribunal in Form GST APL -05 within 3 months /6 months as the case may be from date of such order.

Three months /Six months shall be read as under:

- from the date of such order
- from the date on which the President or state President enter into its offices (Circular no RoD order no 09/2019-Centre Tax dt 03.12.2019)

FAQ:02 Can the period of 3 months be extended in case of appeal to be filed with Tribunal?

Yes, period of 3 months can be further extended by another 3 months if appellant tribunal satisfied for the reasons given thereof (Section 112(6)).

FAQ:03 Can CGST & SGST officers file Appeal to Appellate Tribunal?

Commissioner CGST & Commissioner SGST on behalf of respective departments can also file Appeal to Appellate Tribunal against the order so passed by Appellate Authority within period of six months, which can be further extended by another three months (Section 112(6)) .

FAQ:04 Can Appellate Tribunal reject an appeal filed?

Yes, Appellate Tribunal may refuse to admit such appeal if tax, ITC, difference amount of Tax/ITC, fine, fee under dispute, is less than Rs.50000/-.

FAQ:05 How an appeal can be filed with Appellate Tribunal?

- Every appeal or application to be filed before the Appellate Tribunal shall be uploaded electronically on the GSTAT portal and all notices, communications and summons shall be issued electronically and signed in the manner provided on the said portal.
- Further, All replies filed and documents that are or may be required to be presented before the Appellate Tribunal, either on the directions of the said Tribunal or otherwise, shall be signed, verified and uploaded electronically on the GSTAT portal.

FAQ:06 Will hearing for appeals filed with Appellate Tribunals be conducted in physical mode?

All hearings before the Appellate Tribunal may be conducted, either in the physical mode or upon the permission of the President, in the electronic mode.

FAQ:07 Have Appellate Tribunals been established under GST Act, 2017

Yes, the Central Government, on the recommendation of the Goods and Services Tax Council, -

(i) Establishes the Goods and Services Tax Appellate Tribunal (GSTAT), with effect from the 1st day of September, 2023;

(ii) Constitutes the Principal Bench of the Goods and Services Tax Appellate Tribunal (GSTAT) at New Delhi; and

(iii) Constitutes the number of State Benches of the Goods and Services Tax Appellate Tribunal _(S.O. 3048(E).— 31st July, 2024 & S.O. 5063(E) dt 26th November, 2024

FAQ:08 By which dates appeals can be filed with GSTAT Portal?

The Government, on the recommendations of the Council, hereby notifies the 30th day of June, 2026, as the date upto which appeal may be filed before the Appellate Tribunal under this Act in respect of all cases where the order sought to be appealed against is communicated to the person preferring the appeal before the 1st day of April, 2026 and all appeals in respect of order communicated on or after 1st April, 2026 may be filed before the Appellate Tribunal within three months from the date on which such order is communicated to the person preferring the appeal.**-S.O. 4220(E).— 17th September, 2025**

FAQ:09 If any schedule is given to file appeals with GST Tribunal?

Yes for the smooth sailing for filing appeals with tribunals following schedule is scheduled:

Sr. No.	**Period of filing appeal in Form APL-01** or **APL-03** under **section 107** of the Act or issuance of notice in **Form RVN-01** in terms of **Section 108** of the Act	**Period during which the appeal under section 112 of the Act before the GSTAT may be filed**
1	Orders u/s 107 or 108 of CGST Act issued on the Common portal on or before 31.01.2022	Period between 24.09.2025 to 31.10.2025 or any date succeeding such date being not later than 30.06.2026
2	Order u/s 107 or 108 of CGST Act issued on the common portal on or after 01.02.2022 but on or before 28.02.2023	Period commencing on **01.11.2025 and ending on 30.11.2025** or any date succeeding such date being not later than 30.06.2026
3	Order u/s 107 or 108 of CGST Act issued on the common portal on or after 01.03.2023 but on or before 31.01.2024	Period commencing on **01.12.2025 and ending on 31.12.2025** or any date succeeding such date being not later than 30.06.2026
4	Order u/s 107 or 108 of CGST Act, issued on the common portal on or after 01.02.2024 but on or before 31.05.2024	Period commencing on **01.01.2026 and ending on 31.01.2026** or any date succeeding such date being not later than 30.06.2026
5	Order u/s 107 or 108 of CGST Act, issued on the common portal on or after 01.06.2024 but on or before 31.03.2026	Period commencing on 1.02.2026 or any date succeeding such date being not later than 30.06.2026
6	Order u/s 107 or 108 of CGST Act, issued on the common portal on or before 31.03.2026	Period commencing on 1.03.2026 or any date succeeding such date being not later than 30.06.2026

FAQ:10 Are there any issues under law against which appeals can be filed with Principal bench of GSTAT ONLY?

Yes, in following cases/issues appeal shall be heard by Principal Bench only:

(a) Cases pending before two or more State Benches where the President is satisfied that an identical question of law is involved;

(b) Cases where one or more issues involved therein covered under section 14 or section 14A of the

Integrated Goods and Services Tax Act, 2017(13 of 2017); regarding payments of taxes by **online information and database access or retrieval services** providers and **specified actionable claims supplied by a person located outside taxable territory**.

(c) Where one or more issues involved therein is covered under section 20 of the Central Goods and Services Tax Act, 2017(12 of 2017) regarding **distribution of credit by Input Service Distributor.**

FAQ:11 Is it mandatory to file Appeals, Replies, Orders and other communications on line at GSTAT portal?

Unless otherwise stated, it is mandatory for file all Appeals, Replies, Orders and other communications online at GSTAT portal and proceedings shall be hybrid mode.

Important Notifications/Circulars with respect to Tribunals constituted:

- S.O. 4219(E). ---17th September, 2025
- S.O. 4220(E).— 17th September, 2025
- Circular No. 224/18/2024 GST Dated the 11th July, 2024
- Circular No. 207/1/2024-GST Dated the 26th June 2024
- Order No. 09 /2019-Central Tax New Delhi, the 03rd December, 2019.

The 30-1-0 Regime: A Comprehensive Guide to Cryptocurrency Taxation in India

CMA Poornima M
Cost & Management Accountant

Abstract

This guide provides a definitive analysis of the Virtual Digital Asset (VDA) taxation framework introduced by the Finance Act, 2022. It is structured to serve two key audiences: **tax professionals** seeking rigorous interpretation of **Section 115BBH** and **Section 194S**, and **taxpayers** requiring practical guidance on compliance. The regime is defined by a **30% flat tax on gains**, minimal allowances for deductions, and a complete denial of loss set-off benefits. We explore the nuanced tax treatment of various crypto income streams (including trading, barter, salary, gifts, and mining), detail the mandatory reporting requirements (Schedule VDA), and offer strategic compliance best practices for Indian taxpayers navigating this stringent regulatory landscape.

Introduction: The Birth of a New Tax Category

The global proliferation of cryptocurrencies presented a significant challenge to tax authorities worldwide. In India, this challenge culminated in the Finance Act,

Figure 1: The 30-1-0 Regime

2022, which formally brought these assets under the tax net by creating a dedicated category: **Virtual Digital Assets (VDAs)**.

Effective from the financial year 2022-23 (Assessment Year 2023-24), the Indian government chose a path of rigor and clarity, introducing specific sections of the Income Tax Act, 1961 (IT Act), to govern VDAs. The resulting framework, often dubbed the **30-1-0 REGIME**, is defined by three key figures: a 30% flat tax on net profits, **1% Tax Deducted at Source (TDS)** on gross sales, and zero allowance for losses to be set off or carried forward. This structure ensures high traceability and maximum revenue capture, making compliance essential for every Indian crypto investor and trader.

The Definition: Understanding Virtual Digital Assets (VDA)

The foundational step in the Indian crypto tax framework is the formal classification of the asset. The government deliberately avoided classifying cryptocurrencies as currency, commodity, or traditional capital assets. Instead, **Section 2(47A)** of the IT Act defines a VDA broadly, covering:

1. Any information or code or number or token (not being Indian currency or foreign currency), generated through cryptographic means or otherwise, providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account or a medium of exchange, including its use in any financial transaction or investment, but not limited to investment scheme; and can be transferred, stored or traded electronically.
2. Non-fungible tokens (NFTs) and any other digital asset as may be notified by the Central Government.

This definition ensures that virtually all popular crypto assets (Bitcoin, Ethereum, altcoins, stablecoins) and NFTs (digital art, collectibles, memes) fall squarely under the VDA tax regime, eliminating ambiguity regarding the nature of the asset being taxed.

Figure 2: Global VDA Landscape

The Core Tax Pillar: Flat 30% on Gains (Section 115BBH)

Section 115BBH is the primary provision stating the tax liability on profits arising from the **transfer** of a VDA. This section imposes a flat and uncompromising tax rate of **30%** on the income.

The Rate and Implications

The 30% rate is not the final cost. Taxpayers must add the applicable **Surcharge** (depending on the total income slab, which can go up to 37%) and a 4% **Health and Education Cess.** Consequently, the effective tax rate can climb as high as 42.74%.

Crucially, this flat rate applies to **all gains**, irrespective of:

- **Income Slab:** A taxpayer in the lowest tax bracket still pays 30% on crypto profits.
- **Holding Period:** The distinction between short-term and long-term capital gains, which

offers lower rates for assets held over 12 months (e.g., 12.5% for long-term equity gains over the threshold), is completely nullified for VDAs.

Limited Deduction: The Cost of Acquisition Only

Section 115BBH strictly limits what can be reduced from the sale consideration to compute the taxable profit. The only permissible deduction is the **cost of acquisition**, defined as the price paid to acquire the VDA.

Non-Deductible Expenses

The stringent VDA tax regime under Section 115BBH severely restricts deductions, permitting only the cost of acquisition. This means a variety of common operational expenses are explicitly disallowed. These include Transaction Fees incurred during transfers, Brokerage or Exchange Fees, and even major costs for miners such as Infrastructure and Electricity. Furthermore, Interest on Loans taken to purchase VDAs is also non-deductible against the profits.

Figure 3: Non-Deductible Expenses

Example 1: Simple Sale for Fiat

Imagine, an investor buys 1 Bitcoin (BTC) and later sells it for a profit, incurring an exchange fee. Under the VDA regime, the exchange fee is not allowed as a deduction. The tax is calculated solely on the difference between the sale price and the cost of acquisition.

Transaction	Calculation
VDA (1 BTC) Purchase Price (Cost of Acquisition)	₹ 85,00,000
VDA (1 BTC) Sale Price (Transfer Consideration)	₹ 95,00,000
Exchange Fee	₹ 5,000
Net Profit (Before Tax)	₹ 95,00,000 - ₹ 85,00,000 = ₹ 10,00,000
Taxable Income	₹ 10,00,000 (No deduction for ₹ 5,000 fee)
Tax Payable (Minimum)	₹ 10,00,000 × 30% = ₹ 3,00,000

The Anti-Set-Off Rule: A Strict Constraint

The most rigorous aspect of Section 115BBH is the restriction on loss treatment.

- **VDA Loss Cannot Be Used:** Any loss arising from the transfer of a VDA cannot be set off against any other income source (e.g., salary, rental income, or traditional capital gains from stocks/mutual funds).
- **Other Losses Cannot Be Used:** Similarly, losses from any other head of income (e.g., house property loss, business loss, or traditional capital loss) cannot be set off against the VDA gains taxable under Section 115BBH. The VDA income is strictly ring-fenced.
- **No Intra-VDA Set-Off:** While the law is clear that VDA losses cannot be set off against other income, the interpretation regarding whether a loss from VDA 'A' can be set off against a gain from VDA 'B' in the same

financial year remains complex. Tax professionals should note: The dominant, conservative view adopted by the Central Board of Direct Taxes (CBDT) is that Section 115BBH does not permit any loss set-off, making the gross loss non-utilizable.

- **No Carry Forward:** VDA losses cannot be carried forward to offset future VDA gains in subsequent assessment years.

Example 2: The Loss Dilemma

Let's say an investor has two simultaneous trades in the same financial year: a gain of ₹2,00,000 on Bitcoin (BTC) and a loss of ₹50,000 on Ethereum (ETH). The table illustrates that the loss from ETH cannot be set off against the gain from BTC, resulting in the investor being taxed on the full gross profit of the winning trade only.

Transaction	VDA (Bitcoin / BTC)	VDA (Ethereum / ETH)
Cost of Acquisition	₹ 5,00,000	₹ 2,00,000
Sale Consideration	₹ 7,00,000	₹ 1,50,000
Net Gain/Loss	₹ 2,00,000 (Gain)	₹ 50,000 (Loss)
Taxable Income	₹ 2,00,000	₹ 0 (Loss cannot be set off)
Tax Payable	₹ 2,00,000 × 30% = ₹ 60,000	
Total Effective Tax	₹ 60,000	

In this scenario, the investor pays ₹ 60,000 in tax despite the overall net gain across both trades being only ₹ 1,50,000. The loss of ₹ 50,000 is simply ignored for tax purposes.

Figure 4: 3-Core VDA Tax Pillars

Tax Deducted at Source (TDS): The 1% Tracing Mechanism (Section 194S)

To establish an audit trail and ensure transaction traceability, the government mandated a 1% Tax Deducted at Source (TDS) on the sale consideration of VDAs, effective July 1, 2022.

Applicability Only to Residents: The obligation to deduct TDS under Section 194S lies solely with the Resident buyer/payer. This section does not apply to transactions involving Non-Resident Indians (NRIs) as the payer, as these fall under the provisions of Section 195.

Gross Consideration

The 1% TDS is deducted on the gross sale value (the entire amount received by the seller), regardless of whether the transaction resulted in a profit or a loss.

Two-Tiered Thresholds

Section 194S defines two separate annual thresholds for the resident buyer to be obligated to deduct TDS:

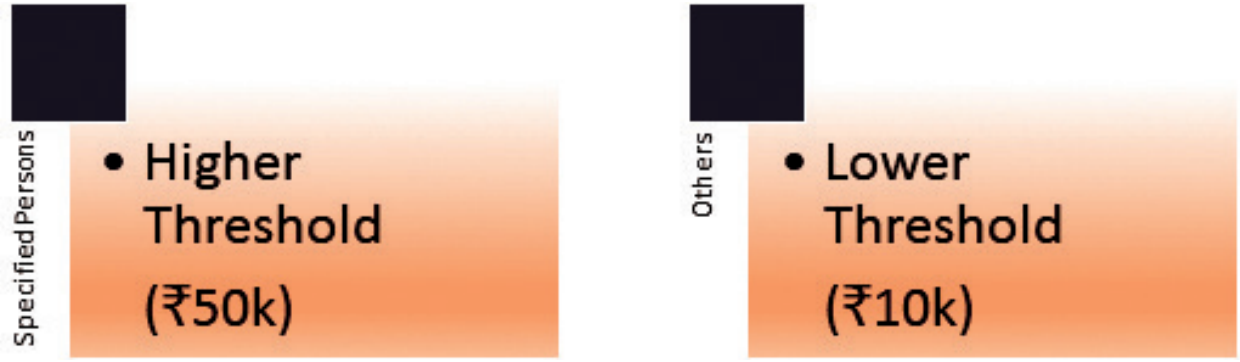

Figure 5: 2-Tiered TDS Thresholds

1. **For Specified Persons (Higher Threshold):** TDS applies if the aggregate consideration for VDA transfers exceeds ₹ 50,000 in a financial year. A Specified Person primarily includes an individual or Hindu Undivided Family (HUF) who:
   - Does not have any income under the head Profits and Gains of Business or Profession.
   - Has business income but whose gross receipts or sales do not exceed ₹ 1 crore (for businesses) or ₹ 50 lakh (for professions) in the immediately preceding financial year.
2. **For All Other Persons (Lower Threshold):** TDS applies if the aggregate consideration exceeds ₹ 10,000 in a financial year. This typically applies to exchanges, brokers, companies, or professional traders.

Responsibility of Deduction and Penalties

The responsibility for deducting and depositing the TDS with the government lies with the person making the payment (the resident buyer or the exchange facilitating the transaction).

- **TDS for Non-Residents (NRIs):** For transactions involving Non-Residents where income is deemed to accrue or arise in India, the TDS obligation falls under other, more general sections of the IT Act (like Section 195). The TDS rate for NRIs is generally higher (plus applicable surcharge and cess on the taxable gain, or the Maximum Marginal Rate, subject to Double Taxation Avoidance Agreements or DTAAs).
- **Indian Exchanges:** The exchange automatically handles the deduction from the seller's proceeds and deposits the tax.

- **P2P or International Transfers (Swap):** If an Indian resident is the buyer in a P2P trade, or if the transfer involves swapping one VDA for another, the resident buyer or the person responsible for effectuating the exchange must deduct the TDS. **For individuals/HUFs (who are specified persons) conducting P2P transfers, the TDS must be deposited using Form 26QE, and the buyer must issue the seller a TDS certificate in Form 16E.** If the transfer is VDA-to-VDA, the payer must ensure a mechanism is in place to pay the TDS in fiat currency.
- **Penalty for Failure to Pay TDS:** Failure to deduct the required TDS or failure to deposit it with the government can attract severe penalties, including:
  - **Interest:** Interest is levied under Section 201(1A) at a rate of 1% per month (or part of a month) from the date TDS was deductible up to the date of actual deduction, and 1.5% per month for delay in depositing the deducted amount.
  - **Disallowance:** Under Section 40(a)(ia), if a person fails to deduct or deposit TDS, 30% of the expense (purchase price of the VDA) may be disallowed from deduction against their (buyers') total income, significantly increasing their taxable liability.
  - **Fine/Penalty:** Penalties may be levied under Section 271C for failure to deduct the tax.

Example 3: TDS Calculation

For instance, an individual sells two lots of VDA in a year to a single buyer (an Indian exchange). The individual is not a specified person.

Transaction	Sale Consideration (Gross Value)	Profit / Loss
Sale 1 (April)	₹ 8,000	₹ 1,000 Profit
Sale 2 (August)	₹ 5,000	₹ 500 Loss
Total Consideration	₹ 13,000	

Since the total consideration (₹ 13,000) exceeds the lower threshold of ₹ 10,000, the TDS must be applied retrospectively:

- TDS: ₹ 13,000 × 1% = ₹ 130

The exchange after deducting TDS of ₹130, pays the balance (sale proceeds) to the seller. The seller later claims this ₹ 130 as credit when filing their ITR against their final 30% tax liability.

Taxing Alternative Crypto Income Streams

While **Section 115BBH** covers gains from the transfer of VDAs, several other crypto-related activities generate income that is taxed under different heads of the IT Act, typically converging to the flat 30% rate.

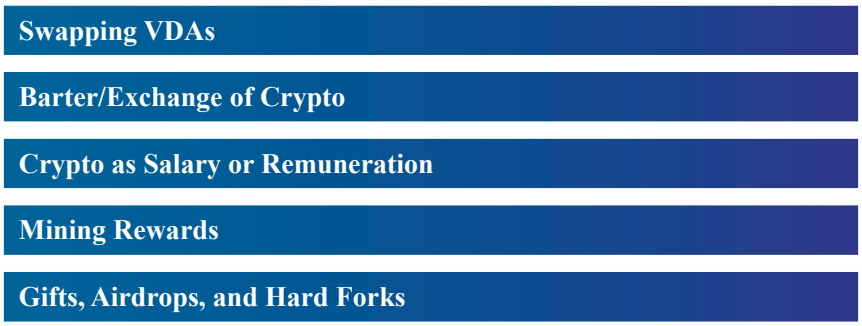

Figure 6: Alternative Crypto Income Streams

Swapping VDAs: A Two-Way Tax Event

Swapping one VDA (e.g., ETH) for another (e.g., BTC) is considered a transfer and is a taxable event. The exchange of tokens triggers two separate tax obligations:

1. **VDA (ETH) Sale:** The taxpayer is deemed to have sold ETH for the Fair Market Value (FMV) of the

BTC received. The gain on the ETH transfer is taxed at 30%.

2. **TDS Obligation:** In a VDA-to-VDA exchange, the transaction is treated as two separate transfers, making both parties liable for TDS deduction under Section 194S.

Example 4: VDA-to-VDA Swap

Let's assume an investor exchanges Ethereum (ETH) for Bitcoin (BTC). Since a swap is considered a transfer, it triggers a taxable event on the gain realized on the asset being sold (ETH), setting a new cost basis for the asset being acquired (BTC).

Transaction	Calculation
Action	Investor sells 1 ETH to acquire 0.05 BTC.
Cost of Acquisition (ETH)	₹ 3,50,000
Transfer Consideration (FMV of 0.05 BTC received)	₹ 4,00,000
Taxable Gain on ETH Transfer	₹ 50,000 (₹ 4,00,000 - ₹ 3,50,000)
Tax Payable (30% on gain)	₹ 15,000
New Cost Basis for 0.05 BTC	₹ 4,00,000 (for future transfer tax calculation).

Spending Crypto (Barter/Exchange)

When a VDA is used directly to pay for goods or services (e.g., buying a phone with Bitcoin), this transaction is considered a transfer in the eyes of the Income Tax Act. It is treated legally as two simultaneous events:

1. **Sale/Transfer of VDA:** The taxpayer is deemed to have sold the VDA for an amount equal to the Fair Market Value (FMV) of the goods/ services received. The gain (FMV minus Cost of Acquisition) is taxed at the flat 30% rate under Section 115BBH.

2. **Cost of Acquisition of Goods:** The goods/services are acquired at their FMV.

Crucial Note for Taxpayers: This means every time you use crypto to transact, you must calculate and pay tax on any gain realized on that specific portion of the VDA used.

Example 5: Spending Crypto for Goods

This table illustrates the tax consequences of using Bitcoin (BTC) to purchase a physical good, such as a phone. The transaction is treated as a taxable transfer where the VDA is sold for the Fair Market Value (FMV) of the goods received.

Transaction	Calculation
Action	Investor uses 0.01 BTC to buy a phone valued at ₹ 50,000.
Cost of Acquisition of 0.01 BTC	₹ 30,000 (The price the investor originally paid)
Transfer Consideration (FMV of Phone)	₹ 50,000
Taxable Gain on BTC Transfer	₹ 50,000 - ₹ 30,000 = ₹ 20,000 (Gain)
Tax Payable (30% on gain)	₹ 20,000 × 30% = ₹ 6,000

Crypto as Salary or Remuneration

When an employer pays an employee (or a client pays a contractor) in VDAs, the treatment is as follows:

- **Classification:** The VDA is treated as a perquisite or income under the head Salaries or Profits and Gains of Business or Profession.
- **Taxable Value:** The employee/contractor is taxed on the Fair Market Value (FMV) of the VDA on the date of receipt, at their applicable income slab rates.
- **Employer's Role:** The employer must account for the VDA value in the employee's salary structure and deduct Tax Deducted at Source (TDS) under the general salary provisions (Section 192).

Example 6: Crypto as Salary

When an employee is paid in Ethereum (ETH) as salary, this income is taxed under the applicable income slab rates, not the flat 30% VDA rate, since it's considered perquisite.

Transaction	Calculation
Action	Employee is paid 0.5 ETH as salary for the month.
FMV on Receipt Date	₹ 1,60,000
Classification	Income under Salaries.
Taxable Income	₹ 1,60,000
Tax Rate	Taxed at the employee's applicable income slab rate.
New Cost Basis for 0.5 ETH	₹ 1,60,000 (for future transfer tax calculation).

Mining Rewards: Strict Disallowance

Crypto Mining is the process of validating transactions and adding them to the public ledger (blockchain). In return for this computational work, miners receive newly created cryptocurrency (block rewards). Income earned from crypto mining is taxed under Section 115BBH at 30%.

No Deduction for Mining Costs: The most contentious part is that expenses crucial to mining such as electricity, hardware depreciation, and maintenance costs are explicitly disallowed as deductions. The only deduction remains the cost of acquisition, which is zero for newly minted tokens. The entire FMV of the mined VDA on the date of receipt is usually considered the profit, leading to a high tax burden on miners.

Example 7: Mining Income

This example highlights the severe tax implications for miners, where the entire Fair Market Value (FMV) of the mined asset (BTC) on the date of receipt is taxed at 30%, with crucial expenses like electricity and hardware costs being non-deductible.

Transaction	Calculation
Action	Miner successfully mines 1 BTC during the financial year.
FMV on Receipt (Profit)	₹ 95,00,000
Electricity/Hardware Costs	₹ 3,00,000 (Explicitly Disallowed Deduction)
Taxable Income	₹ 95,00,000 (The entire FMV is taxed)
Tax Payable (Minimum 30%)	₹ 28,50,000
New Cost Basis for 1 BTC	₹ 95,00,000 (for future transfer tax calculation).

Gifts, Airdrops, and Hard Forks (Taxed as Other Income)

These categories share a similar tax treatment because they represent the receipt of a VDA without the payment of consideration or the rendering of a service, pushing them outside the scope of the 30% VDA gains tax (Section 115BBH) and into the ambit of **Income from Other Sources**.

Definitions

- **Airdrops:** This involves the distribution of a cryptocurrency token or NFT to a large number of wallet addresses, often for free, usually for promotional purposes or to reward existing token holders. Unless a service is rendered (e.g., promotional activity), they are treated as unsolicited receipts.
- **Hard Forks:** A fundamental change in a blockchain's protocol that creates a permanent, non-backward-compatible split. Users holding the original VDA often receive an equal amount of the new VDA created by the fork for free.

- **Gifts:** The receipt of VDA from one person to another without any expectation of return or consideration, typically on personal grounds (e.g., from a friend or relative).

Taxation under Section 56(2)(x)

The taxability of these transactions is governed by **Section 56(2)(x)** of the IT Act, which deals with gifts of property received without consideration.

- **Non-Taxable:** Gifts received from specified relatives (e.g., spouse, parents, siblings) or gifts received on the occasion of the marriage of the individual are completely exempt from tax.
- **Taxable Threshold:** The VDA is taxable in the hands of the recipient if the Fair Market Value (FMV) of the VDA received from a non-relative (via gift, airdrop, or hard fork) exceeds the statutory exemption limit of ₹ 50,000 in a financial year.
- **Tax Rate:** If the threshold is exceeded, the entire FMV of the VDA received (not just the amount above ₹ 50,000) is added to the taxpayer's Gross Total Income and taxed at their applicable individual slab rate.

Example 8: Taxable Gift, Airdrop, or Hard Fork Token

An individual receives a VDA gift or passive airdrop from a non-relative that exceeds the ₹ 50,000 exemption limit. The taxable amount is added to the Gross Total Income and taxed at the recipient's standard income slab rates.

Transaction	Calculation
Action	Individual receives a VDA gift/airdrop from a friend (a non-relative).
FMV on Date of Receipt	₹ 5,50,000
Taxable Threshold	₹ 50,000
Classification	Income from Other Sources (Section 56(2)(x)).
Taxable Income	₹ 5,50,000
Tax Rate	Taxed at the recipient's applicable income slab rate.
New Cost Basis for VDA	₹ 5,50,000 (for future transfer tax calculation).

Compliance and Reporting: Navigating the ITR

For a taxpayer to remain compliant, accurate reporting of VDA transactions in the annual Income Tax Return (ITR) is mandatory, regardless of the classification of the income (business, capital gains, or other sources).

Selection of ITR Form

Figure 7: Choosing the right ITR form

The choice of ITR form depends on how the VDA income is primarily classified:

Classification	ITR Form	Description
Investor (Capital Gains)	ITR-2	For individuals/HUFs who treat crypto activity as investment (not regular business).
Trader (Business Income)	ITR-3	For individuals/HUFs who treat crypto activity as trading or business (high frequency/volume).

Mandatory Schedule VDA

Both ITR-2 and ITR-3 contain a mandatory, dedicated section called Schedule VDA. Taxpayers must report the following details for every single VDA transaction that occurred during the financial year:

1. Date of Acquisition
2. Date of Transfer
3. Cost of Acquisition (Purchase Price)
4. Consideration Received (Sale Price)
5. Gain/Loss from Transfer (The calculated profit subject to 30% tax)

Key Takeaway for Taxpayers: This requirement means you must track every buy, every sell, and every swap individually. For high-frequency traders, this necessitates specialized crypto tax software or service provider assistance.

Reconciling TDS Credit

The 1% TDS deducted under Section 194S is an advance tax payment.

- The taxpayer must verify the TDS amount deposited by the buyer/exchange using their Form 26AS or Annual Information Statement (AIS).
- This credit is then claimed in the ITR, reducing the final 30% tax liability.

Strategic Tax Planning and Best Practices

Given the punitive nature of the 30-1-0 REGIME, proactive tax planning is crucial, though opportunities are severely limited by the loss restriction.

Meticulous Record-Keeping

This is the most critical compliance step. Due to the requirement to report every transaction in Schedule VDA, investors must maintain detailed records:

- **Date, Time, and Value:** Record the exact date, time, and exchange rate (FMV) of every buy, sell, swap, or receipt (airdrops, mining).
- **Cost Basis:** Accurately track the cost of acquisition for every VDA lot, using a consistent methodology (e.g., FIFO - First-In, First-Out).
- **Transaction Categories:** Segregate records by income type: trading gains, mining income, and gifts.

Strategic Timing of Sales (Tax Lot Selection)

While the long-term capital gains benefit is unavailable, careful selection of which tax lot (which purchase date) to sell can still optimize cash flow, especially if the investor is trading at a small loss or small profit. For instance, selling the lot with the highest cost of acquisition first will minimize the current year's taxable profit.

Managing P2P Transactions

For those engaging in P2P or off-exchange trading, the complexity increases:

- **Buyer Responsibility:** If you are the resident buyer, you must deduct the 1% TDS and obtain the seller's Permanent Account Number (PAN) to deposit the tax under Section 194S. Failure to do so can result in penalties.

- **Seller Responsibility:** If you are the seller, ensure the buyer has deducted the TDS, and cross-check the credit in your Form 26AS or AIS.

Conclusion: High Tax, High Compliance Risk

The Indian VDA taxation regime is unambiguous in its intent: to tax crypto gains at the highest possible rate while shutting down common tax avoidance mechanisms. The 30% flat rate, the 1% TDS on gross sales, and the zero-loss set-off rule combine to create one of the world's strictest crypto tax structures.

For tax professionals, the regime's rigor lies not only in the high rate but in navigating the ambiguity surrounding intra-VDA loss set-off and the practical compliance challenges of Section 194S for complex, off-exchange transactions like VDA-to-VDA swaps.

For the taxpayer, the mandate is clear: absolute compliance via the Schedule VDA requirement is non-negotiable. Treating VDAs as assets where operational costs are strictly disallowed necessitates a fundamental reassessment of profitability and investment strategy. Successful navigation of this regime depends entirely on disciplined, accurate, and comprehensive documentation of every transaction to satisfy the statutory requirements.

NOTIFICATIONS

INDIRECT TAX

Notification No. 17/2025 – Central Tax

New Delhi, the 18 October, 2025

G.S.R.....(E).- In exercise of the powers conferred by sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing the return in FORM GSTR-3B electronically, through the common portal, by the registered persons, as specified under:- (i) sub-section (1) of section 39, for the month of September,2025, till twenty-fifth day of October, 2025: (ii) proviso to sub-section (1) of section 39, for the quarter of July, 2025 to September, 2025, till twenty-fifth day of October, 2025.

Notification No.18/2025 – Central Tax

New Delhi, the 31s t October, 2025

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

1. (1) These rules may be called the Central Goods and Services Tax (Fourth Amendment) Rules, 2025.

   (2) These rules shall come into force with effect from 1st day of November, 2025.

2. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), after rule 9, the following rule shall be inserted, namely: -

   "9A. Grant of registration electronically. - Notwithstanding anything contained in rule 9, any person who has applied for registration under rule 8 or rule 12 or rule 17, shall, upon identification on the common portal based on data analysis and risk parameters, be granted registration electronically by the common portal, within three working days from the date of submission of application.".

3. In the said rules, in sub-rule (1) of rule 10, after the words and figure "under rule 9,", the words, letters and figures "rule 9A and rule 14A," shall be inserted.

4. In the said rules, after rule 14, the following rule shall be inserted, namely: -

   "14A. Option for taxpayers having monthly output tax liability below threshold limit. –

   (1) Any person who has made application for registration under rule 8 and who determines that his total output tax liability on supply of goods or services or both made to registered persons on account of central tax and State tax or Union territory tax and integrated tax and compensation cess, does not exceed two lakh and fifty thousand rupees per month, shall have an option to get registration electronically, in accordance with the provisions of this rule.

   (2) Any person, other than a person notified under sub-section (6D) of section 25, who has not opted for authentication of Aadhaar number, shall not be eligible for grant of registration in terms of this rule.

   (3) Notwithstanding anything contained in rule 11, a person registered under this rule in a State or Union territory shall not be eligible to obtain another registration in the same State or Union territory under this rule against the same Permanent Account Number.

   (4) Upon successful authentication of Aadhar number, the applicant referred to in sub-rule

(1) shall be granted registration electronically by the common portal, within three working days from the date of submission of application.

(5) The registered person who intends to withdraw from the option availed under sub-rule (1), shall file an application, in FORM GST REG-32, duly signed or verified through electronic verification code on the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that the registered person shall not be allowed to file such application unless he has furnished, -

(a) returns for a period of minimum three months, where such application is filed before 1st April, 2026;

(b) returns for a period of minimum one tax period, where such application is filed on or after 1st April, 2026; and

(c) all the returns due for the period from the effective date of registration till the date of application for withdrawal:

Provided further that the registered person shall be allowed to file such application where no proceedings under section 29 have been initiated against such registered person.

(6) Where there is any change in particulars furnished in FORM GST REG-01 by the person who has been granted registration under this rule, the said registered person shall get the particulars amended under rule 19 before filing an application for withdrawal under sub-rule (5).

(7) Based on data analysis and risk parameters on the common portal, the provisions of sub-rule (4A) of rule 8 relating to authentication of Aadhaar number or biometric-based Aadhaar authentication, taking photograph of the applicant along with verification of original copy of documents uploaded along with registration application in FORM GST REG-01, shall, so far as may be, apply to application for withdrawal filed under sub-rule (5).

(8) The provisions of sub-rules (5) and (6) of rule 8 relating to issuance of acknowledgment, shall, mutatis mutandis, apply to the application filed under sub-rule (5).

(9) The application filed for withdrawal under sub-rule (5), shall be verified in accordance with the provisions of rule 9.

(10) Upon verification under sub-rule (9), the proper officer shall issue an order in FORM GST REG-33 allowing the application for withdrawal from the option availed under sub-rule (1) or order for rejection of application in FORM GST REG-05, within a period specified under rule 9, as the case may be, which shall be made available to the registered person on the common portal.

(11) The registered person who has received an order issued under sub-rule (10) allowing withdrawal shall be able to furnish the details of output tax liability on supply of goods or services or both made to registered persons, exceeding the output tax liability as referred to in sub-rule (1), from the first day of succeeding month in which the said order has been issued.

(12) A registered person to whom an order under sub-rule (10) has been issued, shall not amend the details furnished in respect of output tax liability so as to exceed the limit of the output tax liability specified in sub-rule (1) for the period prior to the first day of succeeding month in which the said order has been issued.

(13) Where proceedings for cancellation of registration have been initiated by the proper officer after the filing of withdrawal application and the said proceedings are pending, the withdrawal application under sub-rule (5) shall be rejected by the proper officer and the provisions in relation to approval of application on deemed basis under sub-rule (5) of rule 9, shall not be applicable in such case."

(14) Any person, other than a person notified under sub-section (6D) of section 25, who has not opted for authentication of Aadhaar

number, shall not be eligible for grant of registration in terms of this rule.

(15) Notwithstanding anything contained in rule 11, a person registered under this rule in a State or Union territory shall not be eligible to obtain another registration in the same State or Union territory under this rule against the same Permanent Account Number.

(16) Upon successful authentication of Aadhar number, the applicant referred to in sub-rule (1) shall be granted registration electronically by the common portal, within three working days from the date of submission of application.

(17) The registered person who intends to withdraw from the option availed under sub-rule (1), shall file an application, in FORM GST REG-32, duly signed or verified through electronic verification code on the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that the registered person shall not be allowed to file such application unless he has furnished, -

(a) returns for a period of minimum three months, where such application is filed before 1st April, 2026;

(b) returns for a period of minimum one tax period, where such application is filed on or after 1st April, 2026; and

(c) all the returns due for the period from the effective date of registration till the date of application for withdrawal:

Provided further that the registered person shall be allowed to file such application where no proceedings under section 29 have been initiated against such registered person.

(18) Where there is any change in particulars furnished in FORM GST REG-01 by the person who has been granted registration under this rule, the said registered person shall get the particulars amended under rule 19 before filing an application for withdrawal under sub-rule (5).

(19) Based on data analysis and risk parameters on the common portal, the provisions of sub-rule (4A) of rule 8 relating to authentication of Aadhaar number or biometric-based Aadhaar authentication, taking photograph of the applicant along with verification of original copy of documents uploaded along with registration application in FORM GST REG-01, shall, so far as may be, apply to application for withdrawal filed under sub-rule (5).

(20) The provisions of sub-rules (5) and (6) of rule 8 relating to issuance of acknowledgment, shall, mutatis mutandis, apply to the application filed under sub-rule (5).

(21) The application filed for withdrawal under sub-rule (5), shall be verified in accordance with the provisions of rule 9.

(22) Upon verification under sub-rule (9), the proper officer shall issue an order in FORM GST REG-33 allowing the application for withdrawal from the option availed under sub-rule (1) or order for rejection of application in FORM GST REG-05, within a period specified under rule 9, as the case may be, which shall be made available to the registered person on the common portal.

(23) The registered person who has received an order issued under sub-rule (10) allowing withdrawal shall be able to furnish the details of output tax liability on supply of goods or services or both made to registered persons, exceeding the output tax liability as referred to in sub-rule (1), from the first day of succeeding month in which the said order has been issued.

(24) A registered person to whom an order under sub-rule (10) has been issued, shall not amend the details furnished in respect of output tax liability so as to exceed the limit of the output tax liability specified in sub-rule (1) for the period prior to the first day of succeeding month in which the said order has been issued.

(25) Where proceedings for cancellation of registration have been initiated by the

proper officer after the filing of withdrawal application and the said proceedings are pending, the withdrawal application under sub-rule (5) shall be rejected by the proper officer and the provisions in relation to approval of application on deemed basis under sub-rule (5) of rule 9, shall not be applicable in such case."

Entire Notification can be read at: *https://taxinformation.cbic.gov.in/view-pdf/1010504/ENG/Notifications*

Notification No. 45/2025 –Customs

New Delhi, the 24th October, 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), and in supersession of the following notifications of the Government of India in the Ministry of Finance (Department of Revenue), namely: -

(i) No.1/2025- Customs, dated the 16th January, 2025 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 63(E) dated the 16th January, 2025;

(ii) No.57/2022- Customs, dated the 17th November, 2022 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 822(E) dated the 17th November, 2022;

(iii) No.32/2019- Customs, dated the 30th September, 2019 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.726 (E) dated the 30th September, 2019;

(iv) No.19/2019- Customs, dated the 6th July, 2019 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 476(E) dated the 6th July, 2019;

(v) No.86/2017-Customs, dated the 14th November, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 1404(E) dated the 14th November, 2017;

(vi) 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;

(vii) No.41/2017 -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. 776(E) dated the 30th June, 2017;

(viii) No.37/2017-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. 772(E) dated the 30th June, 2017;

(ix) No.36/2017- 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. 771(E) dated the 30th June, 2017;

(x) No.32/2017-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. 767(E) dated the 30th June, 2017;

Entire Notification can be read at: *https://taxinformation.cbic.gov.in/view-pdf/1010489/ENG/Notifications*

Notification No. 44/2025 –Customs

New Delhi, the 24th October, 2025

G.S.R. …… (E). - In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) read with section 110 of the Finance Act, 2018 (13 of 2018), section 141 of Finance Act, 2020 (12 of 2020) and 124 of the Finance Act, 2021 (13 of 2021), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby amends the following notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table below, to the extent specified in the corresponding entries in column (3) of the said Table, namely:-

Table

<table>
<tr><th>S. No.</th><th>Notification No. and Date</th><th>Amendments</th></tr>
<tr><th>(1)</th><th>(2)</th><th>(3)</th></tr>
<tr><td>1.</td><td>11/2018-Customs, dated the 2nd February, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub- section (i), vide number
G.S.R. 114(E), dated the 2nd February, 2018</td><td>In the said notification, in the TABLE,-
(i) for Sl. No. 7 and the entries relating thereto, the following Sl. No. and entries shall be substituted, namely:-
<table><tr><th>(1)</th><th>(2)</th></tr><tr><td>7</td><td>All goods falling under sub-heading 2106 90 other than goods covered under S. No. 67 of TABLE I of notification No. 45/2025-Customs, dated 24th October, 2025</td></tr></table>
(ii) for Sl. No. 8B and the entries relating thereto, the following Sl. No. and entries shall be substituted, namely:-
<table><tr><th>(1)</th><th>(2)</th></tr><tr><td>8B</td><td>All goods falling under tariff item 8541 42 00, 8541 43 00 or 8541 49 00 other than goods on which exemption from basic customs duty is claimed and allowed under the following namely: -
(i) Sl. nos. 69, 70, 71 and 72 of the TABLE II of notification No. 45/2025- Customs, dated the 24th October, 2025;
(ii) notification No. 24/2005- Customs, dated the 1st March, 2005, published in the Gazette of India vide number G. S. R. 122(E), dated the 1st March, 2005.</td></tr></table></td></tr>
</table>

Entire notification can be read at: *https://taxinformation.cbic.gov.in/view-pdf/1010493/ENG/Notifications*

Notification No. 46/2025-Customs

New Delhi, the 29th October, 2025

G.S.R. ….(E).— In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) read with section 124 of the Finance Act, 2021 (13 of 2021), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (3) of the Table below, falling under the tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), specified in the corresponding entry in column (2) of the said Table, when imported into India, from so much of the duty of customs leviable thereon under the said First Schedule to the Customs Tariff Act, 1975 (51 of 1975), as is in excess of the amount calculated at the standard rate specified in the corresponding entry in column (4) of the said Table and from so much of the Agriculture Infrastructure and Development Cess (hereinafter referred to as 'AIDC') leviable thereon under the said section of the Finance Act, 2021 (13 of 2021), as is in excess of the amount calculated at the AIDC rate specified in the corresponding entry in column (5) of the said Table, subject to the condition as specified in column (6) of the said Table, namely :-

Table

Sl. No.	Tariff item	Description of goods	Standard Rate	AIDC Rate	Condition
(1)	(2)	(3)	(4)	(5)	(6)
1.	0713 10 10	Yellow Peas	10%	20%	In respect of the said goods, the Bill of Lading is issued on or after 1st day of November, 2025.

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

Notification No. 47/2025-Customs

New Delhi, the 29th October, 2025

G.S.R (E).— In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act,

1962 (52 of 1962) read with section 124 of the Finance Act, 2021 (13 of 2021), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 64/2023-Customs, dated the 7th December, 2023, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 884(E)., dated the 7th December, 2023, namely:-

In the said notification, in the Table, against S. No. 1, in Column (4), for the words and figures "31st day of March, 2026", the words and figures "31st day of October, 2025" shall be substituted.

DIRECT TAX

Notification

New Delhi, the 24th October, 2025

G.S.R. 789(E).—Whereas, the Agreement and Protocol between the Republic of India and the State of Qatar for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, was signed at New Delhi on the 18th day of February, 2025; And whereas, the said Agreement and Protocol entered into force on the 10th day of September, 2025 in accordance with paragraph 2 of Article 30 of the said Agreement and Protocol; And whereas, paragraph 3 of Article 30 of the said Agreement and Protocol provides that the provisions of the Agreement and Protocol shall have effect in India in respect of income arising on or after first day of the fiscal year immediately following the calendar year in which the Agreement and Protocol enter into force; Now, therefore, in exercise of the powers conferred by sub-section (1) of section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby directs that all the provisions of the Agreement and Protocol as annexed hereto, shall be given effect to in the Union of India.

Notification

New Delhi, the 27th October, 2025

S.O. 4901(E).— In exercise of the powers conferred by sub-sections (1) and (2) of section 120 of the Income tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby: -

(a) directs that the Commissioner of Income-tax specified in column (2) of the Schedule hereto annexed, having his headquarter at the place specified in the corresponding entry in column (3) of the said schedule, shall exercise the concurrent powers:

- i. to rectify u/s 154 of the IT Act 1961, the mistakes which are apparent from records including any refund issued earlier under the provisions of the Act and/or non-consideration of any pre-paid tax credit and/or non-consideration of any relief eligible and/or calculation of interest u/s 244A of the IT Act 1961, in passing any order under the Income-tax Act resulting in error in computation of the Tax and/or refund determined and/or demand;

ii. to issue notice of demand under section 156 of the Income-tax Act, 1961 in such cases covered under (a) above.

in respect of such territorial area or such cases or classes of cases or such persons or classes of persons specified in the corresponding entry in column (4) of the said Schedule and in respect of all income or classes of income thereof;

(b) authorizes the Commissioner of Income-tax referred to in this notification to issue orders in writing for the exercise of the powers and performance of the functions by the Additional Commissioners or Joint Commissioners of Income-tax, who are subordinate to him, in respect of such territorial area or such persons or classes of persons or of such income or classes of income or of such cases or classes of cases specified in the corresponding entry in column (4) of the said Schedule;

(c) authorizes the Additional Commissioners or Joint Commissioners of Income-tax referred to in clause (b) of this notification, to issue orders in writing for the exercise of the powers and performance of the functions by the Assessing Officers, who are subordinate to them, in respect of such territorial area or such persons or classes of persons or income or classes of income, or cases or classes of cases specified in the corresponding entry in column (4) of the said Schedule, in respect of which such Additional Commissioners or Joint Commissioners of Income-tax are authorized by the Commissioner of Income-tax under clause (b) of this notification.

SCHEDULE

Sl.No	Designation of the Income Tax Authority	Headquarters	Jurisdiction
(1)	(2)	(3)	(4)
1.	Commissioner of Income Tax, Centralized Processing Centre, Bengaluru	Bengaluru	All the cases where the orders have been passed through the interface between Assessing Officer and the Centralized Processing Centre.

2. This notification shall come into force from the date of its publication in the official Gazette

CIRCULARS

INDIRECT TAX

Circular No. 254/11/2025-GST

Dated 27th October, 2025

Subject: Assigning proper officer under section 74A, section 75(2) and section 122 of the Central Goods and Services Tax Act, 2017 and the rules made thereunder–reg.

Attention is invited to the Board's circular No. 1/1/2017-GST dated 26th June, 2017, through which the Board had assigned proper officers for provisions relating to registration and composition levy under the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the "CGST Act") and the rules made thereunder. Further, attention is also invited to the Board's circular No. 3/3/2017-GST dated 5th July, 2017 and circular No. 31/05/2018- GST dated 9th February, 2018 (as amended) regarding appointment of proper officers under various provisions of the Central Goods and Services Tax Act, 2017 and Integrated Goods and Services Tax Act, 2017 (13 of 2017) (hereinafter referred to as the "IGST Act").

2. It is observed that no proper officer has been assigned in respect of the following provisions of the CGST Act and the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "CGST Rules"):

   (a) Section 74A of the CGST Act which shall be applicable for determination of tax not paid or short paid or erroneously refunded or input tax credit availed or utilised for any reason for the Financial Year 2024-25 onwards.

   (b) Section 75(2) of the CGST Act which provides where any Appellate Authority/ Appellate Tribunal/ Court concludes that the notice issued under section 74(1) is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the proper officer shall determine the tax payable, deeming as if the notice were issued under section 73(1) of CGST Act.

   (c) Section 122 of the CGST Act, 2017 which provides for the penalties in respect of certain offences.

   (d) Rule 142(1A) of the CGST Rules 2017 which provides for issuance of a communication in FORM GST DRC-01A before issuance of any show cause notice under section 73 or section 74 or section 74 A of the CGST Act, 2017.

Entire Circular can be read at: *https://taxinformation.cbic.gov.in/view-pdf/1003295/ENG/Circulars.*

Circular No. 26/2025 -Customs

New Delhi, dated the 31st October, 2025

Subject:- Guidelines regarding Revision of Entries Post Clearance under section 18A of the Customs Act, 1962-reg

Attention is invited to the provisions under Section 18A, inserted vide the Section 93 Finance Act, 2025 providing a facility of revision of entry(ies) already made in relation to the goods, after customs clearance has been given, in a manner as prescribed. Attention is also invited to the para 132 of the Budget speech 2025 by the Hon'b1e Finance Minister as be1ow,-

"*I propose to introduce a new provision that will enable importers or exporters, after clearance of goods, to voluntarily declare material facts and pay duty with interest but without penalty. This will incentivise voluntary compliance. However, this will not apply in cases where department has already initiated audit or*

investigation proceedings."

2. Accordingly, the Board has notified Customs (Voluntary revision of entries Post clearance) Regulations, 2025 vide notification 70/2025-Customs (N.T.) dated 30.10.2025. The salient features of the regulations are as follows :

   i. The importer or exporter or any authorised person may file an electronic application for revised entry or revised entry cum refund (in case atleast one entry in such application has refund claim).

   ii. The electronic application is to be filed at the port where duty of customs was paid and contain only those entries for revision which were made under one bill of entry or shipping bill, bill of export or entry under section 84 during clearance.

   iii. The entries in the electronic application are successfully accepted in the customs automated system and the Acknowledgement Receipt Number is generated by the common portal.

   iv. Duty, if any leviable, along with the interest may be paid against the Acknowledgement Reference Number (ARN).

   v. A Revised Entry Reference is generated by the customs automated system after payment of duty along with interest wherever applicable.

Entire Circular can be read at: *https://taxinformation.cbic.gov.in/view-pdf/1003296/ENG/Circular.*

Circular No. 27 /2025-Customs

Dated: 31st October. 2025

Subject: Continuation of online application facility' under MOOWR Scheme — hosted on Invest India portal — reg.

Reference is invited to Circular No. 19/2025-Customs dated 23.07.2025 regarding continuation of the online application facility hosted on Invest India up to 31.10.2025.

2. In continuation of the above working arrangement. it has been decided that the existing online facility hosted by Invest India shall continue to remain operational up to 1 5th Novembcr. 2025. for receipt of applications under section 58 and section 65 of the Customs Act, 1962.

3 Applications submitted through this portal may continue to be processed by the jurisdictional Principal Commissioners/Commissioners of Customs in accordance with extant legal proc isions and instructions.

4. A CBlC-hosted digital module for submission of MOOWR/MOOSWR applications is under final stages of testing; detailed instructions regarding the timeline and deployment shall be issued separately.

5. Field formations are requested to immediately inform trade and industry associations under their jurisdiction

2. This notification shall come into force from the date of its publication in the official Gazette.

Direct Tax

Circular No.15/2025

New Delhi, dated 29 October,2025

Subject: - Extension of timelines for filing of various reports of audit and Income Tax Returns (ITRs) for the Assessment Year 2025-26- 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 due date for furnishing Income Tax Return (ITR) for the Previous Year 2024-25 (Assessment Year 2025-26) for the assessees referred in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act, from 3 l51 October, 2025 to 10th December, 2025. Consequently, the specified date for furnishing of report of audit under the provisions of the Act for the Previous Year 2024-25 (Assessment Year 2025-26) shall stand extended to 10th November, 2025 in terms of clause (ii) of Explanation to section 44AB of the Income-tax Act 1961.

JUDGEMENTS

INDIRECT TAX

Detention of goods in transit unsustainable as no intent to evade tax was found: HC

Facts of the Case :

Chawla Sugandhi Bhandar vs. State of U.P. - [2025] (Allahabad)

The petitioner-assessee, a GST-registered trader of pan masala, transported goods purchased against a tax invoice, GR, and E-way bill. During transit, the truck was intercepted and detained due to the alleged absence of one bag on verification. The petitioner submitted that the bag might have fallen during transit or was missed due to the driver's mistake. An order was passed against the petitioner under section 129(3) of CGST and Uttar Pradesh GST Act. The petitioner filed an appeal, which was dismissed on a new ground that the vehicle in question was a light commercial vehicle, disregarding the registration certificate (RC). The petitioner contended that the RC showed the vehicle was a truck with an open body, not a light commercial vehicle, and that the appellate authority's new ground lacked any record-based material or clarification from the transport department. The matter was accordingly placed before the High Court.

Decision of the Case :

The High Court held that the detention and seizure of goods, as well as the tax and penalty under section 129(3), were unsustainable in the absence of any intent to evade tax. The Court observed that the appellate authority's reliance on the light commercial vehicle ground lacked record-based material and contradicted the RC showing the vehicle as a truck. The Court also noted that the petitioner's explanation regarding the missing bag was credible. Consequently, the impugned orders were quashed, and the writ petition was allowed with a direction to refund any amount already deposited during the pendency of the petition.

Disclosure of GST returns under RTI barred as sec. 158 GST Act overrides general RTI provisions: HC

Facts of the Case:

Adarsh s/o Gautam Pimpare vs. State of Maharashtra - [2025] (Bombay)

The petitioner sought disclosure under the Right to Information Act, 2005, of GST returns of six industries, alleging fraud by the industries and asserting that the information was required to prosecute them. The Information Officer issued third-party notices and rejected the request after receiving objections. First appeals were dismissed, and a second appeal before the State Information Commissioner was also dismissed. A writ petition was filed challenging the refusal. The matter was accordingly placed before the High Court.

Decision of the Case:

The High Court held that the confidentiality provision under the GST Act barred the disclosure of the requested particulars. Being a special and later enactment, the GST law prevailed over the general Right to Information Act, 2005 regime for matters of confidentiality. The allegation of fraud by the petitioner was bald in nature and unsupported by any prima facie material, and no larger public interest was shown to warrant disclosure of personal or third-party information. The public-interest override under the privacy exemption was therefore not attracted, and the authorities had rightly refused to provide the information, confirming the decision in favour of the revenue under Section 158 of the CGST Act/Maharashtra GST Act.

HC quashed order passed on a date other than the date fixed for hearing without putting assessee to notice

Facts of the Case:

Mahesh Fashion vs. State of U.P. - [2025] (Allahabad)

The petitioner, a proprietorship concern, received a show cause notice under section 73 of the CGST/Uttar Pradesh GST Act. It submitted a reply, and a hearing was fixed. An ex parte order demanding tax, interest, and penalty was passed, which the petitioner claimed was not duly communicated, being uploaded under 'Additional Notices and Orders'. Upon learning of the order, the petitioner filed an appeal, which was dismissed ex parte without intimation of the hearing date. The State contended that sufficient opportunities had been provided. The petitioner relied on cited precedents and urged the date-of-hearing rule. The matter was accordingly placed before the High Court.

Decision of the Case :

The High Court held that orders must be passed on the date fixed for hearing or, if later, only after giving prior notice. The appellate order was quashed for violating principles of natural justice. The matter was remanded to the appellate authority for a fresh decision after due personal hearing, to be completed expeditiously.

HC modified bail condition as accused was required to travel abroad frequently for business related work

Facts of the Case :

Ankur Agrawal vs. Union of India - [2025] (Rajasthan)

The petitioner, alleged to be involved in GST evasion, had been granted regular bail with conditions requiring prior permission for international travel and passport deposit. He contended that these conditions were onerous, as he was a director and operational head of the company requiring frequent foreign travel, while his family resided in India and his wife was undergoing medical treatment. The legal issue was whether the bail conditions restricting travel could be modified, and the matter was accordingly placed before the High Court.

Decision of the Case :

The High Court held that requiring prior permission for each international trip was onerous and hampered the petitioner's business activities. Considering his role, frequent travel needs, and lack of flight risk, the Court permitted him to travel abroad on condition of disclosing his travel schedule to the trial court, returning his passport, cooperating in the trial, and attending all hearings. The ruling clarified that bail conditions can be adjusted to accommodate professional obligations while ensuring compliance with judicial proceedings.

Assessment order passed without signature and notice under Rule 142(1A) held invalid: HC

Facts of the Case :

Abrars Today Fashion Mall vs. Assistant Commissioner - [2025] (Andhra Pradesh)

The petitioner, a registered dealer, aggrieved by an adjudication order imposing a penalty under the CGST Act and Andhra Pradesh GST Act for the period from July 2017 to December 2021. It was submitted that the summary of the assessment order in Form GST DRC-07 did not bear the signature of the assessing authority, and the petitioner contended that this defect could not be cured by provisions under the Act or Rules. The matter was accordingly placed before the High Court.

Decision of the Case :

The High Court held that the presence of a signature on an assessment order under Rule 142(1A) of the CGST Rules and Andhra Pradesh GST Rules is mandatory and cannot be dispensed with. The Court observed that the defect in the unsigned order could not be cured by the saving or service provisions, and the failure to comply with mandatory procedural requirements rendered both the assessment and appellate orders unsustainable. It was concluded that the assessment and appellate orders were invalid due to procedural defects and directed the issuance of a fresh order in compliance with the statutory requirements.

Direct Tax

Pendency of belated objection before DRP doesn't constitute legal impediment for AO to proceed with assessment: HC

Facts of the Case:

Principal Commissioner of Income-tax v. Yokogawa India Ltd - [2025] (Karnataka)

The assessee, a company, was engaged in the business of manufacturing, trading and distributing process control instruments. Its case was selected for scrutiny, and the Assessing Officer (AO) referred the matter to the Transfer Pricing Officer (TPO). After receiving the TPO's order, the AO passed a draft assessment order, and the assessee filed objections before the Dispute Resolution Panel (DRP).

The DRP rejected the objections as being belated. Consequently, the AO passed the final assessment order. The assessee preferred an appeal before the Tribunal, and the Tribunal held the final assessment order was barred by limitation.

Aggrieved by the order, the AO filed the instant appeal before the Karnataka High Court.

Decision of the Case:

The High Court held that Section 144C(2) provides that the assessee may, within 30 days of the receipt of the draft order, file his objections to the Dispute Resolution Panel (DRP). Section 144C(3) provides that the AO shall complete the assessment on the basis of the draft order if the assessee intimates to the AO the acceptance of the variation or no objections are received within the prescribed period. Section 144C(4) provides that the AO shall pass the assessment order within one month from the end of the month in which the period for filing objections expires.

In the instant case, the assessee filed the objections before the DRP beyond the prescribed period. Thus, the AO should have passed the assessment order within one month from the end of the month in which the period for filing objections expires. However, the AO waited for the DRP's order and passed the assessment order after the DRP rejected the objections as being belated. Thus, the AO passed the assessment order beyond the prescribed period.

The provision of Section 144C(4) is mandatory in nature, and the AO is required to pass the assessment order within the prescribed time limit. The AO cannot wait for the DRP's order and pass the assessment order beyond the prescribed time limit.

One-line approval sufficient for Sec. 151 sanction if reflects satisfaction for reopening assessment: HC

Facts of the Case:

Principal Commissioner of Income-tax v. Agroha Fincap Ltd. - [2025] (Delhi)

The assessee company received share capital along with share premium. The assessee company filed its return, which was processed, and no scrutiny was conducted.

Subsequently, the Assessing Officer (AO) received information from the Investigation Wing that a search operation in the case of S Group revealed that the assessee was allegedly involved in accommodation entries in the form of share capital/share premium/ loans. Based on said information, AO issued a reopening notice and passed an assessment order making additions to the assessee's income on account of unexplained credit under section 68.

On appeal, the CIT(A) upheld the additions. The matter reached the Delhi Tribunal. The Tribunal held that the approval granted by the Principal Commissioner for reopening the assessment was invalid, as it was given mechanically without independent application of mind. The Tribunal quashed the reassessment proceedings.

The Revenue filed an appeal to the Delhi High Court.

Decision of the Case:

The High Court held that the issue is whether the use of the language ''Yes, I am convinced it is a fit case for re-opening of the assessment under section 147 by issuing notice under section 148'' meets the requirement of proper approval by the Competent Authority.

The Tribunal clearly erred in failing to appreciate the above language used by the Competent Authority in granting approval. The single-line approval satisfies the mandate of section 151 in this case. Hence, the impugned order of the Tribunal allowing the assessee's appeal was untenable and liable to be set aside.

Royalty paid to authorised Power of Attorney holder allowable as business expenditure: ITAT

Facts of the Case:

Balajee Infratech & Constructions (P.) Ltd. v. Deputy Commissioner of Income tax - [2025] (Mumbai - Trib.)

The assessee was engaged in the business of mining, quarrying, stone crushing and breaking, drilling, blasting, ground levelling and transportation of aggregates on a contract basis. For executing its projects, such as laying stones along highways or runways, the assessee was required to procure boulders and stones from nearby quarries. In the process, it utilized adjoining land parcels for excavation, mining and transportation.

In consideration of the right to use such land, compensation or royalty was paid to the landowners, whether private persons or governmental authorities, or to those in lawful possession or control thereof. Such payments were customary in the trade and were uniformly described as royalty for extraction of boulders and stones.

The assessee was consistently making such royalty payments for the last many years. However, for the year under consideration, the Assessing Officer (AO) noted that the assessee had made royalty payment to the person who was not the owner of the land. Subsequently, AO held that the expenditure was not for business purposes and disallowed the same under section 37(1).

On appeal, CIT(A) upheld the addition made by the AO. Aggrieved by the order, the assessee filed an appeal to the Tribunal.

Decision of the Case:

The Tribunal held that the assessee was engaged in the business of mining and quarrying. It could not have executed its contractual obligations without access to the land in question. The payment of royalty was therefore not only prudent but necessary. The assessee paid royalty to the person duly empowered to grant such rights, as supported by banking records and subject to tax deduction at source. No part of the transaction is shown to be sham or colourable.

Once the identity of the recipient, the nature of the service, and the nexus with business are established, the disallowance merely on the ground that the agreement was not registered or that the land belonged to another entity is an exercise in form over substance.

Commercial expediency is to be judged from the standpoint of the businessman and not from the armchair of the revenue authorities. The genuineness of the payment stands fortified by documentary evidence, including the Power of Attorney, the agreement, the declaration, and proof of payment through banking channels.

The Revenue has not demonstrated that the payment was either excessive or fictitious, nor has it brought any material to suggest that the assessee derived any extraneous advantage therefrom. The disallowance, thus, is founded more on conjecture than on evidence. Therefore, the reopening of the assessment under Section 147 was impermissible, as it was based solely on a change of opinion. Even on merits, the expenditure represents a legitimate business outlay allowable under section 37(1).

Profit on sale of property held for rental income, sold under financial pressure, taxable as capital gains: ITAT

Facts of Case :

Basavaraju Shivakumar Holavanahalli vs. Assistant Commissioner of Income-tax - [2025] (Bangalore - Trib.)

The assessee purchased a vacant site and constructed a commercial building (lodge and restaurant complex) on it. The assessee, thereafter, executed an agreement to sell in favour of 18 individuals, who later formed a partnership firm. The sale deed was registered for a certain amount.

In the return, the assessee declared Long Term Capital

Gain (LTCG) after indexation and claimed exemption under section 54EC. The Assessing Officer (AO) held that the assessee was a builder and developer, based on the fact that the assessee constructed the building soon after purchase and later sold it to 18 parties. Thus, the transaction was treated as an adventure in the nature of trade and assessed as business income.

The CIT(A) confirmed the order, and the matter reached the Bangalore Tribunal.

Decision of the Case :

The Tribunal held that the key issue is whether the property was held as a capital asset or stock-in-trade. The answer depends on intention. Intention has to be gathered from conduct, treatment in accounts, and surrounding circumstances.

In the instant case, the assessee purchased the land in September 2007. He immediately constructed a building and tried to let it out. Negotiations with a hotel, advertisements for tenancy, and a six-year wait indicate that the primary intention was to hold it as an investment for rental income.

Furthermore, the property was disclosed as a capital asset in income tax and wealth tax returns. This conduct is consistent and supports the assessee. If the property was stock-in-trade, it would not have been declared in wealth-tax returns.

The sale was after six years of holding, not immediately after purchase. The assessee sold due to financial pressure and long vacancy. This was a forced sale, not a planned business venture. Therefore, the property in question was a capital asset. The profit on sale has to be assessed under the head "Capital Gains."

Platform service to banks deemed charitable as only nominal cost fee charged: ITAT

Facts of the Case :

National Payments Corporation of India vs. CIT (Exemptions) - [2025] (Mumbai - Trib.)

The assessee, a not-for-profit company registered under section 25 of the Companies Act, 1956, was established under the aegis of the Reserve Bank of India and the Indian Banks' Association to operate and manage payment and settlement systems in India. It provided a platform for conducting transactions among member banks and charged a nominal fee per transaction to recover the cost of infrastructure and operations; any surplus was utilised for capital expenditure and further development of payment systems.

The Assessing Officer (AO), after making specific inquiries on the applicability of the proviso to section 2(15) and after considering detailed replies, accepted the assessee's claim of exemption under section 11. On revision, the CIT (Exemptions) held that the assessee's activities were like trade, commerce, or business and, thus, hit by the proviso to section 2(15).

The matter reached the Mumbai Tribunal.

Decision of the Case :

The Tribunal held that the word 'business', as per Section 2(13) of the Act, is generic. 'Business' in its ordinary sense would mean an occupation, or profession which occupies time, attention or labour of a person and is generally undertaken with a profit motive. The word 'commerce' again is of the same connotation as 'trade' or 'business'.

In the present case, as can be seen from the objects of the assessee mentioned in its MoA, it is not in any manner involved in any activity of trade, commerce, or business. Further, it is necessary to see whether the second condition of any activity of rendering any service in relation to any trade, commerce, or business is applicable.

Since the assessee itself was not carrying on any trade, commerce or business, it cannot be said that it was involved in any activity of rendering service in relation to any trade, commerce or business. Further, it was observed that as per the proviso to section 2(15), the activity of trade, commerce or business or services related thereto must be for a cess or fee or any other consideration.

In the instant case, the assessee recovered only a nominal charge for providing its facilities to recover its costs. Admittedly, these have been reduced significantly to pass on the economies of scale to its member banks. Accordingly, the CIT (Exemptions) was not justified in invoking Explanation 2 to section 263 and holding that the assessee's activities were like trade, commerce or business.

TAX CALENDAR

INDIRECT TAX

Due Date	Return
10th November	GSTR- 7 (Oct 2025)
	GSTR- 8 (Oct 2025)
11th November	GSTR- 1 (Oct 2025)
13th November	GSTR-1 IFF
	GSTR - 5 (Oct 2025)
	GSTR- 6 (Oct 2025)

DIRECT TAX

Due Date	Return
7th November 2025 -	Due date for deposit of Tax deducted/collected for the month of October, 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 of challan
	Uploading of declarations received in Form 27C from the buyer in the month of October, 2025
10th November 2025 -	Due date for filing of audit report under section 44AB for the assessment year 2025-26 in the case of a corporate-assessee or non-corporate assessee [who is required to submit his/its return of income on December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing of Audit report in Form no. 10B/10BB by a fund or trust or institution or any university or other educational institution or any hospital or other medical institution **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.

Due Date	Return
	Furnishing audit report in Form 3AC by assessee claiming deduction under section 33AB for the previous year 2024-25 [if the assessee is required to submit return of income on December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing audit report in Form 3AD by assessee claiming deduction under section 33ABA for the previous year 2024-25 [if the assessee is required to submit return of income on December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No. 3AE under section 35D(4) for the previous year 2024-25 [if the assessee is required to submit return of income by December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No. 3AE under section 35E(6) for the previous year 2024-25 [if the assessee is required to submit return of income by December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing of statement containing the particulars of expenditures specified under section 35D(2)(a) ([f the assessee is required to submit return of income by December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.

Due Date	Return
	Furnishing of audit report in Form 3CE under section 44DA by non-resident and foreign company for the previous year 2024-25 [if the assessee is required to submit return of income on December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing of audit report relating to computation of capital gains in case of slump sale [if the assessee is required to submit return of income on December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing report certifying the claim for additional employee cost under section 80JJAA during the previous year 2024-25 [if the assessee is required to submit return of income on December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing report under section 115JB for computing the book profits of the company during the previous year 2024-25 [if the assessee is required to submit return of income on December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing report under section 115JC for computing Adjusted Total Income and Alternate Minimum Tax of the person other than company during the previous year 2024-25 [if the assessee is required to submit return of income on December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.

Due Date	Return
	Furnishing of Audit Report under clause (ii) of section 115VW for the previous year 2024-25 **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
	Furnishing of audit report by the specified fund, being the investment division of an offshore banking unit, for the purpose of exemption under section 10(4D) [if assessee is required to submit return of income by December 10, 2025 (extended date)] **Note:** The due date for furnishing the report has been extended from 30-09-2025 to 10-11-2025 vide Circular No. 14/2025, dated 25-09-2025 and Circular no. 15/2025, dated 29-10-2025.
14 November 2025 -	Due date for issue of TDS Certificate for tax deducted under section 194-IA,194-IB, 194M, 194S in the month of September, 2025
15 November 2025 -	Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending September 30, 2025
	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of October, 2025 has been paid without the production of a challan
	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 October, 2025
	Due date for furnishing statement by a recognised association in respect of transactions in which client codes been modified after registering in the system for the month of October, 2025

E-PUBLICATIONS

Of

TAX RESEARCH DEPARTMENT

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

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

NOTES:

TAXATION COMMITTEES - PLAN OF ACTION

Proposed Action Plan:

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

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(Under the Jurisdiction of Ministry of Corporate Affairs)

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