

Update June 2025

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Bizsolindia Monthly Update | Issue X | Volume XX | JUNE 2025



In This Update

Whats New?

BTO

Bizsol Corner

#Digital Updates





We Believe In

“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.”

Mahatma Gandhi

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This Month For You - June 2025

Date	Law	Particular
07.06.2025	Income Tax	Due date for deposit of Tax deducted/collected for the month of May 2025.
07.06.2025	Income Tax	Uploading of declarations received in Form 27C from the buyer in the month of May, 2025
07.06.2025	Wages Act	Payment of Salary / Wages If employees <1000
10.06.2025	GST	GSTR -8 E Commerce Operator For The Month of May 2025
10.06.2025	GST	GSTR-7 Registered persons who deduct TDS for the month of May 2025
10.06.2025	Wages Act	Payment of Salary / Wages If employees > 1000
10.06.2025	Excise	ER-1 / ER-2 Returns
11.06.2025	GST	Filing of GSTR-1 for the month of May 2025
13.06.2025	GST	Filing of IFF for the month of May 2025 for the taxpayers filing GSTR-1 under QRMP Scheme.
13.06.2025	GST	GSTR-5 & GSTR-6-ISD Return for the month of May 2025
14.06.2025	Income Tax	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of April, 2025
15.06.2025	Income Tax	Advance Tax Payment (1st Installment) for April 2025 to June 2025
15.06.2025	Income Tax	Issuance of TDS Certificates Form 16 (w.r.t. Salary) for FY 2024- 2025
15.06.2025	Income Tax	Issuance of TDS Certificates Form 16A (w.r.t. other than Salary) for quarter ending 31st March 2025
15.06.2025	Income Tax	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of May, 2025 has been paid without the production of a challan
15.06.2025	Income Tax	Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending March 2025
15.06.2025	Provident Fund	Due date to pay of the May 2025's provident fund contribution of both employee and employer to be paid by the employer under ECR Cum-Return
15.06.2025	ESIC	Due date to pay ESIC Payments for May 2025
20.06.2025	GST	Due date of filing of GSTR-3B for the month of May 2025
20.06.2025	GST	Due date for filing GSTR-5/ 5A for the month of May 2025

This Month For You - June 2025

Date	Law	Particular
25.06.2025	GST	GST Payment in PMT-06 of Taxpayers under QRMP (If no sufficient ITC)
28.06.2025	GST	Due date of filing of GSTR-11 for May 2025 for taxpayer who are Unique Identity Number(UIN) Holders
30.06.2025	Profession Tax	Professional Tax of employees deducted for the month of May 2025
30.06.2025	Company Law	Form DPT-3 Annual Return to disclose deposit information (for FY 2024-25)
30.06.2025	DGFT	Renewal of IEC (Importer – Exporter Code)
30.06.2025	Income Tax	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194-M, 194S in the month of May, 2025

From The Desk Of The Chairman



CS Venkat R Venkitachalam

Chairman, Bizsolindia Services Pvt Ltd

Donald Trump must be a very disappointed man these days. Having imposed sweeping tariffs (he is still busy doing this) with self-proclaimed lofty objectives, he is still scanning the horizon to see what his revolutionary economic reforms have done to his country or to the world in general. He, like always, took up the issue of tariff as a major weapon to pre-empt what he himself calls the exploitation of his country by other countries. This is his primary grievance. As long as he has his cronies to support whatever he does, he has no worries, except that the magic potion that he has concocted for his country has not done anything to repair the US economy, at least so far. He dedicated (or wasted) one day this year as a Liberation Day for his country, the 2nd of April 2005, the day he introduced the tariff revolution on whole host goods and commodities. His administration imposed sweeping tariffs particularly on imports from China, Mexico, Canada, and the European Union citing national security and economic concerns. The other day, a U.S. trade court ruled that Trump's global tariffs are illegal, arguing that he overstepped his executive authority. However, an Appeals court has temporarily reinstated them while reviewing the case, as of writing this. The uncertainty surrounding these tariffs has disrupted global markets, with businesses struggling to predict costs and supply chain impacts. Today the US has a number of learned economists who are famous around the world on their own. His Treasury Secretary, Scott Bessent himself is a renowned economist, well known and well respected in every corner of the world. That leads to my moot point on Trump and his attitude in general. Trump gives the impression that he belongs to the tribe called "anti-intellectualism" and for good reason. Take, for example, his misadventure with tariffs itself. Trump is convinced that this is a sure shot panacea for America's problems. He has an abiding grievance that other countries are taking undue advantage of the US. One's suspicions on this gets buttressed when you see what he is doing to world renowned Universities like Harvard and Columbia. Trump is busy, very busy, going after these institutions of higher learning making you wonder why he is going out of the way to tarnish America's icons of excellence. Difficult to believe that he is doing so, for a worthy cause. Historian Richard Hofstadter's classic work "Anti-Intellectualism in American Life" is often cited in discussions about Trump as it explores how American culture has routinely favoured charisma and pragmatism over intellectual depth. However, Trump's defenders are quick to argue that his approach is strategic rather than anti-intellectual, positioning himself as a leader who prioritises action over academic debates. Some scholars point to his plain disdain for scientific consensus, such as his stance on climate change and his rejection of expert advice in areas like foreign policy and economics. Others highlight his communication style, which favours emotional appeal and directness over complexity, making him resonate with audiences who distrust traditional intellectual elites. Donald Trump has often been described as someone embodying anti-intellectualism, a term referring to scepticism or dismissal of

intellectual pursuits, expertise and critical thinking. Analysts argue that his rhetoric, policy decisions, and approach to governance reflect a preference for instinct over expertise, simplistic narratives over nuanced analyses, and populist appeal over academic rigor. It is public knowledge today that Trump has limited attention span and is known for poor intellectual prowess. It would not be surprising that over the years he may have developed a complex about the 'intellectual creatures'. That is also one of the reasons that he scoffs at genuine scientific achievements and is quick to dismiss the threats of climate change and vaccine experiments. Universities like Harvard and Columbia do everything to promote academic excellence that he hates probably because of his innate opposition and hostility towards intellectuals, scholars, and their ideas, often undermining the value of knowledge and critical thinking in society.

An organised setup to improve the efficiency of a government is a welcome move, whichever is the country and by whatever name such a setup is called. In the US it was called the Department of Government Efficiency" (DOGE). In a developed country like the United States, such an initiative had evoked tremendous interest when it was set up by none other than the newly elected President himself. As if that is not enough, Trump appointed Elon Musk, arguably the most dynamic entrepreneur-businessman and the richest man on the planet, to head DOGE. On hindsight, this department that Musk headed was destined to fail given the atmosphere in which he had to work, and the mercurial nature of Donald Trump himself to produce results. This initiative proved once again that you can rework management principles, but you cannot reinvent the science of management. In the end, Musk flattered to deceive. He left the government, albeit unceremoniously: but politely by Trump's standards. This experiment, it appears, failed almost before it take-off. Musk's new role was intended to be temporary, but his departure comes amid growing tensions over Trump's massive spending bill, which Musk criticised for undermining his cost-cutting efforts. Musk paid a heavy price when the share prices of Tesla tanked. Even when he helped reduce cost for the government, whatever it is; but unwittingly became part of a government indulging in extravagance. This development, however, did not come as a surprise as many would have anticipated such an endgame. Trump credited Musk with leading the "most sweeping and consequential government reform effort in generations" but also hinted that Musk "is not really leaving" and may continue advising the administration. While Musk claimed \$175 billion in savings, critics argue that many spending cuts lacked transparency and led to severe disruptions, particularly in foreign aid and social programmes. Musk's political involvement has reportedly damaged Tesla's brand, with sales dropping amid global protests. He has also hinted at reducing his political donations going forward. Musk's departure leaves questions about the future of DOGE and whether his cost-cutting vision will continue without him. However, Musk left the government with a golden key to the White House and Washington with a black eye.

In today's world and under the prevailing economic landscape in which a bank operates in India, it is very difficult to find major issues with any of the banks, broadly speaking. That is what we Indians thought till IndusInd happened. Apparently, everything was hunky-dory, on the surface, at least. However, IndusInd Bank is currently facing myriads of major financial and governance challenges leading to a crisis of reputation and investor concerns.

It looks as if the bank is on shaky ground going by what is emerging from newspaper reports. The bank reported its largest-ever quarterly loss of ₹2,329 crore in Q4 FY25 due to plain accounting irregularities. Internal audits revealed misclassified fee income of ₹172.58 crore and incorrect derivative trade entries, leading to a total discrepancy of over ₹2,600 crore. The Institute of Chartered Accountants of India (ICAI) is reviewing the bank's financial statements for FY24 and FY25 due to concerns over potential fraud. CEO Sumant Kathpalia has resigned. Kathpalia was granted only a one-year extension before his departure. That was unusual and a signal from the regulator that everything may not be hunky-dory with the bank. On enquiry by RBI, it was found that the bank's internal risk controls were found to be weak particularly in its currency derivative transactions. As of writing, the Securities and Exchange Board of India (SEBI) is investigating six bank officials for potential insider trading related to these lapses. IndusInd Bank's stock plunged 25% in a single day, wiping out ₹18,000 crore in market value. The bank's net interest margin (NIM) fell to 2.25%, a sharp decline from 4.26% a year earlier. Investors are waiting for a new CEO and a clearer strategy to restore investor confidence. The RBI is also closely monitoring the bank's governance and financial reporting practices. The market was given to understand that IndusInd Bank has unwound all internal derivative trades and shifted to external hedging to prevent further discrepancies. The bank has engaged an external agency for an independent audit to get to the bottom of the problem. Today, IndusInd Bank is at a critical juncture and its ability to restore investor trust will depend on strong leadership, regulatory compliance and financial stability.

Here is a book review for you – Abundance. This book is written by two Americans for Americans – Ezra Klein and Derek Thompson. For an outsider the book offers, at best, a sketchy patchwork of what could be done for the problems that the wealthiest nation faces. While doing so, it picks up a few real-life examples to show how successive governments had dealt with these problems earlier. It is an essay of how the American society is knitted together and why and where it falls short. The book identifies a few macro-economic issues and gives elaborate commentary on them. Some are relevant from a broad economic perspective to explain what is holding the US back in a number of areas. The book glosses over some critical macro-economic scenes in the society and also the government with very little concrete ideas as solutions. The book covers areas like policy, governance and economic reforms. The book also is replete with motherhood statements like “the right sees only the imagined glories of the past and the left sees only injustices of the present”. The book starts with a laudable objective like “Abundance, as we define it, is a state. It is the state in which there is enough of what we need to create lives better than what we have had. And so, we are focused on the building blocks of the future. Housing. Transportation. Energy. Health. And we are focused on the institutions and the people that must build and invent that future”. The unfortunate part is that the authors woefully fall short of their own set of goals for writing the book. In one place the authors presciently opine thus: “Americans are ‘symbolically’ conservative but ‘operationally’ liberal”! This statement is followed by another one like this: “Americans like both the rhetoric and reality of low taxes, but they also like the programs that taxes fund”. Come on, tell me something new. Tell me, in which country this paradigm is any different? ? Let me lay out one more quote from the book: “A few years ago we were greatly concerned about the ‘Ugly American’. Today we must act to prevent an

ugly America”. A tall order indeed! Where are the solutions proffered in the book to attain these goals? I do understand that prescribing a body of solutions for macro maladies is difficult. But without such suggested solutions the objectives set out in the book looks incomplete. The book covers some very important topics in the society like Zoning Laws, Discovery of Penicillin and the concept of dealing with vaccinations with “warp speed”. The book has very little to talk about the broad societal issues. Consequently, in the end the book falls short particularly for the international audience. “Abundance”, however, is a significant and timely contribution to contemporary political thought for the Americans. The authors argue in the book that while we often focus on scarcity and zero-sum thinking, a shift towards embracing abundance – both in terms of resources and generosity – is crucial for effective policymaking and societal advancement. The book could have been better if only the authors wanted it to.

Today, as I write this piece, I am reminded that the final of the Indian Premier League (IPL) would be played in the Narendra Modi Stadium that has a capacity to accommodate more one lack spectators! ! For old timers like me, the transformation of the game is nothing short of a miracle. I have had the pleasure of playing cricket during my younger days at the university level. Considering the time and circumstances and above all the places from where we used to play cricket would be fit enough to be called the Jurassic Park, always subject to the vicissitudes of weather and almost always without permitting the game to interfere with our studies. The commercialisation of the game with IPL have changed all those rules. Haven’t you heard your father advising you: first become cricketer and then prosecute your studies, time permitting. A visitor from another planet would find it difficult, nay impossible to fathom the transformation the game has witnessed. Today with the advent of the shorter form of the game it is difficult to imagine that we had played Test cricket and other forms almost without spectators! In short, while traditional cricket is known for its patience, strategic depth and endurance, modern formats of the game focuses on aggressive batting, innovative shots and quick wickets, appealing to a broader, often younger, audience. It incorporates franchise-based teams, player auctions and glamour turning cricket into a pure unadulterated commercial spectacle. As if that is not enough, in the place of the old and doughty old-timers in the audience, you have colourfully dressed bevy of beautiful girls gyrating on the boundary line dancing with gay abandon. It is a wonder that the men in the middle are still able to concentrate on the game! In essence, IPL has revolutionised the game by introducing a rapid and thrilling format compared to the slower, more methodical style of conventional cricket contributing to the sport’s global appeal and commercialisation. Cricket today is more an opiate than ever before. In a poor country like India, this game is nothing short of a palliate to assuage the pangs of poverty of this poor country! Cricket today is the new religion. All of a sudden, eleven white flannelled fools have now become eleven multi coloured neo rich! Welcome to the new world of riches!

Thank you.

Venkat R Venkitachalam



THE INSOLVENCY & BANKRUPTCY CODE ON TRIAL

The Bhushan Steel Judgment: From Closure to Chaos

CS Venkat R Venkitachalam Chairman, Bizsolindia Services Pvt Ltd

“The NCLT is directed to initiate the Liquidation proceedings against the Corporate Debtor-BPSL under Chapter III of the IBC and in accordance with law”.

With these words, a Bench consisting of J. Bela S Trivedi and J. Satish Chandra Sharma of the Supreme Court of India threw an already approved resolution process as per the Insolvency and Bankruptcy Code (IBC) under the bus on 2nd May 2025. It was not just an unprecedented judgment; but one that struck at the foundations of a branch of our legal system affecting a gamut of legal framework pertaining to liquidation of corporate entities in India. With this landmark judgment, the apex court set aside a resolution plan of Bhushan Power and Steel Ltd. (BPSL) that was under implementation based on a proposal that was put forth by JSW Steel Ltd (JSW). This judgment, in the case of Kalyani Transco v. Bhushan Power and Steel Ltd. & Ors., has ordered the liquidation of BPSL even while a Resolution Plan is under implementation. This order of the court carries with it several serious consequences for our jurisprudence, more particularly to the broader insolvency landscape in India. The ruling, which came nearly six years after the resolution plan was duly approved by the National Company Law Tribunal (NCLT) and four years after JSW acquired BPSL, has sent shockwaves through the Insolvency and Bankruptcy Code (IBC) ecosystem. In the process, the apex court stymied the court proceedings initiated under the IBC to expedite winding up of Bhushan Steel! Let us spend a few minutes to understand the consequences of this judgment, as this case is bound to have far-reaching repercussions, not only to the participants in the litigation but also to the IBC ecosystem itself.

Background of the case: BPSL was part of the Bhushan group with big plans for the company and bigger dreams for the industry. After all, it was riding India's unprecedented infrastructure boom, not too long back. By 2013, BPSL had become one of India's largest steel companies and a force to reckon with. Unfortunately for the company and not surprisingly to others, it had ended up in a debt trap with too much of borrowed capital. By 2017, it owed over Rs 47,000 crores to various banks for expansion of its steel capacity in line with their ambitions. As event turned out, the company could not simply able to sustain this level of indebtedness. Imports of equipment, delays in deliveries without commensurate revenues inevitably resulted in unbridled cost escalations and mounting losses so much so that it started sinking and its balance sheet bleeding. When the Reserve Bank of India (RBI) published a list in 2017 of the most toxic corporate defaulters, BPSL ignominiously found itself heading the list of 12 euphemistically called the “dirty dozen” with a gargantuan Rs. 3.40 lakh crores! Shortly afterwards as expected, the insolvency resolution of BSPL also commenced under the IBC - the biggest one to be pushed to the IBC in 2017. . During those initial days the new Act (read IBC) the liquidation processes were also evolving. Those days the defaulters also could not count on the judicial system to find a viable solution to carry

their burden (often, indefinitely). More often than not, in India, when company fails, we find that it has a past – a gory and an ugly one. In this case, it came in the form of the Enforcement Directorate (ED). The company was accused by ED of siphoning out more than Rs. 4,000 crores! Later, as things turned out, the ED’s involvement proved to be decisive. That aspect also had to be dealt with by the courts while deciding the liquidation proceedings of BPSL. In line with the provisions of the IBC, the creditors initiated insolvency proceedings against it. Enter JSW. The giant steel maker found an unmissable opportunity in BPSL. The former brought in an amount of Rs.19,700/- and acquired 41% of BPSL. This was to serve as part payment to the creditors as per the resolution plan of the then defunct BPCL. The banks dutifully wrote off the rest. The new acquirer also promised to bring in another sum of Rs. 8,550/- crores in equity. This scheme of things was also approved by the NCLT in 2021. The banks of BPCL got some money at least and other creditors had the supreme satisfaction of waging a short but a relentless war for spoils! After years of struggle, the company, now known as JSW Steel recommenced its operations. With this as the background story let us quickly look at the timelines in this case:

Timelines of the Resolution Process:

YEAR	EVENT
2017	BPSL was admitted to Corporate Insolvency Resolution Process (CIRP). Punjab National Bank initiates CIRP proceedings. Interim Resolution Professional (IRP) invites claims from stakeholders.
2018	Committee of Creditors (CoC) approves JSW Steel’s Resolution Plan.
2019	National Company Law Tribunal (NCLT) approves JSW Steel’s plan even as the Enforcement Directorate provisionally attaches BPSL assets.
2020	NCLAT allows JSW Steel to acquire BPSL.
2021	JSW Steel commences implementation of the Resolution Plan.
2024	Supreme Court directs ED to handover attached assets to JSW.
2025	Supreme Court quashes JSW Steel’s Resolution Plan and directs its liquidation

Life After the Resolution Process: The Enforcement Directorate that had attached BPSL’s assets in a money laundering case against old promoters got a chance to present their case at this stage in the apex court. Earlier, both NCLT and NCLAT, when approached by ED were of the opinion that JSW was not liable for past crimes! Not so, according to the Enforcement Directorate. The latter held the view that fraud is a fraud whoever had committed it, and it does not get washed away by efflux of time or change of ownership. Simply because there is a new owner, the slate cannot be wiped clean. So, they argued in the Supreme Court. The apex court after hearing the parties gave its well-reasoned judgment through a stinging verdict that has shaken the foundations of the IBC structure itself. After considering all the

arguments, the Court gave a its verdict citing the following transgressions by various parties and players in this case. The following were the Court’s observations except for some paraphrasing:

1. The resolution process overshot the IBC’s prescribed time limit of 270 days to complete the process. In fact, JSW itself had submitted its proposal beyond the deadline which, as expected, dragged on for two more years! The Court minced no words when they said that JSW engaged in a pattern of deliberate delay and misuse of legal process to avoid timely implementation of the Resolution Plan. Strong words. Even after receiving the formal approval from the NCLT, JSW delayed the full implementation for over two years – a rebuke that the ultimate beneficiary just cannot shrug off based on facts on record.
2. According to the Court “The Resolution Professional had utterly failed to discharge his statutory duties as contemplated under the IBC and the CIRP Regulations during the course of entire CIRP of the Corporate Debtor- BPSL”.
3. In the final scheme of things, according to the court the Operational Creditors (suppliers of goods and services) were conveniently sidelined. CIRP Regulations mandates that Operational Creditors are to get priority over financial creditors whereas the operational creditors were paid in March 2022, a year after payments were made to financial creditors. This raises the moot question of whether this was an issue of simple noncompliance with the approved plan or invalidity of the plan itself!
4. The Supreme Court felt that the Committee of Creditors approved changes in the resolution plan without adequate rationale or public disclosures giving rise to the feeling that ‘commercial wisdom’ as expected of them by the IBC was not of any consequence! The CoC also had failed to protect the interest of the creditors by taking contradictory stands before the Court while accepting the payments from JSW without demur and supporting JSW to implement its ill-motivated plan against the interest of the creditors.
5. The impugned processes followed under IBC ignored the issue of asset attachments made by the Enforcement Directorate thereby undermining the essence of finality of CIRP.
6. The Supreme Court felt that granting a ‘fresh start’ “to JSW without resolving the pending legal proceedings created a legal loophole. Merely because the Code is silent with regard to the phase of implementation of the Resolution Plan by the successful Resolution Applicant, neither the Tribunal nor the Courts should give excessive leeway to the successful Resolution Applicant to act in flagrant violation of the terms of the Resolution Plan or in a lackadaisical manner. In the instant case, SJSW did not implement the Resolution Plan for about two long years after its approval by the NCLAT, though there was no legal impediment in implementing the same”.

7. The Supreme Court was also of the view that both NCLT and NCLAT overstepped their powers by approving changes and dismissing objections from investigating agencies. According to the Court “The Resolution Plan of JSW as approved by the CoC did not confirm the requirements referred to in sub- section (2) of Section 30, the same being in flagrant violation and contravention of the expressed provisions of the IBC and the CIRP Regulations. The said Resolution Plan, therefore, was liable to be rejected by the NCLT under sub-section (2) of Section 31, at the very first instance. The impugned judgment passed by the NCLAT in allowing the Company Appeal of JSW and issuing the directions without any authority of law and without jurisdiction, is perverse, coram non iudice (not before the court) and liable to be set aside”.
8. The Court came down heavily on JSW, the Resolution Applicant thus: “This litigation is an eye-opener, also as regards the manner in which the implementation of plans are handled by the successful resolution applicant and the lenders involved in the process. Once a resolution plan is approved under the Insolvency and Bankruptcy Code, 2016 the successful resolution applicant undertakes a profound responsibility to implement the plan in both letter and spirit. This obligation is not merely an empty formality but an enduring commitment to restore the Corporate Debtor to viability and ensure a meaningful turnaround. The role of the successful Resolution Applicant is thus far more than a transactional duty towards the creditors or stakeholders; it embodies a pivotal responsibility to the distressed entity itself, which must be approached with utmost dedication and an earnest sense of duty. Regardless of the challenges that may arise, the successful Resolution Applicant cannot treat its obligations as optional or conditional, nor can it abdicate its responsibility in the face of unforeseen obstacles”.
9. Implementing the resolution plan fully and to rejuvenate the debtor company, is integral to the success of the Insolvency and Bankruptcy Code, 2016 framework and the spirit of economic revival it seeks to foster. The approach, therefore, must not be frugal or narrowly profit-driven, limited to viewing the transaction through a purely commercial lens. Instead, it must recognise that rescuing a distressed company is a responsibility of significant social and economic value, demanding a holistic and responsible strategy. This involves a dedication to long-term outcomes, where the successful resolution applicant adopts measures that genuinely support the debtor’s rehabilitation, rather than making minimal or half-hearted attempts at implementation. The courts and Tribunals have consistently underscored that the successful resolution applicant’s role transcends commercial interest and embodies a commitment to the larger purpose of corporate revival. Consequently, it must make thoughtful and sustained efforts demonstrating adaptability and resilience even when faced with obstacles or operational impediments. Simply put, the successful resolution applicant cannot step back or dismiss its obligations by attributing delays or setbacks to the conduct of other stakeholders, as this would undermine the very purpose of insolvency resolution.

10. The apex court had this to say about the conduct of JSW. It is very pertinent to note that the upfront payments and commitment with regard to infusion of equity into the company was one of the main criteria on which JSW had scored the highest in the evaluation matrix determined by the CoC. Thus, after obtaining the approval of its Resolution Plan from CoC by presenting a rosy picture, misguiding the CoC, and defeating the rights of other Resolution Applicants, JSW did not respect and honour the said commitments, and on the contrary tried its level best to delay the implementation of the Resolution Plan without any cogent reason or justification. This is nothing but a misuse of process of law and a fraud committed by JSW with the CoC and other stakeholders. This was a slap on the face of the successful Resolution Applicant.

Experience with the IBC: Virtually everyone involved in this litigation are running for cover after this judicial verdict. Everyone is busy finding someone else to pin the blame on. In the end, there has been a serious systemic failure. IBC came to be enacted because of interminable delays in the judicial system. The new Act with time bound resolution process built in, was what was needed to salvage the insolvency proceedings. This judgment when it came out has split the experts right in the middle – those who feel equity and justice should be paramount in judiciary while the other camp feeling that economic parameters should not be lost sight of, in the pursuit of legal righteousness. The Supreme Court had also an occasion to dwell on the concept behind setting up the IBC when it had observed thus in *Swiss Ribbons vs Union of India* when it observed: “.... the primary focus of the legislation is to ensure revival and continuation of the corporate debtor by protecting the corporate debtor from its own management and from a corporate death by liquidation. The Code is thus a beneficial legislation which puts the corporate debtor back on its feet, not being a mere recovery legislation for creditors.” *Swiss Ribbons vs Union of India*. In the end, IBC no doubt, was successful in finding a resolution to the vexed and complex issue of BPSL. But it had done so, by sacrificing the foundational principles of IBC – transparency, fairness and finality. In that sense it was a case of “operation successful; patient dead”. The Supreme Court in its wisdom fastened the blame for such transgressions on the people and institutions involved. This, in my opinion is not judicial overreach as alleged by some people, by any standard. Moreover, the punishment meted out to various agencies involved is also not disproportionate. Yes. The decision of the Court is inconvenient to a lot of players who had a free rein in the past. We are a country that frame and follow laws. Just because the judgment would result in costly litigation, even the Supreme Court cannot travel beyond what has already been laid down by law. By the way, even if the matter gets referred to a larger Bench none of the infirmities is likely to get rectified unless the Court itself invokes its inherent powers as provided by the Constitution. However, this judgment serves as a timely reminder to all the participants to follow the law and not pursue a litigation. Let us learn to do just that.

Law and the Society: This case has thrown up some important perspectives of the whole body of law of the land. The judgment of the Supreme Court has sparked a debate rooted in contrasting principles - the pursuit of justice and equity versus the potential economic repercussions of such judicial decisions. . Some experts assert that the law must uphold principles of fairness, transparency and legitimate claimants’ rights irrespective of economic consequences.

Justice demands that violations of law or misuse of resources be rectified, ensuring that all stakeholders are treated equitably. This view is both legal and ethical. Upholding fairness ensures integrity of the legal system. Favouring equity restores faith that laws are applied uniformly and that claims are settled based on merit and law, not arbitrarily or selectively. Favouring justice embodies a message that corporate misconduct or violations will not be overlooked, which is essential for deterring malpractices. It also reinforces the moral authority of courts to uphold constitutional and statutory principles. Above all, it emphasises that legitimate creditors and claimants must receive their rightful dues, reinforcing social justice and corporate accountability. People holding these views argue that justice and equity should always prevail regardless of the consequences. There is another school of thought on the very subject. They warn that rigid adherence to legal and moral claims without regard for economic fallout might impair investor confidence, disrupt the functioning of industries and the society in general suffer significant economic losses. This case involves a major steel manufacturer whose collapse could threaten thousands of jobs, affect downstream industries and cause ripple effects across the economy. Overemphasis on justice at the cost of economic stability might discourage investment especially if courts are perceived to rule unpredictably or prioritise claims over operational ground realities affecting market confidence and investor sentiments. A pragmatic approach recognises that too strict an interpretation of rights might undermine broader economic interests, especially in sectors vital for infrastructural development and employment generation. The debate thus encapsulates a fundamental societal conflict - upholding the rule of law, fairness, and corporate accountability versus safeguarding economic stability, employment and investor confidence. Both perspectives are rooted in valid concerns—one emphasising moral and legal righteousness and the other appreciating the complex realities of economic macro-management. An optimal judicial approach rooted in judicial wisdom and not necessarily on only on judicial decision would seek a balance ensuring justice without causing disproportionate economic disruptions

What next?: We have not heard the last word in this case. A Review Petition has been filed by JSW that is likely to be rejected. A plea for a larger Bench to consider the issues involved may not get accepted considering the issues raised, the Bench having strictly gone by the letter of the law of the land. Today JSW wants the profits that they have earned when they ran the company based on the court order. The Enforcement Directorate has to collect what they can in this milieu. The government has indicated that it is not interested in interfering in this case, based on newspaper reports. What we now need, however, is not another judicial decision, but some judicial wisdom!

Thank you.

Venkat R Venkitachalam



CRUCIAL ROLE OF RESOLUTION PROFESSIONAL IN STATUTORY COMPLIANCE UNDER INSOLVENCY AND BANKRUPTCY CODE (IBC), 2016

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When a company is unable to pay its debts and goes through the **Corporate Insolvency Resolution Process (CIRP)** under the **Insolvency and Bankruptcy Code (IBC), 2016**, a person called the **Resolution Professional (RP)** is appointed to take control of the company.

One of the most important responsibilities of the RP is to make sure that the company follows all the rules and laws laid down by the government. This is called **statutory compliance**.

1. Who is a Resolution Professional?

A Resolution Professional is a qualified and licensed professional appointed to manage the affairs of a company when it goes through insolvency. The RP ensures that the company is managed properly and that efforts are made to either revive it or take it through liquidation, depending on the situation.

Initially, the National Company Law Tribunal (NCLT) appoints an IRP on the insolvency commencement date. The IRP's role is to manage the debtor's affairs and form the CoC.

The IRP convenes the CoC, which is comprised of various creditors of the debtor.

The CoC then selects the RP, who is responsible for conducting the CIRP and developing a resolution plan for the debtor.

The Committee of Creditors (CoC) comprising of financial creditors is the supreme decision making body during the CIRP. The Resolution Professional appointed by the National Company Law Tribunal (NCLT) is tasked with the implementation process under the directions of the CoC. However, Resolution Professional is responsible to comply with all statutory laws and also arrange to pay the tax during his period till the time resolution process is finally concluded.

2. What is Statutory Compliance?

Statutory compliance means following all the laws and rules that apply to a business. These include:

- **Tax laws and regulations thereunder** (like GST, income tax, TDS, etc.)
- **Labour laws and regulations thereunder** (like provident fund, ESI, employee benefits, etc.)
- **Environmental laws and regulations thereunder**
- **Company laws and regulations thereunder** (like filings with the Registrar of Companies)
- **Any other applicable government laws and regulations thereunder**

If a company does not follow these laws, it may have to pay penalties, face legal action, or lose its reputation.

3. Duties of RP in Statutory Compliance

Section 25 of Insolvency and Bankruptcy Code clearly provides the duties of Resolution Professional which is reproduced below:

Section 25. Duties of resolution professional.

- (1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.
- (2) For the purposes of sub-section (1), the resolution professional shall undertake the following actions, namely:—
 - (a) take immediate custody and control of all the assets of the corporate debtor, including the business records of the corporate debtor;
 - (b) represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial or arbitration proceedings;
 - (c) raise interim finances subject to the approval of the committee of creditors under section 28;
 - (d) appoint accountants, legal or other professionals in the manner as specified by Board;
 - (e) maintain an updated list of claims;
 - (f) convene and attend all meetings of the committee of creditors;
 - (g) prepare the information memorandum in accordance with section 29;
 - (h) invite prospective lenders, investors, and any other persons to put forward resolution plans;
 - (i) present all resolution plans at the meetings of the committee of creditors;
 - (j) file application for avoidance of transactions in accordance with Chapter III, if any; and
 - (k) such other actions as may be specified by the Board.

a) Taking Over Company's Management

Once appointed, the RP takes charge of the day-to-day operations of the company. The RP ensures that the company keeps running smoothly and legally. This includes making sure all taxes and dues are paid on time.

b) Running the Business as a Going Concern

The RP must make sure the company continues its business operations during the insolvency process. This means

- Filing GST and other tax returns
- Paying salaries and employee benefits
- Paying electricity, rent, and other regular expenses

Doing all this properly ensures the company retains its value and can attract potential buyers or investors

c) Filing Reports with Authorities

The RP has to regularly send reports to:

- National Company Law Tribunal (NCLT)
- Insolvency and Bankruptcy Board of India (IBBI)

These reports include details of how the company is doing and whether it is following all legal requirements. If the company is not compliant, the RP must explain what steps are being taken to fix it.

d) Handling Notices and Government Queries

If the company receives any notices from the tax department, GST office, or other government agencies, the RP must respond properly. The RP must also cooperate with any inspections or audits that government authorities want to do.

e) Helping Potential Buyers

Before a buyer decides to invest in the company, they will check whether the company is following all laws. If the company is not compliant, the buyer may lose interest. The RP must make sure that all records are clean and up-to-date so the company looks attractive to buyers.

It has been clearly clarified in the circular issued by Insolvency and Bankruptcy Board of India vide Circular No. No. IP/002/2018 dtd 03.01.2018 w.r.t. **Insolvency professional to ensure compliance with provisions of the applicable laws.** Important clarification is reproduced below:

Quote

2. It is hereby directed that while acting as an Interim Resolution Professional, a Resolution Professional, or a Liquidator for a corporate person under the Code, an insolvency professional shall exercise reasonable care and diligence and take all necessary steps to ensure that the corporate person undergoing any process under the Code complies with the applicable laws.
3. It is clarified that if a corporate person during any of the aforesaid processes under the Code suffers any loss, including penalty, if any, on account of non-compliance of any provision of the applicable laws, such loss shall not form part of insolvency resolution process cost or liquidation process cost under the Code. It is also clarified that the insolvency professional will be responsible for the non-compliance of the provisions of the applicable laws if it is on account of his conduct.

Un-Quote

4. Importance of Compliance for Successful Resolution

If the RP does not ensure proper compliance, the company may:

- Face heavy penalties and interest
- Get into legal trouble
- Lose trust of investors and buyers
- Reduce chances of successful revival

On the other hand, good compliance builds investor confidence and helps in smooth resolution.

Therefore, considering above provisions of law and specific clarification issued, it is utmost duty of the resolution professional to ensure statutory compliance since he is acting and have the powers of Board of Directors and also authorized to appoint accountants, legal or other professionals in the manner as specified by Board.

It is important to note the responsibilities of statutory dues arising on account of IBC process, which has been tabulated below:

Particulars	Responsibility of tax compliances and liability to pay the tax
Prior to appointment of Resolution Professional	<p>The Board of Directors and responsible Principal Officers for statutory compliances. However only personal penalty can be levied on them for the duty demand during the period and duty demand is payable by the company, if claim by the respective department is made with resolution professional and included in resolution plan.</p> <p>It means only those liabilities which has been included in resolution plan and approved by NCLT, those liability will have to be paid to the respective government department by the company who takes over i.e. new management.</p>
During the moratorium set in U/s 14 of IBC till approval of Resolution Plan U/s 31 of IBC.	Resolution Professional is solely responsible for 100% statutory compliances and failure to comply the same, if any demand arises and not disclosed in the resolution plan will be the sole responsibility of Resolution Professional only in terms of provisions of Section 25 read with clarification issued under the circular No. IP/002/2018 dtd 03.01.2018 and such penalties and taxes, if any will not be considered as resolution professional cost IP/002/2018 dtd 03.01.2018 and such penalties and taxes, if any will not be considered as resolution professional cost.
New Management as per the resolution plan approved by Hon'ble NCLT.	The new management will be responsible only to the extent of liabilities accepted which were disclosed and approved by NCLT. Thereafter any liabilities arises for the period after taking over by the new management, new management will be responsible.

It is very clear that even though assessment or adjudication for the period prior to taking over by new management can take place subsequently which may take substantially more years, still action for recovery proceeding against the new management and the amounts confirmed by any order is not to be recovered from the new management but a legal lien is to be filed with the resolution professional for such outstanding amounts.

It is important to note that the judgement of the Hon'ble Supreme court held in the matter **Ghanashyam Mishra & Sons v. Edelweiss ARC (2021) 9 SCC 657** that "All dues including statutory dues owed to the Central Government, any State Government or any local authority... shall stand extinguished if not part of the resolution plan approved by the Adjudicating Authority".

Further, Section 238 – Provisions of this Code to override other laws "The provisions of this Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law."

The overriding effect under Section 238 of the Insolvency and Bankruptcy Code (IBC), 2016 can apply to other statutes like the Income Tax Act, 1961, Customs Act, 1962, and Central Goods and Services Tax (CGST) Act, 2017, but with certain judicially recognized limitations and nuances.

It is important to note the important decisions on the over-riding effect as provided under Section 238 of Insolvency and Bankruptcy Code 2016.

- **Innoventive Industries Ltd. v. ICICI Bank & Anr., (2018) 1 SCC 407**".The **Supreme Court** held that Section 238 gives IBC an overriding effect over any other inconsistent legislation. Further, Appellant submits that the Hon'ble Supreme Court in **Ghanashyam Mishra & Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited [2021] 9 SCC 657**] has emphatically held that once a Resolution Plan is approved by the Adjudicating Authority, it is binding on all stakeholders, including the Central Government, State Government, and local authorities. Further, the Hon'ble Apex Court held that all dues, including statutory dues owed to any government or governmental authority, that are not part of the approved Resolution Plan, stand extinguished and cannot be enforced post-approval.

It has been well clarified by the Hon Bench of NCLT in the case of Bank of Maharashtra Vs Fabtech Projects and Engineers Ltd.

The bench heard the counsel appearing for the application and is of the considered view that these particular paragraphs has certain ambiguity and is not in line with the Hon'ble Apex Court order issued dtd 13.04.2021 in Ghanshyam Mishra and Sons Pvt Ltd V Edelweiss Asset Reconstruction Company Limited, (Civil Appeal No. 8129/2019) reported in 2021 SCC online SC 313. Accordingly, paras (ii) and (iii) in the operative part of the said order therefore stand replaced as follows:

“On the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan.

It has been re-emphasized the ratio laid down in the following decisions that the tax liabilities of prior period of taking over of new management under the Insolvency and Bankruptcy Law will be only to the extent of claimed liabilities and duly approved by NCLT in the resolution plan.

- **In this case of the CESTAT, Eastern Bench, Kolkata Mc. Nally Sayaji engineering ltd versus. Commissioner of CGST & C. EX., Bolpur, 2023 (385) E.L.T. 415 (Tri. - Kolkata)**

The appellant, against whom a Service Tax demand had been raised, was undergoing proceedings under the Insolvency and Bankruptcy Code, 2016. Upon approval of the resolution plan by the Hon'ble NCLT, it was held that all claims and demands pertaining to the period prior to the closing date stood fully discharged in terms of the resolution plan. Consequently, no fresh proceedings or recovery actions could be initiated against the appellant in respect of such past liabilities. The approved resolution plan, being binding on all stakeholders including statutory authorities like the Central Government, rendered the pending appeal infructuous. Hence, the Tribunal declared itself functus officio, having no further jurisdiction in the matter from the date of such approval. This decision was rooted in the provisions of Section 73 read with Sections 77 and 78 of the Finance Act, 1994, and Rule 22 of the CESTAT (Procedure) Rules, 1982.

- **In this case of The Supreme Court of India Commissioner of C. Ex. & S.T., Bhavnagar Versus. Reliance Naval and Engineering Ltd.**

In this case, the assessee, involved in the fabrication of cranes and dry docks used in ship and vessel manufacture and maintenance, was undergoing liquidation under the Insolvency and Bankruptcy Code, 2016. The High Court had ruled in favor of the assessee, allowing Cenvat Credit on capital goods, inputs, and input services, holding that cranes were not immovable property and that dry docks qualified as inputs. When the Revenue appealed, it was brought to the Supreme Court's notice that the assessee was already under CIRP, and that the resolution plan approved by the NCLT had made provisions for creditors who had filed claims. As the Revenue had not lodged any claim for the disputed amount, the demand could not survive, following the ratio laid down in *Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss ARC*. Consequently, the appeal was dismissed, though the question of law on the merits was kept open. The case was examined under Rule 3 read with Rules 2(a), 2(l), and 2(m) of the Cenvat Credit Rules, 2004, and Section 31 of the IBC, 2016.

- **In this case of High Court of Karnataka at Bengaluru, Union of India versus. Ruchi soya industries ltd. 2021 (377) E.L.T. 659 (Kar.)**

In the matter concerning recovery of customs duty from an importer who later entered insolvency proceedings under the Insolvency and Bankruptcy Code, 2016, it was held that the provisions of the IBC, by virtue of Section 238, override all other laws in case of inconsistency. Even prior to the 2019 amendment to Section 31, statutory dues payable to the Central Government were treated as operational debts under Section 3(10), and the Government was recognized as an operational creditor under Section 5(20). Thus, if the Central or State Government or any Local Authority fails to file a claim or participate in the resolution process, or if their dues are not incorporated into the approved resolution plan under Section 31, such dues stand extinguished. Any recovery proceedings for the pre-approval period would therefore automatically lapse. This interpretation aligns with the supremacy of the IBC over statutes like the Customs Act, 1962, including Sections 142 and 142A therein.

- **In this case of The Supreme Court of India, Ruchi soya Industries ltd. Versus. Union of India.**

In this case, the appellant underwent a Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016, culminating in the approval of a resolution plan by the NCLT in accordance with due process. The Customs Department, despite public notices issued under Sections 13 and 15 of the Code, failed to submit its claim to the Resolution Professional. Relying on the Supreme Court's landmark ruling in *Ghanashyam Mishra & Sons Pvt. Ltd. v. Edelweiss ARC* [2021] 9 SCC 657, it was held that once the resolution plan was approved, all prior claims stood extinguished, and any claim not included in the plan could not survive. As such, the customs department's demand was deemed unsustainable, and the amount deposited earlier during the appeal process was ordered to be refunded with interest. This decision reaffirmed the binding nature of approved resolution plans under Section 31 of the IBC, 2016.

In view of the above, it is utmost important to safeguard the interest of resolution professional that Resolution Professional should exercise his rights provided under the provisions of IBC to appoint experts accountant, tax experts and legal professionals to ensure the statutory compliances otherwise there will be likelihood chances of tax liability arising during the period of resolution professional on the resolution professional only and the same cannot be included in the resolution process cost and it will have to be borne by him only.



India–UK Free Trade Agreement: A New Chapter in Strategic Economic Diplomacy

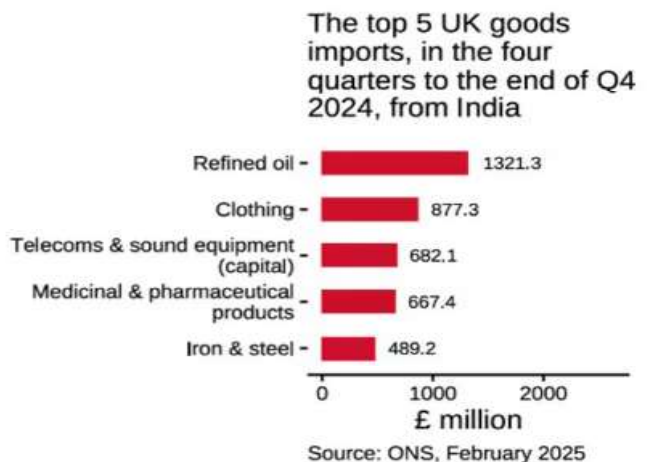
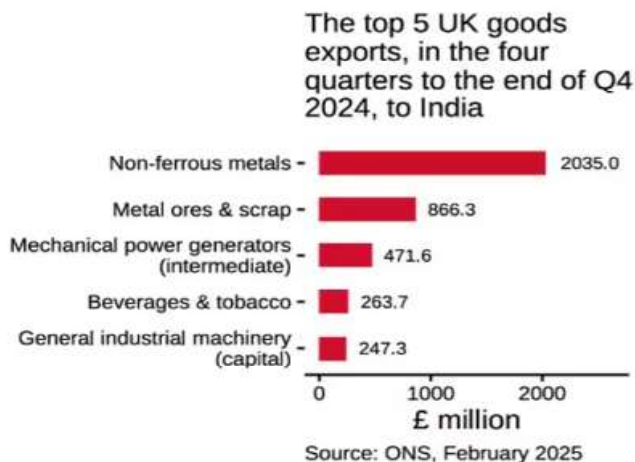
CA Manoj Malpani Director, Bizsolindia Services Pvt Ltd

Trade Agreements in the Global Context

In an era marked by shifting global trade dynamics and a resurgence of protectionist policies—exemplified by the reciprocal tariffs recently imposed by the United States—free trade agreements (FTAs) stand out as instruments of mutual growth and economic diplomacy. FTAs offer a structured and legally binding platform for countries to engage in trade liberalization, eliminate barriers, and foster cooperation across diverse sectors.

As India ascends as a global economic superpower, the appetite of foreign nations to engage commercially with the country continues to grow. Boasting one of the largest consumer markets in the world, India presents an irresistible opportunity for international businesses. FTAs provide strategic entry points for foreign entities into this expansive market while granting Indian businesses access to global partners and new demand centers. Thus, FTAs serve as win-win propositions—promoting innovation, job creation, trade facilitation, and stronger geopolitical ties.

Overview of India UK Trade



The India–UK FTA: An Overview

Finalized on 6 May 2025, the India–UK Free Trade Agreement represents a landmark moment in bilateral relations. Termed a “historic and ambitious” agreement by both governments, the FTA is accompanied by the **Double Contribution Convention (DCC)** on social security contributions, further expanding its impact.

Key highlights include:

- **Tariff Elimination:**

- o As soon as the FTA comes into force, 64% of tariff lines (detailed product descriptions) will be eligible for tariff-free export to India, covering £1.9 billion of current UK exports.
- o Tariff reductions will be phased in over 10 years, so that 85% of tariff lines and 66% of existing Indian imports from the UK will be eligible for tariff-free entry.
- o Britain has also agreed to cut its own tariffs, which were relatively lower than India's, on some products. This will mean 99% of India's exports to Britain face no duties.

(Source: Research Briefing on House of Commons Library, UK, World Economic Forum)

Economic Growth Potential:

- o The Bilateral trade, currently valued at US\$54 billion (2024) a year, is projected to rise to US\$100 billion by 2040 a year, substantially elevating both economies' growth trajectories. (Source: World Economic Forum)

- **Services & Talent Mobility:**

- o Commitments on **IT, financial, professional, and educational services** have been secured, opening significant market access for Indian service providers.
- o Enhanced mobility provisions will benefit Indian professionals—ranging from engineers to chefs and yoga instructors—seeking temporary employment in the UK.

Strategic Additions: The Double Contribution Convention

The DCC is a unique feature of this FTA, exempting Indian professionals working temporarily in the UK from social security contributions for up to three years. It mirrors social security frameworks in agreements the UK holds with countries like Japan, Canada, and Norway. By eliminating this financial burden, the agreement:

- Enhances Indian companies' global competitiveness
- Reduces the cost of overseas postings
- Improves cash flow for employees and businesses alike

Sectoral Impacts and Consumer Benefits

For the UK:

- **Beverages:** Scotch whisky tariffs will drop from 150% to 75% immediately and down to 40% over 10 years.
- **Automotive and Manufacturing:** "High-end" cars will see tariffs cut from over 100% to 10% under a quota but it is unclear how large this quota will be.
- **Clean Energy and Services:** Market access to India's renewable sector and expanded scope for financial/legal services

For India:

- Textiles, Footwear, and Toys: These labor-intensive industries benefit from zero duty, expanding export potential and job opportunities.
- Agriculture: Products like grapes, mangoes, and marine items gain easier access.
- IT & Services: A major boost in areas where India already has global leadership.

For Consumers:

Both Indian and British consumers will benefit from:

- Lower retail prices due to tariff reductions
 - Access to a broader variety of products
 - Increased competition, improving quality and innovation
-

Broader Economic and Political Significance

According to the PIB press release, both Prime Ministers Modi and Starmer view the FTA as a cornerstone of the India–UK Comprehensive Strategic Partnership. The deal underscores efforts to reduce trade barriers, encourage investment, and deepen people-to-people and institutional linkages.

The pact also affirms India’s growing stature on the world stage. As nations scramble to insulate themselves from economic shocks and secure supply chains, partnering with India—one of the few large, dynamic economies with consistent growth—has become more than just an option; it’s a necessity

Conclusion:

Reflecting on this development, it is clear that the India–UK FTA is not merely a trade document, but a strategic instrument of transformation. It reflects India’s evolving role as a global economic influencer, shaping the trade frameworks of the 21st century. For businesses, this FTA opens wide avenues—from market expansion to talent mobility. The UK and India is in process to finalize the legal text of the agreement. Then, both countries will begin their processes to ratify the deal. Once this is complete, the treaty will come into force. However, the devil will lie in the details—stakeholders must study the agreement closely, align with compliance obligations, and proactively position themselves to leverage emerging opportunities.

“This FTA is a turning point. But the true value will be unlocked only if businesses respond with speed, innovation, and execution excellence.”

Thank you.

Manoj Malpani

WHAT'S NEW?

GST



Advisory:

- GSTN has issued an advisory for reporting under GSTR-1/1A effective from May 2025 return period, requiring taxpayers to select HSN codes from a system dropdown in Table 12, with manual entry disabled. Value validations will be introduced, and the table is now split into B2B and B2C tabs
In Table 13 of GSTR 1/1A, which requires taxpayers to provide details of documents issued, is now mandatory from May 2025 return period. Taxpayers will no longer be able to leave this table blank and proceed with filing their return.
[Advisory dated 01.05.2025]
- **Changes in refund filing process:** Important changes are made in the refund filing process under the following categories:
 - (a) Export of Services with payment of tax
 - (b) Supplies made to SEZ Unit/SEZ Developer with payment of tax
 - (c) On account of Refund by Supplier of Deemed exportFor the above refund categories, the requirement to select a specific tax period ('From' and 'To') while filing refund applications has been removed. The taxpayers can now directly proceed with selecting the refund category as above and clicking on "Create Refund Application." Refund categories are changed from 'Tax Period based filing' to 'Invoice based filing'. The taxpayers can upload eligible invoices and claim refund. The invoices once uploaded with a refund application will be locked for any further amendment and will not be available for any subsequent refund claims. The said invoices will be unlocked only if the refund application is withdrawn or a deficiency memo is issued
[Advisory dated 08.05.2025]
- **Changes in refund filing process for Recipients of Deemed Export:** Taxpayers are not required to select "From Period" and "To Period" while filing this refund application. Functionality has been improved to maximize the amount of refund a taxpayer can claim in terms of uploaded invoices, irrespective of the fact that sufficient balance is available in the respective Head of electronic credit ledger or not. Here, the total amount of claim under various Heads (IGST, CGST,SGST) will be compared with total amount of ITC available under various Heads in electronic credit ledger
[Advisory dated 08.05.2025]

- **Appeal withdrawal w.r.t. Waiver scheme under section 128A:** The waiver scheme requires that appeals against certain demand orders should not be pending with the Appellate Authority. The process of withdrawing an appeal through the GST system results in the appeal status changing to “Appeal withdrawn.” If the withdrawal application (APL 01W) is filed before the Appellate Authority issues a final acknowledgment (APL 02), the system automatically updates the status to “Appeal withdrawn.” However, if the withdrawal application is submitted after the final acknowledgment, the withdrawal requires approval from the Appellate Authority before the status is updated. In both scenarios, the appeal status becomes “Appeal withdrawn,” fulfilling the waiver scheme’s requirement for non-pending appeals. Taxpayers applying for the waiver or those with existing waiver applications must upload a screenshot of the appeal case folder showing the “Appeal withdrawn” status as supporting documentation. **[Advisory dated 14.05.2025]**
- **Table 3.2 of GSTR-3B:** GSTN has issued an advisory stating that Table 3.2 of Form GSTR-3B will remain editable for the time being, contrary to the earlier advisory dated April 11, 2025, which had proposed making the table non-editable starting April-2025 return period. The concerns are under examination, and taxpayers are encouraged to review and amend the auto-populated entries, if necessary, to ensure accurate return filing **[Advisory dated 16.05.2025]**

Instructions:

- **Grievance Redressal Mechanism for processing of application for GST registration:** Any applicant whose ARN has been assigned to Central jurisdiction and who has a grievance in respect of any query raised in contravention of the earlier instructions, regarding grounds of rejection of application etc. may approach the jurisdictional Zonal Principal Chief Commissioner/Chief Commissioner.
To provide a quick and effective grievance redressal mechanism to applicants instructions are issued that Principal Chief Commissioner/Chief Commissioner of CGST Zones may publicize an email address on which the applicants can raise their grievances **[Instruction No 4/2025-GST dated 02.05.2025]**

CUSTOM

Notification:

Tariff:

- Customs duty exemption is granted on the import of certain works of art, statuary, pictures, and antiquities when intended for public exhibition in museums or art galleries, or as memorials in public places, subject to conditions specified in the notification.
[Notification No. 29/2025-Customs dated 09.05.2025]
- Notification No. 55/2022-Customs dated 31.10.2022 is amended to remove the condition required for availing exemption on Bangalore Rose Onion.
[Notification No. 30/2025-Customs dated 23.05.2025]
- CBIC has extended the exemption (from Customs Duty) condition on imports of Yellow Peas (HS 0713 10 10) for bills of lading issued up to 31.03.2026. Additionally, the basic customs duty on crude soya bean oil (HS 15071000), crude sunflower oil (HS 15121110), and crude palm oil (HS 15111000) reduced from 20% to 10%
[Notification No. 31/2025-Customs dated 30.05.2025]

Non Tariff:

- Notification No. 58/2021-Customs (N.T.), dated the 01.07.2021 (for exchange of information facilitating trade) has been amended to add New Zealand and the Republic of Madagascar to the list of contracting states with whom India has such agreements or arrangements. Specifically, it inserts “Cooperative Arrangement between the Central Board of Indirect Taxes and Customs of the Government of the Republic of India and the New Zealand Customs Service in Customs matters” after serial number 13, and “Agreement between the Government of the Republic of India and the Government of the Republic of Madagascar on co-operation and mutual administrative assistance in Customs matters” after serial number 17 in the relevant table of the original notification.
[Notification No. 32/2025-Customs (N.T) dated 28.04.2025]
- CBIC has issued a notification for fixation of Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver.
[Notification No. 33/2025-Customs (NT) dated 30.04.2025]
- CBIC has issued a notification for fixation of Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver.
[Notification No. 34/2025-Customs (NT) dated 15.05.2025]

- Revised procedure outlined for adjudication matters related to 100% Export Oriented Units (EOU) where both customs and central excise duties are demanded. Earlier, these cases were handled by Central Excise Officers. Following jurisdictional transfers to customs officers in 2003 and 2018, this notification specifies the assignment of de-novo adjudications for cases that have been remanded in the following manner:
 1. Notices involving aggregate duty up to Rs. 5 lakhs will be handled by a Deputy or Assistant Commissioner of Customs having jurisdiction over such EOU unit
 2. Notice involving aggregate duty up to Rs. 50 lakhs will be handled by Additional or Joint Commissioner of Customs.
 3. Notice involving aggregate duty exceeding R. 50 lakhs, the adjudication will be carried out by a Principal Commissioner or Commissioner of Customs

[Notification No. 35/2025-Customs (NT) dated 16.05.2025]

- Notification No 63/1994-Customs (NT) dated 21.11.1994 has been amended in respect of Land Customs Station, Raxaul adding explanation, specifying that traffic-in-transit via rail through Raxaul will follow the provisions of the Treaty of Transit between India and Nepal signed on 01.06.2023.

[Notification No. 36/2025-Customs (NT) dated 23.05.2025]

- Jalna has been added as a customs location for unloading of imported goods and loading of export goods or any class of such goods, thereby expanding the logistical and trade capabilities within Maharashtra.

[Notification No. 37/2025-Customs (NT) dated 26.05.2025]

- CBIC has issued a notification for fixation of Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver.

[Notification No. 38/2025-Customs (NT) dated 30.05.2025]

- CBIC has delegated the adjudication of 700 pending appeal cases to the Commissioner of Customs (Appeals), Mumbai Zone-I. This decision, effective immediately upon publication in the Official Gazette, transfers the responsibilities from Mumbai Customs Zone-II to Zone-I.

[Notification No. 39/2025-Customs (NT) dated 30.05.2025]

Anti Dumping Duty (ADD):

- Three existing anti-dumping duty notifications are amended w.e.f. 01.05.2025. Notification No. 31/2021-Customs (ADD) dated 29.05.2021, Notification No. 60/2021-Customs (ADD) dated 14.10.2021 and Notification No. 12/2022-Customs (ADD) 28.04.2022. These amendments modify the tariff classifications subject to anti-dumping duties as outlined in the respective principal notifications.

[Notification No. 08/2025-Customs (ADD) dated 30.04.2025]

- Anti Dumping Duty is imposed on imports of ‘Glufosinate and its salt’ originating in or exported from China PR various tariff for items falling under HSN such as 38089193 and 38089999. This duty applies to all imports of Glufosinate and its salt originating from China, regardless of the country of export, and also covers exports from China through other countries. The duty will be in effect for five years from the notification date unless revoked or amended earlier
[Notification No. 09/2025-Customs (ADD) dated 08.05.2025]
- Imposition of Anti Dumping Duty on imports of “Sodium Citrate” originating in or exported from China PR to continue. The imposed duty, effective for five years from the notification date, varies based on the producer specified in the notification
[Notification No. 10/2025-Customs (ADD) dated 08.05.2025]
- Anti-dumping duty imposed on imports of “Textured tempered coated and uncoated glass” falling under tariff item 7003, 7005, 7007, 7016, 7020 and 8541 originating in or exported from China PR and Vietnam for a period of 5 years
[Notification No. 11/2025-Customs (ADD) dated 08.05.2025]
- Anti-dumping duty is imposed on imports of Titanium Dioxide originating in or exported from China PR, following DGTR’s final findings that such imports were dumped and caused material injury to the domestic industry. The duty, ranging from USD 460/MT to USD 681/MT, is imposed on specific producers, including non-sampled cooperative exporters, and excludes certain grades of Titanium Dioxide used in food, pharma, cosmetics, fibre production, and nano applications. The duty is applicable for a period of five years from the date of notification.
[Notification No. 12/2025-Customs (ADD) dated 10.05.2025]

Countervailing Duty (CVD) :

- Notification No. 05/2024-Customs (CVD) dated 11.09.2024 has been amended to align with changes made vide Finance Act, 2025. This amendment modifies the specified tariff items. Wherever the figures “3808 91 99, 3808 93 90 or 3808 99 90” appear in the principal notification, they will now be substituted with the figures “3808 91 93, 3808 91 99, 3808 93 91, 3808 93 99, 3808 99 12, 3808 99 91 or 3808 99 99”.
[Notification No. 02/2025-Customs (CVD) dated 30.04.2025]
- Countervailing duty is imposed on imports of “Textured Toughened (Tempered) Coated or Uncoated Glass” originating in or exported from Vietnam into India. This action follows the final findings of the Designated Authority, which determined that these goods were exported at subsidized prices, causing material injury to the domestic industry. The duty is applicable for a period of five years from the date of notification.
[Notification No. 3/2025-Customs (CVD) dated 10.05.2025]

Circular:

- Circular is issued to address the implementation of Anti-Dumping Duty (ADD) on imports of “Titanium Dioxide” originating in or exported from China PR, as recommended by Notification No. 12/2025-Customs (ADD) dated 10.05.2025. The circular clarifies that this ADD is applicable only for specified end uses and explicitly excludes imports of Titanium Dioxide intended for use in products related to food, pharma, skin-care, textile, fibre, or nano or ultra fine titanium dioxide. To facilitate the clearance of imports for these excluded sectors without collecting ADD, an electronic declaration facility is being introduced in the Bill of Entry process. Importers using this facility must declare that the imported goods are for use in the specified excluded products and undertake to pay applicable ADD with interest if the goods are subsequently used in non-excluded applications. DG (Systems) will issue an advisory regarding the system implementation of this electronic declaration.

[Circular No. 16/2025-Customs dated 11.05.2025]

Instructions:

- Direct or indirect import or transit of all goods originating in or exported from Pakistan is Prohibited with immediate effects until further orders

[Instruction No. 07/2025-Customs dated 03.05.2025]

- It is ordered that a Pakistani national with Pakistani travel documents may be allowed to exit India to go into Pakistan and an Indian National with Indian travel documents may be allowed to enter India from Pakistan through the Integrated Check Post at Attari, till further orders.

[Instruction No. 08/2025-Customs dated 05.05.2025]

- This instruction addresses the status of the Integrated Check Post (ICP), Attari, following previous instructions (06/2025-Customs and 08/2025-Customs) that conveyed the Ministry of Home Affairs’ direction to close the ICP for all passenger and goods movement. A one-time exemption granted by the Ministry of Home Affairs. This exemption permits the entry of 162 specified freight trucks carrying perishable agricultural goods for export from Afghanistan into India through ICP, Attari.

[Instruction No. 09/2025-Customs dated 09.05.2025]

- Revise formats to be used for reporting arrests and incidents where no arrest is made. This instruction, addressed to various customs officials, highlights that details of the DIGIT ID are now mandatory components of both the Arrest Report (revised Annexure-I) and the Incident Report (revised Annexure-II). These updated reports are required to be submitted via email to specified addresses.

[Instruction No. 10/2025-Customs dated 13.05.2025]

- Instruction is issued to advise customs authorities to ensure compliance and raise awareness among officers to implement port restrictions on the import of specific goods from Bangladesh. This is followed notification from DGFT office for regulating import of specified goods from Bangladesh.

[Instruction No. 11/2025-Customs dated 17.05.2025]

- To streamline and expedite the disposal process of Red Sanders seized by DRI, it has been clarified that the disposal of Red Sanders seized by DRI should also be undertaken by the Disposal units of the jurisdictional Customs field formations, as is being done in case of all other seized goods.

Procedure to be followed for disposal of Red Sanders has already defined. However, as there is separate allocation of quota by DGFT for disposal of Red Sanders by export for DRI and Customs formations, the Customs field formation, in respect of DRI seizures, should obtain authorization from DRI for use at the time of filing of Shipping Bill for export.

[Instruction No. 12/2025-Customs dated 22.05.2025]

DGFT

Notification:

- Para 2.20A of FTP, 2023 is inserted to prohibit direct or indirect import or transit of all goods originating in or exported from Pakistan with immediate effects until further orders.

[Notification No. 06/ 2025-26 dated 02.05.2025]

- A new para 19 is introduced in 'General Notes Regarding Import Policy' under ITC (HS), 2022 Schedule 1 (Import Policy) regulating the import of certain goods from Bangladesh to India, with immediate effect.

[Notification No. 07/ 2025-26 dated 17.05.2025]

- The Import Policy of the ITC(HS) codes under Chapter 71 of ITC (HS) 2022 (covering precious metals like gold, silver, and platinum), Schedule-I (Import Policy), newly created under the Finance Act, 2025 dated 29.03.2025, is notified with immediate effect.

[Notification No. 08/ 2025-26 dated 19.05.2025]

- Schedule-II (Export Policy), ITC (HS) 2022 is amended in sync with the Finance Act, 2025. This shall come into force with immediate effect. The List of ITC (HS) codes introduced/deleted/amended/split/merged as per Finance Act, 2025 are annexed herewith (Annexure-I, to the notification). The modifications/amendments in the Section Notes, Chapter-wise Main Notes, Sub-Heading Notes and Supplementary Notes as per the Finance Act, 2025 are annexed herewith (Annexure-II, to this notification)
[Notification No. 09/ 2025-26 dated 19.05.2025]
- Consequent to the amendments made under the Customs Tariff Act, 1975 through Finance Act, 2025, certain changes in RoDTEP Schedule (Appendix 4R) have been made w.e.f. 01.05.2025 to align it with the Schedule of the Customs Tariff Act.
[Notification No. 10/ 2025-26 dated 26.05.2025]
- Support under the RoDTEP Scheme for exports of products manufactured from Advance authorization (AAs), Special Economic Zones (SEZs), and Export-Oriented Units (EOUs) is restored with effect from 01.06.2025.
[Notification No. 11/ 2025-26 dated 26.05.2025]
- The name of the agency is listed at S.No. (5) of Para 4.41 of PIP-2023 has been amended from International Gemmological Institute (India) Pvt. Ltd., Bandra Kurla Complex, Mumbai to International Gemmological Institute (India) Limited, Bandra Kurla Complex, Mumbai.
[Notification No. 12/ 2025-26 dated 26.05.2025]
- Import of Roller Chains and parts thereof under ITC(HS) codes 73151100, 73151900 and 73159000, having a CIF value of less than ₹ 235 per kilogram, is 'Restricted'
[Notification No. 13/ 2025-26 dated 26.05.2025]
- Import of Cabinet Hinges under ITC (HS) Codes 83021010, 83021090, 83024200 and 83024900, having a CIF value of less than ₹280 per kilogram, is 'Restricted'
[Notification No. 14/ 2025-26 dated 26.05.2025]
- The notification removes, with immediate effect, port restrictions on the export of Finished Leather, Wet Blue Leather, and El Tanned Leather, and the requirement of drawl of samples for testing, testing and certification by the Central Leather Research Institute (CLRI) for export of Finished Leather, Wet Blue Leather, Crust Leather, and El Tanned Leather.
[Notification No. 15/ 2025-26 dated 26.05.2025]
- Import of Yellow Peas under ITC (HS) Code 07131010 is "Free" without the MIP condition and without Port Restriction, subject to the registration under online Import Monitoring System, with immediate effect, for all import consignments where Bill of Lading (Shipped on Board) is issued on or before 31.03.2026
[Notification No. 16/ 2025-26 dated 31.05.2025]

Public Notice:

- Paragraph 10.10 of the HBP has been amended to revise the provisions for the Stock & Sale Authorization of SCOMET Items, broadening the definition of 'Stockist' to include Indian or Foreign Original Equipment manufacturer(OEM) / Electronic Manufacturing Services (EMS)/Contract Manufacturer(CM).
[Public Notice No. 04/ 2025-26 dated 06.05.2025]
- SION C-888 which was suspended has been reinstated with amendment. This specific SION pertains to the export of small and large-size circular Stainless-Steel washers of different grades. SION C-888 had previously been suspended since January 14, 2020.
[Public Notice No. 05/ 2025-26 dated 06.05.2025]
- Standard Input Output Norms (SION) for the export product Di-Ethyl Phthalate (DEP) has been modified. Amendment has been made to the description of a key input material permitted for import under SION A-1294
[Public Notice No. 06/ 2025-26 dated 07.05.2025]
- The description of the export product (Di-Octyl Phthalate (DOP)) and the quantity of the import items at Sr. No. 2 under SION A-1303 is being amended w.th immediate effect.
[Public Notice No. 07/ 2025-26 dated 16.05.2025]
- Ayush Export Promotion Council (AYUSHEXCIL) is enlisted under Appendix 2E of FTP 2023 for issuing Certificate of Origin (Non-Preferential), with immediate effect
[Public Notice No. 08/ 2025-26 dated 30.05.2025]

Trade Notice:

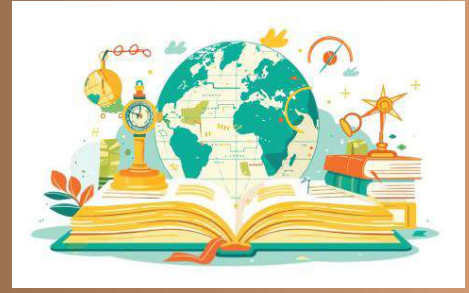
- DGFT has issued a trade notice, seeking comments from industry stakeholders on aligning Schedule-II (Export Policy) of the ITC (HS) 2022 with the amendments introduced by the Finance Act 2025.
[Trade Notice No. 04/ 2025-26 dated 29.04.2025]

INCOME TAX

- The Central Board of Direct Taxes (CBDT) has notified ITR-1 (Sahaj) and ITR-4 (Sugam) for the Assessment Year 2025-26. Forms can be filed if assessee has LTCG u/s 112A up to Rs. 1.25 lakh.
[Notification No.40/2025 dated 29.04.2025]
- The Central Board of Direct Taxes (CBDT) has notified ITR-3, which is applicable for the Assessment year 2025-26.
[Notification No.41/2025 dated 30.04.2025]
- The Central Board of Direct Taxes (CBDT) has notified ITR Form 5 for AY 2025-26.
[Notification No.42/2025 dated 01.05.2025]
- The Central Board of Direct Taxes (CBDT) has notified revised ITR-2, which is applicable for the Assessment year 2025-26.
[Notification No.43/2025 dated 03.05.2025]
- The Central Board of Direct Taxes (CBDT) has notified ITR-form 6, which is applicable for the Assessment year 2025-26.
[Notification No.44/2025 dated 06.05.2025]
- The Central Board of Direct Taxes (CBDT) has notified ITR-V and ITR Acknowledgement applicable for the Assessment year 2025-26
[Notification No.45/2025 dated 08.05.2025]
- The Central Board of Direct Taxes (CBDT) has notified ITR forms 7 applicable for the Assessment year 2025-26.
[Notification No.46/2025 dated 12.05.2025]
- The Central Government has notified 'Telangana State Pollution Control Board' for the purpose of exemption under section 10(46) in respect of certain specified income. The notification shall be deemed to have been applied for financial years 2021-22, 2022-23, 2023-24, 2024- 25 and shall also apply with respect to the financial year 2025-26
[Notification No.47/2025 dated 13.05.2025]
- The Central Government has notified 'Ten-Year Zero-Coupon Bond of Indian Railway Finance Corporation Ltd.' as zero-coupon bond for the purposes of the said clause (48) of section 2 of the Income-tax Act.
[Notification No.48/2025 dated 14.05.2025]

- The Central Board of Direct Taxes (CBDT) has notified a revised ITR-U form, used for filing updated returns of income under section 139(8A). The revision enables taxpayers to file updated returns for a period of up to 48 months from the end of the relevant assessment year
[Notification No.49/2025 dated 20.05.2025]
- Schedule 80-IE (related to income tax deductions under Section 80-IE) has been revised to incorporate undertakings from Sikkim alongside those from Assam, Arunachal Pradesh, Manipur, Mizoram, Meghalaya, Nagaland, and Tripura. Accordingly, eligible undertakings in Sikkim can also claim tax deductions under this provision.
[Notification No.50/2025 dated 29.05.2025]
- The amendment pertains to Schedule 80-IE, which outlines eligible income tax deductions under Section 80-IE for undertakings located in North-Eastern states. Now state of Sikkim has been added in the said list. This change ensures the inclusion of Sikkim-based undertakings in the tax benefit scheme.
[Notification No.51/2025 dated 29.05.2025]
- The Central Board of Direct Taxes (CBDT) has extended the due date for filing of return of Income for Assessment year 2025-26 from the existing 31.07.2025 to 15.09.2025.
[Press Release dated 27.05.2025]

Beyond The Obvious



GST

- Order to be set aside as cross-head utilization of ITC did not warrant invocation of recovery proceedings **{MJBR Marketing & Financial Services Private Limited V/s Union of India – {(2025) 30 Centax 13(Ker.) Kerala High Court}}**
- Pre-deposit waived as ITC was wrongly claimed under IGST instead of CGST and SGST without causing revenue loss **{Wilhelmsen Port Services India V/s State of West Bengal – {(2025) 30 Centax 170 (Cal.)Calcutta High Court}}**
- Separate SCNs must be issued for each year and consolidated SCN under Sec. 74(10) was invalid **{Tharayil Medicals V/s Dy. Comm., Audit Division-IV – {(2025) 29 Centax 395 (Ker.). Kerala High Court}}**
- Order to be set aside as demand exceeded amount proposed in SCN in violation of adjudication provision **[S.R. Construction V/s State of U.P. – {(2025) 30 Centax 14 (All.). Allahabad High Court}]**
- Appeal allowed as SCN was not served under correct tab and portal access was contested by assessee **{Sandeep Garg vs. Sales Tax Officer, Avato, Delhi [2025] 174 taxmann.com 411 (Delhi)}**
- Assessment order issued prior to Sec 46 notice was unsustainable for violating procedure & principles of natural justice **[Xestion Advisor Pvt. Ltd. V/s Additional Commissioner - Grade II – {(2025) 29 Centax 449 (All.). Allahabad High Court}]**
- Where assessee claimed excess input tax credit and despite contending that same was due to clerical error, impugned order was passed under section 74, such order was passed without application of mind and thus same was to be set aside; Commissioner CGST was to be directed to look into issue wherein officers were passing orders under section 74 without providing reasons for invoking same **{Singh Electrical Store vs. Superintendent CGST and Central Excise [2025] 173 taxmann.com 117 (Allahabad)}**

- Order to be set aside as no physical notice was served after cancellation of GST registration {Nitco Coating Agency vs. State of U.P. [2025] 174 taxmann.com 410 (Allahabad)}
- Assessee alleging non-consideration of reply to SCN was directed to file appeal as 10% pre-deposit already made {KMG Industrial Traders (P.) Ltd. vs. Additional Commissioner Adjudication, CGST [2025] 174 taxmann.com 409 (Delhi)}
- Order to be set aside due to lack of personal hearing and notice was uploaded under wrong tab {Keshav Metals vs. Commissioner of Delhi Goods and Services Tax [2025] 174 taxmann.com 407 (Delhi)}
- Ground clearance for levy of compensation cess prior to 26-7-2023 to be determined in laden condition {Mercedes-Benz India (P.) Ltd. vs. Union of India [2025] 174 taxmann.com 527 (Bombay)}
- Writ challenging rectification rejection disposed as appeal remedy under Section 107 was available {Golden Industries vs. Deputy State Tax Officer-1 [2025] 174 taxmann.com 522 (Madras)}
- SLP to be admitted as High Court declined to entertain challenge based on circulars not raised during adjudication: SC {Marudhar Food Products vs. Assistant Commissioner, Central Goods and Services Tax Division [2025] 174 taxmann.com 874 (SC)}
- Retrospective cancellation unjustified where petitioner had voluntarily sought registration cancellation: HC {Sparkle Gold vs. Commissioner of Delhi Goods and Services Tax [2025] 174 taxmann.com 775 (Delhi)}
- Bank account attachment to be set aside due to absence of material justifying belief that Revenue was at risk: HC {Shubh Corporation vs. State of Maharashtra [2025] 174 taxmann.com 773 (Bombay)}
- Order to be set aside as SCN was neither served physically nor brought to notice of assessee: HC {Saini Zarda Store vs. State of U.P. [2025] 174 taxmann.com 772 (Allahabad)}

SERVICE TAX

- The Tribunal held that service tax cannot be levied on reimbursed expenses, following the Supreme Court's ruling in *Intercontinental Consultants*. Since the appellant's actual professional fees were below the exemption threshold, both demands were set aside and the appeals allowed. **{Rakesh Kumar Agarwal vs Lucknow (Service Tax Appeal No.70006 of 2024)}**
- The CESTAT in Allahabad ruled in favor of assessee setting aside the service tax demand of Rs. 1.14 crore plus penalties. **{Shyam Construction vs Kanpur (Service Tax Appeal No. 70516 of 2016)}**
- State Legislature has legislative competence to impose entertainment tax under Entry 62 on luxuries: SC **{State of Kerala vs. Asianet Satellite Communications Ltd. [2025] 174 taxmann.com 1107 (SC)}**
- The CESTAT held that reimbursed expenses like freight and warehousing charges are not includible in the taxable value for service tax. Relying on the Supreme Court's ruling in *Intercontinental Consultants*, the Tribunal allowed the appeal in favor of the assessee. **{Service Tax Appeal No. 40858 of 2016 (Arising out of Order-in-Appeal No.127&128/2016 (STA-I)}**
- This judgment underscores the importance of ensuring that CENVAT CREDIT is correctly availed and utilized, and it provides clarity on the legal standards governing such matters. The decision is favorable to the assessee, affirming their entitlement to the credit and rejecting the Department's claims for recovery and penalties. **{Mr Colorplast Systems Pvt Ltd vs Ce & CGST Noida Service Tax Appeal No.70009 of 2021}**
- The Tribunal held that liquidated damages or penalties for breach of contract are not consideration for "tolerating an act" under Section 66E(e) of the Finance Act, 1994. Hence, no service tax is payable on such amounts, deciding the case in favor of the assessee. **{CGST & Central Excise Surat vs Gujarat Industries Power Company Service Tax Appeal No. 11021 of 2019 - DB}**

CENTRAL EXCISE

- Where even though assessee had not complied with pre-deposit requirements, appeal was admitted and appeal was heard on merit without bringing to assessee's notice defect in filing of appeal, order passed subsequently rejecting appeal for non-compliance of pre-deposit requirement was to be set aside **{Harsheel Auto Planet vs. Commissioner (Appeals), CGST, Central Excise & Customs [2025] 174 taxmann.com 578 (Orissa)}**

- Where petitioner was never served with Order-in-Original and it got a mere phone call from GST Official to discharge liability and, thus, it came to his knowledge that huge demand was raised against him rejecting ITC claim by way of an ex parte order, in view of fact that there was no allegation of suppression and petitioner did not have proper opportunity to substantiate his claim made in return vis-a-vis books of accounts, petitioner would be entitled to an opportunity before Assessing Authority; matter was to be re-adjudicated **{Shree Jagannath Traders vs. Chief Commissioner GST & Central Excise [2025] 174 taxmann.com 677 (Orissa)}**
- The Supreme Court upheld the CESTAT's decision that the assessee was not liable for duty due to a valid exemption. The Department's appeal was dismissed. **{ Commissioner of Central Excise, Ahmedabad I v. J.P. Iscon Pvt. Ltd.[Civil Appeal Diary No. 31961/2022]}**
- Apex Court dismisses Revenue's appeal on ground of delay in absence of justifiable grounds against CESTAT order allowing refund to assessee on ground that services provided by it were direct to foreign based client and not as intermediary to customers of said client **{Commissioner of Central Excise vs. Evalueserve.com (P.) Ltd. [2024] 165 taxmann.com 311 (SC)}**

INCOME TAX

- Reassessment based on third party search without incriminating material on assessee is invalid **{Adani Wilmar Ltd vs Assistance commissioner of income tax circle [2025] 172 taxmann.com 732 (Gujarat)}**
- Estimation of income 3% of cash deposits justified as assessee admitted earning commission at rate of 2-3% of turnover **{Mohammedarif Yunusbhai Patel vs Income-tax Officer [2025] 174 taxmann.com 333 (Ahmedabad - Trib.)}**
- ITAT remanded matter as CIT(A) upheld order passed by CPC without verifying facts by himself or through AO **{Jagannath Transport Corporation vs Deputy Commissioner of Income-tax [2025] 174 taxmann.com 329 (Raipur - Trib.)}**
- CIT(A) must state points for determination and reasons for his decision, even if assessee failed to appear **{Adim Jati Seva Sahkari Samiti Maryadit Korba Korba P.o. vs Income-tax Officer-2 [2025] 174 taxmann.com 336 (Chhattisgarh)}**
- Reassessment quashed as assessee explained source of funds for cryptocurrency investment **{Primit Shambhuprasad Purani vs Income-tax Officer [2025] 174 taxmann.com 506 (Gujarat)}**

- STCL on which STT was paid can be set off against STCG on which STT wasn't paid {**East Spring Investments India Equity Open Ltd. vs. Deputy Commissioner of Income-tax (IT) [2025] 174 taxmann.com 445 (Mumbai)**}
- No additions under Black Money Act if assessee disclosed foreign shareholding in ITR in year of purchase {**Additional Commissioner of Income-tax vs. Himanshu Gupta [2025] 174 taxmann.com 649 (Delhi)**}
- No disallowance u/s 40A(2) if payment by assessee was commensurate with services from related trust {**Deputy Commissioner of Income-tax vs. Sri Chaitanya Educational Committee [2025] 174 taxmann.com 330 (Hyderabad)**}
- Order to be set aside as SCN was neither served physically nor brought to notice of assessee: HC {**Saini Zarda Store vs. State of U.P. [2025] 174 taxmann.com 772 (Allahabad)**}
- CSR exp. contribution to Gujarat Cleanliness Fund eligible for sec. 80G deduction: ITAT {**Gujarat State Financial Services Ltd. vs. Deputy Commissioner of Income-tax [2025] 174 taxmann.com 461 (Ahmedabad - Trib.)**}

COMPANY LAW

- Contempt plea rejected as there was no conclusive proof of deliberate non-compliance with the Appellate Tribunal's order {**IDBI Bank Ltd. vs. P. Manoj Kumar [2025] 174 taxmann.com 985 (NCLAT - Chennai)**}
- AA has no jurisdiction to fix number of shareholders to form a quorum; it must be as prescribed u/s 103 of Co(s) Act: NCLAT {**Dhani Services Ltd., In re [2025] 174 taxmann.com 761 (NCLAT- New Delhi)**}
- Contempt plea rejected as there was no conclusive proof of deliberate non-compliance with the Appellate Tribunal's order {**IDBI Bank Ltd. vs. P. Manoj Kumar [2025] 174 taxmann.com 985 (NCLAT - Chennai)**}

FEMA & BANKING

- Bank account attachment to be set aside due to absence of material justifying belief that Revenue was at risk: HC {**Shubh Corporation vs. State of Maharashtra [2025] 174 taxmann.com 773 (Bombay)**}

- Order to be set aside as SCN was neither served physically nor brought to notice of assessee: HC {**Saini Zarda Store vs. State of U.P. [2025] 174 taxmann.com 772 (Allahabad)**}
- Dealer not entitled to ITC on closing stock as input tax did not mature into credit with out resale under VAT regime: HC {**Commissioner Commercial Tax vs. S/S Ravi Prakash Rahul Prakash [2025] 174 taxmann.com 771 (Allahabad)**}
- Restoration of registration allowed if assessee agrees to file returns and clear dues within seven days: HC {**Naseer Ahmad Sheikh vs. Union Territory of J & K [2025] 174 taxmann.com 511 (Jammu & Kashmir and Ladakh)**}
- Writ petition admitted against demand order as Tribunal was not constituted and stay granted on payment of 10% of disputed tax: HC {**Dinesh Brothers (P.) Ltd. vs. Superintendent of Central Tax [2025] 174 taxmann.com 829 (Calcutta)**}
- HC exceeded Article 227 powers by rejecting Benami suit instead of letting Trial Court to decide: SC {**K. Valarmathi vs. Kumaresan [2025] 174 taxmann.com 96 (SC)**}

RERA

- The court ruled that the statutory mandate of obtaining a completion certificate cannot be waived by a mere letter from the Panchayat. The promoter is obligated to obtain the completion certificate or occupancy certificate from the relevant competent authority as per the RERA Act { **P. Anandasundaresan v. Akshaya Pvt. Ltd.[(2025) ibclaw.in 110 HC]**}
- The court determined that promoters are not entitled to file complaints before the Adjudicating Officer under RERA to claim compensation from allottees, as the Act does not provide such a right to promoters. { **Gopakumar B Nair v. K.V. Sugunan and Ors.[(2025) ibclaw.in 195 HC]**}
- The court upheld the statutory requirement of depositing a portion of the demanded amount as a pre-condition for hearing appeals under RERA { **Ashok Gandhi v. State of U.P. and Ors.[(2025) ibclaw.in 476 HC]**}
- The tribunal held that promoters are liable to refund the deposited amount along with interest to allottees in delayed projects, regardless of any assured return or commitment charges paid to the allottee. { **Omaxe India Trade Centre Pvt. Ltd. v. Mohammad Nadeem Shakir Siddiqui[(2025) ibclaw.in 146 REAT]**}

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