Notifications & Circulars issued during week (14th- 20th Apr 2025)

(Foe Better Viewing and for Previous Issues, [Click the Link](https://bhatiabhola.com/index.php/blog/) for Viewing in Browser)

1. **Income Tax**

**KIMS Foundation and Research Centre, Hyderabad notified under section 35(1)(ii)  for Scientific Research:**The notification notifies  KIMS Foundation and Research Centre, Hyderabad as ‘Other Institution’ under the category of ‘University, College or Other Institution’ for ‘Scientific Research’ for the purposes section 35(1)(ii) of the Income-tax Act, read with rules 5C and 5E of the Income-tax Rules. This section allows for deduction equal to one and half times while computing taxes for expenses relating to scientific research. [*(Income Tax Notification 33/2025 Dated 17/04/2025)*](https://incometaxindia.gov.in/communications/notification/notification-no-33-2025.pdf)

**Housing and Urban Development Corporation Ltd (HUDCO) Zero Coupon Bond notified under section 2(48):** Central Government specifies the Ten year Zero Coupon Bond of HUDCO as zero coupon bond under section 2(48) Income Tax Act. The duration of the bond is ten years one month, to be issued on or before the 31st day of March, 2027, the amount to be paid on maturity or redemption of the bond is Rs.1,00,000/- for each bond, the discount is Rs. 47,030/- per bond, i.e. issue price is Rs. 52,970/- per bond, the number of bonds to be issued is five lakhs.

-- A Zero Coupon Bond (ZCB) is a financial instrument that does not pay periodic interest (coupon) during its tenure. Instead, it is issued at a discountand redeemed at its face value upon maturity. The difference between the issue price and face value represents the return for investors. If held beyond 12 months, the long term capital gains will attract a 12.5% tax rate. If sold before 12 months, the short term capital gains will be taxed as per the bondholder’s income tax slab*.*  [*(Income Tax Notification 34/2025 Dated 17/04/2025)*](https://incometaxindia.gov.in/communications/notification/notification-no-34-2025.pdf)

1. **GST**

**Instructions for processing of applications for GST registration:** Officers are instructed to adhere strictly to the indicative list of documents in FORM GST REG-01 particularly for proving principal place of business, constitution of business, and identity of signatories. The instruction clarifies acceptable documentation for various property arrangements, including owned, rented, shared, or consented premises. It also outlines that presumptive or unrelated queries, such as questioning applicant location or nature of business, should not be raised. The applications not flagged as risky should be processed within 7 working days, while flagged cases require physical verification and must be processed within 30 days. A standard process for physical verification is detailed, including use of GPS- enabled site photos and timely reporting. [*(CGST Instructions 03/2025 Dated 17/04/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1000532/ENG/Instructions)

**AAR, GM India’s Asset Transfer as Taxable Services and Goods:** *Case of General Motors India Pvt Ltd, AAR Maharashtra Ruling Dated 10th March 2025.* AAR ruled that General Motors India’s (GM India) assignment of leasehold rights for land and buildings under an Asset Purchase Agreement constitutes a taxable supply of services under the Goods and Services Tax (GST) laws. It clarified that this transfer is akin to “agreeing to do” the transfer of leasehold rights, classifying it under “Other miscellaneous service” and subjecting it to an 18% GST rate.

-- However, It ruled that the sale of plant and machinery by GM India under the same agreement qualifies as a taxable supply of individual goods. Consequently, GST will be applicable to the agreed price for each item of plant and machinery or the input tax credit availed, adjusted as per regulations, whichever is higher, based on their respective classifications and rates[. *(AAR Maharashtra Ruling Dated 10/03/2025)*](https://drive.google.com/file/d/1yhrzkidKmc3gy28sZvltr8GP8S_MsLHS/view?usp=sharing)

**AAR, New promoter bound by previous 12% GST option with ITC for ongoing project:** *Case of Godrej Residency Private Limited, AAR Maharashtra Ruling Dated 27th March 2025.* AAR ruled that the new promoter, is bound by the option exercised by the previous promoter to pay GST at the effective rate of 12% with input tax credit for the sale of all residential premises in the “One Mahalaxmi” project, including those already sold and those to be sold to new customers. The applicant cannot opt for the new GST rate of 5% without ITC. The one-time option is qua the project, ensuring a uniform tax rate throughout its completion, irrespective of changes in the promoters. [*(AAR Maharashtra Ruling Dated 27/03/2025)*](https://drive.google.com/file/d/1ygxwJQZBGDHj-2BgCgRk3_1t73Nvhw5U/view?usp=sharing)

**AAR, GST on Railway shed work, Mixed Supply at 18%:** *Case of Fly Ash Movers India Private Ltd, AAR Maharashtra Ruling Dated 27th March 2025.* AAR ruled that the services provided by the applicant will be classified as mixed supply with works contract (repairs and maintenance) services classifiable under Heading 995419 having the highest rate of tax of 18%. Hence, this supply of “reconstruction, maintenance, housekeeping and security” will be liable to tax at the rate of 18% as mixed supply. [*(AAR Maharashtra Ruling Dated 27/03/2025)*](https://drive.google.com/file/d/1ygY9vs9CozbSc3yzs9c2UFWqaYDpePQI/view?usp=sharing)

**AAR, GST Applicable on Nominal Canteen, Transport Recoveries from Employees:** *Case of Kion India Pvt Ltd, AAR Maharashtra Ruling Dated 27th March 2025.* AAR ruled that the deduction of a nominal amount by the Applicant from the salary of the employees who are availing the facility of food provided in the factory premises would be considered as a ‘Supply of Service’ by the Applicant under the provisions of Section 7 of CGST Act. The GST is applicable on the nominal amount to be deducted front the salaries of employees. The ITC is not available to the Applicant on GST charged by the Canteen Service Provider for providing the catering services.

-- AAR also ruled that the deduction of nominal amount by the Applicant from the salary of the employees who will be availing the non-air-conditioned bus transportation facility proposed to be provided by the prospective Transport Service Provider will be construed as ‘supply of service’ by the Applicant under the provisions of Section 7 of CGST Act. The GST is applicable on the nominal amount to be deducted from the salaries of employees. The ITC will be available to the Applicant on GST that would be charged by the Transport Service Provider for providing the non air- conditioned bus transportation services. [*(AAR Maharashtra Ruling Dated 27/03/2025)*](https://drive.google.com/file/d/1yhyxSTYXlCUfbqqRavBtb-AHaMSQfO4d/view?usp=sharing)

**HC, Personal Hearing must for adverse GST rectification:** *Case of HVR Solar Private Limited vs Sales Tax Officer, HC Delhi Judgement Dated 8th April 2025.* The application for rectification was rejected without providing an opportunity for a personal hearing, which the Petitioner argued was contrary to the principles of natural justice as articulated in the DGST Act. The court emphasized that the third proviso of Section 161 mandates a hearing when rectification adversely impacts a party. Due to the lack of a hearing, the court set aside the rectification order, mandated that the Petitioner be afforded a hearing on the rectification application, and allowed for appropriate orders to be passed in accordance with the law. [*(HC Delhi Judgement Dated 08/04/2025)*](https://drive.google.com/file/d/1ykL4Bw6hSUtJZNdkmwHOPkIDEG-y8p45/view?usp=sharing)

1. **Central Excise**

No Notification/ Circular during the week.

1. **Custom Duty**

**Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver:**CBDT notified the Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver, which shall come into force w.e.f. 16th April 2025. The tariff value for crude palm oil is set at USD 1153 per metric ton, while gold and silver have tariff values of USD 1032 per 10 grams and USD 1045 per kilogram, respectively. The tariff value for areca nuts is fixed at USD 6970 per metric ton. [*(Custom Notification 24/2025 (NT) Dated 15/04/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1010355/ENG/Notifications)

**Customs notifies Dholera in Gujarat as custom port:** The notification designate Dholera in Gujarat as customs port. The location is now authorized for the unloading of imported goods and the loading of export goods. [*(Custom Notification 25/2025 (NT) Dated 15/04/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1010357/ENG/Notifications)

**Drawback Rates revised for certain tariff items:** The notification amends earlier notification 77/2023 dated 20th October 2023. It modifies the schedule under Chapter 71 of the Drawback Rules, pertaining to specific tariff items related to precious metals and jewellery. [*(Custom Notification 26/2025 (NT) Dated 17/04/2025)*](https://taxinformation.cbic.gov.in/view-pdf/1010356/ENG/Notifications)

1. **Directorate General of Foreign Trade (DGFT)**

**DGFT revises Coal Import Monitoring fee structure:** Presently, importers are required to pay a registration fee of Rs. 1 per thousand on the CIF value of imports, with a minimum fee of Rs. 500 and a maximum of Rs. 1 lakh. As per new notification, the registration fee for obtaining the Automatic Registration Number under CIMS will now be determined in accordance with the scale provided in Appendix 2K. [*(DGFT Notification 04/2025 Dated 15/04/2025)*](https://drive.google.com/file/d/1yjBxGNKJKMQ8IHWCJHt1wAazS1sSjM7l/view?usp=sharing)

**FTP revised to introduce registration fee for Import Monitoring Systems:**  It introduces a ‘Registration Fee’ of Rs 500 for various Import Monitoring Systems (SIMS/CIMS/ NFMIMS/PIMS etc.) that are currently under implementation. The public notice also details the scale of application fees for other services like IEC, export/import licenses, authorizations, scrips, amendments, and renewals. It also outlines the online process for depositing fees through the DGFT website or e- Miscellaneous Payments System. [*(DGFT Public Notice 02/2025 Dated 15/04/2025)*](https://drive.google.com/file/d/1yi5I5FRdhO4PjuWUC2TYzjOzrrIo8hA5/view?usp=sharing)

1. **Securities and Exchange Board of India (SEBI)**

**Consultation Paper on investment by Mutual Funds in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs):** Currently, MF schemes are restricted to investing a maximum of 10% of their net asset value (NAV) in REITs and InvITs, with a 5% cap per issuer. SEBI proposes raising these limits to 10% per issuer and up to 20% overall for equity and hybrid schemes. Debt schemes, however, would maintain the 10% overall cap due to the higher risk profile of REITs and InvITs. The comments/ suggestions from stakeholders are invited. [*(SEBI Consultation Paper Dated 17/04/2025)*](https://www.sebi.gov.in/reports-and-statistics/reports/apr-2025/consultation-paper-on-investment-by-mutual-funds-in-reits-and-invits_93488.html)

1. **Ministry of Corporate Affairs (MCA)**

**SC, Bail for offence under section 447 of Companies Act set aside as twin conditions of section 212(6) not satisfied:** *Case of Serious Fraud Investigation Officer vs Aditya Sarda, SC Judgement Dated 9th April 2025.* The apex court held that person accused for an offence under section 447 of the Companies Act cannot be released on bail without satisfying mandatory twin conditions prescribed under sub-section (6) of section 212 of the Companies Act. Accordingly, bail granted by High Court set aside.

-- Section 447 deals with punishment for frauds. As per section 212(6) the offence covered under Section 447 has been made cognizable and the person accused of the said offence is not entitled to be released on bail or on his bond, unless twin conditions mentioned therein are satisfied. The twin conditions are (i)that a Public Prosecutor should be given an opportunity to oppose the application for such release; and (ii)where the Public Prosecutor opposes the application, the Court is satisfied that there are reasonable grounds for believing that he is not guilty of such offence and that he is not likely to commit any offence while on bail. These twin conditions are mandatory in nature. [*(SC Judgement Dated 09/04/2025)*](https://drive.google.com/file/d/1yjldQzt3Cgc8npVIxNgdzDZwBFXShejb/view?usp=sharing)

1. **Insolvency and Bankruptcy Board of India (IBBI)**

**E-auction platform eligibility information not mandated under RTI:** The information had been sought concerning the eligibility criteria for e- auction platforms stipulated by IBBI and details about the composition and exclusive rights granted to the eBKray auction platform for asset sales during liquidation. It was responded that the requested information constituted clarification or opinion, falling outside the scope of “information” as defined under Section 2(f) of RTI Act. IBBI stated that it did not maintain specific information on the eligibility requirements for e-auction platforms. The Appellate Authority concurred that the CPIO was not required to generate such information or provide justifications for mandating the use of the eBKray platform, as these fall outside the purview of the RTI Act. [*(IBBI FAA Order Dated 17/04/2025)*](https://ibbi.gov.in/uploads/order/904b58651ee464dd09a87bcd0c6b95ad.pdf)

**SC, IBC section 61(2) limitation period starts from order pronouncement:** *Case of A Rajendra vs Gonugunta Madhusudan Rao, SC Judgement Dated 4th April 2025.* The apex court delved into the question of whether the time period for filing an appeal under Section 61 of IBC commences from the date of the pronouncement of the NCLT order or from the date the parties obtain (or have knowledge of) a certified copy of the order. The court clarified that under Section 61(2) of the IBC, the clock starts running from the date of pronouncement, reaffirming the IBC underlying principle of expeditious resolution and strict adherence to timelines. [*(SC Judgement Dated 04/04/2025)*](https://drive.google.com/file/d/1ylIF2mjHbmxC_AZWOXYb41vfbRg4K7o0/view?usp=sharing)

**NCLAT, Financial creditor entitled to file application for CIRP of IBC even after breach of settlement agreement:** *Case of Bahadur Ram Mallah vs Assets Reconstruction Company (India) Ltd, NCLAT Delhi Judgement Dated 3rd April 2025.* The appellate tribunal held that financial creditor entitled to file an application for Corporate Insolvancy Resolution (CIRP) by a Financial Creditor under section 7 of the IBC, even after breach of settlement agreement since nature of debt doesn’t change. Thus, order admitting CIRP application sustained. [*(NCLAT Delhi Judgement Dated 03/04/2025)*](https://drive.google.com/file/d/1yhk24zCZcX51PT0oIr96102g9u9bWhiT/view?usp=sharing)

**NCLAT, Personal guarantor can prefer appeal under section 61 against order of NCLT:** *Case of Aarti Singal vs State Bank of India, NCLAT Delhi Judgement Dated 3rd April 2025.* The appellant tribunal held that appeal against an order of NCLT initiating insolvency resolution process of personal guarantor lays to NCLAT. Thus, personal guarantor is eligible to file an appeal under section 61 of IBC against order issued under section 100 by NCLT. [*(NCLAT Delhi Judgement Dated 03/04/2025)*](https://drive.google.com/file/d/1yh51Vd1wahPS4z87uXFcVPBzorq6woPf/view?usp=sharing)

**NCLAT, Creditors must adhere to sections 52 & 53 of IBC for debt recovery:** *Case of Anil Kohli Liquidator of Vegan Colloids Limited vs Punjab National Bank, NCLAT Delhi Judgement Dated 2nd April 2025.* The appellate tribunal held that all assets listed in the Corporate Debtor’s balance sheet are included in the Liquidation Estate under section 36 of IBC. Further, upon liquidation, dues must be distributed strictly according to the waterfall mechanism outlined in Section 53 of the Code. [*(NCLAT Delhi Judgement Dated 02/04/2025)*](https://drive.google.com/file/d/1yhsT1fg066JWYtJNryJiqMzOfZTCtSKu/view?usp=sharing)

**NCLAT, Termination of leasehold rights by GIDC during moratorium violates section 14 of IBC:** *Case of Divyesh Desai RP of GPT Steel Industries Ltd, NCLAT Delhi Judgement Dated 21st March 2025.* The appellate tribunal held that lease hold rights are assets of Corporate Debtor hence termination of the same by GIDC is in violation of section 14 of the IBC. Thus, appeal filed by Resolution Professional deserves to be allowed. [*(NCLAT Delhi Judgement Dated 21/03/2025)*](https://drive.google.com/file/d/1yi6x4IieABWmM2y8r0ia-WBj8DzLUxBN/view?usp=sharing)

**NCLAT, Go Airline liquidation justified as CoC empowered to decide liquidation of Corporate Debtor:** *Case of Busy Bee Airways Pvt Ltd vs Dinkar T Venkatasubramanium, NCLAT Delhi Judgement Dated 4th April 2025*. The appellate tribunal held that as per section 33(2) of the Insolvency and Bankruptcy Code, CoC is empowered to take decision to liquidate the Corporate Debtor thus resolution passed with 100% vote share directing for liquidation of Corporate Debtor [Go Airlines] justified. Thus, order passed by Adjudicating Authority allowing Liquidation Application upheld. [*(NCLAT Delhi Judgement Dated 04/04/2025)*](https://drive.google.com/file/d/1yiFVrNPlAws9IsNs6E__atAy-X2yQmT1/view?usp=sharing)

1. **Reserve Bank of India (RBI)**

**Amendments to The Banking Laws Act:** In the RBI Act the definition of “fortnight” has been revised to adjust reporting timelines from alternate Fridays to the last day of each fortnight.

-- In the Banking Regulation Act, updates include enhanced monetary thresholds for capital requirements, extended tenure for directors in cooperative banks, and revised procedures for statutory returns and reserve maintenance. It also introduces detailed provisions for multiple and simultaneous nominations for deposits and lockers, with specific conditions and rules for validity and succession.

-- The amendments to the State Bank of India Act mandate unclaimed dividends, shares, and bond proceeds be transferred to the Investor Education and Protection Fund after seven years, aligning it with the Companies Act, 2013. Similar provisions are included for nationalised banks under the 1970 and 1980 Acts. [(*Min of Law Notification Dated 15/04/2025)*](https://drive.google.com/file/d/1ylPTLR03xEOj9L4hg3FVsdKGAXjOIuQZ/view?usp=sharing)

**Master Direction on Deposits and Accounts:** Opening, holding and maintaining foreign currency accounts by a person resident in India, and Maintenance of deposits/ accounts between a person resident in India and a person resident outside India is regulated as per provisions of Foreign Exchange Management Act (FEMA). To operationalize the regulations as may be necessary, RBI also issues directions to Authorised Persons. Instructions issued on maintenance of deposits and accounts under FEMA have been compiled in this Master Direction. The present amendment in this Master Direction is aimed at consolidating the directions pertaining to Vostro accounts of non-resident banks. Alongside, a reference to the directions related to Special Rupee Vostro Accounts and the Vostro Accounts of Non-Resident Exchange Houses have also been added to the Master Direction. [*(RBI Master Directions 09/2016 updated on 16/04/2025)*](https://rbidocs.rbi.org.in/rdocs/notification/PDFs/09MDD593B2F2D48648C8AB3D37625C9F245D.PDF)

**Master Direction on Risk Management and Inter Bank Dealings:** RBI has framed regulations to promote orderly development and maintenance of foreign exchange market in India through Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, and subsequent amendments thereto. Within the contours of the Regulations, it issues directions to Authorised Persons. These directions lay down the modalities as to how the foreign exchange business has to be conducted by the Authorised Persons with their customers / constituents with a view to implementing the regulations. The Master Directions include instructions issued in respect of Foreign Exchange Derivative Contracts, Overseas Commodity & Freight Hedging, Rupee Accounts of Non-Resident Banks and Inter- Bank Foreign Exchange Dealings etc. [*(RBI Master Directions 31/2017 updated on 16/04/2025)*](https://rbidocs.rbi.org.in/rdocs/notification/PDFs/MD3191FD1C01B7704FB9B24E7073F651AB51.PDF)

1. **Miscellaneous**

**Central Govt pensioners Dearness Relief (DR) increased to 55% effective Jan 2025:** Effective from 1st January 2025, the Dearness Relief rate has been enhanced from 53% to 55% of the basic pension/family pension. This revised rate applies to various categories of pensioners, including civilian, armed forces, All India Service, and railway pensioners, as well as those receiving provisional pensions and certain pensioners from Burma/Pakistan. [*(Deptt. of Pension OM Dated 11/04/2025)*](https://drive.google.com/file/d/1ylPTLR03xEOj9L4hg3FVsdKGAXjOIuQZ/view?usp=sharing)

**SC, Washing and dry cleaning covered within ‘manufacturing process’ under section 2(k) of the Factory Act:** *Case of State of Goa vs Namita Tripathi, SC Judgement Dated 3rd March 2025.* The apex court held that washing and dry cleaning is covered within the meaning of ‘manufacturing process’ defined under section 2(k) of the Factory Act, 1948 and hence Factory Act will be applicable. Accordingly, appeal is allowed and order of High Court set aside. [*(SC Judgement Dated 03/03/2025)*](https://drive.google.com/file/d/1ykCBXenmuxpfRrisaqbYP5_2MXaOkcU5/view?usp=sharing)

**SC, Non-conduct of preliminary enquiry cannot be reason to quash FIR against public servant in corruption case:** *Case of State of Karnataka vs Channakeshava HD, SC Judgement Dated 8th April 2025.* The apex court held that before proceedings against a public servant in the matters of corruption, a preliminary enquiry under the Prevention of Corruption Act, although desirable, is not mandatory. Thus, order quashing FIR for non-conduct of preliminary enquiry not tenable. [*(SC Judgement Dated 08/04/2025)*](https://drive.google.com/file/d/1yjkl1n3un5sQCyngliSElrVIhGXtMjDQ/view?usp=sharing)

**SC, Section 138 of Negotiable Instrument Act doesn’t require complainant to prove his financial capacity:** *Case of Ashok Singh vs State of Uttar Pradesh, SC Judgement Dated 2nd April 2025.* The apex court held that in the case under Section 138 of the Negotiable Instruments Act, complainant is not required to show evidence that he had the financial capacity. Accordingly, appeal of appellant allowed. [*(SC Judgement Dated 02/04/2025)*](https://drive.google.com/file/d/1yjqrsjaJYouCPDK854FVQvHOM5KtuDY-/view?usp=sharing)

**SC, ‘Conducting’ Hotel Agreement Not Tenancy Under Rent Act:** *Case of Annaya Kocha Shetty vs Laxmbai Narayan Satose, SC Judgement Dated 8th April 2025.* The plaintiff filed a suit for declaration that the plaintiff is the deemed tenant/protected licensee of the defendant in terms of section 15A of the Bombay Rents, Hotel and Lodging House Rates Control Act, 1947, for the shops. The defendant was running a hotel and after demise of her husband, ran the business for some time. But she was unable to run it successfully, so she allowed her brother to continue running the same. The court, concluded that in this case, the terms of the agreement are clear that the entrustment to the plaintiff is the ownership of the hotel business of the defendant and not the tenancy right of the defendant in favour of the Plaintiff. Accordingly, the apex court dismissed the appeal, and upheld the High Court’s Judgment. [*(SC Judgement Dated 08/04/2025)*](https://drive.google.com/file/d/1yk1otgjqATpM-S_QVerOmDWTO4Opk006/view?usp=sharing)

**SC, Complaint not maintainable as no privity of contract between concerned parties:** *Case of Citicorp Finance India Limited vs Snehasis Nanda, SC Judgement Dated 20th March 2025.* The apex court held that as there was no privity of contract between the concerned parties therein, no ‘deficiency’ would arise and the action (complaint) would not be maintainable before the concerned Consumer Forum. [*(SC Judgement Dated 20/03/2025)*](https://drive.google.com/file/d/1ylHrE4_3Fu613R6HJnAtbLzQ_HE4BDy0/view?usp=sharing)

Compiled by:-

CMA Yash Paul Bhola,

MBA, FCMA.

Former Director (Finance),

National Fertilizers Limited.

***Disclaimer:****The contents of this article are for informational purposes only. The user may refer to the relevant notification/ circular/ decisions issued by the respective authorities for specific interpretation and compliances related to a particular subject matter)*

\*\*\*\*\*\*\*\*\*\*\*\*\*