

THE CTC NEWS

Monthly Newsletter of The Chamber of Tax Consultants

(For Private Circulation - Members Only)

100 YEARS OF EXCELLENCE
 THE CHAMBER OF
TAX CONSULTANTS
ESTD. 1926
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AUGUST 2025



HAPPY
INDEPENDENCE
DAY

15 AUG



CONTENTS

Sr No.	Date	Committee	Programme Description	Pg. No.
1	—	—	Renewal Notice – 2025-26	3
2	—	Student Committee	Practical Income Tax & Litigation Masterclass 2025 Jointly with Government Law College	4-5
3	Tuesday 19-8-2025	Direct Taxes Committee	Practical Insights on Renewal and Re-registration of Charitable Institutions under Income Tax [Virtual Mode]	6
4	Friday 22-8-2025	Study Circle & Study Group	Learn with the Legends - Fireside Chat with Dr. Y. P. Trivedi, Senior Counsel & Past President (Virtual Mode)	6
5	Tuesday, 12.08.2025 Wednesday, 13.08.2025	Student Committee	Webinar on Comprehensive Sessions on Tax Audit – Students' Perspective [Virtual Mode]	7
6	Monday, 11-8-2025 Tuesday, 12-8-2025	International Taxation Committee	Sessions on Reporting of Foreign Assets Schedule of ITR and Claiming of Foreign Tax Credit [Virtual Mode]	7
7	Wednesday, 13-8-2025	Delhi Chapter	Delhi Chapter meeting Recent important judgements of Supreme Court / High Courts (Virtual Mode)	8
8	—	—	Important Decisions under GST and Service Tax Laws	9-10
9	—	—	Unreported Tribunal Decisions	10-11
10	—	—	Publications By The Chamber	12

If members have any query, kindly contact the following staff members.

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(3) Journal: Mr. Pradeep Nambiar Email: jou@ctconline.org
(4) Membership: Ms. Neha Kadakia • Email: member@ctconline.org

RENEWAL NOTICE – 2025-26

Dear Members,

SUB: RENEWAL OF ANNUAL MEMBERSHIP FEES FOR F.Y. 2025-2026

March 7, 2025

It is our privilege to have been of service to you over the years. We truly appreciate and value your association. It is time to renew annual membership, subscription of The Chamber's Journal, Study Groups and Study Circles for the financial year 2025-26. We thank you for your subscription. Your involvement is important and very much appreciated. We hope you will always continue to support The Chamber in its activities and growth as done in the past.

Thanking You,

For The Chamber of Tax Consultants

CA Vitang N. Shah

Hon. Treasurer

Sr. No.	Particulars	Fees	GST @18%	Total
I	MEMBERSHIP RENEWAL FOR EXISTING MEMBERS			
1	ORDINARY MEMBERSHIP FEES - (APRIL TO MARCH) – WITH HARD COPY OF JOURNAL	2800	504	3304
2	ORDINARY MEMBERSHIP FEES - (APRIL TO MARCH) – WITH SOFT COPY OF JOURNAL (E-JOURNAL)	1700	306	2006
3	ASSOCIATE MEMBERSHIP - (APRIL TO MARCH)	9000	1620	10620
4	STUDENT MEMBERSHIP - INCLUDING E JOURNAL (APRIL TO MARCH)	500	90	590

II	CHAMBER'S JOURNAL SUBSCRIPTION – (APRIL TO MARCH) (HARD COPY)			
1	JOURNAL SUBSCRIPTION - LIFE MEMBERS	1500	0	1500
2	JOURNAL SUBSCRIPTION - NON MEMBERS	2800	0	2800
3	JOURNAL SUBSCRIPTION - STUDENT MEMBERS	1000	0	1000
III	COURIER CHARGES FOR CHAMBER'S JOURNAL (OPTIONAL)	550	100	650
IV	CHAMBER'S E – JOURNAL SUBSCRIPTION (SOFT COPY)			
1	E JOURNAL SUBSCRIPTION – FOR LIFE MEMBERS (APRIL TO MARCH)	1000	180	1180
2	E JOURNAL SUBSCRIPTION – FOR NON MEMBERS (APRIL TO MARCH)	1300	234	1534
V	ITJ SUBSCRIPTION			
1	INTERNATIONAL TAX JOURNAL SUBSCRIPTION (QUARTERLY – APRIL TO MARCH)	1600	0	1600

VI	STUDY CIRCLES & STUDY GROUPS			
1	STUDY GROUP (DIRECT TAXES)	2000	360	2360
2	STUDY CIRCLE (DIRECT TAXES)	2000	360	2360
3	STUDY CIRCLE (INTERNATIONAL TAXATION)	2000	360	2360
4	STUDY CIRCLE (INDIRECT TAXES)	2000	360	2360
5	CORPORATE AND IBC STUDY CIRCLE (VIRTUAL MEETINGS ONLY)	750	135	885
6	INTENSIVE STUDY GROUP ON DIRECT TAX	2000	360	2360
7	FEMA STUDY CIRCLE	1800	324	2124
8	PUNE STUDY GROUP	2000	360	2360
9	BENGALURU STUDY GROUP	2000	360	2360
10	HYDERABAD STUDY GROUP	2000	360	2360
11	SPECIAL DISCOUNT (FOR OUT STATION MEMBERS – VIRTUAL MODE ONLY) ALL STUDY CIRCLES / STUDY GROUPS MEETINGS HELD AT MUMBAI (APPLICABLE FOR SR. NO. 1 TO 7 ABOVE)	3500	630	4130
12	SPECIAL DISCOUNT (FOR MUMBAI, THANE, NAVI MUMBAI MEMBERS ONLY) ALL STUDY CIRCLES / STUDY GROUPS MEETINGS (APPLICABLE FOR SR. NO. 1 TO 7 ABOVE)	5500	990	6490

VII	FEES FOR INCOMING NEW MEMBERS			
1	LIFE MEMBERSHIP (UPTO 31ST AUGUST, 2025)	15000	2700	17700
	LIFE MEMBERSHIP (W.E.F. FROM 1ST APRIL, 2025)	18000	3240	21240
2	ADMISSION FEES – (ORDINARY MEMBERSHIP)	1000	180	1180
	ORDINARY MEMBERSHIP FEES - (APRIL TO MARCH) – WITH HARD COPY OF JOURNAL	2800	504	3304
	ORDINARY MEMBERSHIP FEES - (APRIL TO MARCH) – WITH SOFT COPY OF JOURNAL (E-JOURNAL)	1700	306	2006
3	ADMISSION FEES – (ASSOCIATE MEMBERSHIP)	1200	216	1416
	ASSOCIATE MEMBERSHIP FEES - (APRIL TO MARCH)	9000	1620	10620

Notes:

- Members are requested to visit our website www.ctconline.org for online payment.
- Payments should be made by Account Payee Cheque/Demand Draft in favour of "THE CHAMBER OF TAX CONSULTANTS". Outstation members are requested to send payments only by "Demand Draft or At Par Cheque". Members who are paying by NEFT are requested to share the UTR NO for the payment done.
- A consolidated Cheque/Draft may be sent for all payments.
- Please also update your Mobile number & e-mail address to ensure receipt of regular updates on activities of The Chamber.
- Please write your full name and Mobile No on the reverse of Cheque/DD.
- Kindly pay your membership fees by 31st August, 2025 for uninterrupted service of the Chamber's Journal.
- Members are requested to download the Renewal Form from Chamber's website www.ctconline.org
- Renewal Notices are also sent separately and members are requested to fill up the same and send it to The Chamber's office along with the cheque/DD.
- Renewal Notice contains entire information of Members as per CTC database. In case of any change in information of Member as shown in Form, kindly provide updated information along with the form.

Student Committee

Chairperson : Namrata Dedhia

Vice-Chairperson : Charmi A. Shah,
Charmi G. Shah

Ex-Officio : Jayant Gokhale, Neha Gada

Convenors : Kimi Nagda,
Shreyas Sanghavi

Advisor: Ajay Singh

Practical Income Tax & Litigation Masterclass 2025 Jointly with Government Law College

Virtual
Mode

The Chamber of Tax Consultants jointly with Government Law College presents the 2nd E-certificate Course on "Practical Income Tax & Litigation Masterclass". The course is devised to encourage students and young professionals to undertake an in-depth study of the Income-tax Law, with practical discussions on interpretations and common issues.

This Course offers:

- A comprehensive understanding of the Income Tax Act,
- Expert insights from and interaction with tax practitioners and senior tax professionals,
- Practical knowledge of the field of tax
- Certificate on completion
- Student Membership of CTC for Student Participant

Who Should Register?

Any CA or law student as well as young professional interested in learning or specialising in Income-tax Act, 1961

Registration Fee: ₹ 3,000/- (inclusive of GST)

Sr. No.	Day, Date & Time	Topic and Coverage breakdown	Speakers
1	Saturday, 02/08/2025 5.00 pm – 6.00 pm	Inaugural ceremony	Hon'ble Shri Justice (Retd.) Chandrakant Vasant Bhadang - President, ITAT
	Saturday, 02/08/2025 6.00 pm to 8.00 pm	Basic Concepts	Mr. Devendra Jain, Adv.
2	Monday, 04/08/2025 5.30 pm – 7.30 pm	Income from Capital Gains	CA Sailee Gujarathi
3	Wednesday, 06/08/2025 5.30 pm – 7.30 pm	Income from Capital Gains (continued)	
4	Friday, 08/08/2025 5.30 pm – 7.30 pm	Income from Capital Gains – Exemption provisions	CA Prachi Parekh
5	Monday, 11/08/2025 5.30 pm – 7.30 pm	Income from House Property (including rules)	Ms. Niyati Mankad, Adv.
6	Thursday, 14/08/2025 5.30 pm – 7.30 pm	Profits and Gains from Business or Profession - Income	CA Chirag Wadhwa
7	Monday, 18/08/2025 5.30 pm – 7.30 pm	Profits and Gains from Business or Profession – Deduction (continued)	Mr. Ravi Sawana, Adv
8	Tuesday, 19/08/2025 5.30 pm – 7.30 pm	Profits and Gains from Business or Profession - Books of Accounts, Tax Audit, Presumptive Tax provisions, ICDS, etc.	CA Chirag Wadhwa
9	Wednesday, 20/08/2025 5.30 pm – 7.30 pm	Income from Salaries (including Rules)	CA Aditya Pradhan
10	Friday, 22/08/2025 5.30 pm – 7.30 pm	Income from Salaries (including Rules) (continued)	

Sr. No.	Day, Date & Time	Topic and Coverage breakdown	Speakers
11	Monday, 25/08/2025 5.30 pm – 7.30 pm	Overview of International Taxation & Transfer Pricing	CA Harshal Bhuta
12	Tuesday, 26/08/2025 5.30 pm – 7.30 pm	Residential Status and Scope of Total Income	CA Ronak Doshi
13	Friday, 29/08/2025 5.30 pm – 7.30 pm	Income from Other Sources (including rules 11UA & 11UB):	Adv. Ritu Punjabi
14	Monday, 01/09/2025 5.30 pm – 7.30 pm	Taxation of Unaccounted Income [Section 68 – 69D], Section 115BBE [Rate of Tax], Section 271AAC & Clubbing of Income	Mr. Mandar Vaidya, Adv.
15	Wednesday, 03/09/2025 5.30 pm – 7.30 pm	Aggregation of Income, set-off & carry forward of losses	CA Arwa Mahabaleshwarwala
16	Friday, 05/09/2025 5.30 pm – 7.30 pm	Deductions from Gross Total Income & other Exemptions	CA Avinash Rawani
17	Monday, 08/09/2025 5.30 pm – 7.30 pm	Taxation of Charitable institutions – Section 11,12,13	CA Gunja Thakrar
18	Wednesday, 10/09/2025 5.30 pm – 7.30 pm	Tax Deducted & Collected at Source & Advance Tax	CA Mahendra Sanghvi
19	Friday, 12/09/2025 5.30 pm – 7.30 pm	Rate of tax & Special scheme of Taxation	CA Shashank Mehta
20	Tuesday, 16/09/2025 5.30 pm – 7.30 pm	Return of Income and Tax Audit Forms	CA Gautam Mota
21	Thursday, 18/09/2025 5.30 pm – 7.30 pm	Assessment, Re-Assessment proceedings	Mr. Shashi Bekal, Adv.
22	Friday, 19/09/2025 5.30 pm – 7.30 pm	Revision & Rectification provisions	Ms. Kinjal Bhuta, Advocate
23	Wednesday, 24/09/2025 5.30 pm – 7.30 pm	Prohibited transactions, Penalty & Prosecution, Fees	Mr. Paras S. Savla, Adv
24	Thursday, 25/09/2025 5.30 pm – 7.30 pm	Overview of the Provisions of Search & Seizure	Mr. Ajay Singh, Advocate
25	Friday, 26/09/2025 5.30 pm – 7.30 pm	Dispute Resolution	Mr. Rahul Hakani, Adv
26	Monday, 29/09/2025 5.30 pm – 7.30 pm	Alternative Dispute Resolutions (ADR) in Income-tax	CA Nikhil Tiwari
27	Wednesday, 01/10/2025 5.30 pm – 7.30 pm	Overview of Income-tax Bill 2025	CA Anish Thacker

Note : All sessions will be conducted virtually on Zoom

DIRECT TAXES COMMITTEE

Chairman : Viraj Mehta

Vice-Chairperson : Chirag Wadhwa,
Ketki Mittal

Ex-Officio : Jayant Gokhale, Neha Gada

Convenors : K. Prasanna, Ankit Kothari,
Darsh Sheth

Advisor: Mahendra Sanghvi

Practical Insights on Renewal and Re-registration of Charitable Institutions under Income Tax [Virtual Mode]

Tuesday, 19th August, 2025

6.00 p.m. - 8.00 p.m.

Speaker: CA Gautam Nayak

As you are aware that the past few years, the regulatory landscape for **charitable institutions** under the Income-tax Act has undergone a significant transformation.

Earlier Framework:

Registrations granted to charitable institutions were **valid indefinitely**, requiring no further compliance post-approval.

Framework Post FY 2021-22:

With the introduction of **Section 12AB** and the amended provisions of **Section 80G**, a time-bound registration system has been implemented, bringing in greater compliance requirements and transparency.

Key Highlights:

- Registrations granted under Sections 12AB and 80G during **FY 2021-22** are valid **for five years**, up to **Assessment Year (AY) 2026-27**, i.e., **31st March 2026**.
- As per the amended provisions, the **renewal application must be submitted at least six months before expiry, i.e., on or before 30th September 2025**.

Agenda:

To help charitable institutions navigate this re-registration process and better understand the evolving legal framework, the **Direct Taxes Committee of the Chamber of Tax Consultants** is organizing a **Lecture Meeting** on the subject.

After registering, you will receive a confirmation email containing information about joining the webinar. To Register



**All are Cordially Invited
Open to all.**

Study Circle & Study Group Committee

Chairman : Dipesh Vora

Vice-Chairman : Dinesh R. Shah

Ex-Officio : Jayant Gokhale, Neha Gada

Convenors : Ritu Punjabi, Sakshi Chokshi

Advisor: Ashok Sharma

Learn with the Legends - Fireside Chat with Dr. Y. P. Trivedi, Senior Counsel & Past President (Virtual Mode)

Friday, 22nd August, 2025

5.30 pm to 7.00 pm

Moderator: Mr. K. Gopal, Advocate & Past President

We are delighted to invite you to an exclusive Fireside Chat with the legendary **Dr. Y. P. Trivedi**, one of India's most distinguished legal minds in the field of taxation. This event is part of our signature series, "**Learn with the Legends**", where we engage with pioneers who have shaped their professions with brilliance and integrity.

Dr. Trivedi's remarkable journey—from courtroom triumphs to his contributions in public life—is a masterclass in wisdom, resilience, and excellence. Whether you're a law student, a practicing professional, or simply someone who values learning from the best, this is a rare opportunity to gain insights from a legend.

After registering, you will receive a confirmation email containing information about joining the webinar.

To Register



Looking forward for your active participation.

Student Committee

Chairperson : Namrata Dedhia
Vice-Chairperson : Charmi A. Shah,
Charmi G. Shah
Ex-Officio : Jayant Gokhale, Neha Gada
Convenors : Kimi Nagda,
Shreyas Sanghavi
Advisor: Ajay Singh

Webinar on Comprehensive Sessions on Tax Audit – Students' Perspective [Virtual Mode]

Objective: These sessions aim to provide an in-depth understanding of tax audit requirements to students by way of clause-by-clause analysis of the Form, including who needs to file tax audit reports, the latest amendments, significant clauses in Form 3CD, documentation, uploading processes, and the consequences of incorrect or non-filing.

With this objective, the Student Committee of The Chamber of Tax Consultants is pleased to announce a webinar on Comprehensive Sessions on Tax Audit.

Who should attend: Any Student or Young Professional, who conducts tax audit or wants to learn about it.

Participation Fees

For Student Member of the Chamber	Free
For CTC Members / Non-Members	₹ 300/- + ₹ 54 (GST) = ₹ 354/-

Participation Fees to be paid online on the website:  to make payment.

Kindly enroll at the earliest to avoid disappointment.

The details of the workshop are:

Sr. No.	Day, Date & Time	Topic	Faculty
1	Tuesday, 12.08.2025 5:00 pm – 5:40 pm	Key Note Address	CA Ashok Mehta
	5.40 pm – 7.30 pm	Detailed discussion on relevant provisions of Income-tax Act and Clause by Clause analysis of tax audit report	CA Yogesh Amal
2	Wednesday, 13.08.2025 5.30 pm – 7.30 pm	Continuation of analysis of remaining clauses of tax audit report and detailed discussion on basics of form 3CD, documentation, uploading and filing of tax audit report	CA Chintan Gandhi

Join us for an insightful session to stay updated and ensure compliance with tax audit regulations!

International Taxation Committee

Chairperson : Karishma Phatarphekar
Co-Chairman : Shabbir Motorwala
Vice-Chairman : Vishal D. Shah,
Niraj Chheda
Ex-Officio : Jayant Gokhale, Neha Gada
Convenors : Chaitanya Maheshwari
Monika Wadhani, Tanvi Vora
Advisor: Dilip Thakkar, Vispi Patel

Sessions on Reporting of Foreign Assets Schedule of ITR and Claiming of Foreign Tax Credit [Virtual Mode]

Monday, August 11, 2025 6.00 pm to 7.30 pm

Foreign Tax Credit - Intricacies and Practical aspects
Speaker: CA Monika Wadhani

Tuesday, August 12, 2025 6.00 pm to 7.30 pm

Foreign Assets Schedule of ITR - Reporting and Issues
Speaker: CA Vishal Shah

Participation Fees

CTC Members	NIL
Non-Members	₹ 500/- + ₹ 90/- (GST) = ₹ 590/-

Registration & Participation Fees to be paid online on the website: 

Delhi Chapter

Chairman : Prakash Sinha

Co-Chairman : Saurav Bhattacharya

EX- Officio : Jayant Gokhale, Neha Gada

Vice Chairman : Harpreet Singh

Recent important judgements of Supreme Court / High Courts (Virtual Mode)

Wednesday, 13th August, 2025

5.30 PM to 7.30 PM

Chairman : Mr. G. S. Pannu - Ex- Vice President, ITAT

Panel Members : Mr. Sunil Aggarwal (Standing counsel at DHC)

Mr. Ashish Garg (PWC)

Dear Members,

The Delhi Chapter of The Chamber of Tax Consultants is organising a session on "Recent important judgements of Supreme Court / High Courts" which is scheduled on 13th August, 2025.

Zoom Joining Link



Click on the above Zoom joining link and register yourself, after that you will receive a confirmation email containing information about joining the meeting.

All are cordially invited to attend the meeting

Important Decisions under GST and Service Tax Laws

By Vinay Kumar Jain and Jay Chheda, *Advocates*

Whether un-utilised Input Tax Credit in the credit ledger of transferor company is allowed to be transferred to transferee company located in a Separate State in pursuance of Amalgamation?

Facts and Pleadings

Umicore Autocat India Private Limited ('assessee'), based in Mumbai, took over the operations of one of its group companies Umicore Anandeya India Private Limited (transferor company), based in Goa, vide a Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal.

The transferor company filed Form GST ITC 02 to transfer the ITC balance in its electronic credit ledger prior to takeover to the assessee. However, the application was rejected with an error message "Transferee and Transferor should be of the same State/UT".

The grievance raised by the assessee on the GST portal was not resolved. Given the same, the assessee challenged this rejection of transfer of ITC before the Hon'ble Bombay High Court by way of a Writ Petition.

It was contended by the assessee that under section 18(3) of CGST Act, 2017, where there is a change in the constitution of the registered person on account of sale, merger, demerger, amalgamation etc, the said registered person shall be allowed to transfer the ITC which is un-utilized in his electronic credit ledger of transferor.

It was also contended that the Section does not place any restrictions for transfer of ITC in a scenario where Transferee and Transferor of business are in different States.

The Department contended that Section 18(3) has to be read in consonance with the scheme of Section 16 and Section 25, to the effect that every registered person qua the establishment for which he is registered is completely a different entity. If ITC has been earned in a particular State then it must be utilized only in that State and its benefit cannot be extended in a State where it did not originate.

The Department relied on the decision of MMD Heavy Machinery (India) Pvt. Ltd. Vs. Assistant Commissioner, Chennai & Others (2021) 53 GSTL 3.

Order of the Hon'ble High Court

The Hon'ble Bombay High Court observed that GST regime intended to dispose the existing complex design, which was prevalent with multiple tax rates imposed under the indirect tax structure.

Further, it was observed that the specific stipulations for

availing ITC include a condition that the person should be a registered dealer and he can apply the credit in respect of the taxable goods and exported goods, but he must maintain the invoices/credit notes.

It was further observed that Section 18(3) and Rule 41 permits transfer of the ITC, which has remain un-utilized, when there is change in the constitution of a registered person either on account of sale, merger, demerger, amalgamation, lease or transfer of the business and the credit lying un-utilized in his electronic credit ledger, to be transferred to the sold, merged, demerged, amalgamated, leased or transferred business.

Hon'ble High Court observed that GST system/portal is designed in alignment with the Circular No. 133/03/2020-GST, which mandate that the form GST ITC-02, can only be filed where both entities are registered in the same State, therefore, making it mandatory that both the Transferor and Transferee are registered in the same State to file form GST ITC-02.

It was held that in case the legislature had any intention to cast an embargo or impose a restriction to the effect that, unless and until the Transferee is registered in same state, ITC cannot be availed, it should have so specified therein. However, Section 18(3) is merely suggestive of allowing the transfer of the un-utilized ITC in the electronic credit ledger of the Transferor to the Transferee, whenever there is change in the constitution of the registered person on account of sale, merger, demerger, amalgamation etc.

It was thus held that boundaries of State will not create a restriction for transfer of ITC. It was further held that the Union of India has no loss due to transfer of such ITC. The credit of CGST output liability, if it is to be availed seamlessly, it shall be allowed to be availed, irrespective of intra State or inter State supply.

The Hon'ble High Court thus allowed the Petition of the assessee and directed the Department to ensure transfer of credit in time bound manner. Further, a recommendation was given to the GST Council to resolve this issue and bring in some clarifications in this regard.

UMICORE AUTOCAT INDIA PRIVATE LIMITED V. UNION OF INDIA & ORS. W.P(C) NO. 463 OF 2024 DATED 10.7.2025 (HON'BLE BOMBAY HIGH COURT)

Whether Secondment of Expatriates from overseas group companies to Indian company is subject to GST?

Facts and Pleadings

Alstom Transport India Limited ('assessee') is involved in the manufacture of goods and providing design and engineering service for railway and metro infrastructure projects. The

employees of its overseas group companies were seconded to work in India for a fixed tenure.

The Department issued a show cause notice alleging that Indian entity was liable to pay IGST on the import of 'Manpower Supply Service' from its overseas group company. The assessee challenged the said notice before the Hon'ble Karnataka High Court vide Writ Petition.

The assessee contended that while the expatriate employees were on its payroll, the overseas group entities continued to provide social security and related benefits available in their home countries.

The assessee further contended that it executed employment agreements with each of these expatriate employees, detailing their appointments, salaries, and allowances. It is further submitted that during the term of their secondment, these expatriates were placed on the payroll of the assessee in India, and their salaries were paid directly by the assessee after deducting applicable Tax Deducted at Source (TDS) in accordance with the provisions of the Income Tax Act, 1961.

The Department contended that the arrangement with its overseas group entities amounts to a taxable supply of service under the GST regime. Further, the secondment of employees by the foreign parent or affiliated entities to the assessee constitutes a provision of "manpower supply service".

Order of the Hon'ble High Court

On the perusal of the facts of the case of assessee, the Hon'ble High Court observed that there was existence of employer-employee relationship between the assessee and the seconded employees. The transaction is squarely covered within the exclusion under Schedule III of the CGST Act, 2017 and thereby not constituting a supply.

Further, throughout the period of secondment, the seconded employees were under the exclusive administrative and functional control of the Indian company/assessee, were integrated into its organizational framework, and adhered to its internal policies, code of conduct, and disciplinary rules.

The High Court also observed that the salaries were paid directly by the assessee and subjected to Indian income tax, and that the seconded employees were extended statutory employment benefits under Indian labour laws.

The High Court also noted that the decision of Supreme Court in Northern Operating System was strictly based on the facts in that particular case.

Further, the High Court relied on the CBIC Circular No. 210/4/2024-GST, dated 26 June 2024 according to which if the related domestic entity does not raise an invoice in respect of services received from its foreign affiliate, the value of such services may be deemed to be 'Nil' and such 'Nil' value shall be treated as the open market value in terms of the second proviso to Rule 28(1) of the CGST Rules, 2017.

The Court observed that invoices were not raised by the assessee in respect of the services allegedly rendered by the foreign affiliate through seconded employees.

Given the same, the Hon'ble High Court allowed the petition of the assessee and held that even if such secondment arrangement is assumed to be a supply, the deeming fiction under the said Circular neutralises any scope for further tax liability.

ALSTOM TRANSPORT INDIA LIMITED VERSUS COMMISSIONER OF COMMERCIAL TAXES WRIT PETITION NO. 1779 OF 2025 (T-RES) DATED 15.7.2025 (KARNATAKA HIGH COURT)

■■■

Note : THE FULL DECISIONS CAN BE DOWNLOADED FROM THE WEBSITE WWW.CTCONLINE.ORG UNDER SEMINAR PRESENTATIONS - UNREPORTED DECISIONS

Unreported Tribunal Decisions

By Ajay R. Singh Advocate, CA Rohit Rajeev Shah

1. S. 11(1)(a)- Charitable trust - Excess expenditure over income

Facts:

Assessee, a charitable trust registered under section 12A, claimed exemption under section 11(1)(a) for ₹ 27,05,219 [15% of total income] as accumulated/set-apart funds, despite incurring total expenditure of ₹ 4,88,80,927 against receipts of ₹ 1,80,34,791. AO disallowed the

claim, reasoning that assessee had no surplus to justify accumulation. Assessee argued that the excess expenditure was met from accumulated funds of earlier years and the 15% set-apart under section 11(1)(a) was unconditional.

Held:

Section 11(1)(a) permits accumulation of up to 15% of income irrespective of whether current-year expenditure exceeds receipts. A charitable

trust cannot be denied exemption under section 11(1)(a) merely because it utilized accumulated funds to cover excess expenditure. The provision is unambiguous and does not require a surplus in the relevant year for the 15% set-apart. Accordingly, assessee's claim was valid.

Rajasthan Cricket Association v. ITO, Exemption Ward 1, Jaipur

[ITA No. 37/Jpr/2025 dated 15/04/2025] [AY 2016-17]

2. **S. 147 - Reassessment - Order passed by ignoring revised return filed by assessee - No satisfaction recorded by Pr. CIT before granting approval**

Facts:

Assessee filed his return for relevant assessment year. The said return was revised. Thereafter, assessment reopened and assessee filed return in compliance thereto. Further, notices under sections 143(2) and 142(1) along with questionnaire were issued and assessee complied with the same by filing various evidences and documents as called for by AO. Finally, assessment order was passed under section 147/143(3) by making certain additions. CIT(A) upheld the assessment order.

Held:

Assessee filed original return, which was revised subsequently. However, AO, while reopening the assessment and while obtaining the approval of competent authority, failed to take cognizance of the same. Further, there were so many factual mistakes by AO, while recording the reasons. Furthermore, in the reasons recorded, the Pr. CIT stated 'fit case, approved' and no satisfaction was recorded by him before granting the approval. It is settled decision position that mere mechanical manner of approval is not valid and reopening made based upon that said approval is bad in law. Further, it is also settled position of

law that once a revised return is filed, the original return must be taken to have been withdrawn and substituted by a fresh return for the purpose of assessment. Therefore, since reassessment was framed by ignoring the revised return filed by assessee, the re-assessment proceedings initiated on the basis of such incorrect and vague facts and invalid approval, could not be sustained.

Pradeep Kumar Banerjee v. CIT (Appeals), Delhi

[ITA No. 371/Kol/2024 dated 01/04/2025] [AY.: 2012-13]

3. **S. 4 - Capital or revenue receipt - Compensation received for under performance of wind turbine generators (WTGs)**

Facts:

Assessee, engaged in mining and power generation, purchased wind turbine generators (WTGs) from Suzlon Energy Limited (SEL) under contracts that included a performance guarantee clause. The WTGs failed to meet the guaranteed generation levels, and SEL compensated the assessee for the shortfall. Assessee claimed this compensation as a capital receipt, arguing it was for the impairment of a capital asset. AO, however, treated it as a revenue receipt pleading that the same compensated for lost power generation (business income).

Held:

The WTGs' under-performance impaired the capital asset's utility, making the compensation akin to damages for sterilization of a capital asset. Accordingly, the compensation was a capital receipt, not chargeable to tax.

Essel Mining & Industries Ltd. v. Addl. CIT

[ITA No. 786/Kol/2013 dated 24/04/2025] [AY.: 2008-09]



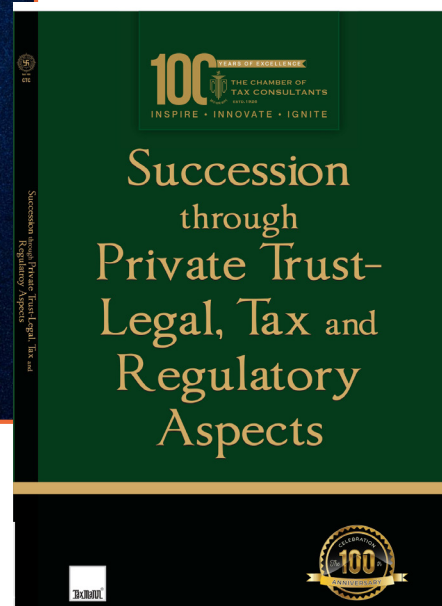
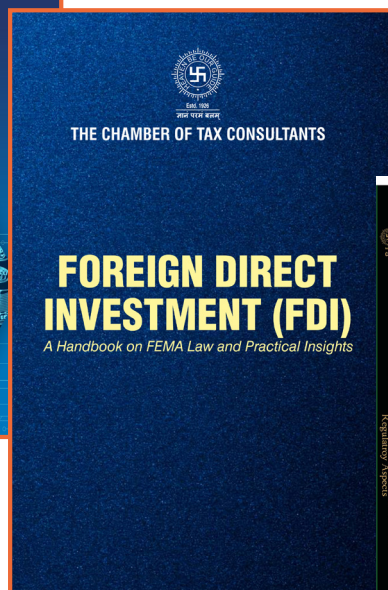
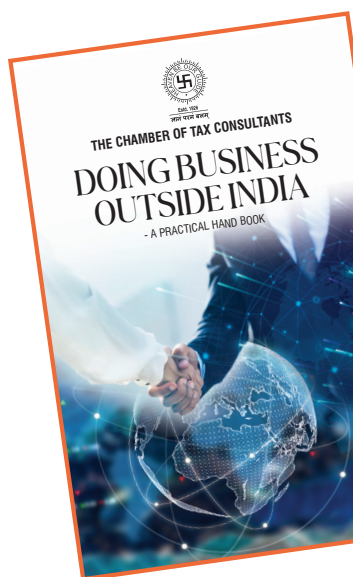
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