



E-NEWSLETTER

GOA BRANCH OF WESTERN INDIA
REGIONAL COUNCIL OF THE
INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA

(Set Up by an act of Parliament)

जागृती

Arise, Awaken, Aspire

E-NEWSLETTER
Volume VII
Part 3
August 2025

DISCLAIMER:

The views expressed in this journal are the personal views of the contributors and the Goa branch of the WIRC of ICAI does not necessarily concur with the same. The board reserves the right to amend any part of the article, without any prior intimation to the author to bring it in conformity with the existing law. The opinions expressed herein should not be construed as legal or professional advice. Neither the GOa branch of WIRC of ICAI, the publisher, the editor nor contributors are responsible for any decisions taken by readers on the basis of these views. ,

INDEX

Chairperson's Communiqué	Pg. 2
Direct Tax & Corporate Law Updates - August 2025	Pg. 3
GST Updates for the Month of August & September 2025	Pg.4
Search Funds	Pg. 7
Case Laws	Pg. 10
Activity Report August 2025	Pg. 18

MANAGING COMMITTEE



CA. VISHWANATH S.S.
BHOBE
Chairperson



CA. VINAYAK DHUMATKAR
Vice Chairperson



CA. VAIBHAV BALE
Secretary



CA. AKSHAY MULGAONKAR
Treasurer



CA. SNEHA MENON
WICASA Chairperson



CA. VENKATESH SHENAI
Managing Committee
Member



Chairperson's Communique



Respected Seniors and Colleagues in the Profession,

With the extended due date for Non-Audit Income Tax Returns now behind us, it's a moment to acknowledge the intense effort we all have put in. Despite the challenges — be it delayed utility releases, frequent technical glitches, or the pressure of high volumes — we stood up to the task and got the job done. But there's little time to pause. The next phase is already upon us — Company and Tax audits. As of now, no extension has been announced, which means we are staring at a tight deadline with just around 15 days to complete critical assignments.

Let's channel the same determination and energy we showed over the past few weeks. It's time to recharge, refocus, and continue with renewed vigour as we take on the audit season.

At the branch we conducted the following programmes

For Members:

- Cultural Connect: Aakanksha 2.0 – A Desire for Cultural Awakening – a celebration of art, culture, and fellowship among members and their families.
- Hosted Residential Refresher Course on Direct Taxes jointly with Pimpri-Chinchwad Branch – an intensive 12-hour program under ICAI's Direct Taxes Committee.
- Seminar on “Audit under Companies Act & Tax Audit – practical insights on Audit of Companies with emphasis on related party transactions and tax audit complexities, with guidance from CA Abhay Fadte and CA Naveen Khariwal respectively.
- Outreach Programme – SPREE 2025 – conducted in collaboration with ESIC, creating awareness on employer/employee registrations and statutory compliance.

For Students:

- Half-day Seminar on “Income Tax Returns – Refresher & Amendments by CA Vibha Palekar – helping students grasp the latest changes and practical aspects.
- Mock Test Series II – for CA Foundation Students of September 2025 exams, enhancing exam preparedness and confidence.

We also welcome GST 2.0 Reforms announced by the Government of India during the 56th GST Council Meeting, which introduced a simplified two-slab tax structure and rationalized rates across key sectors and made effective from 22nd September 25. These reforms address long-standing concerns of both industry and citizens. The shift towards a two-rate system—with a separate higher slab for luxury and sin goods—is a significant step forward in creating a more streamlined and growth-oriented tax regime. We hope that the administrative changes in registration and refunds etc and rate rationalisation will benefit businesses and consumers.

The month of August brought with it the joy and blessings of Ganapati Bappa, filling our hearts with devotion and togetherness. Now, as we move forward, we prepare to welcome the divine celebrations of Navratri, a festival that inspires us with strength, discipline, and positivity.

May these festive occasions bring happiness, prosperity, and renewed energy to you and your family.

Warm Regards

CA Vishwanath S. S. Bhoje

Chairperson

Goa Branch (WIRC) of ICAI, 2025-26





Direct Tax & Corporate Law Updates - August 2025

-CA. Rohan Bhandare

Given below are summarised versions of certain important Circulars/Notifications/Press Releases for August 2025 issued by the Central Board of Direct Taxes (CBDT) and Ministry of Corporate Affairs (MCA) for the general information of members. Readers are requested to use the website links/ QR Codes to access the full text of the desired circular/notification/press release.

Income Tax Updates

- Income Tax Act, 2025 has received the assent of the President on 21st August, 2025, and shall come into force from April 1, 2026.

MCA Updates

- The MCA has notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, introducing several important changes across multiple Ind AS standards.

Important Links:

Income Tax Updates	MCA Updates	ICAI Updates
		
https://tinyurl.com/23k85m3j	https://tinyurl.com/3sifyv37	https://tinyurl.com/h9feazw5





GST UPDATES FOR THE MONTH OF AUGUST & SEPTEMBER 2025

-CA Aishwarya G. Talaulikar

➤ GST NOTIFICATIONS

▪ Notification No. 12/2025 dated 20-08-2025 – Central Tax

The Commissioner, on the recommendations of the Council, hereby extends the due date for furnishing the return in FORM GSTR-3B for the month of July, 2025 till the twenty-seventh day of August, 2025, for the registered persons whose principal place of business is located in the districts of Mumbai (City), Mumbai (sub-urban), Thane, Raigad and Palghar in the State of Maharashtra and are required to furnish return under sub-section (1) of section 39 read with clause (i) of sub-rule (1) of rule 61 of the Central Goods and Services Tax Rules, 2017.

▪ Notification No. 13/2025 dated 17-09-2025 – Central Tax

The said notification proposes to make new rules thereby amending the Central Goods & Services Tax Rules.

Due to voluminous content of the notification, the users are requested to kindly visit the link provided below to access the same in detail.

<https://taxinformation.cbic.gov.in/content-page/explore-notification>

▪ Notification No. 14/2025 dated 17-09-2025 – Central Tax

The Central Government on the recommendations of the Council, hereby notifies the following category of registered persons who shall not be allowed refund on provisional basis under the said Act, namely: –

- Any person, who has not undergone Aadhaar authentication under rule 10B of the Central Goods and Services Tax Rules, 2017;
- Any person, who is engaged in the supply of the goods bearing description specified in column (3), falling under Chapter or heading or sub-heading or tariff item specified in column (2), of the Table below:

S. No.	Chapter/ Heading/ Sub-heading/ Tariff item	Description of Goods
(1)	(2)	(3)
1.	0802 80	Areca nuts
2.	2106 90 20	Pan masala
3.	24	Tobacco and mfc tobacco substitutes
4.	3301	Essential oils



This notification shall come into force w.e.f 01-10-2025.

▪ **Notification No. 15/2025 dated 17-09-2025 – Central Tax**

The Commissioner, on the recommendations of the Council, in respect of filing of annual return for the financial year 2024-25 onwards, hereby exempts the registered person whose aggregate turnover in any financial year is up to two crore rupees, from filing annual return that said financial year.

▪ **Notification No. 16/2025 dated 17-09-2025 – Central Tax**

The Central Government hereby appoints the 1st day of October, 2025, as the date on which the provisions of clauses (ii) and (iii) of section 121, sections 122 to 124 and sections 126 to 134 of the said Act, shall come into force.

➤ **GST CIRCULARS**

▪ **Circular No. 249/06/2025 – GST dated 09-06-2025**

✓ **Generation and quoting of Document Identification Number (DIN) on any communication issued by the officers of the Central Board of Indirect Taxes and Customs (CBIC) to tax payers and other concerned persons- reg.**

Quoting DIN on such communications generated through the common portal of GST, which already bear RFN, results into two different electronically generated verifiable unique numbers namely RFN & DIN on the same communication, which renders quoting of DIN on such communication unnecessary. It is therefore clarified that for communications via common portal (in compliance with Section 169 of the CGST Act, 2017) having verifiable Reference Number (RFN), quoting of Document Identification Number (DIN) is not required and such communication bearing RFN is to be treated as a valid communication.

▪ **Circular No. 250/07/2025 – GST dated 24-06-2025**

✓ **Reviewing authority, Revisional Authority and Appellate Authority in respect of orders passed by Common Adjudicating Authority (CAA) for show cause notices issued by DGGI - reg.**

Attention is drawn to notification No. 02/2017 dated 19th June 2017 (as amended) read with circular No. 239/33/2024-GST dated 4th December 2024, which does not specify the procedure related to review, revision, and appeals for such Orders-in-Original (O-I-Os) passed by CAA.

Therefore, to ensure uniformity in procedure for review, revision, and appeal against the Orders-in-Original (O-I-Os) adjudicated by Common Adjudicating Authorities, it is hereby clarified that

a) **Review under Section 107 of the CGST Act, 2017:**

The Principal Commissioner or Commissioner of Central Tax under whom the Common Adjudicating Authority (Additional/ Joint Commissioner) is posted shall be the reviewing authority in respect of such O-I-Os.

b) **Revisional Power under Section 108 of the CGST Act, 2017:**

The Principal Commissioner or Commissioner of Central Tax under whom the Common Adjudicating Authority (Additional/ Joint Commissioner) is posted shall be the revisional authority in respect of such O-I-Os.

c) **Appeal Procedure under Section 107 of the CGST Act, 2017:**

Appeals against the order of Common Adjudicating Authority (Additional/ Joint Commissioner) shall lie before the Commissioner (Appeals) corresponding to the territorial jurisdiction of the Principal Commissioner or the Commissioner of Central Tax, under whom the said Common Adjudicating Authority (Additional/ Joint Commissioner) is posted, as specified in Table III of notification No. 02/2017-Central tax dated 19th June, 2017.



d) Department's Representation in Appeals:

The Principal Commissioner or Commissioner of Central Tax of such Commissionerate under whom the Common Adjudicating Authority (Additional/Joint Commissioner) is posted shall represent the department in appeal proceedings against the O-I-Os passed by such Common Adjudicating Authority (Additional/ Joint Commissioner) and accordingly may appoint any officer subordinate to him to be the designated officer for filing departmental appeals.

e) The reviewing or revisional authority for such orders may seek comments on the O-I-O from the concerned DGGI formation before proceeding to decide on the order passed by the CAA.

➤ **Circular No. 251/08/2025 – GST dated 12-09-2025**

✓ **Clarification on various doubts related to treatment of secondary or post-sale discounts under GST - reg.**

In order to ensure uniformity in the implementation of the law across the field formations, the Board, in exercise of its powers conferred under sub-section (1) of section 168 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “the CGST Act”) clarifies the issues as under.

Due to voluminous content of the circular, the users are requested to kindly visit the link provided below to access the same in detail.

<https://taxinformation.cbic.gov.in/content-page/explore-notification>





Search Funds

-CA. David Pinto

Want to be an entrepreneur? May be you can purchase your way there.

I travelled to Spain earlier this year to IESE Business School at the University of Navarra as a Future Leader in Sustainability.

There I was introduced to an interesting concept, IESE Business School has an International Search Fund Centre.

What is a **Search Fund**? That trip was the first time that I myself had heard that concept.

A search fund is a way for aspiring entrepreneurs to become business owners by buying an existing company instead of starting one from scratch. In this model, one or two individuals raise money from investors to support their “search” for the right privately-held business to acquire. Once they find a company with strong potential, they use additional funding from those investors to buy it and step in as the new leaders.

This approach, often called **entrepreneurship through acquisition (ETA)**, gives entrepreneurs the chance to run and grow a business while offering investors access to stable, long-term returns.

Where did this start?

The concept of **search funds** was envisioned at Stanford University Graduate School of Business in 1984. It was pioneered by the then Director of the Center for Entrepreneurial Studies, Prof. Irving Grousbeck. Prior to Stanford he had been a visiting lecturer at Harvard Business School.

How does it work?

Aspiring entrepreneurial teams of 1-2 individuals along with interns start a fund and work with Chartered Accountants, Bankers and Lawyers over a period of 2 years to 'Search' for Businesses. The entrepreneur will usually have a background in the industry as well as the region in which they are looking to Search for this business. The investors provide them with a small amount of capital for this search period to pay salaries and consultant expenses.

How does the relationship with the investors work?

Even though investors are backing the searcher, the searcher keeps them in the loop. They share which companies they're looking at and update investors on their conversations with business owners, so everyone knows where things stand during the search.

What companies do they target?

They look for companies in which the owner wants to cash out, either to enjoy a retirement, move to another business or simply because his children cannot get along and they would rather have the money. Selling to a search fund, will allow him some control over who the business goes to.

They would also look for smaller businesses. One of India's first Search Funds, Milestone Search Capital lists 4 characteristics on their website.

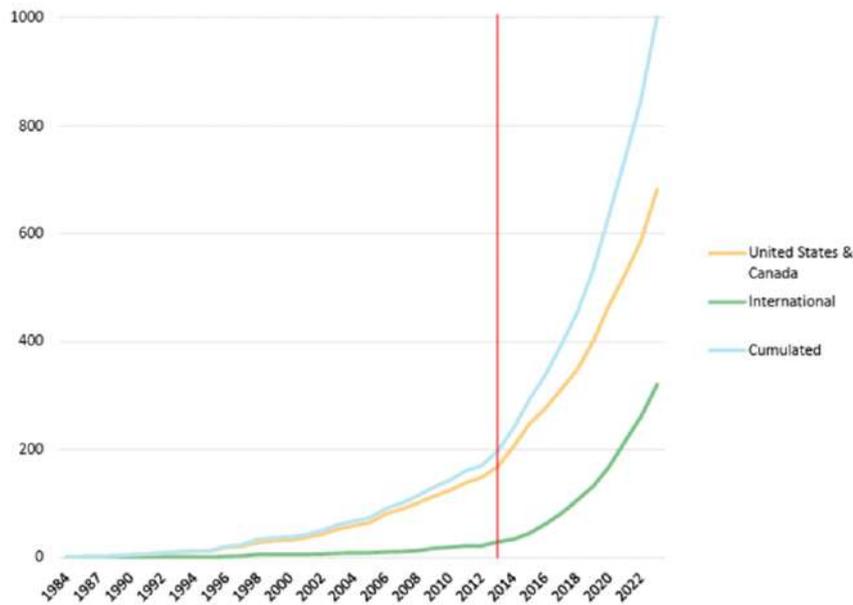
- Cash profitable & growing with a profit above 4Cr.
- Highly recurring and repeated revenue
- Exit owing to succession issues
- Low risk of technology obsolescence.

Milestone Search Capital was founded in 2015 and represents a new asset class that has grown in India, one that has jumped 5x internationally over the last 10 years with the number of Search Funds jumping 30x in the last 10 years outside the USA.

“The most difficult thing is the decision to act; the rest is merely tenacity.”



Figure 1. Search funds 1984–2023



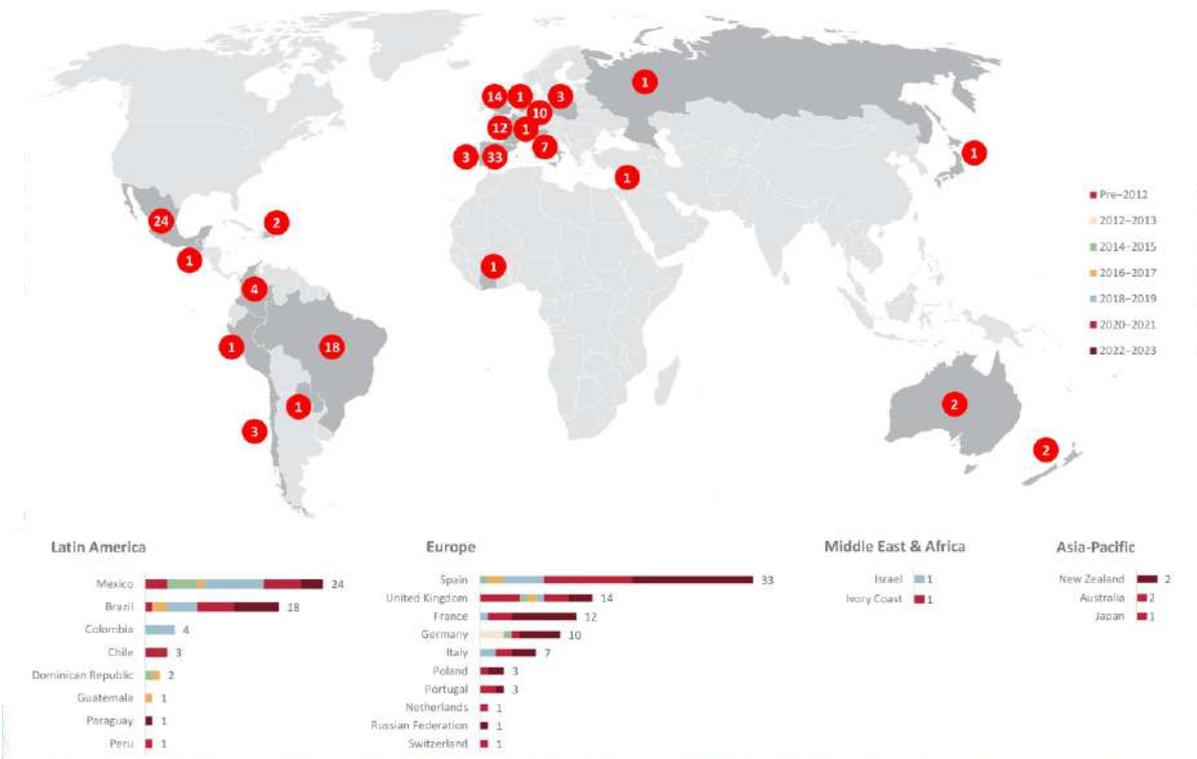
Source: Based on Kelly and Heston 2024; Kowalewski et al. 2024.

Source: IESE Shareholder engagement in the field of search funds Report 2025.

Can this work in emerging markets?

If you look at the table below that describes International Search Fund acquisitions by regions, you will see that outside Spain. Mexico and Brazil are the countries with the two largest number of search fund acquisitions. These are trillion dollar developing economies with many of the same issues and difficulties as India.

Figure 5. International Search Fund acquisitions by region, country, and year



Source: IESE International Search Funds—2024 Selected observations

What are the returns these funds are offering?

An INSEAD article by Ivana Naumovska and Guillermo Irarrázaval Zañartu in June 2025 stated that Search Funds are providing a net internal rate of return of 25% compared to a 12% return in Venture Capital Funds and a 15% return in private equity funds. As per Stanford's report of 328 search fund acquisitions so far. Only 40 have exited with a negative return, while 122 have had a positive return and the rest are still operating.

What happens once there is an acquisition?

Once the deal is complete, the search fund team steps in to run the company. The original owner usually stays on for a transition period to hand over operations, but the new team quickly takes charge. Most searchers aim for a controlling stake in the business, while the former owner may receive an earn-out—a performance-based payment tied to the success of the handover.

From there, the model resembles private equity: the focus is on growing the business, and generating strong cash flows. Over time, the search fund seeks to provide an exit for its investors—through continued cash distributions, a sale of the company, or in rare cases, an IPO.

Unlike traditional managers, the searchers are also owners. They hold an equity stake in the company, aligning their incentives with investors and giving them a long-term commitment to the firm's success.

Globally, the search fund ecosystem is still small. While it has grown significantly in the US, there have only been 21 documented exits outside the US, highlighting its niche status and potential for growth.

How is this beneficial for Chartered Accountants in India?

Due diligence is critical in search funds—perhaps even more so than in large-scale acquisitions. Unlike big deals handled by the Big 4 firms, search fund acquisitions often involve mid-sized or smaller companies, where financial reporting can be less standardized. This is where Chartered Accountants (CAs) can add significant value. We can spot inconsistencies in the numbers and highlight when financial statements don't seem to be matching the health of the company.

More than analysing accounts, CAs can also play a key role in identifying potential targets. Thanks to CAs close relationships with business owners, they are often the first to know which companies might be a good fit. In these cases, a searcher can engage a CA not only for due diligence but also for sourcing opportunities—paying them a fee for connecting the right business with the right buyer.





Case Laws

-CA. Atul Joshi

Citation: [2025] 177 taxmann.com 707 (Bombay)

Case Name: Gateway Terminals India (P.) Ltd. vs. Deputy Commissioner of Income-tax, Raigad

In favour of: Assessee

Appeal No: 1139 of 2021, 4963 of 2021, IT APPEAL NO. 1139 OF 2021 WRIT PETITION NO. 4963 OF 2021+

Decision Date: 26-08-2025

Head Note

I. Section 80-IA (Interest): Whether interest earned from fixed deposits, which were imperative for carrying on the eligible business and had a direct nexus to it, is entitled to deduction under section 80-IA?
II. Section 80-IA (Interest on TDS refund): Whether interest received on a TDS refund, where the TDS was wrongly deducted from sales receipts, is entitled to deduction under section 80-IA?

Facts:

The assessee, engaged in operating a container terminal eligible for section 80-IA deduction, earned interest income from two sources: 1) Fixed deposits maintained to meet contractual obligations for replacing equipment and in compliance with a High Court order. 2) A refund of TDS that was incorrectly deducted by its customers. The Assessing Officer (AO) allowed the 80-IA deduction on this interest, but the Commissioner (Appeals) disputed it.

Held:

I. The court held that the fixed deposits were essential for the business operations and not just for parking surplus funds. Since there was a direct link between the deposits and the eligible business, the interest earned qualifies for deduction under section 80-IA.
II. The court also held that since the TDS was wrongly deducted from business sales receipts, it was part of the business income. Therefore, the interest received on its refund is also eligible for the 80-IA deduction.

Citation: [2025] 178 taxmann.com 16 (Bombay)

Case Name: St. Anne's Church vs. Commissioner of Income-tax (Exemptions)

In favour of: Assessee

Appeal No: 2048 of 2025, WRIT PETITION NO. 2048 OF 2025

Decision Date: 25-08-2025

Head Note

Section 11 (Accumulation of income): Whether the delay in filing Form No. 10, caused by an inadvertent error by the Chartered Accountant, should be condoned to prevent grave hardship to the assessee-trust, which would otherwise be denied exemption under section 11?

Facts:

The assessee-trust filed its return of income but uploaded Form No. 10 after the due date. Consequently, its claim for exemption under section 11 was denied. The trust applied for condonation of delay, explaining that their Chartered Accountant (CA) inadvertently missed filing the form due to a recently introduced electronic filing requirement. The Commissioner rejected the application, citing a lack of 'reasonable cause'. The assessee later submitted an affidavit from the CA confirming the oversight.

Held:

The court decided that the trust would suffer grave hardship if the exemption was denied solely due to the delay. Recognizing the CA's inadvertent error as a reasonable cause, the court set aside the Commissioner's order and condoned the delay in filing Form No. 10.

Citation: [2025] 178 taxmann.com 193 (Bombay)

Case Name: Vibhavari Bharat Bhatt vs. Income-tax Officer (Intl.) Tax

In favour of: Assessee

Appeal No: 23576 of 2025, WRIT PETITION (L) NO. 23576 of 2025

Decision Date: 25-08-2025

Head Note

Section 143, read with section 144C (Opportunity of hearing): Where the DRP rejected the assessee's objections because a final assessment order had already been passed by the AO, should the final order be set aside to allow the DRP to hear the objections?

Facts:

The assessee filed objections with the Dispute Resolution Panel (DRP) against a draft assessment order. However, the assessee did not inform the AO that these objections had been filed. As a result, the AO proceeded to pass a final assessment order. Subsequently, the DRP rejected the assessee's objections on the grounds that a final order was already in place.

Held:

The court granted limited relief by setting aside the final assessment order. This action revived the objections filed by the assessee before the DRP, allowing them to be heard and considered on their merits.

Citation: [2025] 178 taxmann.com 256 (Bombay)

Case Name: Gem Nuts & produce Exports Co. (P.) Ltd vs. Principal Commissioner of Income-tax-1

In favour of: Assessee

Appeal No: 11406 of 2025, WRIT PETITION (L) NO. 11406 of 2025

Decision Date: 25-08-2025

Head Note

Section 115BAA, read with section 119 (Condonation of delay): Whether a 15-day delay in filing Form 10-IC, due to an oversight by the Chartered Accountant, should be condoned, considering the assessee's bonafide intent shown by filing the form and return simultaneously?

Facts:

The assessee-company filed a belated income tax return and simultaneously uploaded Form 10-IC to opt for the lower tax rate under section 115BAA. Due to the 15-day delay in filing the form, the benefit was denied, and the income was assessed under section 115JB. The application for condonation of delay was rejected, with the department stating that the reason given (oversight by the CA) was not genuine.

Held:

The court held that filing the return within the original due date is not a prerequisite for claiming the benefit under section 115BAA. The simultaneous filing of the return and Form 10-IC demonstrated the assessee's genuine intent. The CA's oversight was accepted as a valid reason for the minor delay. The court set aside the rejection order and condoned the 15-day delay.



Citation: [2025] 177 taxmann.com 602 (Bombay)

Case Name: Modi Business Centre (P.) Ltd. vs. Deputy Commissioner (IT)

In favour of: Assessee

Appeal No: 584 of 2003, IT APPEAL NO. 584 OF 2003+

Decision Date: 21-08-2025

Head Note:

Section 36(1)(iii), read with section 57 (Interest on borrowed capital): Whether interest expenditure on borrowed funds, which were subsequently lent to sister concerns, can be set off against interest income, even if the primary business of letting out property had not yet generated rental income?

Facts:

The assessee-company, whose business included construction, leasing, and financing, borrowed a loan from a bank. It used these funds as a deposit to sublet a premises and also lent the funds to its sister concerns, earning interest. The AO held that since the primary business (leasing) had not commenced (no rent received yet), the interest income should be taxed under 'other sources' without allowing the deduction for interest paid on the loan.

Held:

The court held that business commences from the preparatory stage (repairing/furnishing) and not just when revenue is generated. It also noted that financing was a stated business activity of the assessee. Since the same transaction was allowed as a business expense in subsequent years, the principle of consistency should apply. The court allowed the interest expenditure to be set off against the interest income.

Citation: [2025] 177 taxmann.com 509 (Bombay)

Case Name: Tivoli Investment & Trading Co. (P.) Ltd. vs. Assistant Commissioner of Income-tax

In favour of: Revenue

Appeal No: 5 of 2004, 62 of 2004, INCOME TAX APPEAL NOS. 5 and 62 OF 2004+

Decision Date: 18-08-2025

Head Note:

Section 23 (Annual value): Whether the AO is justified in determining a higher annual rental value for a property by considering comparable rents and notional interest on a large security deposit, instead of relying on the lower license fee mentioned in the agreement or the municipal rateable value?

Facts:

The assessee let out an office premises to a bank for a monthly license fee of Rs. 9,825 and also received a large interest-free security deposit of Rs. 1.54 crores. The AO rejected the license fee as the annual value. Instead, by considering comparable rents in the same building and the notional interest on the security deposit, the AO determined a much higher annual value of Rs. 22 lakhs. The assessee argued that only the municipal rateable value should be considered.

Held:

The court upheld the AO's decision. It ruled that the AO is not bound by the municipal rateable value if there is a wide gap between it and the actual market rent. The court found the AO's method of considering comparable rents and notional interest on the security deposit to be reasonable, especially since the assessee was in need of funds. The large security deposit was seen as a real return for the assessee, justifying the higher annual value assessment.



Citation: [2025] 178 taxmann.com 191 (Bombay)

Case Name: Stock Holding Corporation of India Ltd. vs. Assistant Commissioner of Income-tax

In favour of: Assessee

Appeal No: 1009 of 2022, WRIT PETITION NO. 1009 OF 2022

Decision Date: 18-08-2025

Head Note:

Section 68 (Reassessment): Whether a reopening notice issued after four years is valid if the recorded reasons are vague and do not allege any failure on the part of the assessee to disclose material facts?

Facts:

The assessee's return was scrutinized and an assessment order was passed. More than four years later, a reopening notice was issued based on information about an unexplained credit. The assessee contended that the reasons for reopening were vague, were improperly supplemented later in the order disposing of objections, and did not allege any failure to disclose material facts.

Held:

The court held that the reasons recorded for reopening an assessment must be standalone and cannot be improved upon or supplemented later. Since the initial reasons were vague and, crucially, did not allege that there was any failure by the assessee to disclose material facts (a necessary condition for reopening after four years), the notice and subsequent order were quashed.

Citation: [2025] 177 taxmann.com 699 (Bombay)

Case Name: Principal Commissioner of Income-tax vs. Morgan Stanley India Capital Pvt Ltd

In favour of: Assessee

Appeal No: 2245 of 2018, INCOME TAX APPEAL NO.2245 of 2018+

Decision Date: 14-08-2025

Head Note:

I. Section 14A (Expenditure on exempt income): If an assessee's own interest-free funds are more than the investments made in tax-free securities, can a disallowance under section 14A be made?

II. Section 40(a)(ia) (Business disallowance): Can expenses be disallowed for short deduction of TDS if the payees have already paid taxes on that income?

Facts:

The AO made additions on two grounds: 1) Disallowance of expenses under section 14A related to exempt income, even though the assessee had sufficient own interest-free funds to cover the investments. 2) Disallowance of expenses under section 40(a)(ia) because the assessee had deducted TDS at a lower rate (short deduction), although the recipients of the payment had paid their taxes.

Held:

I. The court held that when the assessee's own funds exceed the investments in tax-free securities, it is presumed that the investments were made from these interest-free funds. Therefore, no disallowance of interest expenditure under section 14A is warranted.

II. The court affirmed that the second proviso to section 40(a)(ia) is curative and has retrospective effect. Since the payees had paid taxes on the income, no disallowance could be made against the assessee for short deduction of TDS.



Citation: [2025] 177 taxmann.com 540 (Bombay)

Case Name: Narendra I. Bhuva vs. Assistant Commissioner of Income-tax

In favour of: Revenue

Appeal No: 681 of 2003, IT APPEAL NO. 681 OF 2003 INTERIM APPLICATION NO.4204 OF 2022+

Decision Date: 14-08-2025

Head Note: Section 2(14) (Capital assets): Whether a vintage car is considered a 'personal effect' exempt from capital gains tax if the assessee fails to provide any evidence of its personal use?

Facts:

The assessee sold a vintage car, which he had purchased for Rs. 20,000, for a price of Rs. 21 lakhs. He claimed that the profit was not taxable as the car was a personal asset. The AO, however, treated the profit as business income. The assessee failed to produce any evidence showing that the car was used for personal purposes.

Held:

The court held that a vehicle's capability for personal use does not automatically make it a 'personal effect'. The onus is on the assessee to prove personal use. Since the assessee failed to provide any such evidence, the vintage car was not considered a personal effect, and the gain from its sale was taxable under the head 'Capital Gains'.

GST Cases

Citation: [2025] 178 taxmann.com 113 (Bombay)

Case Name: MRJS Lead (P.) Ltd. vs. Assistant Commissioner of State Tax

In favour of: Revenue

Appeal No: 6247 of 2024, 6447 of 2024, 6448 of 2024, WRIT PETITION Nos. 6247, 6447 and 6448 OF 2024

Decision Date: 26-08-2025

Head Note:

Demand (Writ jurisdiction): Whether a writ petition challenging an adjudication order is maintainable when the assessee has already availed the alternative statutory remedy of appeal, which is pending?

Facts:

The petitioner filed writ petitions to quash adjudication orders, arguing that the underlying show-cause notices issued under section 74 of the CGST Act were invalid because they did not contain specific allegations of fraud, willful misstatement, or suppression of facts. Meanwhile, the petitioner had already filed statutory appeals against these orders, which were pending.

Held:

The court dismissed the writ petitions, stating that since the assessee had already invoked the alternative and efficacious statutory remedy of appeal, it was not appropriate for the High Court to interfere and examine the merits of the case. The assessee was directed to pursue the pending appeals.



Citation: [2025] 177 taxmann.com 859 (Bombay)

Case Name: Map overseas vs. Union of India

In favour of: Revenue

Appeal No: 8229 of 2025, WRIT PETITION NO. 8229 OF 2025

Decision Date: 25-08-2025

Head Note

Appeals (Limitation period): Whether an appeal filed beyond the maximum condonable period of limitation (120 days) can be entertained by the appellate authority?

Facts:

The assessee filed an appeal against an adjudication order after the maximum condonable period of 120 days had passed. The appellate authority rejected the appeal on the grounds of limitation. The assessee contended that the original order was never communicated properly and the appeal was within time from the date of communication.

Held:

The court found no merit in the assessee's argument about non-communication of the order. It upheld the appellate authority's decision, citing the Supreme Court's ruling that the merits of a case are irrelevant if the appeal is not filed within the maximum permissible time limit. The petition was dismissed.

Citation: [2025] 178 taxmann.com 294 (Bombay)

Case Name: Provident Housing Ltd. vs. Union of India

In favour of: Assessee

Appeal No: 5 of 2022, WRIT PETITION NO. 5 OF 2022

Decision Date: 21-08-2025

Head Note

Time of supply (Joint Development Agreement): Whether GST is payable by a real estate developer on a Joint Development Agreement (JDA) where the developer subsequently becomes the owner of the property, and is the amount paid under protest refundable?

Facts:

A real estate developer (assessee) entered into a JDA with a landowner. The GST authorities investigated and insisted on payment of GST on the construction service provided to the landowner. The assessee paid Rs. 7 crores under protest. Subsequently, the assessee became the owner of the property under the JDA/sale deed.

Held:

The court held that no tax liability arose for the assessee at the time the JDA was signed because the developer ultimately became the owner of the property. In light of a subsequent notification clarifying the tax liability on conveyed property, the court ruled that no tax was payable by the assessee. The amount deposited under protest was ordered to be refunded with 6% interest.



Citation: [2025] 177 taxmann.com 812 (Bombay)

Case Name: Twenty First Century Iron and Steels Ltd. vs. Deputy Commissioner of State Tax (Appeals)

In favour of: Assessee

Appeal No: 584 of 2023, WRIT PETITION NO.584 OF 2023

Decision Date: 18-08-2025

Head Note

Registration (Cancellation): Whether an order cancelling GST registration, passed pursuant to a vague show-cause notice and without providing any reasons, is sustainable in law?

Facts:

The petitioner's GST registration was cancelled. The preceding show-cause notice was perfunctory, offering no specific details or material on which the petitioner was expected to respond. The final cancellation order was also completely unreasoned.

Held:

The court held that providing reasons is the essence of the adjudication process. Since both the show-cause notice and the final order were devoid of any reasoning or material facts, they were legally invalid. The court set aside the unreasoned cancellation order.

Citation: [2025] 177 taxmann.com 549 (Bombay)

Case Name: Eagle Security & Personnel Services vs. Union of India

In favour of: Revenue

Appeal No: 1687 of 2024, WRIT PETITION NO. 1687 OF 2024

Decision Date: 18-08-2025

Head Note

Input Tax Credit (Reverse Charge Mechanism): Whether classifying security service suppliers into 'body corporate' and 'other than body corporate' for the purpose of applying Reverse Charge Mechanism (RCM) is violative of the Constitution and whether a non-corporate supplier under RCM can claim ITC?

Facts:

From January 1, 2019, GST on security services provided by non-corporates (like the petitioner, a proprietorship) was shifted to RCM, making the recipient liable to pay the tax. This effectively treated the supply as an exempt supply for the petitioner, preventing her from claiming Input Tax Credit (ITC) on her procurements. The petitioner challenged this classification as discriminatory under Article 14 of the Constitution.

Held:

The court upheld the validity of the RCM notification. It held that: 1) The classification between a body corporate and a non-body corporate is a reasonable one and not unconstitutional. 2) The choice of who is covered by RCM is a policy matter for the legislature. 3) ITC is available only against an output tax liability. Since suppliers under RCM have no output tax liability, their supply is treated as exempt, and they are correctly denied ITC. The recipient of the service, however, can claim the credit.



Citation: [2025] 177 taxmann.com 335 (Bombay)

Case Name: Lupin Ltd. vs. Union of India

In favour of: Assessee

Appeal No: 610 of 2024, WRIT PETITION NO. 610 OF 2024

Decision Date: 05-08-2025

Head Note

Interest (Delayed refunds): What is the applicable rate of interest on delayed refunds under section 56 of the CGST Act where the refund arises from an appellate authority's order? Is it 6% or 9%?

Facts:

The assessee was granted a refund of ITC after a delay, and interest was paid at 6%. The refund claim was fully allowed only after an order by the appellate authority. The assessee claimed that interest should be paid at 9% as per the proviso to section 56, which applies to refunds arising from an appellate order that has attained finality.

Held:

The court clarified the application of section 56. Interest at 6% per annum is payable if a refund is not made within 60 days from the receipt of the initial application. However, if the refund arises from an appellate order, and a fresh application is made consequently, interest at 9% per annum is payable if the refund is not made within 60 days from the date of such a fresh application.



ACTIVITY REPORT AUGUST 2025

Sr. No.	Date	Programme	Speakers	CPE Hrs.
1.	2 nd August 2025	Goa Branch (WIRC) of ICAI organised Cultural Programme Aakanksha 2.0.....A Desire for Cultural Awakening		Nil
2.	2 nd to 4 th August 2025	Goa Branch (WIRC) of ICAI jointly with Pimpri Chinchwad Branch (WIRC) of ICAI under the aegis of Direct Taxes Committee of ICAI organised Residential Refresher Course on Direct Taxes		12 Hours
3.	8 th August 2025	Goa Branch (WIRC) of ICAI & WICASA Goa organised Half day Seminar for CA Students on "Income Tax Returns : Refresher and Amendments	CA Vibha Palekar	Nil
4.	11 th to 14 th August 2025	Goa Branch (WIRC) of ICAI & WICASA Goa organised Mock Test Series II for Students appearing in CA Foundation September 2025 Examinations		Nil
5.	21 st August 2025	Goa Branch (WIRC) of ICAI organised Seminar on "Audit Under Companies Act & Tax Audit" Audit of Companies with special emphasis on Related Party Transactions Tax Audit covering Overview and Interplay & issues in 44AB, 44AD and 44ADA	CA. Abhay Fadte CA. Naveen Khariwal	6 Hours
6.	21 st August 2025	Goa Branch (WIRC) of ICAI in association with Goa Employees' State Insurance Corporation (ESIC), Ministry of Labour & Employment, Government of India organised an Outreach programme on SPREE 2025 (Scheme for Promotion of Registration of Employers and Employees)		Nil



Cultural Programme Aakanksha 2.0.....A Desire for Cultural Awakening held on 2nd August 2025





**Half day Seminar for CA Students on "Income Tax Returns :
Refresher and Amendments" held on 8th August 2025**



**Mock Test Series II for Students appearing in CA Foundation,
CA Intermediate and CA Final September 2025 Examinations
held on 11th to 14th August 2025**



**Seminar on “Audit Under Companies Act & Tax Audit” held
on 21st August 2025**



Outreach programme on SPREE 2025 (Scheme for Promotion of Registration of Employers and Employees) held on 21st August 2025





Birthday Wishes



Kakodkar Kapish Shivaji	02-Sept
Verlekar Vasudeo Bhagwant Prabhu	03-Sept
Milind Tulsidas Shirodkar	05-Sept
Vinesh Raghu Pikale	05-Sept
Yogesh Vithal Thakur	09-Sept
Ravindra Suresh Navathe Chafadkar	09-Sept
Samrudhi Devendra Bale	09-Sept
Naik Gauneker Narsinha Naguendra	10-Sept
Gurudatta Vishnu Zatekar	10-Sept
Ramani Rajan Bhavani	11-Sept
Kamat Govind Vithal	11-Sept
Eulogio Francis Fernandes	13-Sept
Fotudas Ravlu Kanekar	16-Sept
Deepak Bhaskar Nagvekar	16-Sept
Desai Rajendra Mahadev	16-Sept
Keni Girish Shivaji	18-Sept
Gaitonde Yatin Ratnakar	22-Sept
Ayesha Pinto	25-Sept
Sreedhar Vasanttrao Padhye	25-Sept
Kirtani Mohan Keshav	27-Sept
Prasad Gurudas Mhapne	30-Sept
Riya Sirvoicar	30-Sept



August Birthdays



**FADTE ABHAY
MADHUKAR
01-AUG**



**SWATEE CHARUDATTA
SHERE RANE
01-AUG**



**SRINIVASS VASSANT
NAIK GAUNEKAR
02-AUG**



**KAMAT JYOTENDRA
BALAJI
03-AUG**



**JITEN KUMAR
PATY
04-AUG**



**NAIK PRASAD
CHANDRAKANT
05-AUG**



**NEVILLE JOSE
GOMES
07-AUG**



**ASHA SHREEPATI
HEGDE
08-AUG**



**ADHIA ARUNKUMAR
VRAJLAL
08-AUG**



**VAMAN VASSUDEO
NAIK RAIKER
10-AUG**



**MISHRA
SATYADEV K.
10-AUG**



**BHAT SHRIDHAR
PRABHAKAR
13-AUG**



**PAI SUVARNA
DEEPAK
14-AUG**



**RAMANI
CHANDRANATH Y.
19 AUG**



**VERNEKAR
KIRAN VISHNU
22-AUG**



**KENKRE SANTOSH
RAVINDRANATH
20-AUG**



**SAIPRABHA
SURESH KAMATH
20-AUG**



**JAYANT PANDURANG
VOLVOIKER
22-AUG**



**SHRIDHAR ALIAS YATISH
GOVIND PAI VERNEKAR
23-AUG**



**P. RAMACHANDRA
HEGDE
23-AUG**



**PARTHA DATTATRAYA
TALEKAR
24-AUG**



**JOSHI SUBHASH
BHALCHANDRA
24-AUG**



**RAIKAR MANOJ
GANPATRAO
25-AUG**



**MILIND RAMCHANDRA
KULKARNI
28-AUG**



**HARIHAR VAIKUNTH
NAYAK
29-AUG**



**BHOJE RAJENDRA
LAXMIKANT
31-AUG**

It is our sincere attempt to be part of & wish you on your special day. We are in the process of updating our data. If we miss anyone or any wrong data is noticed, please call Ranjita @ 0832 2438516 so that we can update our records.



Editorial Board



**CA. Rohan
Bhandare**



**CA. Aishwarya G.
Talaulikar**



**CA. David
Pinto**



**CA. Sravani
Devidas Gurav**



**CA. Sneha
Menon**



**CA. Atul
Joshi**



**CA. Prajakta
Parab**



**CA. Venkatesh
Shenai**

Want to contribute to newsletter?

*Please send your article whether technical
or otherwise to
jagruti@goa-icai.org
with your photo & brief profile.*

"If you're not positive energy, you're negative energy."

