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# EDITORIAL

**Friends,**

In this edition, we will discuss the principle that Circulars adverse to the Income-tax Department are also binding on the departmental authorities [Section 119 of the Income-tax Act, 1961 – Section 239 of the Income-tax Act, 2025].

A circular can be adverse to the Income Tax Department, but still are binding on the authorities of the IT Department, but cannot be binding on the assessee if they are adverse to the assessee. This is a settled position after the judgement of The Hon'ble the Supreme Court in the case of UCO Bank vs. CIT (1999) 154 CTR (SC)88. Hence, the authorities cannot select any case for detailed scrutiny against the circulars issued by the Board. The CBDT's Instruction NO. 1935/1996 dated: March 12, 1996, It was decided that the norms of exclusion from sample scrutiny could be extended for the assessment year 1996-97 in the cases where the following criteria are satisfied: -

Those assessees who declared a total income for the assessment year 1995-96 that was more by 30 per cent of the total income returned for the assessment year 1994-95 subject to the conditions that:
(i) The total income for the assessment years 1995-96 and 1996-97 exceed the basic exemption limit.

(ii) The total income for the assessment year 1995-96 does not exceed Rs. 5 lakhs; and

(iii) Taxes for the assessment year 1996-97 are fully paid before the return is filed for that year.

If, however, the case falls under the compulsory scrutiny basket, the above norms of exclusion from scrutiny would not apply.

If the above requirements were fulfilled by the assesse, the case could not be taken up for sample scrutiny even incase the other balance sheet items were of high financial value and where the revenue would have doubts.

If these criteria were fulfilled, then even if genuineness of Share application money, loans and advances taken or made, etc are prevalent, the case cannot be taken up for sample scrutiny as was held in the case of COMMISSIONER OF INCOME TAX, ROHTAK Vs M/s CRYSTAL PHOSPHATES LTD. [2023-VIL-50-P&H-DT].

The CBDT, could issue such orders, instructions and directions to other IT authorities as it may deem fit for the proper administration of the Act and such authorities and all other persons employed in the execution of this Act shall observe and follow such orders, instructions and directions of the Board. The power is given to the Board for the purpose of proper and efficient management of the work of assessment. It is a beneficial power given to the Board for proper administration of fiscal law so that undue hardship may not be caused to the assessee and the fiscal laws may be correctly applied. Hard cases which can be properly categorized as belonging to a class can thus be given the benefit relaxation of law by issuing circulars binding on the taxing authorities.

To the same effect is the judgment passed by the Calcutta High Court in Amal Kumar Ghosh vs. Assistant Commissioner of Income Tax & others, (2014) 105 DTR 351 (Cal), wherein it has been held that during the financial year 2004-05, the selection of case for scrutiny had to be completed within 3 months of the date of filing of return. In that case, return was filed on 29.10.2004 and selection of case for scrutiny was done on 06.07.2005 i.e. the beyond the period of three months.
It was held that instructions of CBDT were violated, as the circulars were binding upon the department. The Department was bound by that standard and could not act with discrimination. Finally, the appeal was allowed.

**Just to reiterate, we remain available over telecom or e-mail for any clarifications.**

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# SYNOPSIS

# TAX CALENDAR

| Date | Form/Return/Challan | Reporting Period | Description |
|---|---|---|---|
| 28th July | GSTR-11 | Jun-26 | Statement of inward supplies by persons having a Unique Identification Number (UIN) for claiming a GST refund. |
| 30th July | challan-cum-statement | Jun-26 | Furnishing of challan-cum-statement in Form No. 141 (Income-tax Rules 2026) in respect of deduction of tax under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-tax Act, 2025 for the month of June, 2026 |
| 31st July | TDS Statement | Apr-Jun2026 | Filing of quarterly statement of tax deposited in Form No. 142 (Income-tax Rules 2026) in relation to transfer of virtual digital asset under section 393(1) [Table: S. No. 8(vi)] of the Income-tax Act, 2025 to be furnished by an Exchange for the quarter ending June 30, 2026 |
| 31st July | Return of Income for AY 2026-27 | FY 2025-26 | Return of income for the assessment year 2026-27 for all assessee other than (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A applies or (d) an assessee who is required to furnish a report under section 92E. |
| 31st July | Quarterly Return | Jun-26 | Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2026 |
| 31st July | FORM 175 | Apr-Jun2026 | Intimation in Form No. 175 (Income-tax Rules, 2026) by a pension fund in respect of each investment made in India for quarter ending June, 2026 |
| 31st July | Form II | Apr-Jun2026 | Intimation in Form II by Sovereign Wealth Fund in respect of investment made in India for quarter ending June, 2026 |

# INCOME TAX

## NOTIFICATION

**NOTIFICATION GRANTING TAX EXEMPTION TO THE KERALA HEADLOAD WORKERS WELFARE BOARD, KOCHI' UNDER SECTION 11 OF THE INCOME-TAX ACT, 2025.**

**OUR COMMENT:** The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 96/2026 dated 23.07.2026 notified that in exercise of the powers conferred by Schedule III [Table: Sl. No. 36] read with Section 11 of the Income-tax Act, 2025 (30 of 2025), (hereinafter referred to as the said Act), the Central Government hereby notifies for the purposes of the said clause, 'Kerala Headload Workers Welfare Board, Kochi',(PAN AAAJK1176F), a Board constituted by the State Government of Kerala, in respect of the following specified income arising to the said board namely:-

(a) Amount received in the form of grants-in-aid and loan from Government;

(b) Levy collected under the Kerala Headload Workers Act, 1978 (20 of 1980), Kerala Headload Workers rules 1981 and schemes there under;

(c) Registration fees collected from members registered with the board as beneficiaries;

(d) Sums received as deposit from employers as per Para 27 of Kerala Headload Workers (regulation of employment and welfare) Scheme 1983 formulated under section 13 of the Kerala Headload Workers Act, 1978 (20 of 1980);

(e) Contribution from the members as defined in the Kerala Headload Workers Act, 1978 (20 of 1980), Kerala Headload Workers Rules 1981 and Scheme there under;

(f) Interest on loans and advances given to staff of the board and workers;

(g) Sums received as wages from employers as per Para 24(a) and 24(b) of Kerala Headload Workers (Regulation of employment and welfare) Scheme 1983 formulated under section 13 of the Kerala Headload Workers Act, 1978 (20 of 1980); and

(h) Interest earned on (a) to (g) above.

2. This notification shall be effective subject to the conditions that 'Kerala Headload Workers Welfare Board, Kochi', (PAN AAAJK1176F) –

(a) shall not engage in any commercial activity;

(b) shall file return of income in accordance with the provision of clause (c)(xiii) of sub-section (9) of section 263 of the said Act, 2025; and

(c) its activities and the nature of the specified income shall remain unchanged throughout the tax years.

3. Failure to comply with the conditions specified in paragraph 2 shall result in withdrawal of exemption under Schedule III [Table: Sl. No. 36] read with section 11 and initiation of proceedings under the said Act.

4. This notification shall be applicable for tax years 2026-27, 2027-28 and 2028-29.

**[For further details please refer the Notification]**

## NOTIFICATION

**GRANTING TAX EXEMPTION TO KERALA HEADLOAD WORKERS WELFARE BOARD, KOCHI IN RESPECT OF THE SPECIFIED INCOME UNDER SECTION 10(46) OF THE INCOME-TAX ACT, 1961 AND SECTION 536(2)(A)/(B) OF THE INCOME-TAX ACT, 2025.**

**OUR COMMENT:** The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 95/2026 dated 23.07.2026 notified that section 10 (46) of the Income-tax Act, 1961 (43 of 1961) provided for exemption of specified income of certain bodies or authorities or Boards or Trusts or Commissions as may be notified by the Central Government in the Official Gazette for the purposes of that section;

And whereas, the Income-tax Act, 1961 (43 of 1961) was repealed by section 536 (1) of the Income-tax Act, 2025 (30 of 2025);

And whereas, section 536(2)(a) and (b) of the Income-tax Act, 2025 (30 of 2025), inter alia, provides that irrespective of the repeal of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Act of 1961) and subject to sub-section (4) thereof, nothing shall affect-

(i) the previous operation of the provisions of the Act of 1961 and any order or anything duly done or suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the Act of 1961 or orders under that Act;

And whereas, section 536(2)(c) of the Income-tax Act, 2025 (30 of 2025) provides that the provisions of the Act of 1961 shall continue to apply to any proceeding pending on the date of commencement of the Income-tax Act, 2025 (30 of 2025) and to any proceedings initiated on or after the 1st April, 2026 (including notices, assessment, reassessment, re-computation, rectification, penalty, reference, revision and appeals) in respect of any tax year beginning before the 1st April, 2026 and such proceedings shall be carried out as per the procedure specified in the Act of 1961;

And whereas, section 536(2)(e) of the Income-tax Act, 2025 (30 of 2025) provides that any proceeding pending on the date of its commencement before any income-tax authority or any other authority constituted under the repealed Income-tax Act, Appellate Tribunal, or any court, by way of application, appeal, reference or revision or by any other means, shall be continued and disposed of as if this Act had not been enacted;

Now, therefore, in pursuance of the provisions of section 536(2)(a) to (c) and (e) of the Income-tax Act, 2025 (30 of 2025), the Central Government hereby notifies, for the purposes of section 10 (46) of the Act of 1961, "Kerala Headload Workers Welfare Board, Kochi (PAN AAAJK1176F)", a board constituted by the State Government of Kerala, in respect of the following specified income arising to that board, namely:-

(a) Amount received in the form of grants-in-aid and loan from Government;

(b) Levy collected under the Kerala Headload Workers Act, 1978 (20 of 1980), Kerala Headload Workers rules 1981 and schemes there under;

(c) Registration fees collected from members registered with the board as beneficiaries;

(d) Sums received as deposit from employers as per Para 27 of Kerala Headload Workers (regulation of employment and welfare) Scheme 1983 formulated under section 13 of the Kerala Headload Workers Act, 1978 (20 of 1980);

(e) Contribution from the members as defined in the Kerala Headload Workers Act, 1978 (20 of 1980), Kerala Headload Workers Rules 1981 and Scheme there under;

(f) Interest on loans and advances given to staff of the board and workers;

(g) Sums received as wages from employers as per Para 24(a) and 24(b) of Kerala Headload Workers (Regulation of employment and welfare) Scheme 1983 formulated under section 13 of the Kerala Headload Workers Act, 1978 (20 of 1980); and

(h) Interest earned on (a) to (g) above.

2. This notification shall be effective subject to the conditions that Kerala Headload Workers Welfare Board, Kochi–

(a) shall not engage in any commercial activity;

(b) its activities and the nature of the specified income shall remain unchanged throughout the financial years; and

(c) shall file return of income in accordance with the provisions of 139(4C) (g) of the Act of 1961.

3. Failure to comply with these conditions shall result in the initiation of penal actions under the provisions of the Act of 1961, and withdrawal of exemption granted u/s 10(46) of the Act of 1961.

4. This notification shall be deemed to have been applied for the assessment years 2025-26 and 2026-27 relevant to the financial years 2024-25 and 2025-26.

**[For further details please refer the Notification]**

## NOTIFICATION

**INCOME-TAX (SECOND AMENDMENT) RULES, 2026. - RULE 157 - PERSONS EXEMPT FROM OBTAINING PERMANENT ACCOUNT NUMBER UNDER SECTION 262.**

**OUR COMMENT:** The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 94/2026 dated 21.07.2026 notified that in exercise of the powers conferred by section 533 read with section 262 of the Income-tax Act, 2025 (30 of 2025), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 2026, namely: ___

1. (1) These rules may be called the Income-tax (Second Amendment) Rules, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 2026, in rule 157, in sub-rule (5), for clause (c), the following clause shall be substituted, namely: —

'(c) "specified fund" means —

(i) any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under —

(A) the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992); or

(B) the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centres Authority Act, 2019 (50 of 2019) and which is located in any International Financial Services Centre; or

(ii) any fund which has been referred to in Schedule VI [Note 1(g)] to the Act;'.

**[For further details please refer the Notification]**

## NOTIFICATION

**NOTIFICATION GRANTING TAX EXEMPTION TO THE DISTRICT LEGAL SERVICE AUTHORITY, JIND UNDER SECTION 11 OF THE INCOME-TAX ACT, 2025.**

**OUR COMMENT:** The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 93/2026 dated 21.07.2026 notified that in exercise of the powers conferred by Schedule III [Table: Sl. No. 36] read with section 11 of the Income-tax Act, 2025 (30 of 2025), (hereinafter referred to as the said Act), the Central Government hereby notifies for the purposes of the said clause, 'District Legal Service Authority, Jind' (PAN: AAAGD0053R), an Authority constituted by the 'Legal Services Authorities Act, 1987' (39 of 1987), in respect of the following specified income arising to the said body, namely :-

(a) grants received from the Punjab and Haryana High Court, the Central Authority i.e. the National Legal Services Authority and the State Authority i.e., Haryana State Legal Servies Authority for the purpose of the Legal Services Authorities Act, 1987(39 of 1987);

(b) grants or donation received from the Central Government or the State Government of Haryana for the purposes of the Legal Services Authorities Act, 1987(39 of 1987);

(c) amount received under the order of the Court;

(d) fees received as recruitment application fee; and

(e) interest earned on bank deposits.

2. This notification shall be effective subject to the conditions that 'District Legal Service Authority, Jind' (PAN: AAAGD0053R), -

(a) shall not engage in any commercial activity;

(b) shall file return of income in accordance with the provision of clause (c)(xiii) of sub-section (9) of section 263 of the said Act; and

(c) activities and the nature of the specified income shall remain unchanged throughout the tax years.

3. Failure to comply with the conditions specified in paragraph 2 shall result in withdrawal of exemption under Schedule III [Table: Sl. No. 36] read with section 11 and initiation of proceedings under the said Act.

4. This notification shall be applicable for the tax year 2026-27.

**[For further details please refer the Notification]**

## NOTIFICATION

**GRANTING TAX EXEMPTION TO DISTRICT LEGAL SERVICE AUTHORITY, JIND IN RESPECT OF THE SPECIFIED INCOME UNDER SECTION 10(46) OF THE INCOME-TAX ACT, 1961 AND SECTION 536(2)(A)/(B) OF THE INCOME-TAX ACT, 2025.**

**OUR COMMENT:** The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 92/2026 dated 21.07.2026 notified that section 10 (46) of the Income-tax Act, 1961 (43 of 1961) provided for exemption of specified income of certain bodies or authorities or Boards or Trusts or Commissions as may be notified by the Central Government in the Official Gazette for the purposes of that section;

And whereas, the Income-tax Act, 1961 (43 of 1961) was repealed by section 536 (1) of the Income-tax Act, 2025 (30 of 2025);

And whereas, section 536(2)(a) and (b) of the Income-tax Act, 2025 (30 of 2025), inter alia, provides that irrespective of the repeal of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Act of 1961) and subject to sub-section (4) thereof, nothing shall affect-

(i) the previous operation of the provisions of the Act of 1961 and any order or anything duly done or suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the Act of 1961 or orders under that Act;

And whereas, section 536(2)(c) of the Income-tax Act, 2025 (30 of 2025) provides that the provisions of the Act of 1961 shall continue to apply to any proceeding pending on the date of commencement of the Income-tax Act, 2025 (30 of 2025) and to any proceedings initiated on or after the 1st April, 2026 (including notices, assessment, reassessment, recomputation, rectification, penalty, reference, revision and appeals) in respect of any tax year beginning before the 1st April, 2026 and such proceedings shall be carried out as per the procedure specified in the Act of 1961;

And whereas, section 536(2)(e) of the Income-tax Act, 2025 (30 of 2025) provides that any proceeding pending on the date of its commencement before any income-tax authority or any other authority constituted under the repealed Income-tax Act, Appellate Tribunal, or any court, by way of application, appeal, reference or revision or by any other means, shall be continued and disposed of as if this Act had not been enacted;

Now, therefore, in pursuance of the provisions of section 536(2) (a) to (c) and (e) of the Income-tax Act, 2025 (30 of 2025), the Central Government hereby notifies, for the purposes of section 10 (46) of the Act of 1961, 'District Legal Service Authority, Jind' (PAN: AAAGD0053R), an Authority constituted by the 'Legal Services Authorities Act, 1987'(39 of 1987), in respect of the following specified income arising to the said body namely :-

(a) grants received from the Punjab and Haryana High Court, the Central Authority i.e. the National Legal Services Authority and the State Authority i.e., Haryana State Legal Servies Authority for the purpose of the Legal Services Authorities Act, 1987(39 of 1987);

(b) grants or donation received from the Central Government or the State Government of Haryana for the purposes of the Legal Services Authorities Act, 1987(39 of 1987);

(c) amount received under the order of the Court;

(d) fees received as recruitment application fee; and

(e) interest earned on bank deposits.

2. This notification shall be effective subject to the conditions that the District Legal Service Authority, Jind –

(a) shall not engage in any commercial activity;

(b) its activities and the nature of the specified income shall remain unchanged throughout the financial years; and

(c) shall file return of income in accordance with the provisions of section 139(4C) (g) of the Act of 1961.

3. Failure to comply with these conditions shall result in the initiation of penal actions under the provisions of the Act of 1961, and withdrawal of exemption granted under section 10(46) of the Act of 1961.

4. This notification shall be deemed to have been applied for assessment years 2023-2024, 2024-25, 2025-26 and 2026-27 relevant for the financial years 2022-23, 2023-24, 2024-25 and 2025-2026.

**[For further details please refer the Notification]**

# GST

## CASE LAW

**M/S. ADVANCE ENGINEERING FARMS AND EQUIPMENTS VERSUS THE STATE OF ASSAM, THE ASSISTANT AND COMMISSIONER OF STATE TAX GUWAHATI, THE COMMISSIONER OF STATE TAXES ASSAM GUWAHATI, M/S. C.R GROUP: GAUHATI HIGH COURT**

**OUR COMMENT:** In the present case, the petitioner challenged the legality of the demand raised under the Central Goods and Services Tax Act, 2017 (CGST Act) whereby input tax credit (ITC) availed on the purchase of generators during the Financial Year 2017–18 had been denied on the ground that the registered selling dealer had failed to furnish the requisite GST returns despite having collected tax from the petitioner.

The principal issue involved in the writ petition was whether input tax credit could be denied to a bona fide purchasing dealer solely on account of the default committed by the registered selling dealer in not filing GST returns after collecting tax, even though the purchasing dealer had duly paid the tax against valid tax invoices.

The learned counsel appearing for the petitioner submitted that the petitioner had purchased generators from a registered supplier against valid tax invoices and had discharged the entire consideration, including the GST charged thereon. It was contended that the petitioner had fulfilled all the statutory requirements for availing input tax credit and could not be penalised for the subsequent default of the selling dealer in failing to file returns or remit the tax to the Government. It was further argued that, in the absence of any allegation or material indicating collusion, fraud, or connivance between the petitioner and the selling dealer, the denial of input tax credit was contrary to law.

After considering the rival submissions, the Court observed that the sole basis for denying input tax credit was the failure of the registered selling dealer to file GST returns despite having collected tax from the petitioner. The Court noted that there was no material on record to establish that the petitioner had acted in collusion with the selling dealer or had participated in any fraudulent arrangement to evade tax.

The Court relied upon the decision of the Gauhati High Court in National Plasto Moulding, wherein the principle laid down by the Delhi High Court in On Quest Merchandising India Private Limited had been adopted. Applying the said principle, the Court observed that a bona fide purchasing dealer who has paid the entire consideration, including the tax component, to a registered selling dealer against a valid tax invoice cannot be deprived of input tax credit merely because the selling dealer subsequently defaults in complying with his statutory obligations. The Court further observed that the appropriate statutory remedy available to the revenue authorities is to recover the unpaid tax from the defaulting selling dealer, while proceedings against the purchasing dealer can be initiated only where there exists material establishing collusion, fraud, or any other wrongful conduct on the part of such purchasing dealer.

Accordingly, the Court held that the denial of input tax credit to the petitioner solely on account of the supplier's failure to file returns was unsustainable in law. The demand raised on the allegation of excess availment of input tax credit for the Financial Year 2017–18 was therefore liable to be quashed.

In conclusion, the Court disposed of the writ petition by quashing the demand relating to the alleged excess input tax credit for the Financial Year 2017–18. However, it clarified that the revenue authorities would remain at liberty to initiate and pursue appropriate recovery proceedings against the defaulting selling dealer in accordance with law, without prejudice to taking action against the purchasing dealer if any material establishing collusion or fraudulent conduct is subsequently brought on record.

**[Decided in the favour of Petitioner]**

# FEMA

## CASE LAW

**RAKESH JAIN, RAVINDER JAIN, SOM CHAI CHAI SRICHAWLA VERSUS UNION OF INDIA, ENFORCEMENT DIRECTORATE: DELHI HIGH COURT**

**OUR COMMENTS**: In the present case, the appellants challenged the legality of the order passed by the Appellate Tribunal under the Foreign Exchange Regulation Act, 1973 ("FERA"), whereby the revision petitions preferred by the Enforcement Directorate ("ED") under Section 52(4) of FERA were allowed, reversing the Adjudication Order which had exonerated the appellants from the alleged contraventions of FERA.

The principal issues involved in the appeals were whether the revision petitions filed by the Enforcement Directorate under Section 52(4) of FERA could be maintained after the repeal of FERA by the Foreign Exchange Management Act, 1999 ("FEMA"); whether proceedings alleging contraventions by companies could validly continue only against the individual directors without impleading the companies concerned; and whether the Appellate Tribunal had exceeded the scope of its revisional jurisdiction by re-adjudicating disputed questions of fact and relying upon material not forming part of the record.

The learned counsel appearing for the appellants submitted that the revision petitions filed by the Enforcement Directorate were not maintainable after the repeal of FERA, as the statutory right of revision ceased upon the coming into force of FEMA. It was further contended that the alleged contraventions, if any, pertained to transactions entered into by the companies, namely ACPL and OEPL, and therefore the companies themselves were the principal persons liable under FERA. However, no proceedings had been initiated against either company and the Enforcement Directorate had sought to fasten liability only upon the directors in their individual capacities. It was further argued that the Appellate Tribunal had travelled beyond the limits of its revisional jurisdiction by relying upon material which did not form part of the record, drawing factual inferences without any evidentiary basis, taking judicial notice of land values without proof, and disregarding the findings recorded by the Adjudicating Officer as well as the order passed by the Commissioner of Income Tax.

After considering the rival submissions, the Court observed that Section 49(6) of FEMA expressly preserved the applicability of Section 6 of the General Clauses Act, 1897 to pending proceedings arising under FERA. The Court held that, by virtue of Section 49(6) of FEMA read with Section 6(e) of the General Clauses Act, revision petitions instituted under Section 52(4) of FERA within the prescribed transition period survived the repeal of FERA and could validly be continued before the Appellate Tribunal constituted under FEMA. Accordingly, the objection regarding maintainability of the revision petitions was rejected.

The Court further observed that the transactions alleged to constitute contraventions had been undertaken by the companies, namely ACPL and OEPL, as reflected from the sale deeds on record. However, no proceedings had been initiated against either of the companies and the Enforcement Directorate had proceeded only against the individual directors. The Court held that where the alleged contravention is committed by a company, the company itself is the principal offender and must necessarily be impleaded and proceeded against before liability can be fastened upon its directors under the provisions relating to offences by companies. Since neither ACPL nor OEPL had been made parties to the proceedings and the Memorandum itself contained no allegations against OEPL, the proceedings against the individual appellants alone were legally unsustainable.

The Court further observed that while exercising revisional jurisdiction, the Appellate Tribunal was required to confine itself to examining the legality and correctness of the order under challenge and could not undertake a fresh appreciation of disputed facts. However, the Tribunal had relied upon material which did not form part of the record, taken judicial notice of land values in neighbouring areas without any supporting evidence, ignored the order passed by the Commissioner of Income Tax and the registered sale deeds placed on record, and recorded fresh factual findings despite the absence of reliable evidence establishing undervaluation or contravention. The Court also noted that the statements relied upon by the Enforcement Directorate were inconsistent and, in certain instances, had been retracted, while the investigation had failed to establish the fair market value of the property through any proper inquiry. Consequently, the Court held that the Appellate Tribunal had exceeded the permissible limits of its revisional jurisdiction by adjudicating fresh factual controversies and substituting its own findings for those recorded by the Adjudicating Officer.

Accordingly, although the Court upheld the maintainability of the revision petitions after the repeal of FERA, it held that the impugned order of the Appellate Tribunal could not be sustained in law in view of the fundamental defects in the proceedings, namely the failure to proceed against the companies alleged to have committed the contraventions and the Appellate Tribunal's impermissible exercise of revisional jurisdiction. Consequently, the order of the Appellate Tribunal reversing the Adjudication Order was liable to be set aside.

In conclusion, the Court allowed the appeals and held that while revision petitions filed under Section 52(4) of FERA remained maintainable after the repeal of FERA by virtue of Section 49(6) of FEMA read with Section 6 of the General Clauses Act, the proceedings themselves were vitiated since the companies alleged to have committed the contraventions had not been proceeded against and the Appellate Tribunal had exceeded the scope of its revisional jurisdiction by re-adjudicating disputed questions of fact and relying upon material outside the record. Accordingly, the Appellate Tribunal's order dated 3 June 2008 was set aside, the Adjudication Order dated 6 January 2000 was restored, the amounts deposited by the appellants were directed to be refunded, and the bank guarantees furnished by them were ordered to be discharged.

**[Decided in the favour of Appellant]**

# CUSTOMS

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 62/1994-CUSTOMS (N.T.) DATED THE 21ST NOVEMBER, 1994 - CUSTOMS PORTS — APPOINTMENT FOR SPECIFIED PURPOSES.**

**OUR COMMENTS:** The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 66/2026-Customs (N.T) dated 20.07.2026 notified that In exercise of the powers conferred by clause (a) of sub-section (1) of the section 7 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs hereby makes the following further amendments in the Notification No. 62/1994-Customs (N.T.) dated the 21st November, 1994 of the Government of India, Ministry of Finance (Department of Revenue), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 829 (E), dated the 21st November, 1994, namely:-

In the said notification, in the Table, against serial number 10 relating to the state of Tamil Nadu, in column (3) and (4), after item (16) in column (3) and the entries relating thereto in column (4), the following item and entries shall be inserted, namely: -

| (1) | (2) | (3) | (4) |
|---|---|---|---|
| | | "(17) Udangudi | Unloading of imported coal." |

**[For further details please refer the Notification]**

# DGFT

## NOTIFICATION

**AMENDMENT IN IMPORT POLICY OF SUSPENSION GRADE PVC RESIN (S-PVC) COVERED UNDER ITC (HS) CODE 39041020 OF CHAPTER 39 OF ITC (HS), 2022, SCHEDULE-I (IMPORT POLICY)**

**OUR COMMENTS**: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Notification No. 25/2026-27 dated 24.07.2026 notified that in exercise of the powers conferred by Section 3, Section 5 of the Foreign Trade (Development & Regulation) Act, 1992, read with paragraph 1.02 and paragraph 2.01 of the Foreign Trade Policy, 2023, as amended from time to time, the Central Government hereby amends the import Policy of ITC (HS) Code 39041020 covered under Chapter 39 of ITC (HS) 2022, Schedule-I (Import Policy) with immediate effect:

| ITC (HS) Code | Item Description | Existing Import Policy | Existing Import Policy Condition | Revised Import Policy | Revised Import Policy Condition |
|---|---|---|---|---|---|
| **39041020** | Suspension grade PVC resin | Free | | Restricted | (a) However, import of Suspension grade PVC Resin (S-PVC) having CIF Value more than USD 0.766 per Kilogram is **Free** for a **period of six months** from the date of publication of this Notification<br><br>(b) The Minimum Import Price at (a) above, however, will not be applicable for import by 100% Export Oriented Units (EOUs), units in the SEZ and under the Advance Authorisation Scheme, subject to the condition that the imported inputs are not sold into the Domestic Tariff Area (DTA). |

**Effect of this Notification:**

The import of Suspension grade PVC Resin (S-PVC) falling under ITC (HS) Code 39041020, having CIF Value of less than or equal to USD 0.766 per Kilogram is "Restricted" for a period of six months from the date of publication of this Notification. However, this restriction will not be applicable for import by 100% Export Oriented Units (EOUs), units in the SEZ and imports under the Advance Authorisation Scheme, subject to the condition that the imported inputs are not sold into the Domestic Tariff Area (DTA).

This is issued with the approval of the Minister of Commerce & Industry.

**[For further details please refer the Notification]**

## NOTIFICATION

**SYNCING OF ITC (HS), 2022- SCHEDULE-1 (IMPORT POLICY) WITH FINANCE ACT, 2026, DATED 30.03.2026**

**OUR COMMENTS**: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry

# DGFT

issued Notification No. 24/2026-27 dated 22.07.2026 notified that in exercise of powers conferred by Section 3 read with Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (as amended from time to time) read with paragraph 1.02 and 2.01 of the Foreign Trade Policy (FTP) 2023, the Central Government hereby amends 'ITC (HS) 2022, Schedule-I (Import Policy)' in sync with the Finance Act 2026 dated 30.03.2026.

2. The List of ITC(HS) Codes and related Policy Conditions inserted/deleted/amended/split/merged under ITC(HS) 2022, Schedule-I (Import Policy) in sync with the Finance Act, 2026 and is annexed herewith (**Annexure-I**).

3. The amendments in the description of ITC (HS) codes in sync with the Finance Act, 2026 are annexed herewith (**Annexure-II**).

4. The updated ITC (HS) 2022 Schedule-1 (Import Policy) shall be available on the website of DGFT (https://dgft.gov.in).

**Effect of this Notification:**

ITC (HS) 2022, Schedule-I (Import Policy), is amended *in sync* with the Finance Act, 2026. This shall come into force with immediate effect.

This is issued with the approval of the Minister of Commerce & Industry.

**[For further details please refer the Notification]**

## TRADE NOTICE

### INPUTS ON PROPOSED AMENDMENT TO PARA 2.57 OF FTP 2023 RELATING TO DE MINIMIS EXEMPTION FROM RCMC REQUIREMENTS FOR LOW-VALUE EXPORTS

**OUR COMMENTS**: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Trade Notice No. 14/2026-27 dated 20.07.2026 notified that reference is invited to Para 2.57 of the Foreign Trade Policy (FTP) 2023, which prescribes the requirement of Registration-cum-Membership Certificate (RCMC) or Certificate of Registration for availing authorisations, benefits and concessions under the FTP.

2. In line with Para 1.07A of FTP 2023, which provides for stakeholder consultations during the formulation and amendment of the Foreign Trade Policy, a draft amendment to Para 2.57 of FTP 2023 has been formulated to provide a de minimis exemption from the requirement of RCMC or Certificate of Registration for low-value export consignments. The proposed amendment Notification is enclosed as Annexure-I to this Trade Notice.

3. This Directorate invites views, suggestions and comments from exporters, industry associations and other stakeholders on the proposed amendment. Stakeholders may submit their inputs within 10 days from the date of issuance of this Trade Notice. Suggestions and comments may be sent by email to e-commerce-dgft@gov.in.

4. This Trade Notice is issued with the approval of the competent authority in accordance with Para 1.07A of FTP 2023.

**[For further details please refer the Trade Notice]**

## PUBLIC NOTICE

### INVITING TRQ APPLICATIONS UNDER INDIA - UNITED KINGDOM COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA) FOR CALENDAR YEAR (CY) 2026

**OUR COMMENTS**: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Trade Notice No. 22/2026-27 dated 20.07.2026 notified that in exercise of the powers conferred under paragraphs 1.03 and 2.04 of the Foreign Trade Policy, 2023, and in continuation of Public Notice No. 19/2026-27 dated 09.07.2026, the Directorate General of Foreign Trade (DGFT) hereby invites applications for Tariff Rate Quota (TRQ) allocation under the India-UK CETA for the CY 2026 on the following products from 21.07.2026 up to 04.08.2026:

| **Chapter or heading or sub-heading or tariff item** | **Description** | | **Tariff Rate Quota (TRQ) Quantity** |
|---|---|---|---|
| 87032110, 87032191, 87032199, 87032210, 87032291, 87032299, 87032310, 87032391, 87032399, 87032410, 87032491, 87032499, 87033110, 87033191, 87033199, | All goods, which have not been registered anywhere prior to importation, and imported as a Completely Built Unit (CBU): | (i) with engine capacity not exceeding 1500 cc | 2,329 |
| | | (ii) with engine capacity exceeding 1500 cc but not exceeding 3000 cc for petrol-run vehicles or | 2,329 |

| | | | |
|---|---|---|---|
| 87033210, 87033291, 87033299, 87033310, 87033391, 87033399 | | exceeding 1500 cc but not exceeding 2500 cc for diesel-run vehicles | |
| | | (iii) with engine capacity more than 3000 cc for petrol-run vehicles or more than 2500 cc for diesel-run vehicles | 4,658 |
| 87041010, 87042100, 87042200, 87042300, 87043100, 87043200 | Motor vehicles for the transport of goods (other than electric or hydrogen fuel vehicles), imported as a Completely Built Unit (CBU) | | 1,164 |

2. The imports procedure for the items will be permitted subject to the arrangements/ procedure mentioned in Annexure-VII of Appendix 2A of the FTP, 2023 (Refer to. Public Notice No. 19/2026-27 dated 09.07.2026).

**Effect of this Public Notice:**

New applications for TRQ under India - United Kingdom Comprehensive Economic and Trade Agreement (CETA) for CY 2026 are invited from 21 July 2026 up to 04th August 2026.

**[For further details please refer the Public Notice]**

# :IN STANDS

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**Author:**

**Vivek Jalan**

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***S. K. Panda***
***[IRS-Retd.; Ex-Member CBIC & Special Secretary - GoI]***

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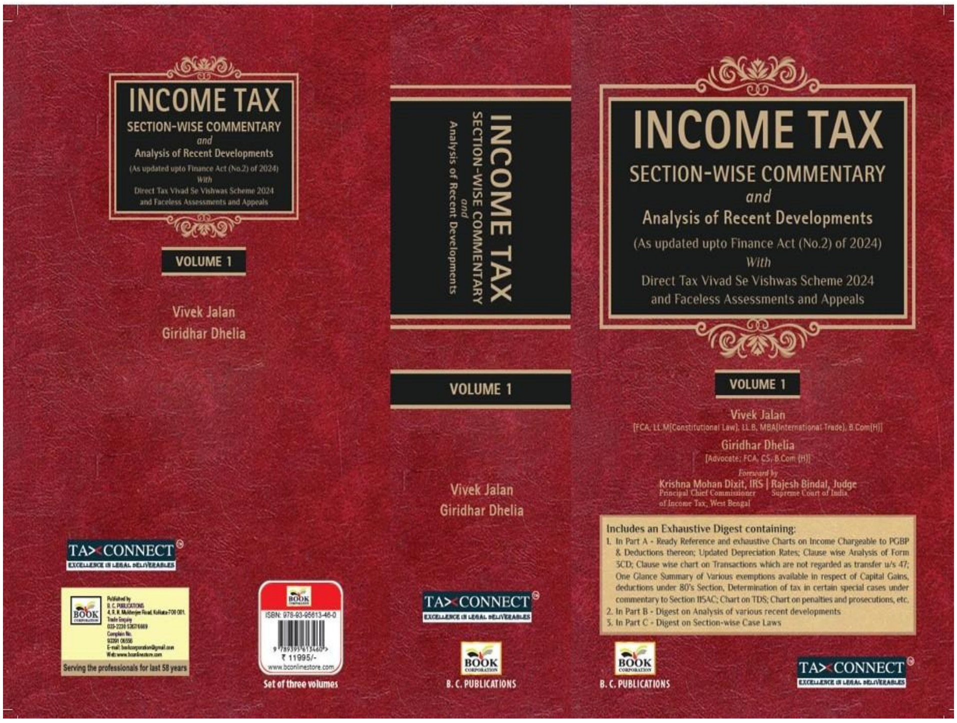


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**1. In Part A – Ready Reference and exhaustive Charts on Income Chargeable to PGBP & Deductions thereon; Updated Depreciation Rates; Clause wise Analysis of Form 3CD; Clause wise chart on Transactions which are not regarded as transfer u/s 47; One Glance Summary of various exemptions available in respect of Capital Gains, deductions under 80's sections, Determination of tax in certain special cases under commentary to section 115AC; Chart on TDS; Chart on penalties and prosecutions, etc.**
**2. In Part B – Digest on Analysis of various recent developments**
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