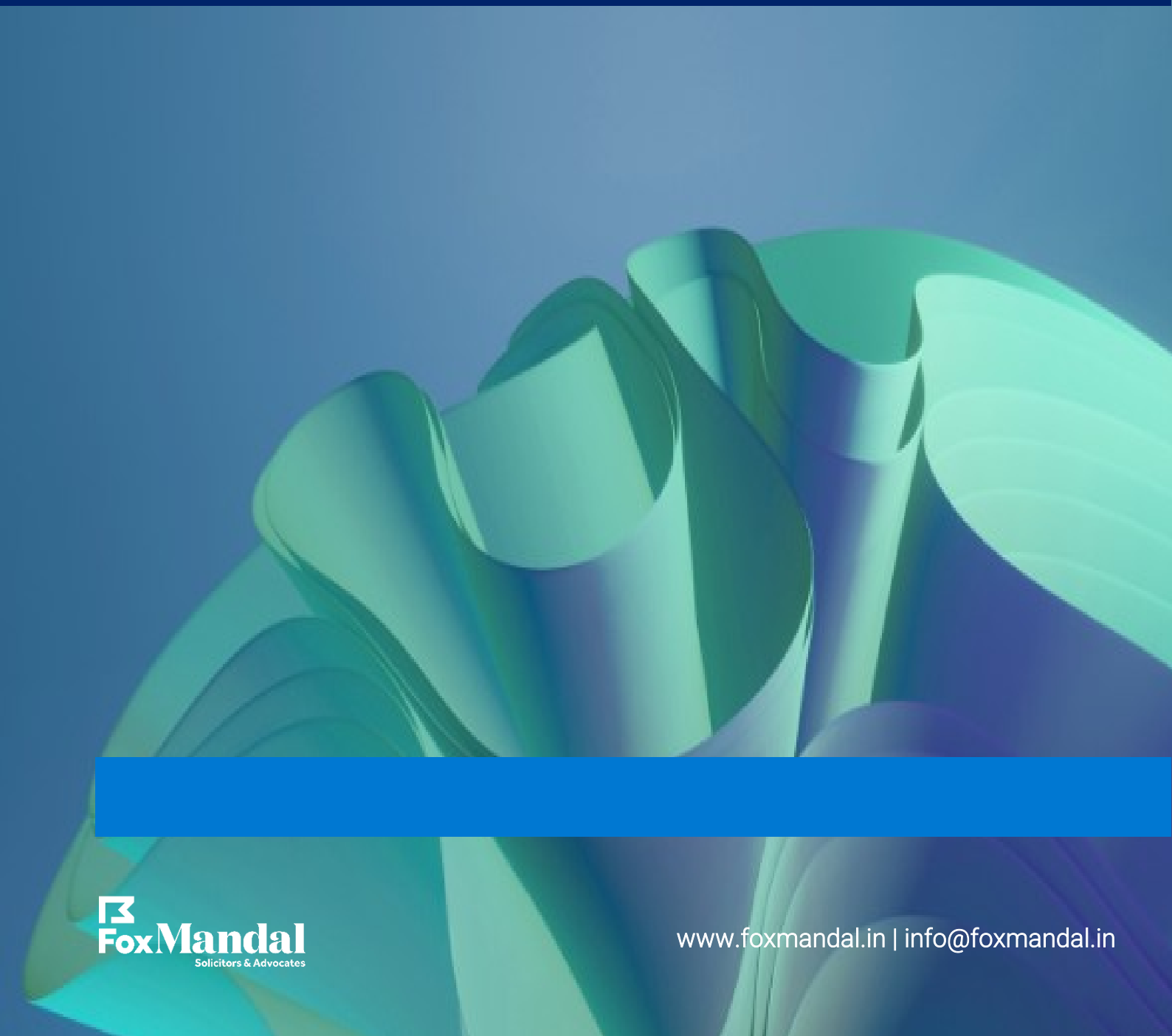
Tax INFORM

A Fox Mandal & Associates publication - for private circulation only.

Issue LV | August 2025



FoxMandal Solicitors & Advocates

www.foxmandal.in | info@foxmandal.in

Contents

Highlights of the Issue

DIRECT TAX

Domestic Tax Rulings:

- SC dismisses review petition filed by Revenue, thereby upholding Karnataka HC ruling on no TDS for payments by Vodafone Idea to non-resident telecom operators.
- SC upholds Delhi HC ruling that Hyatt has a Permanent Establishment in India under the India-UAE DTAA.
- Bombay HC rules vintage car not a "personal effect," as no evidence to prove personal use was produced; sale proceeds taxable as capital gains.
- Payments for conducting workshops for employees on performance and career management are not "fees for technical services" under the India–Singapore DTAA: Karnataka HC.
- Delhi HC reads down CBDT Circular on AIF taxation in view of provisions under SEBI Act and Regulations.

Circulars and Notifications:

- CBDT Circular No. 9/2025, dated July 21, 2025.
- CBDT Circular No. 10/2025, dated July 28, 2025.

INDIRECT TAX

Goods and Services Tax:

Case Laws:

- SC rules that passing a final adjudication order under Section 129(3) of the CGST Act is mandatory; payment of penalty cannot be treated as voluntary waiver of appellate rights.
- SC clarifies that summons or searches are not "proceedings" under Section 6(2)(b) of the CGST Act; issues detailed guidelines in case of parallel inquiries by State and Central GST authorities.
- SC disposes writ on GST compliance for overseas OIDAR services; directs petitioner to approach GST Council.
- Andhra Pradesh HC holds that refund of GST on ocean freight cannot be denied on grounds of limitation; Mohit Minerals ruling applies retrospectively.
- SC rules that renewal of a lapsed provisional attachment under Section 83 of the CGST Act is impermissible; directs de-freezing of bank accounts.

Customs Duty:

Circulars and Notifications:

- CBIC Circular No. 20/2025-Customs, dated July 24, 2025.
- CBIC Circulars No. 18/2025-Customs, dated July 22, 2025 and No. 19/2025-Customs, dated July 23, 2025.

DIRECT TAX

A. Recent Case Laws

Deputy Director of Income Tax v. Vodafone Idea Ltd. (Review Petition (C) No.1609/2025)

SC dismisses review petition filed by Revenue, thereby upholding Karnataka HC ruling on no TDS for payments by Vodafone Idea to non-resident telecom operators.

The Apex Court recently dismissed a review petition filed by the Revenue concerning certain payments by the Assessee company to non-resident telecom operators (NTOs) and a Belgian entity, Belgacom, made without deducting TDS.

In this case, Vodafone Idea Ltd. had arrangements with NTOs for international carriage and connectivity, paying interconnect usage charges, and a capacity transfer arrangement with Belgacom for bandwidth on the Europe-India Gateway submarine cable system. For Assessment Years 2008-09 to 2015-16, the Assessing Officer treated the company as an assessee-in-default for non-withholding, and the Income Tax Appellate Tribunal (ITAT) upheld this by classifying the payments as royalty.

On appeal, the Karnataka High Court noted that the equipment and submarine cables were located outside India, and the Belgian entity had no Permanent Establishment (PE) in India. The Court held that the Double Taxation Avoidance Agreement (DTAA) was central to any withholding analysis and had to be applied with Sections 4, 5, 9, 90 and 91 of the Income-tax Act, 1961. It rejected the "process royalty" characterisation under Section 9(1)(vi), followed the Supreme Court's ruling in *Engineering Analysis* on the non-clarificatory effect of Explanations 4, 5 and 6 as of June 1, 1976, and invoked the maxims *lex non cogit ad impossibilia* and *impotentia excusat legem* on impossibility of compliance.

On July 14, 2023, the High Court set aside the ITAT's orders, holding that the interconnect and bandwidth payments were not chargeable to tax as royalty, that DTAA analysis was indispensable for tax deduction at source, and that Indian authorities lacked jurisdiction to tax extra-territorial income where facilities and counterparties were offshore and there was no PE in India.

Subsequently, the Revenue filed a Special Leave Petition, which came to be dismissed by the Supreme Court on July 26, 2024. The Apex Court also dismissed the Revenue's review petition on July 23, 2025. The High Court's ruling thus stands, with no TDS applicable on the said payments.

Hyatt International Southwest Asia Ltd. v. Additional Director of Income Tax (Civil Appeal Nos. 9766–9773 of 2025)

SC upholds Delhi HC ruling that Hyatt has a Permanent Establishment in India under the India-UAE DTAA.

In a significant ruling, the Supreme Court has held that Hyatt International Southwest Asia Ltd. (a United Arab Emirates tax resident) had a Fixed-Place Permanent Establishment in India under Article 5(1) of the India–UAE Double Taxation Avoidance Agreement.

Applying the "disposal test" contextually and prioritising economic substance over legal form, the Supreme Court found that Hyatt's enforceable control over branding, pricing, sales and marketing, procurement, human resources, appointment and oversight of key personnel, policies for operating bank accounts, and its contractual right to second staff meant the hotel premises were at Hyatt's disposal. The "strategic fee," being linked to hotel revenues and operating results, reflected active commercial involvement, and the Court clarified that global losses do not bar profit attribution to a Permanent Establishment in India where business presence exists.

Hyatt had entered into Strategic Oversight Services Agreements in 2008 with Asian Hotels Limited (for hotels in Delhi and Mumbai) to provide strategic planning, know-how, and standards oversight, while day-to-day operations were undertaken by a distinct legal entity, Hyatt India, under a separate Hotel Operating Services Agreement. For Assessment Year 2009-10 and subsequent years, the Assessing Officer held that Hyatt had a business connection and a Permanent Establishment in India, characterised receipts as royalty/fees for technical services, and taxed profits on an estimated basis. The Dispute Resolution Panel affirmed this view, and the Income Tax Appellate Tribunal, in 2019, held that Hyatt had a Fixed-Place Permanent Establishment in India (relying on *Formula One*) and directed attribution of profits.

On appeal, the Delhi High Court, vide order dated December 22, 2023, upheld the finding that Hyatt had a Fixed-Place Permanent Establishment but rejected the royalty characterisation, holding the receipts to be business income. It also questioned the principle of attribution adopted in *Nokia* and referred that issue to a Larger Bench. Hyatt then appealed to the Supreme Court, which, by judgment dated July 24, 2025, dismissed the appeals and affirmed the decision of the High Court. The Supreme Court held that Hyatt's substantive and pervasive control satisfied the disposal test, that intermittent or rotating employee presence did not negate continuity of business, and that profits attributable to the Permanent Establishment in India were taxable in India.

Narendra I. Bhuva v. Assistant Commissioner of Income Tax (Income Tax Appeal No. 681 of 2003)

Bombay HC rules vintage car not a "personal effect," as no evidence to prove personal use was produced; sale proceeds taxable as capital gains.

In this case, the Bombay High Court applied the "intimate connection" test laid down by the Supreme Court in *H.H. Maharaja Rana Hemant Singhji* to hold that the Assessee's vintage car did not qualify as a "personal effect" under Section 2(14) of the Income-tax Act, 1961. The Court clarified that for an item to be excluded from "capital asset" as a personal effect, it must be normally and commonly used for personal purposes, not merely capable of such use.

The Assessee, a salaried employee, had purchased a 1931 Ford Tourer vintage car in 1983 for ₹20,000 and sold it in 1992–93 for ₹21 lakh. He claimed exemption, treating the car as a personal effect. The Assessing Officer taxed the gain as income, which was later upheld by the Income Tax Appellate Tribunal (ITAT) on the ground that no evidence was produced to establish actual personal use. The Assessee argued that the car was shown as a personal asset in wealth-tax returns and that high maintenance costs meant infrequent use should not defeat the claim. The Revenue countered that the car was never shown to be used personally and was acquired merely as a pride of possession.

The High Court agreed with the Revenue, holding that mere ownership of a car, without proof of its actual personal use, cannot qualify it as a personal effect. Noting that the car was never parked at the Assessee's residence, was not used even occasionally, and no maintenance or running costs were shown, the Court concluded that it was acquired only as a collectible. Accordingly, the Court upheld the ITAT's decision and dismissed the appeal, affirming that gains from the sale were taxable as capital gains.

Principal Commissioner of Income Tax & Anr. v. Sony India Software Centre Pvt. Ltd. (ITA No. 129 of 2025)

Payments for conducting workshops for employees on performance and career management are not "fees for technical services" under the India–Singapore DTAA: Karnataka HC.

In the instant case, the Karnataka High Court held that payments made by Sony India Software Centre Pvt. Ltd. to a Singapore-based consultant for conducting employee workshops on performance and career management could not be treated as "fees for technical services" (FTS) under Article 12 of the India–Singapore Double Taxation Avoidance Agreement (DTAA). The Court clarified that such training sessions did not involve transfer of technical knowledge, know-how, experience, or processes enabling application by the Assessee, and thus fell outside the DTAA definition of FTS.

The Assessing Officer had disallowed ₹9.59 lakh paid to the consultant, treating it as FTS chargeable to tax in India and subject to tax deduction at source under Section 195 of the Income-tax Act, 1961. The Assessee argued that the services were general in nature, did not "make available" technical knowledge, and were instead covered under Article 14 of the DTAA relating to independent personal services, as the consultant had no fixed place of business in India and his stay did not exceed 90 days. The Commissioner of Income Tax (Appeals) and the Income Tax Appellate Tribunal (ITAT) agreed with the Assessee, deleting the disallowance.

Dismissing the Revenue's appeal, the High Court relied on the Supreme Court's ruling in *Engineering Analysis* to reaffirm that treaty definitions were not to be controlled by those under the Act. It noted that training in performance and career management was generic in nature and did not constitute managerial, technical, or consultancy services within the scope of Article 12. Consequently, no tax was deductible, and the disallowance under Section 40(a)(i) was held to be unsustainable.

Equity Intelligence AIF Trust v. Central Board of Direct Taxes & Anr. (W.P.(C) 9972/2024)

Delhi HC reads down CBDT Circular on AIF taxation in view of provisions under SEBI Act and Regulations.

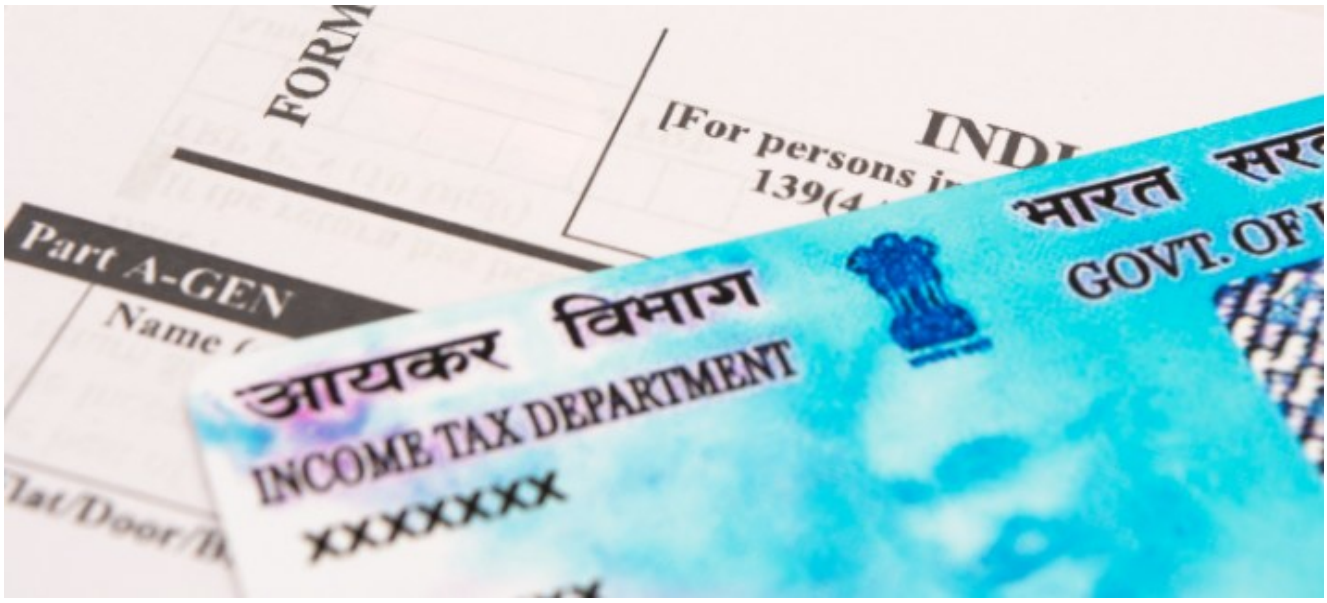
In this case, the Delhi High Court directed the reading down of CBDT Circular No. 13/2014 issued by the Central Board of Direct Taxes (CBDT), which had clarified that if a trust deed of an AIF (being a non-charitable trust) did not name investors or specify their beneficial interests, its income would be taxed at the Maximum Marginal Rate.

The petitioner, a Category III AIF, challenged the Board of Advance Ruling's order applying the CBDT Circular to classify it as an "indeterminate trust" under Section 164 of the Income-tax Act, 1961, thereby subjecting it to the Maximum Marginal Rate of taxation. The petitioner argued that investors' shares were determinable through contribution agreements and daily Net Asset Value calculations filed with the Securities and Exchange Board of India (SEBI), and that jurisprudence in *India Advantage Fund* (Karnataka HC) and *TVS Shriram Growth Fund* (Madras HC) established that a trust remains determinate so long as beneficiaries' shares are ascertainable, even if their names are not in the original deed. On the other hand, the Revenue contended that the absence of beneficiaries in the trust deed rendered the trust indeterminate by law.

The Delhi High Court applied the principle of *lex non cogit ad impossibilia* (the law does not compel the doing of impossibilities), observing that under the SEBI (Alternative Investment Funds) Regulations, 2012, Category III AIFs cannot accept contributions or have investor names prior to registration. Imposing such a requirement under the Circular was held to be legally impossible and inconsistent with the statutory scheme.

It rejected the Revenue's arguments and quashed the Board's ruling, holding that the CBDT Circular's mandate conflicted with SEBI regulations and settled judicial precedent. It reaffirmed that once investors' shares are proportionate to contributions, the trust is determinate and cannot be taxed at the Maximum Marginal Rate. The Court further criticized the Circular for creating state-specific applicability depending on divergent High Court views, terming such treatment "abhorrent and baffling." Accordingly, the Circular was read down, and the writ petition was allowed in favour of the AIF.

B. Notifications/Circulars



CBDT Circular No. 9/2025, dated July 21, 2025

The Central Board of Direct Taxes (CBDT) has partially modified its earlier Circular No. 3/2023 (dated March 28, 2023) and Circular No. 6/2024 (dated April 23, 2024) to provide further relief in cases where Permanent Account Numbers (PANs) were inoperative due to non-linkage with Aadhaar. The modification addresses situations where demands for short-deduction or short-collection of tax were being raised against deductors and collectors under Sections 200A and 206CB of the Income-tax Act, 1961, on the ground that tax was not deducted or collected at higher rates mandated under Sections 206AA/206CC when PANs were inoperative.

The Board noted that several taxpayers had received notices despite subsequently making their PANs operative by linking with Aadhaar. To resolve this hardship, the Circular specifies that no liability shall arise for deductors/collectors to deduct/collect tax at higher rates in the following cases:

1. Payments/Credits from 01.04.2024 to 31.07.2025 – if the PAN is made operative on or before 30.09.2025.

2. Payments/Credits on or after 01.08.2025 – if the PAN is made operative within two months from the end of the month in which the payment/credit was made.

In such cases, only the regular provisions of Chapters XVII-B and XVII-BB will apply, and not the higher rates under Sections 206AA/206CC.

This clarification provides significant relief to deductors/collectors by ensuring that bona fide cases where PANs have since been reactivated are not penalized with higher TDS/TCS obligations.

Click here to read the Circular.

CBDT Circular No. 10/2025, dated July 28, 2025

The Central Board of Direct Taxes (CBDT), exercising its powers under Section 119 of the Income-tax Act, 1961, has provided relaxation for taxpayers whose electronically filed returns were incorrectly invalidated by the Centralised Processing Centre (CPC), Bengaluru, due to technical reasons. These returns, covering multiple assessment years and up to assessment year 2023–24, had become time-barred for processing, with the latest deadline being December 31, 2024.

To mitigate hardship, the CBDT has directed that all income tax returns filed electronically up to March 31, 2024, which were erroneously invalidated, shall now be processed. Intimations under Section 143(1) for such cases will be issued by March 31, 2026. The consequential effects, including refunds along with applicable interest, will follow as per law.

However, the Circular reiterates that in cases where the Permanent Account Number (PAN) is not linked with Aadhaar, no refund shall be issued, in line with CBDT Circular No. 3/2023 dated March 28, 2023.

This relaxation offers a significant relief to taxpayers whose genuine returns were earlier left unprocessed owing to technical invalidation errors at CPC, ensuring they are not deprived of refunds or lawful adjustments.

Click here to read the Circular.

INDIRECT TAX

Goods & Services Tax

Recent Case Laws

ASP Traders v. State of Uttar Pradesh & Ors. (Civil Appeal No. 9764 of 2025)

SC rules that passing a final adjudication order under Section 129(3) of the CGST Act is mandatory; payment of penalty cannot be treated as voluntary waiver of appellate rights.

The Supreme Court has held that every notice issued under Section 129(3) of the Central Goods and Services Tax Act, 2017 (CGST Act) must culminate in a reasoned final order in Form GST MOV-09, even if tax and penalty are paid during the detention proceedings. The Court clarified that such an order is not a mere formality but a substantive safeguard ensuring a taxpayer's statutory right of appeal under Section 107 of the CGST Act.

In the instant case, ASP Traders, a dealer in red arecanut, had its consignment detained in Uttar Pradesh due to alleged discrepancies. To secure release, it paid the demanded tax and penalty of ₹7.20 lakh in Form DRC-03, after which the goods were released. However, no adjudication order under Section 129(3) was passed. The Assessee argued that without a formal order, its right to appeal was frustrated, whereas the Revenue claimed that under Section 129(5), proceedings stood concluded upon payment. The Allahabad High Court accepted the Revenue's stand, dismissing the writ petition.

Allowing the appeal, the Supreme Court held that payment under business exigency cannot be deemed voluntary consent, particularly when objections were on record. It emphasised that statutory procedure under Section 129(3) and Rule 142(5) must be followed, requiring a speaking order in Form GST MOV-09 and a summary uploaded in Form GST DRC-07. The Court observed that Article 265 of the Constitution prohibits the levy or collection of tax without authority of law, and taxpayers cannot be denied appellate remedies through procedural shortcuts. The Court accordingly directed the proper officer to pass a reasoned order under Section 129(3) and granted liberty to the Assessee to pursue appeal.

Armour Security (India) Ltd. v. Commissioner, CGST, Delhi East Commissionerate & Anr. (SLP(C) No. 6092 of 2025)

SC clarifies that summons or searches are not "proceedings" under Section 6(2)(b) of the CGST Act; issues detailed guidelines in case of parallel inquiries by State and Central GST authorities.

In this case, the Supreme Court held that the issuance of summons or conduct of search and seizure proceedings cannot be treated as the "initiation of proceedings" within the meaning of Section 6(2)(b) of the Central Goods and Services Tax Act, 2017 (CGST Act). The Court explained that a summons is only an evidence-gathering step and not an adjudicatory process, and that "proceedings" commence only with the issuance of a show cause notice setting out a specific tax demand or contravention.

The petitioner company, engaged in the business of providing security services, had received show cause notices from the State GST authorities for alleged excess input tax credit (ITC) claims. Thereafter, the Central GST authorities conducted a search and issued multiple summons under Section 70 of the CGST Act. The Assessee challenged the parallel proceedings, arguing that Section 6(2)(b) barred the Central authorities from re-examining the same subject matter once proceedings had already been initiated by the State. The Delhi High Court rejected this plea, holding that summons were only inquiries, not proceedings. On appeal, the Assessee contended that such dual action violated the principle of "single interface" envisaged under GST and the CBIC circulars requiring coordination between authorities.

The Supreme Court affirmed the High Court's view, ruling that Section 6(2)(b) applies only where both authorities seek to assess or recover an identical liability through adjudication. Summons or searches are merely investigative steps and do not attract the bar. However, to prevent hardship and conflicting actions, the Court laid down comprehensive guidelines: taxpayers must disclose ongoing inquiries to any subsequent authority; departments must coordinate and verify overlaps; if an overlap exists, one authority must proceed while the other shares materials; and in case of dispute, the authority that initiated the first inquiry will continue. The Court also urged the Directorate General of GST Intelligence (DGGI) to establish a robust IT-based mechanism for real-time coordination between Central and State authorities. Accordingly, the petition was dismissed, but the ruling provides clarity on the scope of Section 6(2)(b) and safeguards against duplicative proceedings.

Pradeep Goyal v. Union of India & Ors. (W.P.(C) No. 258 of 2021)

SC disposes writ on GST compliance for overseas OIDAR services; directs petitioner to approach GST Council.

The Supreme Court declined to frame judicial directions on compliance mechanisms for Online Information Database Access and Retrieval (OIDAR) services supplied by overseas entities, holding that such issues fall within the policy domain of the Goods and Services Tax (GST) Council. The Court observed that the judiciary cannot prescribe administrative structures for monitoring GST compliance by non-resident service providers, but taxpayers are free to place their concerns before the Council for consideration.

The petitioner had invoked Articles 32 and 142 of the Constitution seeking multiple directions: creation of a mechanism to track GST paid on OIDAR services used by non-taxable online recipients (Non-NTORs) in India, introduction of a new return form to capture revenues from such services, a mandate for overseas providers to maintain a fixed place of business in India, compulsory GST audits by independent auditors, and disclosure of data as to how many persons located in a non-taxable territory are providing OIDAR services in India. The petitioner argued that the current reverse charge mechanism was inadequate and resulted in revenue leakages. The Union of India countered that robust compliance mechanisms already exist and that the issues raised were policy-oriented rather than amenable to judicial intervention.

A bench of Justice B.V. Nagarathna and Justice K.V. Viswanathan disposed of the petition by granting liberty to the petitioner to submit a detailed representation to the GST Council. The Court directed that if such representation is made, the Council shall consider it expeditiously in accordance with law. Thus, while declining to interfere directly, the Court created a pathway for systemic concerns on OIDAR compliance to be addressed within the statutory GST framework.

Louis Dreyfus Company Pvt. Ltd. v. Union of India & Ors. (W.P. Nos. 17220, 17224, 17226, 17229 & 17232 of 2024)

Andhra Pradesh HC holds that refund of GST on ocean freight cannot be denied on grounds of limitation; Mohit Minerals ruling applies retrospectively.

The Andhra Pradesh High Court has held that the limitation under Section 54 of the Central Goods and Services Tax Act, 2017 (CGST Act), cannot bar refund claims where the levy itself has been declared unconstitutional. The Court clarified that the Supreme Court's decision in *Union of India v. Mohit Minerals* (2022), which invalidated GST on ocean freight under cost-insurance-freight (CIF) contracts, operates retrospectively as a declaration of law and not prospectively, since no such limitation was imposed by the Court itself.

The petitioner, an importer of agricultural products, had paid GST on ocean freight charges in 2017 under Notifications Nos. 8/2017 and 10/2017. Following the *Mohit Minerals* judgment, it filed refund applications in March 2023. These were rejected as time-barred by the authorities and the appellate body, which held that Section 54(1) mandated filing within two years from the relevant date. The Revenue further argued that the *Mohit Minerals* ruling applied only prospectively from May 2022. The petitioner contended that payments made under an unconstitutional levy were recoverable irrespective of statutory limitation, relying on the Gujarat High Court's decision in *Comsol Energy* and the Madras High Court's ruling in *Lenovo (India)*.

A division bench of Justice R. Raghunandan Rao and Justice Sumathi Jagadam agreed with the petitioner, holding that under Article 265 of the Constitution no tax can be collected without authority of law, and such payments are recoverable as monies paid under a mistake of law. Once the levy is invalid, the statutory time limit in Section 54 does not apply. The Court directed the Assistant Commissioner of Tax to reconsider the refund applications without reference to limitation and pass orders within four weeks.

Kesari Nandan Mobile v. Office of Assistant Commissioner of State Tax (Civil Appeal No. 9543 of 2025)

SC rules that renewal of a lapsed provisional attachment under Section 83 of the CGST Act is impermissible; directs de-freezing of bank accounts.

In this case, the Supreme Court held that once a provisional attachment order under Section 83(1) of the Central Goods and Services Tax Act, 2017 (CGST Act) lapses after one year by operation of Section 83(2), the Revenue has no authority to "renew" or re-issue a fresh

attachment on substantially the same grounds. The Court clarified that provisional attachment is a pre-emptive measure to protect revenue, not a recovery tool, and repeated or continuous re-issuance under the guise of renewal would nullify the safeguard built into the statute.

Earlier this year, the Gujarat High Court had upheld successive provisional attachment orders on the Assessee's bank accounts, holding that the law did not prohibit renewal. The Assessee argued that Section 83(2) clearly limits the life of such orders to one year, with no legislative mechanism for extension, unlike the Customs Act or the Excise Act, which expressly permit extensions. The Revenue defended its action, citing the need to safeguard government revenue, especially in cases involving fraud and potential dissipation of assets.

A bench of Justice Dipankar Datta and Justice Augustine George Masih allowed the appeal, finding the Gujarat High Court's reasoning contrary to legislative intent. The Court relied on *Radha Krishan Industries* to emphasize the draconian nature of Section 83 and applied the interpretive maxim *ut res magis valeat quam pereat* to ensure Section 83(2) is not rendered meaningless. It noted the GST Council's own recognition in its 53rd meeting that provisional attachment has "no life after a year." Accordingly, the Court set aside the impugned orders, directed immediate de-freezing of bank accounts, and reiterated that any further action must follow due process under the CGST Act.

Customs Duty

Notifications/Circulars

CBIC Circular No. 20/2025-Customs, dated July 24, 2025

The Central Board of Indirect Taxes and Customs (CBIC) has clarified the scope of correlation requirements between imported inputs and export products under the Duty-Free Import Authorisation (DFIA) Scheme. This follows representations from trade bodies highlighting difficulties faced in clearance, where Customs authorities were insisting on correlation in all cases of imports under the scheme.

The Board examined the provisions of the Foreign Trade Policy (FTP), 2023, specifically paragraphs 4.12, 4.28(iv), and 4.29, along with Condition (iii) of Notification No. 25/2023-Cus dated 01.04.2023. It has now been clarified that:

1. Inputs under Paragraph 4.29 (FTP 2023): Correlation of technical characteristics, quality, and specification with the export product is mandatory. Exporters must also declare these details in the shipping bill/bill of export.

2. Inputs under Paragraphs 4.12 and 4.28(iv) (FTP 2023): Only the specific name/description and quantity of the input used in the manufacture of the export product needs to be declared. Correlation of technical characteristics, quality, and specification is not required.

Accordingly, the Circular makes clear that the requirement of correlation applies only to a limited set of 22 sensitive items, such as alloy steel including stainless steel, copper alloy, synthetic rubber, bearings, solvent, etc., covered under paragraph 4.29 of FTP 2023, not to all inputs under the DFIA Scheme. Field formations have been instructed to issue suitable public notices and standing orders to ensure uniform implementation.

This clarification is expected to ease compliance burdens on exporters, preventing unwarranted procedural hurdles in DFIA clearances.

Click here to read the Circular.

CBIC Circulars No. 18/2025-Customs, dated July 22, 2025 and No. 19/2025-Customs, dated July 23, 2025

The Central Board of Indirect Taxes and Customs (CBIC) has clarified the position regarding the submission of applications under the Manufacturing and Other Operations in Warehouse Regulations (MOOWR) Scheme. Initially, by Circular No. 18/2025, the Board had informed that the digitized application facility hosted on the Invest India portal would no longer be available, and applicants were advised to file applications directly with their jurisdictional Customs Commissionerate.

Subsequently, through Circular No. 19/2025, CBIC revised its position and allowed the existing Invest India portal facility to continue as a working arrangement until October 31, 2025, citing user familiarity and operational ease. Applications filed on this portal during the interim period will be processed by jurisdictional authorities as per law. The Board also confirmed that a new electronic system for submission of MOOWR applications is under development, with detailed instructions to be issued in due course.

This clarification ensures continuity and avoids disruption for applicants while a long-term digital model is being readied.

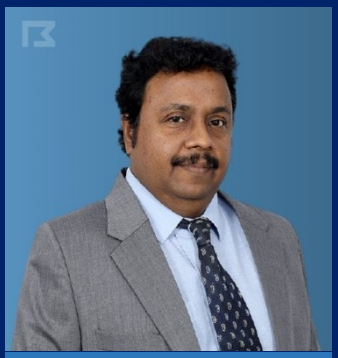
Click here and here to read the Circulars.

Key Contacts

G.V. GOPALA RAO

DIRECTOR – TAX
BANGALORE

+91 94835 12333
GOPALA.RAO@FOXMANDAL.IN



RANGANATH H.

DIRECTOR – TAX
BANGALORE

+91 98807 44482
RANGANATH@FOXMANDAL.IN

www.foxmandal.in

info@foxmandal.in

Offices at:

Ahmedabad | Bengaluru | Chennai | Hyderabad | Kolkata | Mumbai | New Delhi | Pune

Follow us: