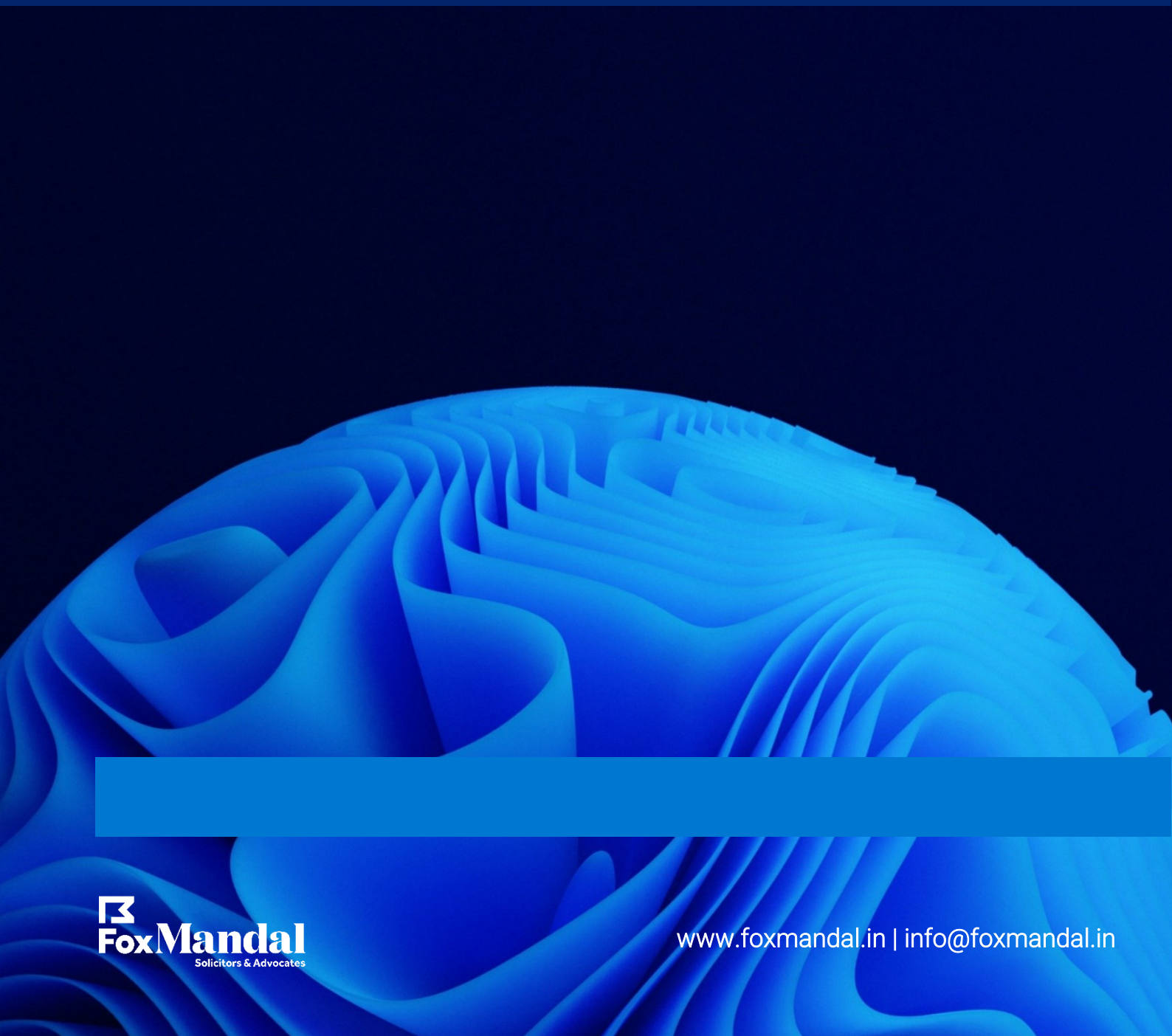
Tax INFORM

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

Issue LII | May 2025



FoxMandal Solicitors & Advocates

www.foxmandal.in | info@foxmandal.in

Contents

4 DIRECT TAX

Recent Case Laws

Notifications/ Circulars

11 INDIRECT TAX

12 Goods & Services Tax

Recent Case Laws

Notifications/ Circulars

Highlights of the Issue

DIRECT TAX

Domestic Tax Rulings:

- Wealth tax exemption in respect of urban vacant land applies only to fully constructed buildings, not buildings under construction: Madras HC.
- Notice under Section 153C is invalid in absence of incriminating material relating to the relevant AY: Delhi HC.
- Deduction under Section 54F cannot be denied for owning multiple floors of a single house: Delhi HC.
- Delhi HC rules that entertainment tax subsidy received for multiplex development constitutes a capital receipt.
- Tribunal erred by quashing reopening solely on CBDT instruction: Calcutta HC.

Circulars and Notifications:

- Circular No. 5/2025, dated March 28, 2025.
- Notification No. 38/2025, dated April 23, 2025.

INDIRECT TAX

Goods and Services Tax:

Case Laws:

- Fraudulent availment of ITC from non-existent suppliers justifies invocation of Section 74 of the CGST Act; writ not maintainable when alternative statutory remedy exists: Allahabad HC.
- Section 75(12) cannot be invoked where self-assessed tax has already been included in the return filed under Section 39; show cause notice is mandatory: Calcutta HC.
- Bail should ordinarily be granted in GST offence cases triable by Magistrate where charge-sheet is filed and sentence is limited: Supreme Court.
- Financial bid exceeding the prescribed cap is liable to rejection; GST is not part of minimum wages for tender evaluation: Madhya Pradesh HC.
- Bombay HC reaffirms that support services rendered under a principal-to-principal contract do not qualify as 'intermediary services', allows refund for export of services.

Circulars and Notifications:

- Circular No. 14/2025-Customs, dated April 21, 2025.
- Notification No. 29/2025-Customs, dated May 9, 2025.

DIRECT TAX

A. Recent Case Laws

Commissioner of Wealth Tax v. M/s. Express Infrastructure Pvt. Ltd. [Tax Case (Appeal) Nos. 555, 556 of 2015 and 717 of 2016]

Wealth tax exemption in respect of urban vacant land applies only to fully constructed buildings, not buildings under construction: Madras HC.

In this case, the Madras High Court held that land on which construction has merely commenced but has not been completed and approved by the competent authority does not qualify for exemption under the definition of 'urban land' as per Section 2(ea)(v) of the Wealth Tax Act, 1957 ("Act"). The Court reaffirmed that taxing provisions must be strictly construed, and an Assessee must clearly establish entitlement to any exemption. It relied on the Supreme Court's decision in Giridhar G. Yadalam v. Commissioner of Wealth Tax (2015) 17 SCC 664, which clarified that the phrase "has been constructed" refers to a completed building, not one under construction.

The Assessee had acquired 9.59 acres of urban land for the purpose of constructing a shopping mall, which was completed and inaugurated in 2010. However, for Assessment Years 2007–08 to 2009–10, the land was still under construction. The Income Tax Appellate Tribunal (ITAT) had held that such land was not taxable under the Act, relying on the earlier Madras High Court ruling in Wealth Tax v. Rohini Hotels (Madras) Limited (2011 SCC Online Mad 1542) ("Rohini Hotels"), which held that ongoing construction was sufficient to exclude land from being considered 'urban land'. The Revenue challenged this view, arguing that the Rohini Hotels precedent had been overruled by the Supreme Court in Giridhar G. Yadalam, wherein it was held that only fully constructed buildings and not buildings under construction qualified for exemption.

The Madras High Court ruled in favour of the Revenue, holding that the ITAT had relied on a precedent which was later overruled. The Court emphasised that the construction must be fully completed and approved to qualify for exemption under Section 2(ea) of the Act. Since the shopping mall was still under construction during the relevant assessment years, the land remained taxable as 'urban land.' Accordingly, the High Court set aside the ITAT's orders and allowed the appeals filed by the Revenue.

Rakesh Babbar v. ACIT & Anr. [WP (C) 1056/2023]

Notice under Section 153C is invalid in absence of incriminating material relating to the relevant AY: Delhi HC.

In this case, the Delhi High Court held that jurisdiction under Section 153C of the Income Tax Act, 1961 ("Act") can only be validly exercised if incriminating material is found during the search that relates specifically to the Assessee and has a bearing on the relevant assessment year (AY). The Court emphasised that completed assessments cannot be reopened under

Section 153C of the Act in the absence of such material, relying on binding precedents such as CIT v. Kabul Chawla (2015 SCC OnLine Del 11555), CIT v. Abhisar Buildwell (P) Ltd. (2024) 2 SCC 433, and CIT v. Sinhgad Technical Education Society (2017) 397 ITR 344).

The petitioner challenged the notice dated 24.08.2021 issued under Section 153C of the Act and the consequent assessment order dated 27.12.2022 for AY 2018–19, arguing that the initiation of proceedings was without jurisdiction. The case arose out of a search conducted on 02.11.2017 at the premises of the Rakesh Jain Group. The only material allegedly linking the petitioner was (i) an Excel sheet found on a third party's mobile phone listing cash and cheque transactions, and (ii) a statement under Section 132(4) from Mr. Rakesh Jain indicating that some sales in RED Mall were made "through" the petitioner. The Assessing Officer (AO) concluded from this that the petitioner had made unaccounted investments of ₹43.85 crore. The petitioner contended that the document neither named him nor recorded any specific transaction involving him, and moreover, related to FY 2016–17 (AY 2017–18) — not the assessment year in question.

The Delhi High Court accepted the Petitioner's contentions and found that there was no material linking the petitioner to AY 2018–19, nor any document naming him or evidencing a specific transaction. The reliance solely on the third-party statement without corroborating evidence was held to be insufficient to constitute incriminating material. Citing authoritative case law, the Court reiterated that the preconditions for invoking Section 153C of the Act were not satisfied, as the assessment year was already completed and no incriminating material existed for that year.

Accordingly, the Court quashed both the notice and the assessment order, declaring them to be without jurisdiction.



Principal Commissioner of Income Tax (Central)-1 v. Lata Goel (ITA 127/2025)

Deduction under Section 54F cannot be denied for owning multiple floors of a single house: Delhi HC.

In this case, the Delhi High Court held that for the purposes of Section 54F of the Income Tax Act, 1961 ("Act"), multiple floors or units within a single residential building cannot be treated as ownership of more than one residential house, particularly where such units are jointly held among family members. The Court emphasised that the expression 'a residential house' must be interpreted in substance rather than with rigid structural formalism, relying on precedents such as CIT v. Gita Duggal (2013 SCC OnLine Del 752), Mrs. Kamla Ajmera v. PCIT (2024:DHC:9342-DB), and CIT v. D. Ananda Basappa ([2009] 309 ITR 329 (Kar)). Further, it reiterated that reassessment under Section 147 of the Act cannot be initiated beyond four years unless there is a failure to disclose material facts.

The Assessee had claimed a ₹90 crore deduction under Section 54F of the Act for investing share sale proceeds into a new residential house for Assessment Year (AY) 2011-12. Following a search, the Assessing Officer (AO) initially restricted the deduction and later initiated reassessment, disallowing the entire claim, on the basis that municipal records indicated the Assessee owned more than one residential property on the date of the original asset transfer. The Revenue Authority contended that this made the Assessee ineligible for the exemption, while the Assessee argued that the different floors constituted 'one residential house' and that the reassessment was time-barred as there was no failure to disclose material facts.

The Delhi High Court upheld the Income Tax Appellate Tribunal's (ITAT) order, agreeing with the view that structurally separate floors in the same house, jointly owned by family members, do not constitute ownership of more than one residential house. The Court held that Section 54F of the Act must be interpreted purposively to allow legitimate deductions. Regarding the reassessment, the Court held that the notice under Section 148 of the Act was time-barred, as it was issued beyond four years from the end of AY 2011–12 and there was no failure by the Assessee to make full and true disclosure. All relevant details, including the sale of shares and purchase of the new property, had been duly disclosed in the original return of income. Accordingly, the High Court dismissed the Revenue's appeal, holding that no substantial question of law arose from the ITAT's findings.

Principal Commissioner of Income Tax (Central)-1 v. PVR Ltd. (ITA 113, 115, 116, & 117 of 2025)

Delhi HC rules that entertainment tax subsidy received for multiplex development constitutes a capital receipt.

In this case, the Delhi High Court held that the Entertainment Tax Subsidy (ETS) received under State incentive schemes is to be treated as a capital receipt when its purpose is to encourage capital investment in setting up multiplexes. Applying the "purpose test" as laid down by the Supreme Court in previous cases, the Court reiterated that the form, timing, or manner of subsidy disbursal is immaterial if the underlying object of the subsidy is to promote capital infrastructure and long-term investments.

The Revenue challenged the order of the Income Tax Appellate Tribunal ("ITAT"), which had allowed the Assessee's claim that the ETS received from the governments of Uttar Pradesh, Madhya Pradesh, and Maharashtra was a capital receipt and not a revenue receipt. The Assessing Officer (AO) treated the ETS - retained by PVR from ticket sales, under the respective State policies - as revenue in nature, arguing that the subsidy was granted only after the multiplexes became operational and was not linked to any capital expenditure or capital asset. The Assessee argued that the subsidy was a capital receipt, citing previous ITAT decisions in its own case and Supreme Court rulings like CIT v. Ponni Sugar and Chemicals ([2008] 9 SCC 337), which supported the view that such incentives for capital projects are capital in nature.

The Delhi High Court upheld the ITAT's ruling, agreeing that the ETS was intended to encourage capital investment in the creation of multiplexes, which are capital-intensive projects with long gestation periods. The Court emphasised that the character of a subsidy is to be judged by its purpose, not by its mode of implementation or disbursement, citing the Supreme Court's precedent in Commissioner of Income Tax-1, Kolhapur v. M/s Chaphalkar Brothers Pune (2017 INSC 1198). It further held that the fact that the subsidy was received after construction or as a share of ticket sales did not change its nature as a capital receipt. Since the issue was squarely covered by Supreme Court precedent, the Court found that no substantial question of law arose. Accordingly, the High Court dismissed the Revenue's appeal.

Principal Commissioner of Income Tax-9, Kolkata v. P.L. Goenka HUF (ITAT/241/2024)

Tribunal erred by quashing reopening solely on CBDT instruction: Calcutta HC.

In this case, the Calcutta High Court held that a reassessment initiated under Section 147 of the Income Tax Act, 1961 ("Act"), is valid so long as the Assessing Officer (AO) has formed an independent "reason to believe" based on the material before him, and that conclusive evidence is not required at the reopening stage. The Court emphasised that CBDT instructions, including those prescribing standard operating procedures, do not have the force of statutory law and cannot override the statutory scheme under Sections 147/148. Reliance was placed on various decisions to uphold the AO's application of the "test of human probabilities" in cases involving penny stock LTCG claims.

The Revenue challenged the Income Tax Appellate Tribunal's (ITAT) order quashing a reassessment framed under Section 147 read with Section 144B for AY 2013–14.The Assessee had claimed exempt Long Term Capital Gains (LTCG) of ₹5.36 lakhs on the sale of shares of M/s. Tuni Textiles Mills Ltd., a company flagged by the Investigation Wing as part of a penny stock/accommodation entry racket used to convert unaccounted money into exempt capital gains.

The AO reopened the assessment based on this information. However, the ITAT quashed the reassessment, holding that the AO had acted mechanically, relying solely on the Investigation Wing's report without independent application of mind, and had thereby violated the CBDT's 2018 instruction, which mandates scrutiny of material and application of mind before initiating reassessment.

The Calcutta High Court reversed the ITAT's decision, finding that the AO had indeed applied his mind independently, having considered the return of income, verified supporting documents, and evaluated the credibility of the share transactions by applying the test of human probabilities. The Court emphasised that the CBDT instruction is only a guiding administrative tool and not binding statutory law. It held that the AO is not required to possess conclusive evidence at the stage of reopening—only a reason to believe. The Court concluded that the ITAT had erred in both law and fact by treating the AO's action as perfunctory and by wrongly elevating the CBDT instruction above statutory provisions.

Accordingly, the High Court allowed the Revenue's appeal, upheld the reassessment proceedings, and answered the substantial questions of law in favour of the Revenue.

B. Notifications/Circulars

Circular No. 5/2025, dated March 28, 2025

The Central Board of Direct Taxes, exercising powers under Section 119 of the Income-tax Act, 1961, has issued Circular No. 5/2025 dated March 28, 2025, providing relief in cases where interest has been levied under:

- Section 201(1A)(ii) of the Act for failure to pay tax deducted to the credit of the Central Government; and
- Section 206C (7) of the Act for failure to pay tax collected to the credit of the Central Government,

on account of technical issues that delayed credit despite timely initiation of payment. The Circular addresses situations where:

a) The payment was initiated by the taxpayers, deductors, or collectors and the amount was debited from their bank accounts on or before the due date prescribed under the law; and

b) The tax could not be credited to the Central Government before the due date due to technical problems beyond the control of the taxpayers, deductors, or collectors.

Click here to read the circular.



Notification No. 38/2025, dated April 23, 2025

The Central Government, in exercise of the powers conferred by clause (iv) of Explanation 3 to sub-section (1) of Section 37 of the Income-tax Act, 1961, has issued Notification No. 38/2025 dated April 23, 2025.

As per this Notification, no deduction or allowance shall be made in respect of any expenditure incurred by an assessee to settle proceedings initiated for contraventions or defaults under the following laws:

a) The Securities and Exchange Board of India Act, 1992 (15 of 1992);
b) The Securities Contracts (Regulation) Act, 1956 (42 of 1956);
c) The Depositories Act, 1996 (22 of 1996);
d) The Competition Act, 2002 (12 of 2003).

Such expenditure shall not be deemed to be incurred for the purposes of business or profession and is expressly disallowed under the Income-tax Act. This Notification shall come into force from the date of its publication in the Official Gazette.

Click here to read the notification.

INDIRECT TAX

Goods & Services Tax

A. Recent Case Laws

M/s. Reliable Trading Company v. Joint Director, DGGI & Ors. (Writ Tax No. 1177 of 2025)

Fraudulent availment of ITC from non-existent suppliers justifies invocation of Section 74 of the CGST Act; writ not maintainable when alternative statutory remedy exists: Allahabad HC.

In this case, the Allahabad High Court held that allegations of fraudulent Input Tax Credit (ITC) availed through circular trading involving fake invoices fall squarely within the ambit of "fraud or wilful misstatement" under Section 74 of the CGST Act, 2017. The Court reaffirmed that mere possession of invoices, e-way bills, and bank payments is not sufficient to establish the actual receipt of goods. It further emphasised that writ jurisdiction under Article 226 cannot be invoked in cases involving disputed questions of fact and when statutory appellate remedies are available. Further, the Court held that the mandatory 10% pre-deposit under Section 107(6)(b) for filing an appeal could not be waived, as it is a legislative requirement.

The petitioner challenged a show cause notice dated 29.07.2024 and the order-in-original dated 22.01.2025 passed under Section 74 of the CGST Act, alleging fraudulent availment of ITC based on supply from non-existent firms.

The petitioner contended that the transactions were genuine and substantiated through invoices, banking channels, and e-way bills, and requested cross-examination of the witnesses whose statements were allegedly relied upon by the adjudicating authority. The challenge was mounted directly by filing a writ petition under Article 226 of the Constitution.

The High Court dismissed the writ petition, holding that the case involved clear allegations of fraud, which justified invocation of Section 74. The Court observed that disputed questions of fact, such as the actual movement of goods, cannot be adjudicated in writ jurisdiction. It further held that cross-examination was not necessary, as the adjudicating authority had not relied upon any specific witness testimony adverse to the petitioner. Regarding the 10% pre-deposit for appeal under Section 107(6)(b), the Court clarified that it is a statutory precondition for filing an appeal and cannot be waived judicially.

Accordingly, the writ petition was dismissed, with liberty to the petitioner to avail alternate remedies, including statutory appeal under the CGST Act.

Kuddus Ali, Proprietor of M/s. Kuddus Ali Construction v. Assistant Commissioner of Central Tax, Maldah & Ors. (WPA 6004 of 2025)

Section 75(12) cannot be invoked where self-assessed tax has already been included in the return filed under Section 39; SCN is mandatory: Calcutta HC.

In this case, the Calcutta High Court held that Section 75(12) of the CGST Act, 2017, cannot be invoked to recover tax that has already been disclosed in returns filed under Section 39 (GSTR-3B). It clarified that the explanation to Section 75(12) applies only where tax is disclosed under Section 37 (GSTR-1) but not included in GSTR-3B, thereby becoming recoverable as 'self-assessed tax' without adjudication. Where tax has been disclosed in GSTR-3B-even if unpaid or short paid - recovery proceedings must follow the route of adjudication under Sections 73 or 74, preceded by a mandatory show cause notice.

The petitioner challenged the order dated 20.12.2024 and corresponding demand in Form DRC-07 dated 06.01.2025, arising from discrepancies in ASMT-10 relating to FY 2020–21. These discrepancies involved delayed return filing and short payment of tax.

The petitioner argued that the tax liability had already been disclosed in GSTR-3B returns filed under Section 39, and thus, Section 75(12) could not be invoked to bypass adjudication and show cause notice requirements. The respondents contended that the shortfall amounted to self-assessed tax, recoverable directly under Section 75(12) without initiating proceedings under Section 73 or 74.

The High Court rejected the Revenue's contention, clarifying that only tax declared in GSTR-1 (Section 37) but omitted in GSTR-3B (Section 39) can be treated as self-assessed tax for the purpose of summary recovery under Section 75(12). Since the petitioner's tax had been included in the GSTR-3B returns, adjudication under Section 73 or 74, after issuance of a show cause notice, was the proper recourse.

The impugned order and demand were accordingly set aside. However, the Court permitted the department to treat the impugned order as a show cause notice and proceed afresh in accordance with law, giving the petitioner a fair opportunity to respond.

Vineet Jain v. Union of India (Criminal Appeal No. 2269 of 2025)

Bail should ordinarily be granted in GST offence cases triable by Magistrate where charge-sheet is filed and sentence is limited: Supreme Court.

In this case, the Supreme Court held that in GST offence cases triable by a Magistrate, where the maximum punishment is limited, no criminal antecedents exist, and a charge-sheet has been filed, bail should ordinarily be granted unless there are exceptional circumstances. The Court emphasised that prolonged pre-trial detention is unjustified when investigation is complete and the prosecution is based solely on documentary evidence.

The appellant was accused of offences under Sections 132(1)(c), (f), and (h) of the CGST Act, 2017, involving evasion and wrongful availment of input tax credit, which carry a maximum sentence of five years with fine.

The charge-sheet had already been filed, the case was entirely documentary in nature, and the appellant had no prior criminal record. He had been in custody for nearly seven months. Despite these factors, bail had been denied by the Trial Court, Sessions Court, and the

Rajasthan High Court (vide order dated 24.01.2025). The appellant contended that continued custody was unwarranted as there was no risk of tampering with evidence or fleeing from justice.

The Supreme Court expressed surprise at the denial of bail by all lower courts. It held that in economic offences under GST triable by Magistrates, once a charge-sheet is filed and there are no extraordinary circumstances, bail should be granted as a rule rather than exception. The Court emphasised that the gravity of the offence cannot override the need for reasonable protection of personal liberty, especially where pre-trial incarceration serves no legitimate purpose.

Accordingly, the Court set aside the Rajasthan High Court's order, granted bail to the appellant, and directed his production before the Trial Court for release on appropriate terms and conditions pending trial.

M/s. Blue Caps Total Security Services v. State of Madhya Pradesh & Ors. (Writ Petition No. 38373 of 2024)

Financial bid exceeding the prescribed cap is liable to rejection; GST is not part of minimum wages for tender evaluation: Madhya Pradesh HC.

In this case, the Madhya Pradesh High Court held that any financial bid exceeding the prescribed cap in a tender is liable for automatic rejection, regardless of compliance with wage norms. The Court added that GST is not a component of minimum wages and cannot be factored into tender evaluations concerning wage compliance; it is a statutory tax obligation, not a part of the remuneration to be paid to workers.

The petitioner challenged the award of a security and housekeeping services contract to respondent no. 3, contending that the successful bid was below the minimum wage threshold set by the State Government and thus liable for disqualification. The petitioner further claimed that its own bid, though higher, adhered to State wage circulars and included GST, whereas the respondent's bid excluded GST, making it allegedly non-compliant. The tender document, specifically Clause 17, set a monthly wage cap of ₹7,50,000/-, beyond which bids would be rejected outright.

The High Court rejected the petitioner's challenge, finding that:

- The petitioner's bid of ₹8,57,924/- exceeded the wage cap and was rightly rejected under the tender terms.
- The bid of respondent no. 3, amounting to ₹7,42,372/-, was within the permissible cap and satisfied the minimum wage requirements for the notified skilled and unskilled personnel.
- GST is not included in minimum wages, and its exclusion from wage calculations in tender evaluation does not amount to non-compliance.

Accordingly, the Court dismissed the writ petition as meritless, holding that the tender process was lawful and the award did not suffer from any illegality or procedural infirmity.

IDP Education India Pvt. Ltd. v. Union of India & Ors. (Writ Petition Nos. 5144 of 2022 and 2774 of 2024)

Bombay HC reaffirms that support services rendered under a principal-to-principal contract do not qualify as 'intermediary services', allows refund for export of services.

In this case, the Bombay High Court reaffirmed that support services rendered under a principal-to-principal arrangement do not qualify as 'intermediary services' under Section 2(13) of the IGST Act, 2017. Where there is no facilitation between two other parties, but rather a direct service provided to a foreign entity without any privity of contract with the recipient's clients, the service is not an intermediary service. Consequently, such transactions qualify as 'export of services' with the place of supply outside India, entitling the supplier to IGST refunds.

The petitioner, a subsidiary of IDP Australia, had filed refund claims for IGST paid on services provided to its parent company for the periods March 2019–April 2020 and April 2020–March 2021. The Revenue rejected the refunds on the ground that the petitioner was acting as an 'intermediary' under Section 13(8)(b), arguing that the petitioner facilitated services between foreign universities and Indian students. The petitioner contended that it was providing support services to IDP Australia alone, under a principal-to-principal contract, and had no independent dealings or contractual nexus with the universities or students. The petitioner relied on a prior CESTAT ruling in its favour and the CBIC Circular No. 159/15/2021-GST, which clarified the intermediary definition under GST.

The Court held that the petitioner was not an intermediary, emphasising the bilateral nature of the contract and the absence of any facilitation between third parties. It agreed with the CESTAT's prior ruling and noted there was no change in the legal or factual position to justify a contrary view. As the petitioner directly rendered services to IDP Australia, it qualified for export status. The Court thus allowed the petition, set aside the refund rejection, and directed the adjudicating authority to process the refund along with applicable interest within four weeks.



B. Notifications/Circulars

Circular No. 14/2025-Customs, dated April 21, 2025

The Central Board of Indirect Taxes and Customs has issued Circular No. 14/2025-Customs, F. No.15021/18/2020 (1CD) (Pt-II), dated April 21, 2025, in continuation of Notification No. 14/2025-Customs (N.T.) dated March 18, 2025.

This Circular notifies the amendment to the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020), replacing the term "Certificate of Origin" with "Proof of Origin" to align with the amended Section 28DA of the Customs Act, 1962. The amendment is in line with global trends in trade documentation and facilitates self-certification and simplified procedures.

Definitions as per the amended Section 28DA:

- “Proof of Origin” means a certificate or declaration issued under a trade agreement certifying or declaring that the goods meet the country-of-origin criteria and other requirements of that agreement.
- “Issuing Authority” refers to any authority or person designated to issue proof of origin as per the trade agreement.

The amended Rules now treat “Proof of Origin” as encompassing:

- Certificates of Origin issued by designated Issuing Authorities; and
- Self-declarations made by eligible exporters, producers, or other designated persons under relevant trade agreements.

The type of proof is governed by the terms of the relevant trade agreement and may include certificate, self-certification, or any other approved method.

Click here to read the circular.

Notification No. 29/2025-Customs, dated May 9, 2025

The Central Government, under sub-section (1) of Section 25 of the Customs Act, 1962, has issued Notification No. 29/2025-Customs dated May 9, 2025, exempting the following goods from the entire customs duty when imported into India:

1. Works of art including statuary and pictures intended for public exhibition in a museum or art gallery.
2. Works of art such as memorials of a public character intended to be installed in a public place, including construction materials.

3. Antiques and other items classified as "antiquities" under the Antiquities and Art Treasures Act, 1972, intended for public exhibition in museums or art galleries.

Conditions for exemption as per the Annexure to the Notification:

Condition No. 1:

i. The importer must be a museum or art gallery and must be the purchaser or owner of the goods.
ii. The importer shall submit an undertaking to the Assistant Commissioner or Deputy Commissioner of Customs that the goods will be used exclusively for public exhibition and will not be sold or traded post-import. In the event of non-compliance, the importer shall be liable to pay applicable duties.
iii. A certificate must be issued by an "Authorized Officer" under the Ministry of Culture Gazette Notification dated May 28, 2015, certifying that:
    a. The importer operates a museum or gallery with unrestricted public access.
    b. The premises are dedicated to museum or gallery use.

Condition No. 2:

The imported antiquities must be registered with the Archaeological Survey of India within 90 days from the date of import.

Click here to read the notification.

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

Copyright © 2025 - Fox Mandal & Associates LLP | The contents of this publication are for general information only and should not be relied upon as a substitute for professional legal advice, which should always be sought in relation to any specific matter prior to acting in reliance upon any such information. The opinions, estimates and information given herein are made in best judgment, utmost good faith and as far as possible based on data or sources, which are, believed to be reliable. Notwithstanding we disclaim any liability in respect of any claim which may arise from any errors or omissions or from providing such advice, opinion, judgement, or information.

www.foxmandal.in

info@foxmandal.in

Offices at:

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

Follow us: