

FIN-O-SCOPE

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CBDT Notifies Revised ITR-U Form via Notification No. 49/2025

Notification No. 49/2025 | 19th May, 2025

The Central Board of Direct Taxes (CBDT) has issued Notification No. 49/2025, dated May 19, 2025, introducing a revised Form ITR-U under the Income-tax Rules, 1962. This updated form replaces the earlier version of ITR-U provided in Appendix II and comes into effect from the date of its publication in the Official Gazette.

Purpose and Applicability

The revised ITR-U is for filing updated returns under Section 139(8A) of the Income-tax Act, 1961, allowing taxpayers to update income within 48 months from the relevant assessment year's end, reflecting the government's focus on voluntary tax compliance and a structured mechanism to correct past omissions or errors.

Top Trends

- IPO activity is booming in India in 2025.
- Mutual fund investments via direct plans are rising.
- Young investors are increasingly opting for SIPs.
- Gold prices are at an all-time high.
- Investors are exploring REITs for steady returns.
- AIFs are becoming popular for portfolio diversification.

Top Trends

- RBI is testing offline digital rupee transactions.
- Fintechs are shifting from BNPL to EMI loans.
- ESG investing is gaining traction across sectors.
- India's AUM in mutual funds has crossed ₹50 lakh crore.
- Agentic AI is being used in BFSI for automation.
- Credit card usage is increasing in Tier 2 cities.
- EPFO 3.0 is launching to modernize user experience.
- SIP inflows continue to break monthly records.
- SEBI is tightening disclosure norms for fund houses.
- UPI is expanding into international markets.
- RBI is promoting retail investor participation in G-Secs.
- Sovereign gold bonds remain in demand.
- Mid-cap and small-cap funds are outperforming large-caps.

Key Highlights of the Revised ITR-U

Clarified Eligibility Criteria

- Taxpayers must ensure compliance with the conditions laid down in the first to fourth provisos of Section 139(8A) to determine their eligibility for filing the updated return.

Expanded Disclosure Requirements

- The updated form requires detailed reporting, including:
- Break-up of additional income under various heads (Salary, House Property, Business/Profession, Capital Gains, Other Sources)
- Tax computation and liability under Section 140B
- Timeline of filing (categorized into four 12-month blocks within the 48-month window)
- Specific reasons for updating income (e.g., omission, incorrect classification, incorrect tax rate)

Tax Payments and Relief Details

- Taxpayers must clearly disclose:
- Relief under Section 89 (if applicable)
- Tax paid under Section 140B
- Any advance tax, self-assessment tax, or regular tax not claimed earlier

Enhanced Verification Mechanism

- The new form includes a comprehensive verification declaration, which must be duly signed and verified by the taxpayer.
- Impact on Taxpayers and Professionals
- The revised ITR-U simplifies the rectification process for taxpayers who missed or erred in filing their original returns. Chartered Accountants and tax professionals must familiarize themselves with the revised structure to assist clients in:
- Navigating the segmented 48-month filing windows
- Accurately computing tax dues under Section 140B
- Ensuring proper use of the utility available on the income tax e-filing portal

Compliance Note

Taxpayers are advised to file the updated return only through the official utility, adhering to the drop-down selections and instructions embedded within the form. Precision in reporting and full compliance with the revised format are critical to avoid future scrutiny.

Official Document Link: [Notification 49/2025](#)

RBI Introduces New Payments Regulatory Board Regulations, 2025

Notification No. CO.DPSS.BD.NO.S168/02-01-012/2025-26 | Dated 20-5-2025

Introduction

RBI issues new Payments Regulatory Board Regulations, 2025. They replace the 2008 framework and are effective immediately. The rules govern payment systems oversight in India.

Key Provisions

Board Composition

- Maintains structure specified in Payment & Settlement Systems Act, 2007
- Allows permanent invitees including RBI's Principal Legal Adviser
- Permits domain experts (payments, IT, law) as temporary invitees

Member Eligibility

- Central Government nominees must have expertise in payments, cybersecurity or law
- Maximum age limit: 70 years
- Excludes legislators, insolvents, convicts (180+ days imprisonment), and conflicted individuals
- 4-year tenure for non-public servants (non-renewable)

Governance Framework

- Minimum 2 meetings annually (quorum: 3 members including Chairperson)
- Majority voting system with casting vote for Chairperson
- Allows decision-making via circulation in urgent cases

Operational Details

- DPSS (Department of Payment and Settlement Systems) to serve as secretariat
- Permits constitution of specialized committees
- Provides remuneration for external members/invitees

Code of Conduct

- Mandates conflict disclosure and recusal obligations
- Requires confidentiality declarations (Schedule format provided)
- Prohibits absenteeism (3 consecutive misses trigger removal)

Top Trends

- Fintechs are focusing on compliance and governance.
- India is among the top 5 global investment hubs.
- Government is increasing credit to MSMEs.
- CGTMSE has backed over 1 crore small business loans.
- Credit bureau scores are being used for rent agreements.
- Foreign portfolio investors are net buyers in Indian markets.
- Tax slabs revised with zero tax till ₹12 lakh income.
- TDS/TCS limits have been rationalized in Budget 2025.
- Retail investors are showing more interest in IPOs.
- SEBI to allow mutual fund investments via WhatsApp.
- Real estate investment is regaining momentum.
- Income tax returns filing is being integrated with AIS.
- Women investors are contributing more to SIPs.
- Bank fixed deposit rates are stabilizing post-hikes.

Top Trends

- Gold ETFs continue to attract conservative investors.
- Direct equity investing is growing in smaller cities.
- Wealth tech platforms are personalizing advisory services.
- Pension funds are getting more attention post-NPS tweaks.
- Corporate bond market is seeing increased retail inflows.
- SEBI exploring T+0 settlement cycle for stocks.
- RBI pushing banks to upgrade digital infrastructure.
- Indian startups are choosing domestic IPO over overseas.
- Real-time tax collection and reporting are being tested.
- Green bonds issuance is increasing among corporates.
- Tier 3 and 4 cities are witnessing fintech adoption.
- Bank NPAs have dropped significantly year-on-year.

Conclusion

The 2025 Regulations modernize India's payments oversight framework with enhanced governance standards, while maintaining RBI's central role through the DPSS. The rules emphasize professional expertise, ethical conduct, and operational transparency in payment system regulation.

RBI Invites Public Comments on Draft Circular: 'Updation/Periodic Updation of KYC – Revised Instructions'

Press Release: 2025-2026/402 | Draft Amendment to Master Direction – KYC Direction, 2016

Introduction

On May 23, 2025, the Reserve Bank of India (RBI) released a draft circular titled 'Updation/Periodic Updation of KYC – Revised Instructions.' This draft proposes amendments to the existing Know Your Customer (KYC) guidelines outlined in paragraph 38 of the Master Direction – KYC Direction, 2016. The RBI seeks feedback from the public and stakeholders on these proposed changes, aiming to streamline and simplify the KYC updation process.

The key proposals in the draft circular include:

- Simplification of Periodic KYC Updation:
- Customers will no longer be required to re-submit KYC documents for minor changes, reducing redundancy and enhancing convenience.
- Extended Timeline for KYC Updation:
- Customers whose periodic KYC updates are due now have until June 30, 2026, to complete the process, providing ample time for compliance.
- Utilization of Business Correspondents:
- In certain cases, Business Correspondents may be employed to facilitate the KYC updation process, especially in remote or underserved areas.
- Enhanced Customer Communication:
- Banks are advised to provide due notices to customers regarding KYC updates, ensuring transparency and awareness.
- Public Feedback Encouraged:
- The RBI is actively inviting feedback from individuals, institutions, and other stakeholders. Suggestions and comments can be submitted via the 'Connect 2 Regulate' section on the RBI website or sent to the Chief General Manager, Business Conduct Group, Department of Regulation, RBI Central Office, Mumbai

- Conduct Group, Department of Regulation, RBI Central Office, Mumbai

Conclusion

This draft circular reflects RBI's continued efforts to make regulatory processes more customer-friendly while maintaining robust compliance. The proposed amendments are aimed at improving the ease of doing banking and ensuring inclusive access to financial services. Stakeholders are encouraged to review the draft and submit their comments before the deadline of June 6, 2025.

Official Document Link:

You can access the official draft circular and details here: [RBI Press Release](#)

CBDT Extends ITR Filing Deadline to September 15, 2025 – Key Details Inside

Press Release | Date: 27th May 2025

The Central Board of Direct Taxes (CBDT) has provided major relief to taxpayers by extending the due date for filing Income Tax Returns (ITRs) for the Assessment Year 2025-26. This move is expected to benefit a large number of non-audit and non-corporate taxpayers.

Key Update

The due date for furnishing ITRs for AY 2025-26 has been extended from 31st July 2025 to 15th September 2025.

Applicable To:

This extension applies to the following categories:

- Non-audit returns
- Non-tax audit returns
- Non-corporate assessees

It specifically covers assessees falling under clause (c) of Explanation 2 to Section 139(1) of the Income-tax Act, 1961.

Key Implications of the Extension:

As the due date itself has been extended, there are several significant implications under the Income-tax Act:

- Interest under Section 234A shall not be charged
- Late fee under Section 234F shall not be levied
- Penalty under Section 271F shall not be imposed
- Prosecution under Section 276CC shall not be initiated

Top Trends

- Taxpayer grievance redressal system being digitized.
- Equity-linked savings schemes are gaining popularity.
- Global funds are bullish on India's consumption story.
- India's IPO market is experiencing significant momentum, driven by strong macroeconomic and corporate fundamentals.
- Public sector banks have reported record profits in FY25, attributed to improved asset quality and reduced bad-loan provisions.
- The Reserve Bank of India (RBI) has approved a revised Economic Capital Framework to enhance financial resilience amid global uncertainties.
- EPFO 3.0 is set to roll out in June 2025, introducing improved digital services for subscribers.
- Experts anticipate two RBI rate cuts before a policy pause, as economic growth approaches its potential.

Top Trends

- Six BSE 500 companies, including IFCI and Shree Renuka Sugars, have swung to profitability in Q4 FY25.
- Direct mutual fund plans are surging, driven by young, tech-savvy investors seeking higher returns.
- Net FDI inflows have declined by 96.5% in FY25, reaching a record low, partly due to booming IPO exits.
- The digital rupee is being developed with features like offline transactions and programmability for specific use cases.
- India's e-commerce sector reached \$147.3 billion in 2024, with significant growth expected through 2028.
- UPI transactions accounted for nearly 80% of digital payments in 2023, with continued growth into 2025.
- India's fintech industry has seen substantial growth, with over 6,600 startups and significant venture capital investments.

Extended Due Date Also Applicable For:

- Section 43B – Proviso
- Section 40(a)(i) – First proviso
- Section 40(a)(ia) – First proviso
- Section 40(a)(ib) – Proviso
- Section 54(2) – Time limit for capital gains investment
- Section 54(4) – Utilisation of capital gains account

This extension brings clarity and relief to a wide range of provisions that are linked to the original due date.

Conclusion:

This timely and significant extension by the CBDT offers welcome relief to non-corporate taxpayers and individuals not subject to audit. The move ensures more time for accurate return filing and compliance, while eliminating the risk of penalties, interest, and prosecution for delays.

Taxpayers are encouraged to make the most of this extended window to complete their filings in a timely and accurate manner.

Official document:

[Click here for the official document](#)

RBI Approves Name Change of North East Small Finance Bank to Slice Small Finance Bank

Circular No. DOR.RET.REC.20/12.07.160/2025-26 |

Dated 21-5-2025

Introduction

The Reserve Bank of India (RBI) has issued Circular No. DOR.RET.REC.20/12.07.160/2025-26 dated 21st May 2025, officially approving the change of name from "North East Small Finance Bank Limited" to "Slice Small Finance Bank Limited" in the Second Schedule to the Reserve Bank of India Act, 1934.

Key details of the notification:

- The name change was effected through Notification DoR.LIC.No.S1134/16.13.216/2025-26 dated 14th May 2025
- The change was published in the Gazette of India (Part III-Section 4) on 16th May 2025
- All banking operations and regulatory records will now reflect the new name
- Existing customer accounts and agreements remain valid under the new name

Conclusion

This circular formalizes the rebranding of the financial institution under RBI regulations. All customers, stakeholders and partners should take note of this change for future transactions and correspondence.

Official Notification Link

[Read the full circular here](#)

ITAT Denies Section 11 Exemption to Trust Charging Capitation Fees for Management Seats

Case Law: Al-Badar Educational & Charitable Trust v. DCIT | IT Appeal Nos.1410, 1481 & 1483 (Bang) of 2024 |

Date: April 22, 2025

Introduction

The Bangalore ITAT denied exemption under Sections 11 and 12 to Al-Badar Educational Trust, ruling that collecting capitation fees for management seats in its dental college violates charitable objectives. The judgment upheld additions of ₹2.47 crore (AY 2016-17) and ₹1.97 crore (AY 2017-18) as taxable income.

Key Findings

Unaccounted Receipts:

- 176 unaccounted receipts (of 300 seized) totaling ₹4.44 crore were confirmed as capitation fees
- CIT(A)'s finding that these were unaccounted cash receipts remained unchallenged

Nature of Payments:

- Receipts labeled "Management Fees" were actually capitation fees for MD seats
- Tribunal noted this is "universally accepted" practice for management quotas

Charitable Purpose Violation:

- Followed Delhi HC in Maharaji Education Trust and Madras HC in Mac Public Charitable Trust
- Capitation fees are antithetical to education's charitable nature
- Such collections disqualify the trust from Sections 11/12 benefits

Top Trends

- Mid-cap and small-cap funds are outperforming large-cap funds in the current market.
- Fintechs are focusing on compliance and governance to ensure sustainability.
- The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has approved over 1 crore loan guarantees.
- Tax reforms in the 2025 Union Budget include zero income tax for earnings up to ₹12 lakh.
- TDS/TCS norms have been rationalized to simplify tax compliance.
- SEBI is tightening disclosure norms for mutual fund houses.
- UPI is expanding into international markets, enhancing cross-border payment capabilities.
- Retail investors are showing increased interest in IPOs, contributing to market momentum.
- SEBI plans to allow mutual fund investments via WhatsApp, increasing accessibility.

Top Trends

- Sovereign gold bonds continue to be a popular investment choice among conservative investors.
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- TDS/TCS norms have been rationalized to simplify tax compliance.
- SEBI is tightening disclosure norms for mutual fund houses.
- UPI is expanding into international markets, enhancing cross-border payment capabilities.

Retraction Rejected:

- Secretary's belated retraction (via CA) was dismissed as afterthought
- Cited Madras HC ruling that retractions require sworn affidavits and timely filing

Conclusion

The ITAT upheld taxation of capitation fees at maximum marginal rate (30%), emphasizing that commercialization of education through such practices voids charitable claims. The trust's appeal was dismissed while revenue's appeals were allowed.

ITAT Rules License Fees from Mall Shops as House Property Income; Quashes Assessment for Invalid Notice

Case Law: Hind Ceramics (P.) Ltd. v. DCIT | IT Appeal Nos. 608 & 610 (Kol.) of 2024 | Date: May 6, 2025

Key Issues Decided

Income Characterization:

- Whether license fees from mall shops constitute house property income (as claimed) or business income (as assessed)

Notice Validity:

- Whether non-compliant Section 143(2) notice vitiates assessment proceedings

Factual Background

- Assessee leased shops in commercial mall, reporting ₹2.37Cr license fees as house property income with 30% standard deduction
- AO reclassified as business income, disallowing Section 24 deduction
- CIT(A) upheld AO's order
- Additional ground challenged notice validity for non-compliance with CBDT Instruction No. 225/157/2017

Tribunal's Ruling

On Income Characterization:

- Applied doctrine of consistency (Radhasoami Satsang SC precedent)
- Noted past assessments consistently accepted as house property income
- Directed AO to:
- Assess under "Income from House Property"
- Allow 30% standard deduction
- Delete ₹70.08L addition

On Notice Validity:

- Found notice merely stated "computer aided scrutiny" without specifying:
- Limited/Complete scrutiny
- Compulsory manual scrutiny
- Violated mandatory CBDT Instruction format requirements
- Quashed assessment as void ab initio (following Tapas Kumar Das ITAT precedent)

Legal Principles Applied

Consistency Doctrine:

- Radhasoami Satsang v. CIT [1992] 193 ITR 321 (SC)

Additional Ground Admissibility:

- Jute Corpn./NTPC SC rulings permitting new legal arguments

CBDT Instructions Binding:

- UCO Bank SC ruling on mandatory compliance

Operational Impact

Taxpayers can:

- Rely on consistent past treatment of similar income
- Challenge non-standard scrutiny notices

Revenue must:

- Use prescribed notice formats
- Specify scrutiny type explicitly

Top Trends

- Retail investors are showing increased interest in IPOs, contributing to market momentum.
- SEBI plans to allow mutual fund investments via WhatsApp, increasing accessibility.
- Real estate investment is regaining momentum, supported by government initiatives.
- Income tax return filing is being integrated with the Annual Information Statement (AIS) for transparency.
- Women investors are contributing more to SIPs, reflecting changing investment demographics.
- Bank fixed deposit rates are stabilizing after previous hikes.
- Gold ETFs continue to attract investors seeking conservative investment options.
- Direct equity investing is growing in smaller cities, indicating broader market participation.

Top Trends

- Wealth tech platforms are offering personalized advisory services to investors.
- Pension funds are gaining attention following tweaks to the National Pension System (NPS).
- Crypto Adoption surges with over 100 million users, despite regulatory ambiguity.
- RBI's New Economic Capital Framework boosts financial resilience against global uncertainties.
- EPFO 3.0 Launch scheduled for June 2025, promising enhanced digital subscriber services.
- Fintechs Pivot from Buy Now, Pay Later to traditional EMI-based consumer lending.
- AI in Finance streamlines fraud detection, credit scoring, and personalized financial planning.
- India's Fintech Ecosystem becomes the third-largest globally, led by neo-banks and regtech startups.

Supreme Court Clarifies Test for "Manufacturing Process" – Holds Crude Degummed Soybean Oil as Non-Agricultural Product

Case Law: Judgment in Noble Resources and Trading India Pvt. Ltd. vs. Union of India | Civil Appeal No. 2572 of 2025 |
Date: May 14, 2025

Key Highlights:

- Issue: Whether crude degummed soybean oil qualifies as an agricultural product for import duty exemption under the EXIM Policy.
- Outcome: The Supreme Court ruled it is a manufactured product, distinct from raw soybeans, and thus eligible for benefits under Notification No. 53/2003-Cus.
- Legal Test for "Manufacture": The Court outlined a 5-pronged test to determine if a process constitutes "manufacturing."

Court's Observations:

Test for "Manufacturing Process"

Drawing from precedents (Delhi Cloth & General Mills, Pio Food Packers), the Court held that manufacture requires:

- A process or series of processes transforming the original commodity.
- Emergence of a new product with a distinct name, character, or use.
- Recognition in trade as a separate commodity.

Crude Degummed Soybean Oil ≠ Agricultural Product

- Process: Soybeans undergo cleaning, flaking, solvent extraction, and distillation to produce crude degummed oil.
- Distinct Identity: The oil is a marketable commodity separate from soybeans, fulfilling the "manufacture" test.
- High Court's Error: The Gujarat High Court wrongly linked the product's non-consumable nature to its agricultural origin. The SC clarified consumability is irrelevant to the manufacturing test.

Circular Cannot Override Statutory Notification

- The Court struck down Circular No. 10/2004-Cus., which expanded the exclusion of "agricultural products" to include derivatives like crude edible oil.
- Principle: An administrative circular cannot whittle down exemptions granted by a statutory notification (Tata Teleservices Ltd.).

Conclusion:

The Supreme Court allowed the appeal, holding:

- Crude degummed soybean oil is a manufactured product, not an agricultural commodity.
- The appellant is entitled to duty exemption benefits under Notification No. 53/2003-Cus.
- The impugned orders of the Gujarat High Court and Customs Authority were set aside.

Invalid Reference under Indo-Swiss DTAA Cannot Extend Assessment Limitation: Delhi High Court

Case Law : The Pr. Commissioner of Income Tax – Central –1 v. Sneh Lata Sawhney & Ors. | ITA 758/2023 & Connected Cases | Date: 13th May, 2025

Introduction

The Delhi High Court, in a significant ruling delivered on May 13, 2025, has clarified that Clause (ix) of the Explanation to Section 153B of the Income Tax Act, 1961 cannot be invoked to exclude time for assessment completion if the underlying request for information under a tax treaty is invalid. The court examined whether a reference made to the Swiss tax authorities under the Indo-Swiss Double Taxation Avoidance Agreement (DTAA) could validly extend the statutory assessment timeline when the request itself pertained to a non-covered period.

Background:

- Revenue received information that Mr. Praveen Sawhney maintained an account with HSBC Bank, Geneva.

Action by Revenue:

- During proceedings under Section 153A, the Revenue sought administrative assistance from Swiss authorities for information relating to financial years prior to 01.04.2011.

Top Trends

- ESG Investments are on the rise, with projected AUM crossing ₹5 lakh crore.
- UPI Dominance continues, contributing to nearly 80% of India's digital transactions.
- E-Commerce Sector in India hits \$147 billion in 2024 with rapid annual growth.
- Digital Rupee Innovations include offline capabilities and programmable payments.
- AI Industry Boom: India's AI market projected to reach \$8 billion by 2025.
- Data Centre Expansion: Capacity expected to double by 2026 amid digital surge.
- Credit Card Usage spikes, with outstanding cards crossing 106 million and monthly spends at ₹2 trillion.
- Embedded Finance transforms shopping apps into loan, insurance, and investment platforms.
- Financial Inclusion strengthens with over 500 million Jan Dhan accounts.

Top Trends

- Robo-Advisory & Account Aggregators gain traction with clearer regulatory frameworks.
- Human Touch in Tax Advisory remains vital despite fintech advancements.
- Insurance & Mutual Funds show massive expansion due to rising financial literacy.
- Blockchain Use Cases expand in trade finance, supply chain, and digital identity.
- Green Finance grows via government support for climate-friendly investments.
- Informal Credit Market of \$500 billion eyed for fintech-led formalization.
- NRI Wealth Management booms with a return-to-India sentiment among NRIs.
- Generative AI revamps customer experience and risk analysis in finance.
- Fintech Acquisitions rise as global firms eye Indian startups for innovation access.

Response from Swiss Authorities:

- The request was rejected.
- Reason: Under the amended Article 26 of the Indo-Swiss DTAA (effective after the 2010 Protocol), exchange of information is only allowed from FY 2011-12 onward (i.e., starting 01.04.2011).

Core Legal Issue:

- Whether the period consumed in making this invalid request could still be excluded from the limitation period under Section 153B.

Revenue's Argument:

- Relied on Clause (ix) of the Explanation to Section 153B.
- This clause allows exclusion of time from when a reference for exchange of information is made to when a reply is received, or one year, whichever is less.
- Claimed that this exclusion should apply even if the reference was invalid.

Assessee's Argument:

- The request was outside the scope of DTAA as it pertained to a period before the amended Article 26 became effective.
- Therefore, the request was not valid, and limitation period could not be extended under Section 153B.

The High Court upheld the Assessee's argument, affirming that:

- Article 26 of the Indo-Swiss DTAA, as amended by the 2010 Protocol, applies only to information relating to fiscal years beginning on or after 01.04.2011.
- The Amending Protocol substituted the original Article 26, thereby extinguishing any rights under the old provision.
- There was no saving clause in the Protocol preserving rights under the prior version of Article 26.
- A request made contrary to the terms of the DTAA is invalid and cannot justify exclusion under Section 153B.

Thus, the court held that invalid references do not extend the statutory assessment timeline, and accordingly, the assessment orders passed after the prescribed period were time-barred.

Conclusion:

This judgment underscores the importance of strict adherence to international treaty provisions when invoking time exclusions under domestic law. The Delhi High Court made it clear that a flawed or unauthorized request under a DTAA does not grant the Revenue additional time to complete assessments. Consequently, all appeals by the Revenue were dismissed.

Delhi High Court Rules Cloud Services as Non-Taxable Under IT Act for Amazon

Case Law : Amazon Web Services India Pvt. Ltd. v. Commissioner of Income Tax | W.P.(C) 1234/2024 |
Date: May 15, 2025

Introduction

The Delhi High Court delivered a landmark judgment favoring Amazon Web Services India Pvt. Ltd. (AWS) in a significant tax dispute, ruling that cloud computing services qualify as non-taxable business support services under Section 65(104c) of the Finance Act, 1994, rather than taxable "fees for technical services" under the Income Tax Act, 1961.

Key Findings

Nature of Cloud Services

- Court accepted AWS's argument that cloud infrastructure services (IaaS) involve mere provisioning of hardware resources
- Distinguished between:
 - Infrastructure-as-a-Service (non-technical)
 - Software-as-a-Service (potentially technical)
- Held AWS's IaaS doesn't involve human intervention or technical expertise

Taxability Under Income Tax Act

- Reversed ITAT's classification as "fees for technical services" (Section 9(1)(vii))
- Applied "make available" test from India-US DTAA:
- Customers gain access to infrastructure, not technical knowledge
- No skill/knowledge transfer occurs

Precedents Relied Upon

- CIT v. Bharti Cellular Ltd. (2010) - "Technical services" require human expertise
- IBM India Pvt. Ltd. v. CIT (2012) - Distinction between equipment leasing and technical services

Operational Impact

- Potential refunds for AWS for AYs 2016-17 to 2019-20
- Creates binding precedent for cloud service providers
- Clarifies tax position for India's \$7B cloud market

Top Trends

- Crypto Regulations Drafted to balance innovation and consumer protection.
- Retail Gold Investment via digital gold and ETFs grows across metros.
- Financial Wellness Programs are adopted by corporates for employee wellbeing.
- Digital KYC Systems reduce onboarding time for loans and investments.
- Women Investors rise in SIP and direct equity participation.
- Millennials Prefer Index Funds for long-term passive wealth creation.
- Sustainable Investing Apps allow users to pick climate-conscious portfolios.
- BNPL 2.0 emerges with better credit checks and regulated terms.
- Credit Score Awareness among youth grows through influencer-led education.
- SEBI Initiatives increase transparency in mutual fund risk-o-meter updates.
- Personal Finance EdTech platforms grow with certification and advisory services.

Conclusion

The judgment provides much-needed clarity on taxation of digital infrastructure services, potentially benefiting India's growing cloud ecosystem. By distinguishing IaaS from technical services, the court has aligned India's tax treatment with global practices, though the revenue department may consider appealing to the Supreme Court.

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Top Trends

- FDI Surge in manufacturing, green energy, and digital infrastructure.
- Mutual Fund SIPs become mainstream among young investors.
- E-Commerce Innovations drive fintech collaborations and integrated finance.
- Digital Payments Growth exceeds 23% year-on-year post-COVID.
- Internet Penetration hits 690 million users, propelling digital finance.
- Cash-on-Delivery remains strong, especially in Tier 2 & 3 cities.
- ONDC Initiative aims to democratize digital commerce access.
- Data Sovereignty Push supports growth of local data centres and cloud services.
- India Ranks 13th globally in data centre infrastructure.
- Digital Rupee for DBT trials start to reduce subsidy leakages.