

# DESAI SAKSENA & ASSOCIATES

21<sup>st</sup> November, 2025

## Friday Tax Alert

### **Explanation of Amendments – Capital Gains Accounts (Second Amendment) Scheme, 2025**

The Government has updated the Capital Gains Account Scheme (CGAS), 1988 to make it more modern, digital, and user-friendly. These changes mainly introduce electronic payment options, electronic statements, and online closure of CGAS accounts.

The key amendments are explained in a simplified manner:

**1. Purpose of the Amendment:**

**To allow electronic modes for:**

- Depositing money into CGAS
- Receiving statements
- Applying for closure of accounts. This modernises the scheme to align with digital banking practices.

**2. New “Electronic Mode” Introduced:**

**A new definition has been added for “electronic mode”.**

You can now deposit money through:

- Credit Card
- Debit Card
- Net Banking
- IMPS
- UPI
- RTGS
- NEFT
- BHIM Aadhaar Pay

This is in addition to existing cheque/draft facilities.

**3. Deposit Offices Expanded:**

The definition of “Deposit Office” has been widened.

Now, any authorised SBI branch, subsidiary bank, nationalised bank, or any authorised banking company can operate CGAS accounts.

This gives taxpayers more banks to choose from.

**4. Effective Date of Deposit Through Electronic Mode:**

**When money is deposited through electronic mode:**

The effective date for claiming capital gains exemption = date on which the bank receives the electronic payment.

This is the same rule as cheque/draft clearance.

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## **5. Electronic Statements Allowed:**

Instead of only a physical passbook, you may now receive:

- Electronic statement of account

This applies to:

- Opening of account
- Deposits
- Withdrawals

## **6. Digital Closure of Account (From 1 April 2027):**

**You can now close a CGAS account electronically using:**

- Digital Signature
- Electronic Verification Code (EVC)

**Forms G and H will be filed online, and:**

- The system will send them to the Assessing Officer (AO)
- After AO approval, the form is returned to the applicant digitally

**CBDT Systems will also issue procedures for:**

- Filing
- Verification
- Security
- Storage of digital forms

## **7. Forms Amended (Form A and Form C):**

Forms have been updated to include:

- Deposit by electronic mode
- New section reference: 54GA
- Space for entering:
  - RTGS/IMPS/NEFT/Transaction Number .... Dated ....

***CBDT Notification [F. No.161/2025/F. No. 370142/23/2024-TPL] dated 19.11.2025***

<b>HC directs AO to verify info. available on 'Insight Portal' before issuing notice u/s 148A(1)</b>
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### **Summary:**

It is responsibility and liability of Jurisdictional Assessing Officer to verify information made available on Insight Portal which suggests that income chargeable to tax has escaped assessment in case of Assessee for relevant assessment year and if necessary, Assessing Officer must conduct inquiry with prior approval of specified authority with respect to such information and only after verification of information made available to Assessing Officer, provisions of section 148A(1) shall be invoked.

### **Facts of the case:**

1. The Assessee was engaged in the business of trading of coal. It received summons from the Director General of GST Intelligence under section 70. The statement of the Director of the Assessee was recorded and the inquiry against the Assessee was concluded by the competent

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authority on payment of total tax, applicable interest and penalty as per the provisions of the GST Act.

2. Thereafter, the Assessee received summons issued by the Deputy Director of Income Tax (Investigation-I) under section 131(1A) of the Act. The Assessee appeared before the Deputy Director and filed reply by E-mail and supplied the details which were called for.
3. Thereafter, notices under section 148A(b) were issued to the various buyers and sellers who transacted with the Assessee on the premise that as per the information shared by the Director General of GST Intelligence (DGGI), the Assessee was involved in GST invoice fraud and that the Assessee was found to be availing or passing on fraudulent Input Tax Credit on fake invoices of the ferrous waste and scrap, soya beans and coal and that DGGI, Ahmedabad had registered a case against various entities including the Assessee and such case would establish that the Assessee was formed just to pass fake Input Tax credit.
4. The Assessee therefore received the feedback from the suppliers, and the suppliers had stopped transacting the business with the Assessee. The Assessee therefore drew the attention of the Income Tax Department clarifying that the allegations made in various notices issued under Section 148A(b) to various buyers and sellers of the petitioner-Company were based on incorrect information on the Insight Portal of the Income Tax department.
5. The DGGI, Gandhidham confirmed that the inquiry conducted against the petitioner was on limited grounds and the same was closed.
6. The petitioner again informed authorities on 18-03-2024 and requested the PCIT on 06-06-2024 to stop assessments initiated on incorrect Insight Portal information. The petitioner filed this writ seeking directions to remove/correct the Portal information and to intimate that no action be taken on the earlier information.
7. After notice of the petition, the respondents stated that corrective steps were taken and tendered an affidavit-in-reply stating remedial action for withdrawal of Insight Portal reports based on GST information relating to the petitioner and its counterparties.

## **Conclusion:**

- Considering the facts to the effect that the respondents have taken the corrective steps during the pendency of this petition, it is hoped that in future, no such action will be taken by the respondent-Authorities on the basis of the information made available on the Insight Portal without verification by the Jurisdictional Assessing Officer by considering such information as the correct information.
- The Scheme of the Act is well designed to take care of the information which is available on the Insight Portal by providing a mechanism in section 148A by issuing notice to the Assessee by the Jurisdictional Assessing Officer to verify the information as per clause (a) to section 148A as was existent prior to 1-9-2024 and thereafter, as per Sub-section (1) of section 148A.
- It appears that the conducting of inquiry, if required, with prior approval of the specified authority with respect to the information which suggest that the income chargeable to tax has escaped the assessment, has been done away after the amendment of section 148A with effect from 1-9-2024. Section 148A(1) of the Act, therefore is now similar to section 148A(b) which was applicable up to 1-9-2024.

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- However, it is opined that before issuance of the notice under section 148A(1), it is the responsibility and liability of the Jurisdictional Assessing Officer to verify the information made available on the Insight Portal which suggests that the income chargeable to tax has escaped assessment in case of the Assessee for the relevant Assessment Year and if necessary, the Assessing Officer must conduct inquiry with prior approval of the specified authority with respect to such information and only after verification of the information made available to the Assessing Officer, the provisions of section 148A(1) shall be invoked.
- In view of the foregoing reasons, the petition is disposed of in the favour of the Assessee.

***Vasuki Global Industrial Ltd. v. Principal Chief Commissioner of Income Tax [2025] 180 taxmann.com 16 (Gujarat High Court)***

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