

**HC: Before taking any action, the Revenue must check if the tax impact caused a real loss or was revenue-neutral.**

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**REFER THE DECISION OF THE HON'BLE MADRAS HIGH COURT**

Union of India V/s Flemingo Duty Free Shop Pvt. Ltd. , decided on 29-4-2025

**Key Issues:**

**Is it legally justified for the Revenue to first evaluate whether the tax impact was revenue-neutral or caused a loss to the exchequer before proceeding with any action?**

**Hon'ble High Court Judgement:**

**Where the petitioner entered into a concession agreement with the Airport Authority of India for operating a Duty-Free Shop at an international airport and paid a minimum guarantee/revenue share, the Revenue authorities are obligated to examine whether the tax impact was revenue-neutral or resulted in any actual loss to the exchequer, and only thereafter proceed in accordance with law**