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ERNAKULAM BRANCH

NEWSLETTER

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Chairman's Message

Dear Members,

Greetings from the Ernakulam Branch of SIRC of ICAI.

It gives me immense pleasure to present the April 2026 edition of the news letter.

The month of April was marked by a series of significant professional and academic initiatives undertaken by the Branch with the objective of strengthening professional competence, enhancing member engagement, and supporting the academic progression of our students.

During the month, the Branch organized focused Continuing Professional Education programmes on contemporary and emerging areas of practice. The seminar on "Appeal before GSTAT – A Comprehensive View" provided members with valuable insights into evolving GST appellate procedures and legal interpretations. In addition, the One Day Seminar covering Estate Planning, Verification of Compliance under the New Labour Codes, Business Succession Planning, and Latest Developments in FCRA offered members a comprehensive understanding of important regulatory and professional developments impacting practice and industry.

The Branch also continued to contribute proactively to the profession by submitting suggestions and comments on important exposure drafts and legislative proposals issued by professional and regulatory authorities. Such initiatives reflect our commitment towards constructive professional participation and policy development.

I place on record my sincere appreciation to all speakers, faculty members, participants, managing committee members, SICASA representatives, volunteers, and staff members whose dedicated efforts ensured the successful conduct of the programmes during the month.

Wishing all members and students continued professional success and academic excellence.

Warm regards,

CA .Jobby George
Chairman
Ernakulam Branch of SIRC of ICAI

Ask Better, Get Better

A Guide ti Working Effectively with AI

CA Madhuri Muralidhar

The most important moment in any AI interaction is not when you hit send. It is the minute before. That is when you decide with **genuine precision what you want, and what good output looks like for this specific task.**

Even though this sounds obvious, most people skip it. They open the tool with a rough sense of what they need and type something approximate, trusting the AI to interpret their intent generously. Sometimes it does. More often, it produces something in the right area but not quite right, and the time spent reviewing, correcting, and re-prompting ends up exceeding what the task would have taken without AI at all.
The questions are not complicated: What is the precise outcome that I need? Who will use this output, and for what purpose? What format serves that purpose best? What are the boundaries of this task, what should be included and what should not be included?

The translation of the answers, from intent to instruction, is what makes prompting effective. It is a skill that can be learned, practised, and refined.

Core Principles of Effective Prompting

Master prompting starts with clarity and intent. Understand your desired outcome first, whether drafting a reply to a GST notice or a Virtual CFO report, and then frame requests specifically:

Clarity
Be clear about what you want to achieve

Context
Provide the right background and constraints

Structure
Organise you request in a logical sequence

Specifically
Define formats, examples, and boundaries

Iteration
Refine through feedback and follow-ups

For Example:
“You are the CFO of [Company Name]. Analyse the uploaded sales dataset (with columns: [list key fields]) and deliver a concise, decision-focused dashboard covering revenue trends, growth %, and segment performance (product, customer, geography, channel), highlighting key risks, anomalies, and actionable insights, along with recommended visualisations and a clear automation approach.”

The "VOPS" Framework

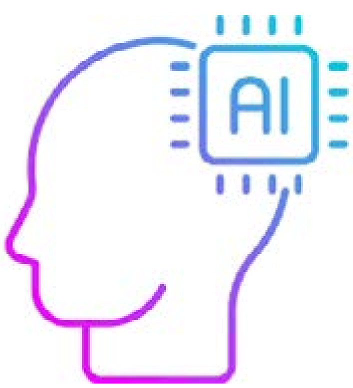
The "VOPS" is a simple framework that can be used for effective prompting. It helps design prompts that are clear, relevant, and aligned with the purpose.

V **Verb :**
defines the action to be performed and can include the role (analyse as a CFO, review as an auditor)

O **Outcome:**
specifies the exact deliverable expected, such as a dashboard or insights.

P **Purpose:**
explains why the task is being done, which sharpens the relevance of the output (for board review, decision-making, performance tracking)

S **Situation:**
provides the context, including dataset details, industry, constraints, or any background needed.



Best Practices

Be specific and structured:

Break a single task into clear, ordered steps and use delimiters (like triple quotes or numbered lists) to separate instructions.

For example:

Task: Reconcile GSTR-2B with Purchase Register
Step 1: Standardise data fields (GSTIN, invoice number, date, taxable value, tax amounts) across both datasets.
Step 2: Perform invoice-level matching based on key fields.
Step 3: Identify unmatched entries, invoices in 2B not in books and vice versa.
Step 4: Quantify differences in taxable value and ITC.
Step 5: Summarise exceptions with reasons (timing differences, missing entries, ineligible ITC).

Include examples:

Supply a sample output, like a template in which the output is to be provided, to calibrate responses.

For example:
"Format like this template: [paste example or attach output template]. Now apply this format to the current dataset and generate the reconciliation.

Set boundaries and iterate:

Define clear limits on length, tone, and depth, then refine through follow-ups.

For example:
"Keep the response under 300 words, in a concise and professional tone.

If the first output is not sufficient, iterate with targeted prompts like:

"Expand on the reasons for mismatches in the GSTR-2B vs Purchase Register reconciliation, especially vendor non-compliance and timing differences, using the same format."
This approach keeps responses focused while allowing deeper analysis where required.

Focus on source-backed outputs:

Instruct the model to rely only on verifiable, authoritative sources and clearly cite them. This reduces hallucination and improves the accuracy of the output.

In today's world, effective prompting has become a vital skill set for Chartered Accountants, in addition to the conventional skills of financial analysis and compliance. Just as accuracy in audit queries reveals hidden insights, effective prompting, aided by AI tools like Claude, ChatGPT, Perplexity, etc., enables more precise tax strategies, quicker reconciliations, and more innovative solutions to help elevate your practice to the next level. These tools will only continue to get more powerful. However, the quality of what you receive from these tools is always going to be a function of **the quality of what you put into these tools.**

Reported Judicial Decisions

CA. P. M Veeramani

Statute: Income Tax Act –
Sec.32(2), 37 and 71 – Carrying on business
Decision in favour of : Assessee
Title : Pride Foramer SA vs CIT
Citation: 481 ITR 1 SC
Bench: Supreme Court of India

First proviso of section 32(2) provides that depreciation allowance can be carried forward if the business or profession for which the allowance was originally computed, continues in the previous year. To avail of benefit of section 32(2) , 37(1) and 71 , the assessee has to demonstrate that it was carrying on business in India during the relevant period. Where a business is going through a lean period of transition and could be revived if proper circumstances arose, it must be termed as a lull in business and not a complete cessation of the business. The word "business" has a wide import and connotes some real, substantial and systematic or organized course of activity or activity with a set purpose

Statute: Income Tax Act –
Sec. 36(1)(iii) – Lower interest from group concerns
Decision in favour of : Assessee
Title : CIT vs Shriram Investments
Citation: 481 ITR 26 SC
Bench: Supreme Court of India

Lower interest paid on the borrowing made by the assessee company from sister or group concerns was for purpose of business and a finding as to commercial expediency were finding of fact not giving rise to a question of law for consideration in appeal by court. SLP against HC decision dismissed

Statute: : Income Tax Act –
Sec. 43B(d) – Interest of earlier year
Decision in favour of : Assessee
Title : CIT vs West Bengal Infrastructure Development Finance Corporation Ltd
Citation: 481 ITR 56 SC
Bench: Supreme Court of India

EMI on borrowings treated as repayment of principal ; mistake noticed and interest claimed as expenditure in later year ;in the absence of interest not having been debited to P & L account and not being claimed in the return of income in the year of payment, allowable in the year of claim. SLP dismissed on the grounds of delay as well as on merits

Statute: Income Tax Act –
Sec. 54 – Investment in residential house
Decision in favour of : Revenue
Title : Sandeep Hooda vs PCIT
Citation: 341 CTR 933
Bench: Delhi HC

Construction of a residential house for availing exemption would entail raising a construction for inhabitation as a residential dwelling unit. Putting together a structure of plywood sheets cannot be construed as constructing a residential house which had no electricity or water connection and electricity was used by genset. Findings of ITAT cannot be assailed as perverse or manifestly erroneous. Assessee's appeal dismissed.

Statute: Income Tax Act –
Sec. 145 – valuation of stock
Decision in favour of : Assessee
Title : P A Jose vs UOI
Citation: 481 ITR 148
Bench: Kerala HC

The opening stock and closing stock of the year were to be valued by applying the same methodology. The department was to either accept the valuation of both opening and closing stock based on LIFO method or permit the assessee to value his stock by applying FIFO or weighted average cost method

Statute: Income Tax Act –
Sec. 155(14) – Credit for TDS
Decision in favour of : Assessee
Title : Munchener vs CIT
Citation: 341 CTR 941
Bench: Delhi HC

The statute prescribes that where credit for tax has not been given on the ground of either a certificate having not been furnished or filed, but which is subsequently presented before the AO, the same would be sufficient for the assessment order being amended. Section 155(14) thus places the AO under a statutory obligation to amend the order of assessment once it is established that the contingencies alluded to in that provision are duly established. Sub-section (14) neither contemplates nor mandates the original return being amended or revised. That provision essentially takes care of contingencies where TDS is either subsequently credited or comes to be reflected in Form 26AS after a time lag. An assessee may face such a spectre on account of a variety of unforeseeable reasons. The statute itself adopts measures to cater to such an eventuality by incorporating remedial measures in Section 155(14) of the Act. The essence of Section 155(14) is that once that amount comes to be reflected in Form 26AS and the updated form comes to be submitted before the AO for its consideration, that authority is obliged to acknowledge the same and amend the assessment accordingly. Since the tax which was deducted by payer stood duly embedded in the Form 26AS which was produced by the writ petitioner and the income earned from that entity had never been held to be subject to tax under the Act, the refusal on the part of the respondents to refund that amount is rendered wholly illegal and arbitrary.

Statute: : Income Tax Act –
Sec. 199 – TDS when income overlaps
Decision in favour of : Assessee
Title : Yogesh Gandhi vs ACIT
Citation: 215 ITD 662
Bench: ITAT Delhi

Assessee sold property and declared full sale consideration in year of transfer but received part of consideration in later year in which the buyer deducted TDS ; Credit cannot be denied in later year citing Rule 37BA as income was already taxed but TDS came to be made in the later year on account of consideration being paid in the subsequent year

Statute: Income Tax Act –
Sec. 264 – Can be preferred when overassessed
Decision in favour of : Assessee
Title : Bahar Infocons Private Ltd vs PCIT
Citation: 341 CTR 705
Bench: Bombay HC

Insofar as the revisional powers are concerned, Section 264 inter alia empowers the Commissioner, either on his own motion or on an application made by the assessee, to call for the record of any proceeding under the Act and pass such order thereon not being an order prejudicial to the assessee. It is well settled that such power is conferred on the Commissioner to enable him to give relief to an assessee also in cases of over-assessment, however, such power is required to be exercised by the Commissioner subject to the limitations prescribed in the provision. This would include a situation that after an assessment is completed, if an assessee detects mistakes on account of which he was over-assessed, the revisional jurisdiction can be invoked by the assessee. Such power is not confined merely to erroneous orders passed by the lower authorities.

Statute: Income Tax Act – Sec. 271D – Penalty not valid
Decision in favour of : Assessee
Title : PCIT vs Parivar Television Pvt Ltd
Citation: 481 ITR 14 SC
Bench: Supreme Court of India

Where there was no mention of initiation of penalty proceedings in the assessment order , no satisfaction being recorded AO before penalty proceedings commenced, levy of penalty not valid . SLP against HC order dismissed as without merit

Indirect Tax

RECENT ADVANCE RULINGS UNDER GST AND JUDICIAL DECISIONS ON INDIRECT TAXES AND OTHERS

CA. P. J Johney

JUDICIAL DECISIONS ON INDIRECT TAXES

Statute: SALES TAX AND VAT
Decision in Favour of: APPELLANT
Title: INDIAN OIL ADANI VENTURES LIMITED (FORMERLY KNOWN AS LOT INFRASTRUCTURE AND ENERGY SERVICES LIMITED.) VERSUS STATE OF ODISHA AND OTHERS
HARISH TANDON, C.J. AND MURAHARI SRI RAMAN, J
Citation: (2026) 155 GSTR 602: 2025 SCC OnLine Ori 4024

Bench/court: IN THE HIGH COURT OF ORISSA

A. Sales Tax And Vat - Value Added Tax - Writs Under Constitution - Maintainability Deals With Question Of Whether High Court Is Capable Of Receiving Lis For Adjudication - Whether To Entertain Petition Is Question Of Exercise Of Discretion With Competence To Adjudicate Lis - Writ Court Will Not Ordinarily Entertain Petitions Involving Disputed Questions Of Fact - Circumstances Where Petition Will Be Entertained - Enforcement Of Fundamental Rights, Violation Of Principles Of Natural Justice, Impugned Order Without Jurisdiction Or Vires Of Law Challenged - Case Involving Challenge To Notice Issued Allegedly Without Jurisdiction - Statutory Provisions Require Strict Adherence By Authorities Deviations To Be Remedied By Sanction Of Courts - Question Involved Was One Of Jurisdiction Appropriate To Entertain Writ Petition - Constitution Of India, Art. 226 - Orissa Value Added Tax Act, 2004 (4 Of 2005), Ss. 41, 42.

B. Sales Tax And Vat - Value Added Tax - Audit Assessment - Reassessment In Certain Cases - Validity Of Invocation Of Section 49 - Audit Assessment Proceedings In Pursuance Of Audit Visit Report - Audit Visit Report Not Conforming Statute - Limits Of Powers Under Section 49 Explained - Section 49 Applies Only Where Court Or Tribunal In Appeal Holds That Assessment Made Under Wrong Law - Could Not Be Invoked In An Audit Assessment - Appeal And Revision Implies Second Appeal To Tribunal And Revision By High Court Orders Of Appellate Authorities Not Covered - Principles Of Interpretation - Words Cannot Be Added To Statute - Proceeding Under Section 49 Not Independent Action But Result Of Implementation Of Order Of Tribunal In Appeal Or In Revision By High Court - Section 49 Contemplates Subsequent Action Involving Same Turnover - Assessing Authority Had Sought To Obviate Statutory Period Of Limitation Under Section 42 - Special Period Of Limitation Provided For By Section 49 To Prevent Loss Of Revenue Due To Procedural Errors In Applying Wrong Law - Invocation Of Section 49 Based On Audit Visit Report Not Valid - Odisha Value Added Tax Act, 2004 (4 Of 2005), Ss. 41, 42, 43, 49.

C. - Sales Tax And Vat - Value Added Tax - Audit Assessment -Reassessment In Certain Cases - Validity Of Invocation Of Section 49 - Audit Assessment Proceedings In Pursuance Of Audit Visit Report - Audit Visit Report Not Conforming Statute - Scope Of Powers Under Section 49 Explained - Powers Thereunder Triggered Only By Order Of Tribunal In Appeal Or High Court In Revision - Provision Is Mechanism For Correcting Jurisdictional Errors In Assessment Identified By Tribunal Or High Court - Ensures Prevalence Of Substantive Justice Over Procedural Technicalities - Audit Assessment Impermissible After Assessment Of Escaped Turnover For Same Period - Odisha Value Added Tax Act, 2004 (4 Of 2005), Ss. 42, 43, 49.

D. Sales Tax And Vat - Value Added Tax - Audit Assessment - Reassessment In Certain Cases - Turnover Escaping Assessment - Validity Of Invocation Of Section 43 - Audit Assessment Proceedings In Pursuance Of Audit Visit Report -Audit Visit Report Not Conforming Cases To Statute - Assessing Authority Invoking Section 43 Wrongfully - Scope Of Powers

Under Section 49 Explained - Power Of Commissioner Of Revision Not Revision Contemplated By Section 49 - Order Of Appellate Authority Cannot Sanctify Invocation Of Section 42 Powers Of Audit Assessment -Assessment Untenable In Law - Odisha Value Added Tax Act, 2004 (4 Of 2005), Ss. 42, 43, 49.

E. Sales Tax And Vat - Value Added Tax - Turnover Escaping Assessment - Tax Audit - At Time Of Initiating Proceeding Audit Report Was Belated - Audit Assessment Could Not Be Initiated Audit Assessment Not Permissible After Assessment Of Turnover Escaping Assessment For Same Period - No Evidence That Audit Report Submitted In Conformity With Statute - Observations Of Appellate Authority Do Not Permit Audit Assessment – Constitution Of India, Art. 226 - Odisha Value Added Tax Act, 2004 (4 Of 2005), Ss. 41, 42, 43.

F. Sales Tax And Vat - Value Added Tax - Tax Audit - Audit Assessment – Limitation - Effect Of Amendment Act Of 2015 -Amendment Act Coming Into Force On October 1, 2015 -Audit Completed In 2013 - Audit Visit Report Signed In 2016 -No Explanation For Inordinate Delay - Report Issued Beyond Period Of Limitation Of Seven Days - Audit Assessment Could Not Be Carried Out - Assessing Authority Therefore Initiating Proceedings For Turnover Escaping Assessment - Not Competent To Do So - Subterfuge - Assessment Invalid -Odisha Value Added Tax Act, 2004 (4 Of 2005), Ss. 41, 42, 43.

G. Sales Tax And Vat - Value Added Tax - Audit Assessment - Need For Notice - Notice Not Mere Formality Or Procedural Requirement - Proceedings Only Validly Initiated If Notice Issued - Audit Assessment On Basis Of Invalid Audit Visit Report - Provisions Relating To Audit Assessment, Assessment Of Escaped Turnover, And Reassessment Operate In Different Fields - Notice Once Invalid, Consequent Assessment Invalid Too - Audit Assessment Pursuant To Belated Invalid Audit Visit Report Impermissible - Odisha Value Added Tax Act, 2004 (4 Of 2005), Ss. 42, 43, 49.

H. Sales Tax And Vat - Value Added Tax - Proceedings Not To Be Invalid On Certain Grounds - Notice Cannot Be Called Into Question If Acted Upon By Dealer - Contention That Audit Assessment Was Valid As It Was In Compliance With Direction Of Appellate Authority Rejected - Audit Assessment Without Jurisdiction - Odisha Value Added Tax Act, 2004 (4 Of 2005), Ss. 42, 98.

I. Sales Tax And Vat - Value Added Tax - Reassessment In Certain Cases - Reassessment Consequent To Order In Appeal Or Revision By Tribunal Or Court - Appellate Authority Whether Court Power Of Revision Vests In High Court, Not Appellate Authority - Words Cannot Be Added To Statute Court, Meaning Of Appellate Authority Not Court - Words "Tribunal" And "Court" Not Interchangeable - Appellate Authority Distinct From Tribunal - Invocation Of Section 49 Impermissible As Appellate Authority Neither Tribunal Nor Court - Odisha Value Added Tax Act, 2004 (4 Of 2005), Ss. 42, 98.

J. Interpretation Of Taxing Statutes - Definition Provision - Definition To Be Read As It Stands Without Importing Or Removing Anything - Use Of Word "Means" Indicates That Meaning Is Restricted Literal Rule Of Interpretation Really Means No Interpretation - Departure From Literal Rule Only In Exceptional Cases - Judicial Legislation Impermissible- Restraint Necessary Hardship Or Inconvenience Cannot Alter Meaning Of Language Employed By Legislature.

Statute: SERVICE TAX
Decision in favour of: APPELLANT
Title: EAST BOURNE HOTELS PVT. LTD VERSUS UNION OF INDIA AND OTHERS.
TARLOK SINGH CHAUHAN AND SUSHIL KUKREJA, JJ.
Citation: (2026) 154 GSTR 301 : 2025 SCC OnLine HP 8211
Bench/Court: IN THE HIGH COURT OF HIMACHAL PRADESH

A. Service Tax - Amnesty Scheme - Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 - Category Of Declaration - Wrongful Change From Investigation To Arrears Category - Demand Increased From Rs. 3,38,617 To Rs. 29,48,623 - Violates Scheme - Finance (No. 2) Act (23 Of 2019), Ss. 121, 124, 127.

B. Service Tax - Amnesty Scheme - Payment Time-Line - Covid-19 Pandemic - Financial Hardship - Time-Limit Under Section 127(5) Held Directory Not Mandatory - Extension Of Limitation By Supreme Court Applicable - Finance (No. 2) Act (23 Of 2019), S. 127(5).

C. Service Tax - Amnesty Scheme - Calculation Of Liability - Amounts Deposited During Investigation At Respondents' Direction -Not Voluntary Deposits - To Be Adjusted After Calculating Relief Not Before - Finance (No. 2) Act (23 Of 2019), S. 124.

Statute: GOODS AND SERVICE TAX
Decision in favour of: APPELLANT
Title: SAFAN FASTENERS VERSUS ASSISTANT COMMISSIONER, NORTH COMMISSIONERATE, BENGALURU AND OTHERS
S.R. KRISHNA KUMAR, J
Citation: (2025) 147 GSTR 664: 2025 SCC OnLine Kar 7586
Bench/Court: IN THE HIGH COURT OF KARNATAKA

A. Gst - Input-Tax Credit - Electronic Credit Ledger - Blocking - Natural Justice - Pre-Decisional Hearing Before Blocking Electronic Credit Ledger Mandatory - Order Passed Without Hearing Violates Principles Of Natural Justice - Central Goods And Services Tax Rules, 2017, R. 86a.

B. Gst - Input-Tax Credit - Electronic Credit Ledger - Blocking - Reasons To Believe - Independent Application Of Mind Required - Order Based On Borrowed Satisfaction From Enforcement Authority Report - No Independent Reasons Recorded By Passing Authority -Mechanical Passing Of Order Without Application Of Mind Impermissible - Central Goods And Services Tax Rules, 2017, R. 86a.

Statute: GOODS AND SERVICE TAX
Decision in favour of: APPELLANT
Title: ITTEFAQ STEELS AND SCARP TRADERS VERSUS ADDITIONAL CHIEF SECRETARY MINISTRY OF FINANCE (DEPARTMENT OF REVENUE), BANGALORE AND ANOTHER
S.R. KRISHNA KUMAR, J
Citation: (2025) 147 GSTR 43: 2025 SCC OnLine Kar 4290: (2025) 98 GSTL 504
Bench/Court: IN THE HIGH COURT OF KARNATAKA

GST - Electronic credit ledger - Pre-decisional hearing mandatory before blocking electronic credit ledger - Order based on borrowed satisfaction - No independent reasons to believe - Failure to comply with procedural requirements - Order blocking electronic credit ledger quashed - Central Goods and Services Tax Rules, 2017, r. 86A Constitution of India, arts. 226, 227.

Statute: GOODS AND SERVICE TAX
Decision in favour of: APPELLANT
Title: LEAD FACTORY VERSUS ASSISTANT COMMISSIONER OF COMMERCIAL TAXES, BENGALURU AND OTHERS.

S.R. KRISHNA KUMAR, J

Citation: (2025) 142 GSTR 30: 2025 SCC OnLine Kar 359

Bench/ Court: IN THE HIGH COURT OF KARNATAKA

GST - Blocking of electronic credit ledger - Rule 86A - Procedural requirements - Principles of natural justice - Pre-decisional hearing mandatory - Reasons to believe - Borrowed satisfaction - Impugned order passed without independent application of mind -Reliance on enforcement authority reports without verification -Lack of cogent reasons -Violation of established legal principles - Central Goods and Services Tax Rules, 2017, r. 86A - Constitution of India art 226

Statute: GOODS AND SERVICE TAX

Decision in favour of: APPELLANT

Title: A.M. ENTERPRISES VERSUS STATE OF KARNATAKA AND OTHERS

S.R. KRISHNA KUMAR, J

Citation: (2025) 140 GSTR 554: 2025 SCC OnLine Kar 15: (2025) 98 GSTL 57

Bench/Court: IN THE HIGH COURT OF KARNATAKA

GST - Blocking Of Electronic Credit Ledger - Order Passed Under Rule 86A- --No Pre-Decisional Hearing Provided To Assessee - Order Based On Borrowed Satisfaction Of Enforcement Authority - Order Lacking Independent Reasons To Believe - Mere Statement That Credit Availed Fraudulently Without Physical Receipt Of Goods - No Specific Findings Or Material - Electronic Credit Ledger To Be Unblocked - Central Goods And Services Tax Rules, 2017, R. 86A -Karnataka Goods And Services Tax Rules, 2017, R. 86A.

Statute: GOODS AND SERVICE TAX

Decision in favour of: APPELLANT

Title: ANIL KUMAR VERSUS UNION OF INDIA AND OTHERS

TARLOK SINGH CHAUHAN AND SUSHIL KUKREJA, JJ.

Citation: (2025) 145 GSTR 343: 2025 SCC OnLine HP 4716: (2025) 99 GSTL 385

Bench/Court: IN THE HIGH COURT OF HIMACHAL PRADESH

-A. Gst - Registration - Cancellation - Natural Justice - Appeal - Condonation Of Delay -Appeal Dismissed Solely On Ground Of 277 Days Delay Without Assigning Reasons - No Opportunity Of Hearing Given On Delay Condonation Application - Order Without Reasons Violative Of Principles Of Natural Justice - Central Goods And Services Tax Act (12 Of 2017), S. 29 Central Goods And Services Tax Rules, 2017, R. 21.

B. Gst - Administrative Orders - Recording Of Reasons - Mandatory Requirement - Appellate Authority Rejecting Appeal Merely Stating “Delay In Submission Of Appeal” Without Reasons -Absence Of Reasons Renders Order Arbitrary And Unsustainable - Requirement To Record Reasons Integral Part Of Natural Justice.

Statute: SALES TAX & VAT

Decision in favour of: APPELLANT

Title: STATE OF KARNATAKA AND OTHERS VERSUS TRACTOR AND FARM EQUIPMENT LIMITED

KRISHNA S. DIXIT AND G. BASAVARAJA, JJ

Citation: (2025) 142 GSTR 104: 2025 SCC OnLine Kar 360

Bench/Court: IN THE HIGH COURT OF KARNATAKA

Sales Tax And VAT - Value Added Tax - Input-Tax Credit - Though A Concession Cannot Be Denied If All Conditions Stipulated By Law Complied With - Claim For Input-Tax Credit Made During Reassessment Proceedings Cannot Be Disallowed Only On Ground Of It Being Disadvantageous To State Exchequer - Assessee Entitled To Credit - Karnataka Value Added Tax Act, 2003 (32 Of 2004), Ss. 14, 39.

Statute: GOODS AND SERVICES TAX

Decision in favour of: APPELLANT

Title: A.G. AUTOMOTIVE VERSUS STATE OF KARNATAKA AND ANOTHER

S.R. KRISHNA KUMAR, J

Citation: (2025) 145 GSTR 26: 2025 SCC OnLine Kar 3403

Bench/Court: IN THE HIGH COURT OF KARNATAKA

GST - Blocking Of Electronic Credit Ledger - Rule 86A Of CGST Rules - Absence Of Pre-Decisional Hearing - Order Based On Borrowed Satisfaction From Enforcement Authority - No Independent Reasons To Believe - Mandatory Requirement Of Formation Of Opinion - Drastic And Draconian Nature Of Blocking Power - Impugned Order Quashed - Central Goods And Services Tax Rules, 2017, R. 86A - Constitution Of India, Arts. 226, 227.

Statue: GOODS AND SERVICES TAX

Decision in favour of: APPELLANT

Title: SORAZA RECYCLING PRIVATE LIMITED VERSUS UNION OF INDIA AND OTHERS

PRAVEEN KUMAR GIRI AND SHEKHAR B. SARAF, JJ

Citation: (2026) 154 GSTR 515: 2025 SCC OnLine All 6473

Bench/Court: IN THE HIGH COURT OF ALLAHABAD

GST - Provisional Attachment - Bank Accounts -Electronic Credit Ledger - Reasoned Opinion - Section 83 Providing For Provisional Attachment During Pendency Of Proceedings To Protect Government Revenue - Power Draconian In Nature Requiring Formation Of Opinion Based On Tangible Material - Opinion Must Bear Proximate And Live Nexus To Purpose Of Protecting Government Revenue - Provisional Attachment Notices Stating Only That Proceedings Launched Without Specific Reasons - No Show-Cause Notice Issued - Lack Of Proper Reasons Rendering Provisional Attachment Arbitrary - Orders Quashed - Central Goods And Services Tax Act (12 Of 2017), S. 83.

Statute: SERVICES TAX

Decision in favour of: APPELLANT

Title: STANDARD CHARTERED BANK VERSUS COMMISSIONER OF CGST AND CENTRAL EXCISE, MUMBAI EAST, MUMBAI

S.K. MOHANTY, MEMBER (JUDICIAL) AND M.M. PARTHIBAN, MEMBER (TECHNICAL))

Citation: (2025) 147 GSTR 557: 2025 SCC OnLine CESTAT 3784

Bench/Court: IN THE CUSTOMS EXCISE AND SERVICE TAX APPELLATE TRIBUNAL

Service Tax - Refund - Limitation - Amount Deposited Under Protest During Investigation Proceedings - Is Mere Deposit Pending Dispute - Demand Becomes Unsustainable Upon Dropping Of Demand Proceedings - Assessee Entitled To Refund Of Amount So Paid - Time-Limit For Filing Refund Claim Not Applicable To Amount Paid Under Protest - Matter Remanded - Finance Act (32 Of 1994), S. 83 - Central Excise Act (1 Of 1944), S. 11B.

Statute: GOODS AND SERVICES TAX

Decision in favour of: APPELLANT

Title: A.H. TRADERS VERSUS STATE OF KARNATAKA AND ANOTHER

S.R. KRISHNA KUMAR, J

Citation: (2025) 146 GSTR 695: 2025 SCC OnLine Kar 9090

Bench/Court: IN THE HIGH COURT OF KARNATAKA

GST - Electronic Credit Ledger - Blocking - Pre-Decisional Hearing - Reasons To Believe - Order Blocking Electronic Credit Ledger Passed Without Pre-Decisional Hearing And Without Independent Reasons To Believe - Reliance On Borrowed Satisfaction From Another Officer Impermissible - Order Quashed And Electronic Credit Ledger Directed To Be Unblocked - Central Goods And Services Tax Rules, 2017, R. 86A.

Statute: GOODS AND SERVICES TAX

Decision in favour of: APPELLANT

Title: NARASIMHAN ENGINEERING CONTRACTORS PRIVATE LIMITED VERSUS PRINCIPAL COMMISSIONER OF CENTRAL TAX GST COMMISSIONERATE, BANGALORE AND OTHERS

S.R. KRISHNA KUMAR, J

Citation: (2025) 147 GSTR 427: 2025 SCC OnLine Kar 4265

Bench/Court: IN THE HIGH COURT OF KARNATAKA

A. GST - Input-Tax Credit - Electronic Credit Ledger - Pre-Decisional Hearing Mandatory Blocking Electronic Credit Ledger - Order Blocking Electronic Credit Ledger Without Providing Pre-Decisional Hearing - Violates Principles Of Natural Justice - Order Quashed - Central Goods And Services Tax Rules, 2017, R. 86A.

B. GST - Input-Tax Credit - Blocking Of Electronic Credit Ledger - Reasons To Believe - Order Based On Borrowed Satisfaction From Other Officers - No Independent Application Of Mind - Formation Of Opinion Must Be Based On Tangible Material And Not Borrowed Satisfaction - Order Invalid - Central Goods And Services Tax Rules, 2017, R. 86A.

C. GST - Provisional Attachment - Bank Account Freezing - Notice Issued Without Passing Order Under Section 83 - Proceedings Initiated Without Compliance With Statutory Requirements - Attachment Illegal And Arbitrary - Central Goods And Services Tax Act (12 Of 2017), S. 83.

Statute: GOODS AND SERVICES TAX

Decision in favour of: APPELLANT

Title: ROYAL STEEL VERSUS STATE OF KARNATAKA AND ANOTHER

S.R. KRISHNA KUMAR, J.

Citation: (2025) 144 GSTR 723: 2025 SCC OnLine Kar 15558

Bench/Court: IN THE HIGH COURT OF KARNATAKA

A. GST - Electronic credit ledger - Natural justice - Blocking of electronic credit ledger - Pre-decisional hearing - Mandatory requirement - Rule 86A invoked without granting pre-decisional hearing - Principles of natural justice violated - Central Goods and Services Tax Rules, 2017, r. 86A.

B. GST - Electronic credit ledger - Blocking of electronic credit ledger - Reasons to believe Independent satisfaction required - Order based on borrowed satisfaction from another officer's report - No independent application of mind - Impermissible in law - Central Goods and Services Tax Rules, 2017, r. 86A.

C. GST - Electronic credit ledger - Blocking of electronic credit ledger - Recording of reasons - Order merely stating supplier is bill trader and business premises non-existent - No cogent reasons recorded - Order cryptic and non-speaking - Central Goods and Services Tax Rules, 2017, r. 86A.

Statute: SALES TAX & VAT

Decision in favour of: APPELLANT

Title: GANAPATHY ENGINEERING WORKS VERSUS STATE OF A.P. AND OTHERS

R. RAGHUNANDAN RAO AND K. MANMADHA RAO, JJ

Citation: (2025) 146 GSTR 579: 2025 SCC OnLine AP 3679

Bench/Court: IN THE HIGH COURT OF ANDHRA PRADESH

Sales tax and VAT - Value added tax - Refund of excess tax credit - Works contract with Central Government - Tax deduction at source - Forfeiture of excess tax payments - Rule 18(3)(b) applicability - Section 22(3A) limited to State Government and local authority - Central Government not covered under section 22(3A) - Works contract with Indian railways - Distinction between Central Government and State Government - Rule 18(3) applicable only to payments under section 22(3A) - Forfeiture provision inapplicable - Assessment order set aside - Direction to refund excess credit with interest - Andhra Pradesh Value Added Tax Act (5 of 2005), ss. 2(18), 22(3), (3A) - Andhra Pradesh Value Added Tax Rules, 2005, r. 18(3)(b).

Statute: SERVICES TAX

Decision in favour of: APPELLANT

Title: COMMISSIONER OF CENTRAL EXCISE AND SERVICE TAX, PATNA VERSUS INDUCTUS LTD.

R. MURALIDHAR, MEMBER (JUDICIAL) AND RAJEEV TANDON, MEMBER (TECHNICAL))

Citation: (2026) 153 GSTR 675: 2025 SCC OnLine CESTAT 4435

Bench/Court: IN THE CUSTOMS EXCISE AND SERVICE TAX APPELLATE TRIBUNAL

A. Service Tax - Value Of Taxable Service - Manpower Recruitment And Supply Service - Salary Reimbursement Received From Clients And Disbursed To Deployed Personnel On Actual Basis Without Margin Or Markup - Does Not Constitute Consideration For Tax-Able Service - Not Includible In Gross Value - Finance Act (32 Of 1994), Ss. 66, 67, 68, 70, 94 - Service Tax Rules, 1994, Rr. 6, 7 - Service Tax (Determination Of Value) Rules, 2006, R. 5(1), (2).

B. Service Tax - Limitation - Suppression Of Facts - Returns Filed Regularly And Assessee Subjected To Audit - Department Aware Of Assessment And Payment Practices – No Suppression Of Facts With Intent To Evade Tax - Extended Period Of Limitation Not Invocable -Finance Act (32 Of 1994), S. 73(1). -

Statute: GOODS AND SERVICES TAX

Decision in favour of: APPELLANT

Title: BHUSHAN POWER AND STEEL LIMITED VERSUS STATE OF BIHAR AND OTHERS

RAJEEV RANJAN PRASAD AND RAMESH CHAND MALVIYA, JJ.)

Citation: (2025) 142 GSTR 61: 2025 SCC OnLine Pat 2147: (2025) 2 BLJ 527 (PHC)

Bench/Court: IN THE HIGH COURT OF PATNA

GST - Recovery Of Tax - Corporate Insolvency Resolution Process - Resolution Plan Approved By National Company Law Tribunal - Assessment Order Issued By Tax Authorities After Effective Date Of Resolution Plan - Challenge To Demand Of Entry Tax And Penalty -Resolution Plan Specifically Providing For Extinguishment Of All Dues Under Indirect Tax Laws Prior To Effective Date - Demand Raised Pertains To Period Prior To Effective Date - Held, Demand Not Maintainable - Orders Of Assessment And Demand Notices Quashed - Insolvency And Bankruptcy Code (31 Of 2016), S. 31(1) -Bihar Tax On Entry Of Goods Into Local Areas For Consumption, Use Or Sale Therein Act, 1993 (16 Of 1993) - Bihar Value Added Tax Act (27 Of 2005).

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