



**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA**  
(Set up by an Act of Parliament)

**February 2026**

**Vol : 01 Issue: 179**

**ERNAKULAM BRANCH**

# **NEWSLETTER**



Shri. M. Damodaran, IAS (Retd), Former Chairman, SEBI inaugurating the TWO DAY NATIONAL CONFERENCE ON CORPORATE LAWS held at Ernakulam.

# Chairman's Message



Dear Members,

Welcome to the February 2026 Edition of the CA Journal.

It is with immense humility, gratitude, and a deep sense of responsibility that I address you as the Chairman of the Ernakulam Branch of SIRC of the Institute of Chartered Accountants of India. I sincerely thank each one of you for the trust and confidence reposed in me. This responsibility is not merely an office I assume, but a legacy I inherit—a legacy built by stalwarts, strengthened by visionary leadership, and enriched by the unwavering commitment of our members over decades.

As Chairman, I consider myself a custodian of this rich heritage and valuable infrastructure. I am committed to ensuring the optimal and meaningful utilization of our premises and facilities for the betterment of Chartered Accountants, CA students, and the community at large. Through strategic planning and inclusive initiatives, we aim to maximize the potential of our campus by fostering learning opportunities, professional growth avenues, and impactful social initiatives.

The Institute of Chartered Accountants of India has recently revised its Code of Ethics (13th Edition), effective April 2026, introducing measured relaxation in advertisement and digital presence norms for Chartered Accountants. While this progressive step enables

enhanced visibility and professional branding, it is imperative that members continue to uphold the highest ethical standards. The revision reflects a thoughtful balance between modern professional practices and the enduring integrity of the CA profession.

As your partner in learning and professional development, the Ernakulam Branch of ICAI continues to organize a wide range of programs aimed at enhancing members' competencies in managing their professional responsibilities effectively.

During February 2026, the Branch conducted several noteworthy programs, including:

- Two-Day National Conference on Corporate Laws
- National Corporate Leaders Conclave
- CPE Seminar on Union Budget 2026

We deeply value your feedback and encourage you to share your suggestions on program topics, helping us further enrich our seminars and initiatives.

Wishing you a happy, successful, and productive month ahead.

Warm regards,

**CA. Jobby George**

Chairman

Ernakulam Branch of SIRC of ICAI

# Reported Judicial Decisions

CA. P. M. Veeramani FCA

**Statute: Income Tax Act**

**sec.17(2)(v) – Purchase of annuity**

**Decision in favour of : Assessee**

**Title : Biswas Manik vs ITO**

**Citation: 214 ITD 197**

**Bench: ITAT Ahmedbad**

Employer making contribution to LIC for purchasing annuity policy in the name of employee, payable in future, same could not be taxed as perquisite in the hands of employee in relevant assessment year as employee had not acquired any vested or enforceable right over said amount in the relevant assessment year

**Statute: Income Tax Act**

**sec.9 – Salary credited in India**

**Decision in favour of : Assessee**

**Title : Arumugam Rajasekhar vs ITO**

**Citation: 214 ITD 234**

**Bench: ITAT Chennai**

Assessee, a non resident individual employed with TCS Malayasia and rendered his services in Malayasia, would not be taxable for the salary in respect of employment in Malaysia even if the salary was credited / paid in India

**Statute: Income Tax Act**

**sec.45 – Compulsory acquisition by NHAI**

**Decision in favour of : Assessee**

**Title : Sanjay Kumar Baid vs ITO**

**Citation: 480 ITR 259**

**Bench: Chattisgarh HC**

Order of the central government by Right to Fair Compensation and Transparency in land acquisition , rehabilitation and resettlement (removal of difficulties) order 2015 providing that the benefits of the 2013 Act shall apply to all cases of land acquisition under enactments specified in fourth schedule and consequently assessee not

liable to pay income tax on compensation paid to him against acquisition of land by NHA

**Statute: Income Tax Act**  
**Sec.56 – Receipt for alternate accommodation**

**Decision in favour of : Assessee**  
**Title : Ajay Parasmal Kothari vs ITO**  
**Citation: 126 ITR Trib 511**  
**Bench: ITAT Mumbai**

Receipt from builder certain sum for alternate accommodation during the period of redevelopment not used by the assessee as he lived with his parents taxed as income from other sources is not correct since the compensation from builder was for hardship faced by vacating the flat and such receipt was capital in nature

**Statute: Income Tax Act**  
**sec.148 – Re opening notice by JAO**  
**Decision in favour of : Assessee**  
**Title : Gaurav Logistics vs ITO**  
**Citation: 126 ITR Trib SN 90**  
**Bench: ITAT Chennai**

Issue of notice by JAO after 29.3.2022 after formation of e-assessment scheme is not valid and consequential order set aside. However, dismissal of Revenue SLP at admission stage by Supreme Court in the case of Deepanjan Roy vs Addl CIT had no declaration of law or binding effect under Article 141 of the Constitution of India and therefore rights and contention of the parties and liberty to approach Tribunal kept open in the light of doctrine of merger as the High Court decision in the case of Hexaware Technologies is pending adjudication before Supreme Court

**Statute: Income Tax Act**  
**sec.148B – approval in search case after 1.4.2021**

**Decision in favour of : Assessee**  
**Title : Homelife Buildcon Private Ltd vs DCIT**  
**Citation: 126 ITR Trib 557**  
**Bench: ITAT Chandigarh**

Under the amended provisions effective from 1.4.2021 after search cases were also brought under the ambit of section 147, approval under section 148B is required in all cases where proceedings are initiated pursuant to search, requisition or survey or where asset /material/ documents found during such search pertain to, or relate to, another person. Such approval to be taken by AO from specified higher authority as per section 148B. Complete failure to comply with mandatory provisions of section 148B rendering assessment procedurally defective and with jurisdiction. Assessment vitiated ab initio

**Statute: Income Tax Act**  
**sec.260A – Cross Objection**  
**Decision in favour of : Revenue**  
**Title : PCIT vs Nagar Dairy Private Ltd**  
**Citation: 480 ITR 354**  
**Bench: Delhi HC**

Right of respondent only to advancing a contention in relation to any adverse finding returned by Tribunal and which has an indelible connect with question of law on which appeal is admitted. Cross objection by assessee raising issue of validity of assessment not related to question of law on which appeal is admitted and hence not maintainable

**Statute: Income Tax Act**  
**sec.270A – Penalty on debatable issue**  
**Decision in favour of : Assessee**  
**Title : Mideast Integrated Steels Ltd vs ACIT**  
**Citation: 126 ITR Trib 653**

**Bench: ITAT Delhi**

The levy of penalty on account of belated payment of contribution to PF/ESI , at that point of time, was debatable and therefore, assessee could not be visited rigour of penalty of under reporting / misreporting

**Statute: Income Tax Act**  
**sec.271(1)(c ) – Not striking off limb**  
**Decision in favour of : Revenue**  
**Title : Vijay Tukaram Raundal vs DCIT**  
**Citation: 214 ITD 661**  
**Bench: ITAT Pune**

Original penalty notice issued based on assessment order did not specify the limb under which penalty is initiated became infructuous when CIT(A) allowed the quantum appeal. Penalty proceedings got initiated again when second notice was issued based on ITAT decision reversing the order of CIT(A) and restoring the assessment order and since the second notice was issued for filing of inaccurate particulars, the same is valid and the decisions relied on including full bench decision of Mhd Farhan Shiekh not applicable to the facts of the case

**Statute: Income Tax Act**  
**sec.272A(1)(d) – Delayed compliance**  
**Decision in favour of : Assessee**  
**Title : Bundelkhand University vs DCIT**  
**Citation: 214 ITD 688**  
**Bench: ITAT Agra**

Assessee-university , though initially defaulted in timely furnishing of information but ultimately submitted all requisite details which were considered in framing the assessment, lapse was only a technical / venial breach and penalty not justified

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



CA. P. J. Johney FCA

## RECENT ADVANCE RULINGS UNDER GST

**Statute:** GOODS AND SERVICES TAX

**Decision in Favour of:** NOT APPLICABLE

**Title:** M/S. EDUGUIDE OVERSEAS STUDIES PRIVATE LIMITED

**Citation:** GST-ARA-29/2020-21/642, Mumbai, Dated-30.12.2025

**Bench/Court:** MAHARASHTRA AUTHORITY FOR ADVANCE RULING

M/s. EDUGUIDE OVERSEAS STUDIES PRIVATE LIMITED, had filed an application under section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively.

The applicant has sought advance ruling on the following questions;

1. Whether the service of providing students to foreign universities against commission from them comes under Export of services and no GST

is chargeable and whether refund can be claimed on the accumulated input tax credit?

2. Fees charged from students is ancillary service, is it liable to GST?
3. In case, where no fees is charged from the students under promotional offer, how GST will be attracted in this transaction?

The applicant is engaged in the business of providing students to foreign universities situated in different countries. They provide the students consultation for education and overseas courses in these foreign universities. In return, the universities give them commission on each successful admission process. The amount received from foreign universities is in the form of commission received in foreign currency. There is a proper written agreement with them on providing students to their universities.

The applicant is also consulting firm

will charge from students residing in India some amount for guiding them and helping them in making application, Loan, visa, e ticketing process. Even at times consultancy may run any promotional offers or scheme then all the chargeable services will be given for free of cost to these students.

The amount received from foreign universities is in the form of commission received in foreign currency and there is a proper written agreement with them on providing students in their universities, the reason for which advance ruling is seek.

As per applicant submission, GST section 13(2), if location of recipient of service is available in the normal course of business and located in non-taxable territory, then no GST is levied. The applicant is supplier located in India and providing services to various universities in foreign countries by canvassing students in India for those university for the consideration which is

received from universities abroad.

As per the interpretation the applicant is of the opinion that the consultation services provided to the foreign university and received the commission in foreign currency comes under the export of services. The CBIC clarifies conditions for considering the supply of services as an export of services under the Integrated Goods & Services Tax Act, 2017 (IGST Act) vide circular No. 202/14/2023-GST, dated 27th October, 2023. The focus of this circular is on the payment aspect, specifically pertaining to the use of INR (India Rupees) in export remittances.

In order to examine whether the services provided by the applicant to the universities can be considered as export of services, it is necessary to examine the provision governing export of services. Section 2(6) of the IGST Act, 2017, reads as under: -

(6) "export of services" means the supply of any service when, -

- (i) the supplier of service is located in India;
- (ii) the recipient of service is located outside India;
- (iii) the place of supply of service is outside India;
- iv) the payment for such service has been received by the supplier of service in convertible foreign exchange '[or in Indian rupees wherever permitted by the Reserve Bank of India]; and
- (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8;

From the submissions made by the applicant, the recipients of the service provided by the applicant are foreign universities which are located outside India. The supplier of service is the applicant who is located in India. The payment for the said services is being received in convertible foreign exchange. The supplier of service and recipients of service are not merely establishments of a distinct person. The issue which has to be decided in order to establish that the services provided by the applicant qualify as export of services is whether the place of supply of service is outside India.

We find that as per Section 13(8)(b) of the IGST Act, the place of supply for intermediary services is the location of the supplier of the service. In order to determine the place of supply in the instant case, we have to

find out whether the services provided by the applicant would fall under the category of intermediary services.

The key characteristics that determine whether a service is an intermediary service are:

1. There must be three parties i.e. the primary supplier, the ultimate recipient, and the intermediary who arranges/facilitates the main supply between the other two.
2. The intermediary's role is to arrange or facilitate the main supply and they do not provide the main supply themselves.
3. A person supplying goods or services on a principal-to-principal basis (on their own account) is not an intermediary

In this regard, we find that the Circular No. 159/15/2021-GST dated 20.9.2021 issued by the Central Board of Indirect Taxes and Customs explains the scope of intermediary services. The Circular acknowledges that there is broadly no change in the scope of intermediary services in the GST regime vis-à-vis the service tax regime

In the instant case, we find that the applicant is providing services to the foreign universities. They do not have any contractual agreement with the students. They are providing marketing services to the foreign universities and the ultimate decision whether to admit a student to the university is with the foreign university. The applicant merely forwards the details of students who wish to secure the admission in a particular university and the final decision is taken by the university. Thus, the applicant is not an intermediary who is facilitating supply of services between two different persons but is providing the services of advertising and marketing to the universities on its own behalf. This is done on principal-to-principal basis. Therefore, we hold that the services provided by the applicant to the universities would not be considered as intermediary services.

Preliminary e-hearing in the matter was held on 18.01.2022. The Authorized Representatives made oral submission with respect to admission of their application.

The application was admitted and called for final hearing on 24.09.2025. Ms. R.M. Hasnani, Director appeared and made oral and written submissions. Jurisdictional Officer Mr. Srinath Nair, Superintendent

of CGST was appeared. We heard both the sides.

We find that the aforesaid decisions of the Hon'ble Supreme Court and the various High Courts clearly establish the law that the services provided by the applicant to various foreign universities would not qualify as 'intermediary services'. Therefore, we find that the place of supply of such services would be outside India i.e. the place of the recipient of the service. Since the services provided by the applicant fulfills all the conditions laid down under Section 2(6) of the IGST Act, the services would be considered as export of service under the IGST Act and the consequential reliefs sought by the applicant in the form of refund would be available to the applicant subject to verifications as required following due process of law.

As per Ruling;

Question 1:- Whether the service of providing students to foreign universities against commission from them comes under Export of services and no GST is chargeable and whether refund can be claimed on the accumulated input tax credit?

Answer: - - The services provided by the applicant to foreign Universities for facilitating student admission, where the contractual relationship and consideration are directly between the applicant and the foreign university qualify as "Export of Services" under IGST Act. Accordingly, such transactions are eligible for refund subject to verifications as required following due process of law.

Question 2:- Fees charged from students is ancillary service, is it liable to GST?

Answer: - GST is leviable on the transactions of services provided by the applicant to the students for which fee is collected from the students.

Question 3:- In case, where no fees is charged from the students under promotional offer, how GST will be attracted in this transaction?

Answer: - - If the applicant is not charging any fees from the students under the promotional scheme, such services rendered free of charge would not qualify as supply' and hence, no GST is leviable on such transactions.

**Statute: GOODS AND SERVICES TAX**  
**Decision in Favour of: NOT APPLICABLE**  
**Title: MANAV SEVA CHERITABLE TRUST**  
**Citation:GUJ/GAAR/R/2025/63/**  
**dated-23.12.2025**  
**Bench/Court: GUJARAT AUTHORITY FOR**  
**ADVANCE RULING**

MANAV SEVA CHERITABLE TRUST PIPALIYA BHAVAN, SATKAR-A COMPLEX, GONDAL ROAD OPP SWAMINARAYAN GURUKUL, Rajkot, Gujarat, 36000 is A Registered Charitable Trust Duly Recognised by Way of Registration U/S 12AB Of Income-Tax Act, 1961.

They Are Engaged in Charitable Activities, Including Preservation of Environment by Way of Plantation Of Trees and Maintenance Of Trees. The Terms "Tree" / "Trees", Referred in The Present Application, Includes "Plants", "Trees", "Shrubs" And/ or "Hedges". The Activity Of Plantation And Maintenance Of Trees, Inter Alia, Involves, Avenue Plantation, Which Further Involves, Digging Of Ground And Making Of Basin, Weeding, And Removal Of Undesirable Vegetation, Hoeing, Cleaning, Levelling, Watering Of Plants, Spreading Of Manure/ Fertilizer/Soil Conditioners, Filling/Re-Filling Of Soil, Application Of Pesticide/ Insecticide/Anti-Termite, Trimming And/ or Shaping Including Cutting For The Make Of Avoiding Damage To Hedgers/Trees, Taking Measures To Ensure Survival Of The Plantation, Removal And Replacement Of Dead Plants, Supporting Plant/Tree With Bamboo Or Arranging Other Supports Including Tree Guards, And Generally To Do Anything Incidental, Ancillary Or Subserving To The Principal Object Of Plantation Of Trees And Post-Plantation Maintenance.

The Applicant Has Submitted That Their Main Objects as Contained in Trust Deed, Contains: "Tree Plantation and Maintenance". Till Date, The Applicant Has Under the Common Umbrella Of "Sadhbhavna NGO", Which Inter Alia Includes Sadhbhavna Seva Foundation, Planted And/Or Maintained 70 Lakhs Trees. It Includes, Plantation and Maintenance of Trees, As Part of Tenders Floated by Various Municipal Corporations, And Highway Authorities.

The Applicant, Has Sought Advance Ruling on The Following Questions:

1. Whether, in the Facts and Circumstances of The Case, The Entry No. 1 Of Notification No. 12/2017 (As Amended from Time to Time) Applies to The Charitable Activity of Plantation and Maintenance of Tree (More Particularly Described in The Statement of Relevant Facts), By the Applicant Being a Charitable Institution, Duly Recognized U/S. 12AA Of the Income-Tax Act. 1961 For Preservation of Environment?

2. Whether, In The Facts And Circumstances Of The Case, The Applicant Being A Charitable Institution, Duly Recognized U/S. 12.4/1 Of The Income-Tax Act 1961, Is Liable to Pay Tax On Charitable Activity Of Plantation And Maintenance Of Tree? If Yes, Then to What Extent and At What Rate?

As per the applicant's submissions and interpretation of law: -

(a)Trees can be best described as lungs of mother nature; and their importance is no shorter than that of lungs in human body. The role that trees plays, and the magnitude with which it plays, is irreplaceable and invaluable. With the constant expansions of urban areas, and shrinking forest area, the planting of more trees is not just the need of the hour, but it would be fatal to the very existence of human beings, if tree cover is not restored on earth.

(b) India has formulated the National Forest Policy, 1988, which was reviewed and continued in 2010. The policy seeks to achieve and intends among other things

- Preservation, expansion and restoration of TREE COVER - by more tree plantation.
- Making it a massive people's movement, for achieving objectives of policy to minimize pressure on existing forests.
- Increasing substantially the forest/ tree cover in the country through massive afforestation and social forestry programmes, especially on all denuded, degraded and unproductive lands.

The Policy acknowledges that TREE COVER helps towards achieving environmental stability and maintenance of the ecological balance.

(c)Forest Policy Division of Ministry of Environment & Forests, on 27/12/2012,

issued the Report of the Committee, constituted to study the regulatory regime regarding felling and transit regulations for tree species, grown on private land wherein it was emphasised to expand significantly the community/ social forestry outside traditional forests requires bringing together of all stakeholders foresters, farmers, landowners, wood based industries, scientists, financial institutions and communities.

As per the discussion and findings, We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made both oral and written during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought.

We find that the Government of Gujarat has floated "Harit Van Path ojna" on PPP basis for increasing the Tree Cover by undertaking tree plantation on the sides of roads and vacant land. As per the Resolution No. FED/MSM/c- file/6/2025/1152/M Section dtd. 16.07.2025 issued by the Forests and Environment Department, Government of Gujarat, the applicant has been selected to plant 7,62,712 trees on PPP basis at Kutch/ Saurashtra as well as other districts along both sides of the road, coastal highways and other vacant lands.

We find that the applicant has submitted a copy of the trust deed dtd.14.03.2014. As per the trust deed, the objectives of the trust are mainly charitable activities extending to social activities, educational activities, health and medical related activities, cultural activities and spiritual activities. One of the activities mentioned under social activities at Sr. No. 11 is tree plantation activities. We also find that the applicant is registered with the Assistant Charity Commissioner, Rajkot having registration number E-9879 Rajkot. We, further, find that though the applicant in their submission has mentioned that they are duly recognized under section 12AA of the Income-tax Act, 1961, but as per Form No. 1 OAC dtd. 24.09.2021 produced by the applicant, they are registered under Section 12 AB of the Income Tax Act, 1961. The said registration is valid for the Assessment Year 2022-23 to 2026-27. Therefore, the first condition stands fulfilled.

We also find that this authority had in the case of Vikas Centre for Development, in Re: [2023] 146 taxmann.com 398 (AAR - GUJARAT) has held that the activity of Planting and Maintenance of Tree (Mangroves) falls within Entry No.1 of Notification No. 12/2017 dtd. 28.06.2017, as amended, and is accordingly exempt from GST. Therefore, we are of the opinion that the applicant would be covered under Sl. No. 1 of Notification No. 12/2017-CT(R) dtd. 28.06.2017, as amended and would be eligible for exemption from payment of GST.

Personal hearing was granted on 04.12.2025 wherein Shri Sumit Shingala, Chartered Accountant appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application.

As per Ruling;

Question 1: - Whether, In the Facts and Circumstances of The Case, The Entry No. 1 Of Notification No. 12/2017 (As Amended from Time to Time) Applies to The Charitable Activity of Plantation and Maintenance of Tree (More Particularly Described in The Statement of Relevant Facts), By the Applicant Being a Charitable Institution, Duly Recognized U/S. 12AA Of the Income-Tax Act. 1961 For Preservation of Environment?

Answer: - Yes, Sl. no. 1 of Notification No. 12/2017 dtd. 28.06.2017, as amended, will apply to the charitable activity of plantation and maintenance of tree by the applicant, being a Charitable Institution, duly recognized u/s. 12AB of the Income-tax Act, 1961, for the preservation of environment.

Question 2: - Whether, In the Facts and Circumstances of The Case, The Applicant Being a Charitable Institution, Duly Recognized U/S. 12.4/1 Of the Income-Tax Act 1961, Is Liable to Pay Tax on Charitable Activity of Plantation and Maintenance of Tree? If Yes, Then to What Extent and At What Rate?

Answer: - The applicant would be eligible for exemption from payment of GST under Sl. no. 1 of Notification No. 12/2017 did. 28.06.2017, as amended.

**Statute: GOODS AND SERVICES TAX**  
**Decision in Favour of: NOT APPLICABLE**

**Title: M/S ANNONYMOUS INDIAN CHARITABLE TRUST**

**Citation: KAR.ADRG 09/2026/ dated 11.02.2026**

**Bench/Court: THE AUTHORITY FOR ADVANCE RULING IN KARNATAKA**

The applicant M/s. Annonymous Indian Charitable Trust, No.22, W202, Sunrise Chambers, Ulsoor Road, Bengaluru-560042 has sought advance ruling under Section 97 of the CGST/KGST Act, 2017, seeking clarification on the applicability of GST exemption for solid waste management services provided to a Gram Panchayat under Notification No. 12/2017 dated 29.06.2017.& Under Section 98(4) of the KGST ACT, 2017.

The applicant is engaged in providing solid waste management services to Gram Panchayat in Gantiganahalli Grama Panchayat, Yelahanka Taluk, North Bengaluru. Further, the applicant states that the services as mentioned below are "pure services" and do not involve the supply of goods or works contract. The activities provided by the applicant are directly related to functions entrusted to panchayats under Article 243G of the constitution, specifically health and sanitation (including solid waste management). The services provided by the applicant are as follows: -

- a) Collection and transportation of solid waste from designated rural areas.
- b) Segregation, recycling and disposal of waste at authorised facilities.
- c) Maintaining cleanliness and sanitation in rural areas under the panchayat's jurisdiction

The applicant has sought advance ruling in respect of the following question:

- a) Whether the pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Gram Panchayat in Karnataka by way of solid waste management services qualify as an exempt supply under Notification No. 12/2017 KGST Act dated 29.06.2017, under the scope of activities entrusted to a Panchayat under Article 243G of the Constitution of India?

The applicant, under column 13 of the application ARA-01, selected the following issues "Applicability of a notification

issued under the provision of this act", and "Determination of the liability to pay tax on any goods and services", which are covered under Section 97(2) (b) & 97(2) (e) and hence the instant application is admissible. The applicant submits that Gram Panchayat, as local authority, is responsible for ensuring cleanliness, sanitation and solid waste management under Article 243G of the constitution. The applicant engaged into service of 6 agreement with Gram Panchayat in Gantiganahalli Grama Panchayat, Yelahanka Taluk, North Bengaluru.

Further, the applicant submits that the primary service provided to Gram Panchayat is solid waste management, which includes ensuring Cleanliness & Hygiene Maintaining zero-waste rural areas by following proper waste disposal techniques, Reducing Environmental Pollution, promoting waste segregation and recycling to minimize landfill usage and Enhancing Public Health & Safety.

a) Waste Collection & Transportation: Daily door-to-door collection of waste from households, markets, and public spaces, use of designated garbage trucks, auto tippers, and pushcarts, ensuring segregation at source (wet, dry, and hazardous waste).

b) Waste Segregation & Processing: -Sorting of collected waste into recyclables, organic waste, and non-recyclables, processing of biodegradable waste through composting or biogas generation, disposal at Authorized Facilities, non-recyclable and hazardous waste is sent to government-approved landfill sites, recyclables are handed over to authorized recycling centres

c) Street Sweeping & Drain Cleaning: -Regular sweeping of roads, marketplaces, public areas, removal of plastic waste, construction debris, and open garbage dump.

d) Public Awareness & Community Engagement: Conducting awareness campaigns on waste segregation, training of local communities to follow scientific waste disposal management.

The applicant claims exemptions, under entry No.3 of Notification 12/2017-Central Tax (Rate) dated 29.06.2017 as amended, for

providing pure services (excluding works contract services or other composite supplies involving supply of any goods) provided to the Central Government, State Government, Union territory, or local authority by way of any activity in relation to any function entrusted to a panchayat under Article 243G of the Constitution.

Further, the applicant states that Gram Panchayat qualifies as a "local Authority" under Section 2(69) of the CGST Act/KGST Act. The applicants claims that activities provided to the Gram Panchayat falls under health and sanitation functions listed in the 11th Schedule of the Constitution (Article 243G). Hence, the applicant is in the opinion that the services provided to the Gram Panchayat exempted from GST under Notification 12/2017-Central Tax (Rate)/Karnataka Tax dated 29.06.2025.

The applicant states that they are providing solid waste management services which includes waste collection & transportation, waste segregation & processing, street sweeping & drain cleaning and public awareness & community engagement services to Gram Panchayats.

The applicant provides Solid Waste Services to Gram Panchayat in relation to the functions entrusted to a panchayat under Article 243G of the Constitution which is covered by 23rd entry of 11th schedule which says Health and sanitation, including hospitals, primary health centres and dispensaries.

From all the discussions and findings, it is evident that, the applicant provides pure services to Gram Panchayat by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution and the same is covered under entry No.3 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017 as amended, and hence the same is exempted. During the personal hearing, C.A. Jayaram Srinivas Bhat, Authorised Representative of the applicant, assisted by C.A. Anil H.V, appeared for personal hearing proceedings and reiterated the facts narrated in their application. Further, the authorised representative have explained the applicant's position with reference to the issues raised in the AAR application.

As per Ruling;

Question 1: - Whether the pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Gram Panchayat in Karnataka by way of solid waste management services qualify as an exempt supply under Notification No. 12/2017 KGST Act dated 29.06.2017, under the scope of activities entrusted to a Panchayat under Article 243G of the Constitution of India?

Answer: - The applicant provides Solid waste Management Services to Gram Panchayat in Gantiganahalli Grama Panchayat, Yelahanka Taluk, North Bengaluru are pure services exempted under entry No.3 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017 and hence not taxable under GST Act.

**Statute: GOODS AND SERVICES TAX**

**Decision in Favour of: NOT APPLICABLE**

**Title: M/S. MAHARASHTRA METRO RAIL CORPORATION LTD**

**Citation: NO.GST-ARA- 115 of 2022-23/2024-25 / B- 52 Mumbai, dt. 31/07/2024**

**Bench/Court: MAHARASHTRA AUTHORITY FOR ADVANCE RULING**

Maharashtra Metro Rail Corporation Limited (Applicant) is a company incorporated in India under the provisions of The Companies Act, 2013 having its registered office at 1261, "Metro Bhawan", Opposite Dikshabhumi, Near Ambedkar College, Nagpur, Maharashtra, 440010.

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by M/s. Maharashtra Metro Rail Corporation Ltd. The applicant, seeking an advance ruling in respect of the following questions.

1. Whether the Applicant is eligible for exemption under Sr. No. 41 of Notification no. 12/2017-Central Tax (rate) dated 28 June 2017 ('exemption notification')?
2. If not, whether 18% GST Will be applicable on the leasing services provided to M/s. Abhijit Realtors and infra ventures Pvt. Ltd. ('Service recipient')?

The exemption under Sr. No. 41 of Notification No. 12/2017-Central Tax (Rate)

means that services provided by a Goods Transport Agency (GTA) are not subject to GST when supplied to a person who is not registered under GST, provided the recipient is not of a specified business category. In simple terms, if a GTA transports goods for a typical individual or small unregistered customer, no GST is charged on that service. However, this exemption does not apply where the recipient, even if unregistered, is a business-type entity such as a partnership firm or company that falls under reverse charge provisions—where tax liability shifts to the recipient instead.

The Applicant is engaged in establishing a Metro Railway System and/or Guided Urban Transit, System in the State of Maharashtra outside Mumbai Metropolitan Region so as to meet the Urban Transport needs.

The said Notification or GST Act, 2017, does not define the 'industrial or financial business area'. Therefore, we refer to the definition of 'industrial or financial business area' from Maharashtra Industrial Development Act, 1961. As per sub-section (g) of Section 2 of the said act, the 'Industrial Area' means - "any area declared to be an industrial area by the State Government by Notification in the Official Gazette, which is to be developed and where industries are to be accommodated"

Thus, for considering any area as industrial or financial business area, it is necessary that the area must be declared as industrial or financial business area by the state government by Notification.

As per para 4.8 clause c of 'consideration to Maha-metro' given under Tender it is clearly mentioned that "the applicable GST along with applicable cess (if any) or any other taxes as applicable shall be payable in addition to the Total consideration. All other statutory dues, local levies, as applicable shall be charged extra and shall have to be paid to the respective authorities directly.

The upfront premium levied by the Applicant to the service recipient does not satisfy all the conditions of the exemption notification and therefore on the basis of Sr. no. 16(iii) of Notification no. 11/2017- Central tax (rate) dated 28 June 2017 tax rate of 18% shall be applicable on the services provided by the Applicant (as attached in Annexure 8).

The applicant is of the firm belief that based on definition of "applicant" section 95(a),

only service provider i.e. Maharashtra Metro Rail Corporation Limited can apply for advance ruling and any advance ruling filed by the service receiver i.e. M/s Abhijit Realtors and Infraventures Pvt. Ltd. will stand rejected. It is prayed that the application for advance ruling of Maharashtra Metro Rail Corporation Limited should be accepted.

Preliminary hearing in the matter was held on 26.06.2024. Mr. Atindra Deshmukh, C.A. appeared and requested for admission of the application. Jurisdictional Officer Mr. Sadashiv Kulkarni, DCST, NAG VAT-E-605, LTU-1 also appeared.

Maharashtra Metro Rail Corporation Ltd (Applicant), is a Government Company registered under the Companies Act 2013. It is established by central government and state government with 50% equity of each. The applicant floated tender calling for bids for Allotment of Commercial space admeasuring 2899.00 sq meters/ 10,000 Sqm. Built-up area and 4,054 Sqm basement; adjacent to Airport Metro Station, bearing Kh. No. 147 (P) Mz. Somalwada vide Tender No: N1PD-12/ 2019 dated 09/06/2019.

The application was admitted and called for final hearing on 18.07.2024. Mr. Atindra Deshmukh, C.A. authorized Representative, appeared made oral and written submissions. Jurisdictional Officer Smt. Rohini Dhane, DCST, NAG-VAT-E-002, LTU-1 appeared. We heard both the sides.

As per Ruling;

Question 1: - Whether the Applicant is eligible for exemption under Sr. No. 41 of Notification no. 12/2017-Central Tax (rate) dated 28 June 2017 ('exemption notification')?

Answer: - Not eligible for exemption

Question 2: - If not, whether 18% GST Will be applicable on the leasing services provided to M/s. Abhijit Realtors and infra ventures Pvt. Ltd. ('Service recipient')?

Answer: - Yes, it will be taxable @ 18% GST (9% CGST & 9% SGST

**Statute: GOODS AND SERVICES TAX**

**Decision in Favour of: NOT APPLICABLE**

**Title: M/s. RESERVE BANK OF INDIA**

**Citation:NO.GST-ARA- 117of 2022-23/2024-25/ B- 53 Mumbai, dt. 31/07/202**

**Bench/Court: MAHARASHTRA AUTHORITY FOR ADVANCE RULING**

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by M/s. RESERVE BANK OF INDIA the applicant, seeking an advance ruling in respect of the following questions;

1. Whether the penalties, late fees/penal interest, fine of the nature, levied and collected by RBI, for contravention or violation of provisions of Law are taxable under GST (as illustrated under Category A in Para 7.4 of Annexure 1 attached to this application)?

2. Whether the penalty of the nature for non-performance or under-performance as per contractual agreement by RBI with third party vendors are taxable under GST? (as illustrated under Category B in Para 7.5 of Annexure 1 attached to this application) RBI is fully owned by the Government of India. RBI is the central bank of the country and provides currency management services to the public. It also acts as the regulator of the banking and financial system and performs the role of monetary policy authority. The Preamble to the RBI describes the basic functions of the Reserve Bank as:

"to regulate the issue of Bank notes and keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage; to have a modern monetary policy framework to meet the challenge of an increasingly complex economy, to maintain price stability while keeping in mind the objective of growth."

List of Acts/Regulations administered by RBI, as amended from time to time, are as under:

1. Reserve Bank of India Act, 1934
2. Government Securities Act, 2006 read with Government Securities Regulations, 2007
3. Banking Regulation Act, 1949.
4. Foreign Exchange Management Act, 1999
5. Securitisation and Reconstruction of Financial Assets and Enforcement of

- Security Interest Act, 2002 (Chapter II)
6. Credit Information Companies (Regulation) Act, 2005
7. Payment and Settlement Systems Act, 2007 read with Payment and Settlement Systems Regulations, 2008
8. Factoring Regulation Act, 2011 Penalty, late fees/penal interest, fine of the nature levied and collected by RBI for contravention or violation of provisions of Law

RBI engages into contractual agreements with third party vendors to avail various services like deployment of shredding and briquetting system and currency verification and processing machines, Annual maintenance contracts etc. at their premises. As a part of such contracts, say the contract for deployment of shredder and currency machines, where such machines have a downtime or there is faulty machine, RBI recovers penalty amount from such vendors in terms of the underlying contract. Similarly, there can be various other services which RBI may avail from a vendor under a contractual agreement wherein the terms can provide for recovery or levy of penalty on or from such vendor for non-performance or under-performance of the services desired to be availed by RBI.

At the outset, it is reiterated that RBI is a statutory body, set up under the Act of the Parliament i.e. the Reserve Bank of India Act, 1934. As a part of its functions, RBI administers various Acts, To reiterate, it is hereby submitted that penalties, categorized under two parts, on which the subject advance ruling is being filed are as under:

Category A: Penalty, late fees/penal interest, fine of the nature levied and collected by RBI for contravention or violation of provisions of Law Category B: Penalty of the nature for non-performance or under-performance as per contractual agreement with third party vendors.

The penalties, late fees/penal interest, fine levied by RBI are similar to the penalties, late fees/penal interest, fine levied under various other Acts such as the CGST Act, Income Tax Act 1961 etc.

That is, RBI, being a statutory body administering multiple Acts, levies the penalties, late fees/penal interest,

fine arising out of such legal Statutes. Consequently, the penalties are akin to the penalties arising out of other Acts such as CGST Act, Income Tax Act 1961. Hence, such penalties levied by RBI cannot by any stretch of imagination be regarded as consideration or being collected towards any outward supply.

Officer relied upon the Circular no. 178/10/2022-GST dated 03rd August 2022, content of para 7.1 to 7.1.5. and submitted its opinion as under,

“The payments received in the form of penalties, late fees/penal interest, fine of the nature, levied and collected by RBI, for contravention or violation of provisions of Law or Penalty of the nature for non-performance or under-performance as per contractual agreement by RBI with third party vendors are not taxable as such payments do not constitute consideration for a supply.”

RBI has relied on CBIC Circular No.178/10/2022-GST dated 03 August 2022 (Tax Research Unit) and judgment of CESTAT, Principal Bench, New Delhi in the case of M/s South Eastern coalfields Ltd [2021 (55) GSTL 549 (Tri. - Del.)], and FAQ issued by Central Board of indirect Taxes and Customs (CBIC) viz., frequently asked questions on banking, insurance and stock brokers sector [which are provided on CBIC portal question no. 49. RBI is of the opinion that imposition of such penalties such etc. as regulator to discipline regulates banks, non-banking financial institutes and other institutes is not a supply under GST and Tax is not leviable on such amounts.

The Officer relied on Circular no. 178/10/2022- GST dated 03-08-2022, and submitted its opinion as under,

“The payments received in the form of penalties, late fees/penal interest, fine of the nature, levied and collected by RBI, for contravention or violation of provisions of Law or Penalty of the nature for non-performance or under-performance as per contractual agreement by RBI with third party vendors are not taxable as such payments do not constitute consideration for a supply.”

Preliminary hearing in the matter was held on 30.04.2024. Mrs. Ankita Goel, C.A. Appeared, and requested for admission of the application. Jurisdictional Officer Mrs.

Radha Rajiv Ugale, MUMBAI-LTU-547, LTU-4, MUMBAI-SOUTH-EAST also appeared.

During the personal hearing, The application was admitted and called for final hearing on 18.06.2024. Mrs. Ankita Goel, C.A. Appeared, and requested for admission of the application. Jurisdictional Officer Mrs. Radha Rajiv Ugale, MUMBAI-LTU-547, LTU-4, MUMBAI-SOUTH-EAST also appeared.

As per Ruling;

Question 1: - Whether the penalties, late fees/penal interest, fine of the nature, levied and collected by RBI, for contravention or violation of provisions of Law are taxable under GST (as illustrated under Category A in Para 7.4 of Annexure 1 attached to this application)?

Answer: - No.

Question 2: - Whether the penalty of the nature for non-performance or under-performance as per contractual agreement by RBI with third party vendors are taxable under GST? (as illustrated under Category B in Para 7.5 of Annexure 1 attached to this application)

Answer:- No.

**Statute: GOODS AND SERVICES TAX  
Decision in Favour of: NOT APPLICABLE  
Title: THE TOLLYGUNGE CLUB LIMITED**

**Citation:**

**Bench/Court: WEST BENGAL AUTHORITY  
FOR ADVANCE RULING**

THE TOLLYGUNGE CLUB LIMITED has made this application under sub section (1) of section 97 of the GST Act and the rules made there under raising following questions vide serial number 14 of the application in FORM GST ARA-01:

1). Whether the composite supply of catering service within the club premise along with renting of premise can be construed as “Outdoor Catering service along with Renting of Premise”.

2). If the answer to Q1 is “Yes”, whether the composite supply of catering service within the club premise along with renting of premise shall be liable to GST @ 5% without ITC.

3). If the answer to Q1 is “No”, whether the composite supply of catering service within the club premise along with renting

of premise shall be liable to GST @ 18% with ITC.

4). If the answer to Q1 is “Yes”, whether the club is mandatorily required to pay GST @5% without ITC or the club has the option to charge GST @ 18% with ITC considering the fact that the club being engaged in rendering Accommodation Service may increase the Room Tariff to Rs. 7,500 and above (i.e. specified premise) during the peak season.

5). What would be the applicable rate of GST on the catering service along with renting of premise, if the Room Tariff of the Club is declared Rs. 7,500 and above (i.e. specified premise) during the peak season. At the outset, we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 (the CGST Act, for short) and the West Bengal Goods and Services Tax Act, 2017 (the WBGST Act, for short) have the same provisions in like matter except for certain provisions. Therefore, unless a mention is made specifically to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the WBGST Act. Further to the earlier, henceforth for the purposes of these proceedings, the expression ‘GST Act’ would mean the CGST Act and the WBGST Act both.

The applicant submits that it is one of the premier and elite clubs of Kolkata and is primarily engaged in providing inter alia Club or Association Services, Short Term Accommodation, Restaurant, Catering services etc. The applicant has its own premises and is engaged in the business of providing “composite supply of catering service along with the renting of premises”. The applicant wants to know whether the lower rate of GST @ 5% leviable on the Composite supply of “outdoor catering together with renting of premises” by virtue of Notification no. 11/2017- Central Tax (Rate) dated 28.06.2017 (as amended) shall be applicable.

The applicant submits that it is one of the premier and elite clubs of Kolkata primarily engaged in providing Club or Association Services. In the course of business, the club also provides Short Term Accommodation, Restaurant, Catering services etc. The applicant provides standalone service of renting of premise to the members for carrying out functions,

wedding, social gatherings, parties etc. as well as indoor catering services along with the renting of premise. For rendering such services, the applicant needs to provide a bundle of services including renting of premises, decorations, light, sound and indoor catering.

The expressions as used in the above-mentioned entry have already been explained as follows vide Sl. No. 2 of the said schedule:

'Specified premises' means premises providing 'hotel accommodation' services having declared tariff of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent.

'Outdoor catering' means supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature.

'Declared tariff' means charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.

Accordingly, the applicant charges GST at the rate of 18% on the entire consideration received considering all the services as composite supply of Banquet services as it provides bundled services in form of Indoor catering along with Renting of Premises, Decorations, light & Sound etc.

In regard to the query whether the composite supply of catering service within the club premises along with renting of premises can be construed as "Outdoor Catering service along with Renting of Premise", the applicant has made following submission:

The Term 'Outdoor catering' means supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature.

In view of the aforesaid definition, supply of

catering service within the club premises along with renting of premises to the members should also be classified as Outdoor Catering Service.

Reliance can be placed on the Advance Ruling pronounced by AAR West Bengal in the case of Manoj Mittal [2021 (48) GSTL 197 (AAR GST WB)], wherein it was held that – The term 'catering' has not been defined under the GST Act. In Cambridge Dictionary, 'catering' is defined as any job making or serving food. In Collins Dictionary, 'catering' has been defined as the activity or business of providing food for people. However, the term 'outdoor catering', according to Explanation given in Notification No. 20/2019- Central Tax (Rate) dated 30.09.2019 means supply, by way of or as part of any service, of goods, being food or any other article or human consumption or any drink, at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature. Hence, the supply of services which are event based and occasional in nature must fall under the category "outdoor catering" services as per the definition.

In view thereof, catering services along with the renting of premises within the club facility shall also qualify the definition of Outdoor Catering Services.

The applicant submits that in terms of Sl. No. 7(v) of the Notification no. 11/2017-Central Tax Rate dated 28.06.2017 (as amended), Composite supply of 'outdoor catering' together with renting of premises (including hotel, convention centre, Club, pandal, shamiana or any other place, specially arranged for organising a function) at premises other than 'specified premises' would attract tax @ 5% subject to the following conditions:

- (a) suppliers shall not providing 'hotel accommodation at 'specified premises', or
- (b) suppliers shall not located in 'specified premises'
- (c) credit of input tax charged on goods and services used in supplying the service has not been taken

The applicant further contends that in a scenario where the the club does not satisfy the definition of 'pecified premise' and the services of the club does not qualify as 'Composite Supply of service', the applicant

can pay tax as a supplier of two separate services namely supply of –Renting of Premises' taxable @ 18% and supply of catering services taxable @5%.

The applicant submits that during the peak season, the applicant may consider increasing the Room Tariff to Rs. 7,500/- and above. In such cases, the applicant shall be construed to be a supplier located at –Specified premise' for the period during which the declared Room Tariff exceeds Rs. 7,500/- & above. Since the taxability of outdoor catering service depends on the Room Tariff, then the applicant shall be liable to pay GST @ 18% with ITC only during the period when the declared tariff exceeds Rs. 7,500/- and again GST @ 5% without ITC when the declared tariff is below Rs. 7,500/-.

The applicant submits that he provides banquet / lawn facility on rent along with catering services to their members. We first proceed to examine the issue whether such supply would be considered as composite supply of 'outdoor catering' together with renting of premises so as to attract tax @ 5% vide entry no 7(v) of the Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended. The term 'outdoor catering', according to Explanation given in Notification No. 20/2019- Central Tax (Rate) dated 30.09.2019 means supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature. The applicant, vide this application, has sought advance ruling where food are supplied at event based functions, which are occasional in nature. We are therefore of the view that the supply of food or any other article for human consumption or any drink, as provided by the applicant at any event-based function qualifies to be an outdoor catering'.

As per Ruling;

Question 1:- Whether the composite supply of catering service within the club premise along with renting of premise can be construed as Outdoor Catering service along with renting of premises.

Answer:- Yes. Composite supply of catering services within the club premises along with renting of premises falls under – outdoor catering service together with

renting of premises' arranged at premises other than 'specified premises'.

Question 2:- If the answer to Q1 is —Yes', whether the composite supply of catering service within the club premises along with renting of premises shall be liable to GST @ 5% without ITC.

Answer:- Yes. GST is payable against whole consideration of the composite supply @ 5% without ITC subject to condition as mentioned herein above against answer to Q1.

Question 3:- If the answer to Q1 is —No, whether the composite supply of catering service within the club premise along with renting of premise shall be liable to GST @ 18 % with ITC.

Answer:- Not applicable since the answer to Q 1 has been given in affirmative.

Question 4:- If the answer to Q1 is —Yes, whether the club is mandatorily required to pay GST @5% without ITC or the club has the option to charge GST @ 18% with ITC considering the fact that the club being engaged in rendering Accommodation service may increase the Room Tariff to Rs. 7,500/- and above (i.e. specified premise) during the peak season.

Answer:- Tax is payable by the applicant @ 5% without ITC subject to the condition that the Room Tariff of the club does not exceed Rs. 7,500/- per unit per day or equivalent. However, when the tariff is declared above Rs. 7,500/- per unit per day, the applicant shall be liable to pay tax @ 18%.

Question 5:- What would be the applicable rate of GST on the catering service along with renting of premise, if the 'Room tariff' of the club is declared Rs. 7,500/- and above (i.e. specified premise) during the peak season.

Answer:- Already given to Q 4 above.

## B. JUDICIAL DECISIONS ON INDIRECT TAXES

**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: CENTRAL SALES TAX**

**Decision in favour of: APPELLANT**

**Title: DIGBOI CARBON PVT. LTD VERSUS STATE OF ASSAM AND OTHERS  
MANISH CHOUDHURY, J.**

**Citation: (2026) 153 GSTR 518: 2025 SCC OnLine Gau 3235**

**Bench/Court: IN THE HIGH COURT OF GAUHATI**

Central Sales Tax - Declared Goods - Inter-State Sale - Delegation Of Power - Reimbursement Of Local Tax Paid - Purchase Of Raw Petroleum Coke Within State On Payment Of Value Added Tax And Inter-State Sale Of Calcined Petroleum Coke After Conversion - Claim For Reimbursement Of Local Tax - Original Audit Assessment Completed Without Adjudicating Reimbursement Claim - Silence In Audit Assessment Order Regarding Reimbursement Claim Not Amounting To Rejection And Not Requiring Appeal - Reimbursement Claim Neither Finalised Nor Prejudicially Rejected - Doctrine Of Acquiescence Inapplicable - Assistant Commissioner On Reassessment Allowed Reimbursement Pursuant To Supreme Court Decision Holding Raw Petroleum Coke And Calcined Petroleum Coke To Be Declared Goods Falling Within "Coal, Including Coke In All Its Forms"

- Commissioner Forwarded Refund Proposals To Government - Subsequent Rejection Of Proposals After Three Years By Successor-Commissioner - Unjustified - Delegating Authority Cannot Sit In Appeal Over Order Passed By Delegate - Commissioner Has No Inherent Power To Review Predecessor's Decision In Absence Of Statutory Provision - Revisional Power Requires Dual Satisfaction Of Error And Prejudice To Revenue - No Such Finding Recorded As Legitimate Revenue On Raw Petroleum Coke Already Collected - Authority Directed To Process Reimbursement Proposals - Central Sales Tax Act (74 Of 1956), Ss. 14, 15(B) - Assam Value Added Tax Act, 2003 (8 Of 2005), Ss. 42, 50, 52, 79, 8 Constitution Of India, Art. 226. -

**Statute: SALES TAX AND 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: 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: SERVICE 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. 118.

**Statute: SALES TAX AND 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) Section 22(3a) Limited To State Government And Local Authority - Works Contract With Indian Railways - Distinction Between Central Government And State Government - Rule 18(3) Applicable Only To Payments Under Covered 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: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: ABN INDUSTRIES VERSUS UNION OF INDIA AND OTHERS**

**BBHARGAV D. KARIA AND D.N. RAY, JJ**

**Citation: (2026) 153 GSTR 739: 2025 SCC OnLine Guj 5518: (2025) 97 GSTL 355**

**Bench/Court: IN THE HIGH COURT OF GUJARAT**

GST - Refund - Special Economic Zone - Input-Tax Credit - Supply Of Goods To Special Economic Zone Units Without Payment Of Tax - Refund Of Input-Tax Credit Of Integrated Goods And Services Tax Claimed Under "Supply To SEZ Unit Without Payment Of Tax" Allowed - Second Refund Application For Omitted Amount Due To Inadvertent Non-Inclusion Of Certain Purchase Bills Under "Any Other (Specify)" As Circular Dated November 18, 2019 Permits Refund Under "Supply To SEZ Unit Without Payment Of Taxes" Only Once - Denial Of Refund By Department By Applying Circular - Unsustainable - Assessee Has Substantive Statutory Right To Refund - Circular Cannot Override Substantive Rights Under Act - Procedure Is Handmaid Of Substantive Justice - Denial Results In Unjust Enrichment Of Department By Retention Of Excess Tax - Department Directed To Process Refund Central Goods And Services Tax Act (12 Of 2017) - Circular No. 125/44/2019-GST Dated November 18, 2019.

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: MAHARAJ JI ENTERPRISES VERSUS UNION OF INDIA AND OTHERS**

**RAJEEV RANJAN PRASAD AND ASHOK KUMAR PANDEY, JJ.**

**Citation: (2026) 154 GSTR 176: 2025 SCC OnLine Pat 3903: (2025) 101 GSTL 42**

**Bench/Court: IN THE HIGH COURT OF PATNA**

Gst - Registration - Cancellation - Fresh Application - Rejection Without Reasons - Fresh Application For Registration After Cancellation Not Barred By Statute - Proper Officer Required To Record Finding Whether Application For Revocation Filed And Whether Conditions Continuing

- Unreasoned Order Rejecting Fresh Application Liable To Be Set Aside - Matter Remitted For Fresh Consideration - Central Goods And Services Tax Act (12 Of 2017), S. 29(2)

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: X'SS BEVERAGE CO VERSUS STATE OF ASSAM AND OTHERS**

**SOUMITRA SAIKIA, J.**

**Citation: (2025) 145 GSTR 178: 2025 SCC OnLine Gau 1579**

**Bench/Court: IN THE HIGH COURT OF GAUHATI**

A. Gst - Classification Of Goods - Carbonated Fruit Drinks - Fruit Juice Content Exceeding 10 Per Cent. - Classifiable Under Tariff Item 2202 99 20 As Fruit Juice Based Drinks - Not Under 2202 10 90 As Carbonated Water - Mere Presence Of Carbonated Water Does Not Determine Classification - Customs Tariff Act (51 Of 1975) - Central Goods And Services Tax Act (12 Of 2017), S. 74.

B. Gst - Classification Of Goods - Burden Of Proof - Laboratory Test Reports - Food Safety And Standards Authority - Reliance Permissible For Determining Classification - Revenue Failed To Contradict With Alternative Test Reports - Burden On Revenue To Prove Incorrect Classification - Food Safety And Standards (Food Products Standards And Food Additives) Regulations, 2011, R.

C. Gst - Penalty - Wilful Suppression Or Mis-Statement - Classification Dispute Involving Interpretation - No Deliberate Evasion When Returns Filed Regularly Under Disputed Classification - Penalty Not Imposable - Central Goods And Services Tax Act (12 Of 2017), Ss. 74, 122 - Assam Goods And Services Tax Act (28 Of 2017), S. 122.

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: ACULIFE HEALTH CARE PVT. LTD. AND ANOTHER VERSUS UNION OF INDIA AND OTHERS**

**BHARGAV D. KARIA AND D.N. RAY, JJ.**

**Citation: (2025) 143 GSTR 575: 2025 SCC ONLINE GUJ 2854: (2025) 95 GSTL 413**

**Bench/Court: IN THE HIGH COURT OF GUJARAT**

A. Gst - Refund Of Tax Wrongfully Collected

- Notice Pay Recovery From Employees  
 - Government Circular Clarifying Non-Taxability - Limitation Period To Be Calculated From Date Of Clarifying Circular  
 - Tax Collection Without Authority Of Law Violates Article 265 - Refund Ordered With Interest - Central Goods And Services Tax Act (12 Of 2017), S. 54 - Constitution Of India, Art. 265 - Circular No. 178/10/2022-Gst Dated August 3, 2022. -

B. Writs Under Constitution - Payment Under Mistake Of Law - Refund - Payment Being Outside Purview Of Statutory Provisions Can Be Recovered Through Writ Petition In Addition To Civil Suits - Constitution Of India, Art. 226.

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: ENLING AND CO VERSUS UNION OF INDIA AND OTHERS**

**MANISH CHOUDHURY, J**

**Citation: (2025) 145 GSTR 330: 2025 SCC OnLine Gau 2482: (2025) 99 GSTL 197**

**Bench/Court: IN THE HIGH COURT OF GAUHATI**

GST - Registration - Cancellation - Speaking Order - Cancellation Order Not Assigning Any Reasons For Cancellation - Proper Form GST REG-19 Not Followed Adverse Civil Consequences For Assessee - Speaking Order Required Even Where No Reply To Show-Cause Notice Submitted -Order Quashed - Central Goods And Services Tax Act (12 Of 2017), S. 29(2)(C) - Central Goods And Services Tax Rules, 2017, R. 22(3), (4).

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: KUNAL ALUMINUM COMPANY VERSUS STATE OF HIMACHAL PRADESH AND OTHERS TARLOK SINGH CHAUHAN AND SUSHIL KUKREJA, JJ.**

**Citation: (2025) 145 GSTR 79: 2025 SCC OnLine HP 2401: (2025) 100 GSTL 155**

**Bench/Court: IN THE HIGH COURT OF HIMACHAL PRADESH**

GST - Detention And Seizure - E-Way Bill - Non-Generation Of E-Way Bill - Penalty - Intent To Evade Tax Mandatory For Imposition Of Penalty Under Section 129 Tax Already Paid Before Clearance From Customs - Non-Generation Of E-Way Bill Only Technical Error No Intention To Evade Tax - Penalty And Tax Demand Not Sustainable Central Goods And Services

Tax Act (12 Of 2017), Ss. 129, 130 Central Goods And Services Tax Rules, 2017, R. 138. -

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: LUNKPHI RANKHA ENTERPRISE AND ANOTHER VERSUS UNION OF INDIA AND OTHERS**

**MANISH CHOUDHURY JJ**

**Citation: (2025) 145 GSTR 150: 2025 SCC OnLine Gau 1951: (2025) 98 GSTL 151**

**Bench/Court: IN THE HIGH COURT OF GAUHATI**

GST - Registration - Cancellation - Speaking Order - Cancellation Order Not Assigning Any Reasons For Cancellation - Proper Form GST REG-19 Not Followed - Adverse Civil Consequences For Assessee - Speaking Order Required Even Where No Reply To Show-Cause Notice Submitted - Order Quashed - Central Goods And Services Tax Act (12 Of 2017), S. 29(2)(C) Central Goods And Services Tax Rules, 2017, R. 22(3), (4).

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: BHAVANI TRACTOR VERSUS UNION OF INDIA AND OTHERS**

**BHARGAV D. KARIA AND PRANAV TRIVEDI, JJ.**

**Citation: (2025) 145 GSTR 703: 2025 SCC OnLine Guj 4225: (2025) 101 GSTL 148**

**Bench/Court: IN THE HIGH COURT OF GUJARAT**

GST - Interest - Penalty - Electronic Credit Ledger - Inadvertent Failure Of Assessee To Offset Tax Liability From Electronic Credit Ledger - No Wilful Misstatement Or Suppression - Orders Quashed And Matter Remanded To Adjudicating Authority For Fresh Order - Direction To Enable Assessee To Avail Of Benefit Of Waiver Provision - Central Goods And Services Tax Act (12 Of 2017), Ss. 73, 74, 75(2), 128A.

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: THARAYIL MEDICALS VERSUS DEPUTY COMMISSIONER, AUDIT DIVISION-IV, THRISSUR AND ANOTHER**

**DR A.K. JAYASANKARAN NAMBIAR AND EASWARAN S., JJ**

**Citation: (2026) 153 GSTR 197: 2025 SCC OnLine Ker 2334: (2025) 3 KLT (SN 11) 11**

-A. Gst - Show-Cause Notice - Composite

Notice For Multiple Assessment Years Issued Under Section 74 For Fraud/Wilful Misstatement - Proper Officer's Subjective Satisfaction Required For Each Year - Separate Defence Entitlement For Each Assessment Year - Composite Notice Not Permissible - Central Goods And Services Tax Act (12 Of 2017) Ss. 73, 74.

B. Gst - Show-Cause Notice - Composite Notice For Multiple Assessment Years - Limitation Different Time-Limits For Different Assessment Years - Section 74(10) Prescribes Five Years From Annual Return Due Date - Time-Limit Distinct For Each Year - Composite Notice Prejudices Assessee By Reducing Response Time - Central Goods And Services Tax Act (12 Of 2017), S. 74(2), (10).

C. Gst Writs Under Constitution - Show-Cause Notice - Jurisdiction - Alternative Remedy - Composite Notice For Multiple Assessment Years - Challenge To Show-Cause Notice - Exception To General Rule Against Entertaining Writ Petitions -Total Lack Of Inherent Jurisdiction In Issuing Composite Notice -Goes To Root Of Jurisdiction - Writ Maintainable Without Exhausting Alternative Remedy.

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: AJAY INDUSTRIES AND ANOTHER VERSUS UNION OF INDIA AND OTHERS**

**BHARGAV D. KARIA AND D.N. RAY, JJ**

**Citation: (2025) 147 GSTR 1: 2025 SCC OnLine Guj 4781: (2025) 98 GSTL 539**

**Bench/Court: IN THE HIGH COURT OF GUJARAT**

GST - Input-Tax Credit - Reversal Of Input-Tax Credit On Exempt Supplies - Demand Raised Despite Prior Reversal - Show-Cause Notice Under Section 73 - Violation Of Principles Of Natural Justice - Failure To Provide Mandatory Personal Hearing Under Section 75(4) - Service By Uploading On Portal - Delay In Filing Appeal - Amended Provisions Of Section 16(5) - Double Payment Of Tax - Impugned Order Quashed And Matter Remanded Central Goods And Services Tax Act (12 Of 2017), Ss. 16(5), 17(2), 39(9), 50, 73, 75(4), 107, 169(D) - Gujarat Goods And Services Tax Act (25 Of 2017) - Constitution Of India, Arts. 226, 227.

**Statute: GOODS AND SERVICES TAX**

**Decision in favour of: APPELLANT**

**Title: SONA ENTERPRISES VERSUS**

**ASSISTANT COMMISSIONER OF CENTRAL TAX, CENTRAL CGST DIVISION, VISHAKAPATNAM AND OTHERS**  
**R. RAGHUNANDAN RAO AND T.C.D. SEKHAR, JJ.**

**Citation: (2026) 154 GSTR 568: 2026 SCC OnLine AP 480**

**Bench/Court: IN THE HIGH COURT OF ANDHRA PRADESH**

GST - Recovery Of Tax - Interest - Reverse Charge Mechanism - Input-Tax Credit - Coercive Recovery Without Adjudication - Section 75(12) Permitting Recovery Only Where Tax Liability Clearly Disclosed In Returns Filed And Such Liability Remains Unpaid - Wrong Utilisation Of Input-Tax Credit Requiring Adjudicatory Proceedings - Coercive Recovery Without Adjudication Impermissible - Recovery Process Set Aside With Direction To Refund Interest Payments - Central Goods And Services Tax Act (12 Of 2017), Ss. 39, 73, 74, 75(12), 79(1)(C).

**C. GOODS AND SERVICE TAX COMPLIANCE UPDATES**

**Statute: GOODS AND SERVICES TAX**

**Subject: CONFIRMATION OF “TAX LIABILITY BREAK-UP, AS APPLICABLE IN FORM GSTR-3B**

**Effective Period: FROM FEBRUARY 2026**

**Authority: GOODS AND SERVICES TAX NETWORK (GSTN)**

1. In terms of the provisions of Section 50 of the Central Goods and Services Tax (CGST) Act, 2017, interest is payable where the tax liability pertaining to a previous tax period is discharged in a subsequent tax period. Accordingly, the tab “Tax Liability Breakup, As Applicable” in Form GSTR-3B is meant to capture the tax liability relating to supplies of previous tax periods which are being reported and discharged in the current tax period.

2. From the February 2026 tax period onwards, the GST Portal auto-populates the “Tax Liability Breakup, As Applicable” in GSTR-3B on the basis of the document dates of supplies reported in GSTR-1/GSTR-1A/IFF, where such supplies pertain to any previous tax period but the corresponding tax liability is being discharged in the current period’s GSTR-3B.

3. Accordingly, from the February 2026 tax period, after offsetting the liability in GSTR-3B, taxpayers are required to click

on the “Tax Liability Breakup, As Applicable” tab available on the payment page and confirm the breakup of tax liability by clicking the “SAVE” button or edit the same, if required

4. Once the breakup of tax liability is confirmed and saved, the taxpayer will be able to proceed with filing Form GSTR-3B using EVC or DSC.

5. Feedback has been received that this confirmation should be mandatory only in cases where supplies pertaining to previous tax periods have been reported in the current tax period. However, the confirmation is presently being required in all cases, including where the liability relates only to the current tax period. The feedback is acknowledged by GSTN and the same is under resolution

6. Meanwhile, taxpayers are requested to kindly open the “Tax Liability Breakup, As Applicable” tab on the payment page and click “SAVE” within the tab for filing during the current reform cycle. Thereafter, filing of Form GSTR-3B can be completed normally.

**Statute: GOODS AND SERVICES TAX**

**Subject: PROCEDURAL CLARIFICATION IN FORM DRC-03**

**Effective Period: (AS APPLICABLE)**

**Authority: GOODS AND SERVICES TAX NETWORK (GSTN)**

1. Sometimes taxpayers voluntarily pay some amount during the investigation stage using Form GST DRC-03. Later, when the taxpayer wants to file an appeal application against the demand order issued after the investigation, they are required to pay a pre-deposit to file the appeal. However, many taxpayers complain that the GST portal still asks them to pay the pre-deposit even when they have already paid more than the required amount through Form GST DRC-03.

2. When a demand order (for example, Form GST DRC-07) is issued to a taxpayer, a Demand ID is created in Part II of the Electronic Liability Register on the GST portal. If the taxpayer makes a payment using the “Payment towards Demand” functionality on the portal, the amount is automatically adjusted against that Demand ID in the register. However, payments made through Form GST DRC-03 are not linked to the Demand ID and

therefore do not appear as adjusted against the demand in the liability register.

3. While filing an appeal by Taxpayer, GST System auto calculates the required amount to be paid (i.e. Admitted amount + Pre-Deposit) and checks whether any amount is already paid by the taxpayer against the demand ID in the said liability register.

a. If such amount is equal to or greater than the required amount, then the portal will allow the taxpayer to file appeal without prompting for further payment. Portal will show the below message, if required amount is already paid the taxpayer.

b. If such amount is lesser than the required amount, then Portal mandates the taxpayer for the payment of Balance payable.

Pre-deposit Payment made through DRC 03:

4. As explained earlier, any payment made through Form GST DRC-03 is not automatically recognized by the GST system against any specific Demand ID. Therefore, such payments are not considered by the system while calculating the pre-deposit amount required for filing an appeal. To ensure that the payment made through Form GST DRC-03 is counted against a particular demand order, the payment must be linked with the respective Demand ID by filing Form GST DRC-03A on the GST portal. Filing Form GST DRC-03A enables the payment made through DRC-03 to be mapped to the corresponding demand order, and the entry for the same becomes available in the Electronic Liability Register.

5. Consequently, at the time of filing an appeal, the system will recognize the payment (made through DRC 03 and adjusted using DRC 03A) and will not require the taxpayer to pay any additional amount again while calculating the mandatory pre-deposit.

Accordingly, taxpayers are advised to file Form GST DRC-03A to link payments made through Form GST DRC-03 with the relevant demand order before filing an appeal, wherever applicable. To know how to link any demand ID with a particular Form GST DRC 03, through the Form GST DRC 03A, Please refer the manual in available in GST portal.

Two Days National Conference on Corporate Law



Corporate Leaders Conclav



Meeting with Hon'ble Mayor, Kochi Municipal Corporation



Seminar on Analysis of Union Budget 2026



### Installation Ceremony

