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Chairman's Message

Dear Members,

Welcome to the January 2026 Edition of the CA Journal

As I pen this message, I do so with a heart full of gratitude, pride, and humility. This January edition is particularly special—not only because January symbolizes new beginnings, renewed purpose, and fresh resolve, but also because it marks my final editorial message as the Chairman of the Ernakulam Branch of SIRC of Institute of Chartered Accountants of India.

January has always held a unique significance. It is a month of reflection, celebration, and recommitment to our values. It sets the tone for the year ahead and reminds us that every ending carries within it the promise of a new beginning. As I step down from this esteemed position, I do so with immense satisfaction and a deep sense of fulfillment.

I extend my sincere gratitude to the entire Managing Committee, whose dedication, teamwork, and tireless efforts transformed vision into reality. Their unwavering support has been instrumental in achieving our collective goals.

As your partner in learning and professional development, the Ernakulam Branch of SIRC of ICAI has consistently organized numerous learning and development initiatives. We remain committed to continuing these efforts, aiming to enhance our members' capabilities in managing their professional responsibilities effectively.



During January 2026, the Branch conducted several impactful programs, including:

- A Two-Day National Conference on Corporate Laws under the ICAI CFO Forum
- ICAI Skills X – Debate and Oratory Competition for members
- All Kerala Inter-Branch Football Competition 2026 for members

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

Wishing you all a happy, successful, and productive year ahead.

CA. Anand A. S.

Chairman

Ernakulam Branch of SIRC of ICAI

Reported Judicial Decisions

CA. P. M.Veeramani FCA

Statute: Income Tax Act

Sec.2(22)(e) – Inter corporate deposits

Decision in favour of : Assessee

Title : Sudesh Gupta vs ACIT

Citation: 126 ITR Trib 237

Bench: ITAT Delhi

Assessee is a share holder holding stake in two companies and inter corporate deposit made by one company with another being treated as deemed dividend . ICD are commercial transactions which fall outside the ambit of the impugned deeming fiction and hence the addition is deleted

Statute: Income Tax Act

Sec.2(29C) – Surcharge when MMR

Decision in favour of : Assessee

Title : Araadhya Jain Trust vs ITO

Citation: 126 ITR Trib 1 SB

Bench: ITAT Mumbai special bench

Rate of surcharge in cases of trust taxed at maximum marginal rate should be at slab rates specified in Finance Act of each year. Liability for surcharge arises only if income exceeds Rs.50 lakhs. Hence, even in cases where tax rate applied is that of the highest slab applicable for individuals, surcharge would be based on the taxable income

Statute: Income Tax Act

Sec.2(47) Forfeiture of advance

Decision in favour of : Assessee

Title : G N International Pvt Ltd vs ACIT

Citation: 126 ITR Trib SN 56; 214 ITD 180

Bench: ITAT Delhi

Assessee when allotted commercial plot on advance payment has acquired right in the said plot and termination of allotment and forfeiture of advance for default of balance payment has resulted in a extinguishment of right which can

be treated as a transfer and the resultant long term capital loss can be set off against long term capital gains in the said year

**Statute: Income Tax Act –
Sec.10(2A) – Sub-partnership
Decision in favour of : Assessee
Title : Mulberry Textiles LLP vs ITO
Citation: 129 ITR Trib 255
Bench: ITAT Bangalore**

A sub partnership which was in receipt of a share of profit of a partner in the main partnership , had to deemed to a partner in the main firm for the limited purposes of section 10(2A) and hence share of profit eligible for exemption

**Statute: Income Tax Act –
Sec.32(2) – unabsorbed depreciation
Decision in favour of : Assessee
Title : Parshwanath Land Organisers LLP vs ITO
Citation: 214 ITD 173
Bench: ITAT Ahmedbad**

Section deems unabsorbed depreciation as current year depreciation , permitting set off against income under any head, including income from other sources, provision does not mandate that business must be carried on in relevant year, nor limit adjustment to business income

**Statute: Income Tax Act –
Sec.37 – Irrecoverable taxes
Decision in favour of : Assessee
Title : Avtec Ltd vs ACIT
Citation: 129 ITR Trib 483
Bench: ITAT Delhi**

Excise duty paid on raw materials for manufacture not refunded on sales return written off to profit and loss account is allowable as expenditure incurred for business purposes

**Statute: Income Tax Act –
Sec.37 – ESOP and international ownership plan
Decision in favour of : Assessee
Title : Procter and Gamble Hygiene and Health Care Ltd vs AU
Citation: 126 ITR Trib SN 16
Bench: ITAT Mumbai**

Assessee's outlay towards both schemes represented a conscious , business driven compensation mechanism to reward and retain employees. The cost was real, the benefit was quantifiable and the purpose was unambiguously business-centric

**Statute: Income Tax Act –
Sec.54F – Residential House
Decision in favour of : Revenue
Title : ACIT vs Iqbal Ali Khan
Citation: 130 ITR Trib 576
Bench: ITAT Hyderabad**

Property predominantly used for religious purposes namely mosque, orphanage school and staff quarters did not fit within the definition of “residential house” as contemplated under the section . Section 54F which was an enabling provision for grant of deduction , there was no scope of grant of pro rata deduction when no provision of a residence can be made in a mosque.

**Statute: Income Tax Act – Sec.69C –
Purchases reflected in GSTR
Decision in favour of : Assessee
Title : Gaurav Singh vs ITO
Citation: 126 ITR Trib 259 Bench: ITAT Chandigarh**

Purchases reflected in GSTR 2A of the assessee and hence addition made by AO based only on the reason that the seller did not respond to the notice under section 133(6) cannot be upheld in the absence of any defect in the books of account pointed out by in assessment order

**Statute: : Income Tax Act –
Sec.115BAA – Not filing Form 10 IC
Decision in favour of : Assessee
Title : Kcreate Konnect E Solutions Pvt Ltd vs DCIT
Citation: 126 ITR Trib SN 42
Bench: ITAT Ahmedbad**

The assessee had validly exercised option for taxation under section 115BAA by declaration in Part A –GEN of ITR 6 disallowing all specified deductions and exemptions u/s 115BAA(2) and computing tax @22% plus surcharge and cess. Further reiterating these aspects in clause 8(a) of Tax audit report in Form 3CD, thereby evidencing its consistent and contemporaneous intention to be governed by the said provision. In the circumstances, omission to file Form 10IC within the stipulated time under Rule 21AE or extended time as per board circulation with condonation is only a procedural lapse.

**Statute: Income Tax Act –
Sec.151A – Reopening notice by JAO
Decision in favour of : Assessee
Title : ADIT vs Deepanjan Roy
Citation: 478 ITR 160 SC
Bench: Supreme Court of India**

SC dismissing SLP by the department with remark “ we find no good reason to interfere with the order passed by HC” where the High Court following its earlier decision had held that after 29.3.2022 when e-Assessment of Income Escaping Assessment Scheme 2022 came into force JAO did not have authority to issue notice u/s 148 for re-opening the assessment

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. AMRUTA FETTLERS (SAYAJI BABURAO SOLASE)

Citation: GST-ARA-114/2019-20/2025-26/B-207, Mumbai Dated.28.04.2025

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 [here in after referred to as "the CGST Act and MGST Act" respectively] by M/s. Amruta Fettleers (SAYAJI BABURAO SOLASE), the applicant, seeking an advance ruling in respect of the following questions;

1. Whether the shot blasting activity carried out by the Applicant on the castings of his customer M/s. GPI within the premises of M/s. GPI by using his own shot blasting machine/steel shots as well

as labourers is classifiable as job work service falling under SAC 9988 or not?

2. Whether the said activity will attract 12% GST in terms of clause (id) of Sr. No.26 of Notification No.11/2017-CTT(R), dt.28.06.2017 or not?

The Applicant has installed his own shot blasting machine in the premises of M/s. Ghatge Patil Industries Ltd. (GPI) and M/s. GPI is recovering from him some charges

on account of the space/electricity etc. made available to him for the said machine in their premises. The Applicant is using his own steel shots as well as labourers for doing the above said activity. The charges of the Applicant for the above said activity are on per-piece basis. he said castings after processing are handed over to M/s. GPI, who are further processing the said castings and are clearing the same on payment of appropriate GST.

Appropriate record of castings provided to the Applicant and returned by him after processing is kept by the Applicant as well as M/s. GPI. The applicant has regularly charged 18% GST on his charges for the above said activity after introduction of GST regime. However, after insertion of clauses (id) in Sr. No. 26 of notification No. 11/2017-CT(R), dt.28.06.2017 declaring 12% GST for services by way of job work, the applicant's customer has expressed a view that the applicant's activity is treatable as job work service covered under said newly inserted clause(id) of Sr. No. 26 of Notification No.11/2017- CT(R) dt.28.06.2017 (even if the same is carried out within the customers factory premises) and hence the Applicant should start charging 12% GST.

We have carefully gone through the facts of the case along with the submissions made by the Jurisdictional Officer. After verification of the facts, it is noticed that the issue before us is whether the impugned service of the shot blasting process on the castings of applicant's customer M/s. Ghatge Patil Industries Ltd. (GPI) falls under Sl. No. 26 clause (id) of the Notification No. 11/2017-C.T. (Rate) dated 28.06.2017 as amended by the Notification No. 1/2018 dated 25/01/2018 and Notification No. 20/2019 dated 30/09/2019.

Steel shot blasting is a surface treatment process where small, spherical steel particles are propelled at high speed onto a metal surface to clean or prepare it for further processing. This method is commonly used in various industries for tasks like rust and scale removal, surface preparation for painting or coating, and improving the fatigue life of metal parts through shot peening.

Section 2(68) of the CGST Act, 2017 defines Job-work as 'any treatment or process undertaken by a person on goods belonging to another registered person'. The one who does pes the said job-work would be termed

as 'job-worker'. The ownership of the goods does not transfer to the job worker but it rests with the principal. The job worker is required to carry out the process specified by the principal, on the goods. Steel shot blasting is a surface treatment process which falls under HSN code 998873: Other fabricated metal product manufacturing and metal treatment services. The applicant performs this treatment or process on casting belonging to GPI which is a registered person.

Preliminary e-hearing in the matter held on 07.09.2021. Shri. V. B. Gaikwad, Advocate appeared and requested for admission of the application. Jurisdictional Officer Shri. Chavan, Superintendent, Range-I, Kolhapur Officer of the CGST is available.

The application was admitted and called for final e-hearing on 03.04.2025. Mr. Somaya, Advocate appeared made oral and written submissions. Jurisdictional Officer Ms. Uha Somkuvar, Superintendent of CGST appeared. We heard both the sides.

As per ruling;

Question 1: - Whether the shot blasting activity carried out by the Applicant on the castings of his customer M/s. GPI within the premises of M/s. GPI by using his own shot blasting machine/steel shots as well as labourers is classifiable as job work service falling under SAC 9988 or not?

Answer: - Answered in the affirmative

Question 2: - Whether the said activity will attract 12% GST in terms of clause (id) of Sr. No.26 of Notification No.11/2017-CT(R), dt.28.06.2017 or not?

Answer: - Answered in the affirmative

Statute: GOODS AND SERVICES TAX

Decision in Favour of: NOT APPLICABLE

Title: JITENDRA EQUIPMENT

Citation:GUJ/GAAR/R/2025/05 dated **21.03.2025**

Bench/Court: GUJARAT AUTHORITY FOR ADVANCE RULING

Jitendra Equipment, 8-B, National Highway, Opp. Tulip Party Plot, Gondal Road, Kothariya, Rajkot, Gujarat- 360022 (for short -'applicant') is engaged in the business of trading of construction machineries & equipment like bulldozers, JCB, etc. 'The applicant's GST registration

number is 24AAFFJ5518DTZP.

The applicant is planning to introduce a new business ie dealing in second hand goods in the field of equipment and machineries via the same registration number. Presently, the applicant is not dealing in second hand goods. The applicant intends to take benefit of margin scheme to discharge GST as per rule 32(5) of the CGST Rules, 2017. They also to wish to rely on the FAQs issued in respect of the margin scheme.

The applicant has sought advance ruling on the below mentioned questions viz;

1. Can the applicant opt for valuation of outward supply as per rule 32(5) of the CGST Rules, 2017 for the new line of business solely [ie only for dealing in second hand goods] besides following regular rules for their existing business?
2. Can the applicant opt for valuation of outward supply only for acquisition made from unregistered dealer and for acquisition from registered dealer they continue to pay GST as regular mode [ie by discharging GST on full amount of sales consideration and claim ITC on acquisition cost]?
3. What will be the amount of difference as per Rule 32(5) for dealing in second hand goods? Does purchase price as per Rule 32(5) include cost of repair/improvement?
4. If the purchase price does not include cost of repair/improvement than can ITC of such repair/improvement cost can be claimed?
5. Does e way bill and e-invoicing applicable for appellant if they follow margin scheme? If yes then which value should be shown in e-way bill and e-invoice and in which section as the data of e-way bill and e-invoice are getting auto populated in GSTR-1?
6. For purchase of second hand goods from registered/unregistered dealer, do appellant need to pay any tax on reverse charge/forward charge basis?

We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made 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.

Before moving on to the contentions raised, we would like to reproduce the relevant rules;

- Rule 32 of CGST Rules 2017 regarding determination of value in respect of certain supplies
- Relevant extracts of the flyer [Margin Scheme in GST]
- FAQs on GST: 3rd Edition: 15th December, 2018
- Notification No.10/2017-CT (R) dated 28.06.2017

Based on the aforementioned, we wish to answer the questions posed before the authority. 'The first question raised by the applicant is- whether they can opt for valuation of outward supply as per rule 32(5) for dealing in second hand goods, while following regular rules for their existing business?

Since nothing is produced before us which takes a contrary view, we hold that the applicant can opt for valuation of outward supply in terms of Rule 32(5), *ibid* for dealing in second hand goods while simultaneously following the normal valuation practice for their existing business.

Moving on to the second question raised by the applicant viz whether the applicant can opt for valuation of outward supply only for acquisition made from unregistered dealer and for acquisition from registered dealer they continue to pay GST as regular mode [ie by discharging GST on full amount of sales consideration and claim ITC on acquisition cost].

'Thus, it is clear that the valuation proposed in terms of Rule 32(5), *ibid*, is at the option of the supplier and is not mandatory in terms of rule 32(1), the text of which is reproduced above.

Moving on to the third question, raised by the applicant viz - what will be the amount of difference as per Rule 32(5) for dealing in second hand goods? Does purchase price as per Rule 32(5) include cost of repair/improvement?

It is stated that, the amount of difference as per Rule 32(5) for dealing in second hand goods would be the difference between the selling price and the purchase price and would not include the cost of repair/improvement.

Moving on to the fourth question, raised by the applicant viz - If the purchase price does not include cost of repair/improvement then can ITC of such repair/improvement, be availed?

As per Rule 32(5), 'margin rule', it clearly states that no ITC can be availed on the purchase and we hold that the applicant is not eligible for availment of ITC in respect of the cost of repair/improvement.

Moving on to the fifth question, raised by the applicant viz- whether e-way bill and e-invoicing is applicable for appellant if they follow margin scheme? If yes then which value should be shown in e-way bill and e-invoice and in which section as the data of e-way bill and c-invoice are getting auto populated in GSTR- 1.

As is evident, c-way bill and c-invoicing docs not find a mention under serial No. 2(u) to (g), *supra*. We therefore, refrain from answering this question.

Moving on to the sixth question raised by the applicant viz - for the purchase of second hand goods from registered/unregistered dealer, does appellant require to pay any tax on reverse charges/forward charge basis.

As far as the question relates to purchase of second hand goods from unregistered dealers is concerned, we find that the same is exempt from payment of tax under RCM in terms of notification No . 10/2017-CT (R) dated 28.06.2017, provided the supply falls within the ambit of intra-state supply. Personal hearing in the matter was held on 04.12.2024 wherein the applicant was represented by Shri Ankit C Kachhadia and Shri Ketan P Bhalodia. They reiterated their submissions made in the application.

As per Ruling

Question 1: Can the applicant opt for valuation of outward supply as per rule 32(5) of the CGST Rules, 2017 for the new line of business solely [ie only for dealing in second hand goods] besides following regular rules for their existing business?

Answer: The applicant can opt for valuation of outward supply as per rule 32(5) of the CGST Rules, 2017 for the new line of business solely [ie for dealing in second

hand goods] besides following regular valuation procedure for their existing business.

Question 2: Can the applicant opt for valuation of outward supply only for acquisition made from unregistered dealer and for acquisition from registered dealer they continue to pay GST as regular mode [ie by discharging GST on full amount of sales consideration and claim ITC on acquisition cost]?

Answer: The applicant can opt for valuation of outward supply in terms of Rule 32(5), *ibid*, for purchases made from unregistered dealer and for purchases from registered dealer they can pay GST by following the regular mode [ie by discharging GST on full amount of sales consideration and claim ITC]

Question 3: What will be the amount of difference as per Rule 32(5) for dealing in second hand goods? Does purchase price as per Rule 32(5) include cost of repair/improvement?

Answer: The purchase price as per Rule 32(5) will not include cost of repair/improvement

Question 4: If the purchase price does not include cost of repair/improvement than can ITC of such repair/improvement cost be claimed?

Answer: ITC of repair/Improvement cost cannot be availed by the applicant in case they are availing the benefit of Rule 32(5), *ibid*

Question 5: Does e-way bill and e-invoicing applicable for appellant if they follow margin scheme? If yes then which value should be shown in e-way bill and e-invoice and in which section as the data of e-way bill and e-invoice are getting auto populated in GSTR-1?

Answer: No ruling for question no. 5 in terms of para 20 above.

Question 6: For purchase of second hand goods from registered/unregistered dealer, do appellant need to pay any tax on reverse charge/forward charge basis?

Answer: No GST is to be paid under RCM for purchase of second hand goods from

unregistered dealer if the supply falls within the ambit of intrastate supply.

Statute: GOODS AND SERVICES TAX

Decision in Favour of: NOT APPLICABLE

Title: M/S. ACUBE ENGITECH COMPANY

Citation: GUJ/GAAR/R/2025/03 dated 21.03.2025

Bench/Court: GUJARAT AUTHORITY FOR ADVANCE RULING

M/s. Acube Engitech Company, 66 Feet Road, B/h Golden Industries Area, Survey No. 195P, Plot No. 14, Rolex crossing road, Bhumeswar Industries area - E, Kothariya, Rajkot, Gujarat, 360004 [for short - 'applicant'] is engaged in the manufacturing and supply of pumps for liquids, whether or not fitted with a measuring device. The applicant, is registered with the department and his registration number is 24ABHFA1567A1ZZ.

In this application, he has stated that they were duped by a group of persons who fraudulently placed a bogus order by falsifying the same to make it appear as an order from Matak Autonomous Council. Consequent to supply of the goods, the applicant realized that the order documents, etc., purportedly from Matak Autonomous Council, were forged.

The applicant has sought advance ruling on the below mentioned question viz;

Whether the goods supplied by us [becoming victim of fraud without receiving consideration] could be considered as supply of goods under the provisions of section 21 under the IGST Act?

We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made during the course of personal hearing, additional written submissions and oral submissions made 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.

Before moving on to the contentions raised, we would like to reproduce the relevant rules;

□ Section 21 & 20 regarding 'Import of services made on or after the appointed day' and 'Application of provisions of Central Goods and Services Tax Act 2017'

of Integrated Goods and Services Tax Act, 2017.

□ Section 12 'Time of Supply of Goods' of Central Goods and Services Tax Act 2017.

The facts relevant to the dispute is already mentioned supra and is therefore not being repeated for the sake of brevity. The question posed before the authority, is whether the goods supplied by the applicant [becoming victim of fraud without receiving consideration] could be considered as supply of goods under the provisions of section 21 under the IGST Act. We have already reproduced section 21 of the IGST Act, 2017, above which states that Import of services made on or after the appointed day shall be liable to tax under the provisions of this Act regardless of whether the transactions for such import of services had been initiated before the appointed day. How this will be applicable to supply of goods made by the applicant to the recipient in the State of Assam is not understood. We find that the question, at best is vaguely framed.

Section 12 of the CGST Act, 2017, made applicable in terms of section 20(iii) of the IGST Act, 2017, states that the point of taxation in terms of supply of goods shall be determined in accordance with the provisions of section 12 of the CGST Act, 2017; that the time of supply of the goods would be earlier of the following (a) the date of issue of invoice by the supplier or the last date on which he is required, under section 31, to issue the invoice with respect to the supply; or (b) the date on which the supplier receives the payment with respect to the supply. Further, explanation 1 to section 12 states that "supply" shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment.

Factually, it is not disputed that a supply has been done by the applicant, that the goods were removed which in terms of the FIR have also been received at the destination. The applicant's averment is that since the entire transaction emanated out of a fraudulent/bogus order, it goes out of the ambit of supply. An element of fraud may vitiate a contract, but how it would enable the applicant to move out of the ambit of the term supply as defined under section 7, reproduced supra, is neither explained nor forthcoming. We, therefore, reject this averment made by the applicant.

Personal hearing was granted on 04.12.2024, wherein the applicant was represented by Shri Varsania Piyush, Shri Satishbhai Desai, Shri Fliteshbhai Saraliya, and Shri Dharmendra Yadav. The authorized representative, reiterated the submission already made in the application.

As per Ruling

Question: Whether the goods supplied by us [becoming victim of fraud without receiving consideration] could be considered as supply of goods under the provisions of section 21 under the IGST Act?

The goods supplied by the applicant will be considered as supply of goods in terms of section 20 of the IGST Act, 2017 read with section 12 and 7 of the CGST Act, 2017.

JUDICIAL DECISIONS ON INDIRECT TAXES

Statute: GOODS AND SERVICES 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 Service 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 SERVICES 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, F. 86A- Constitution Of India, Arts. 226, 227.

Statute: GOODS AND SERVICES 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 SERVICES TAX
Decision in favour of: APPELLANT
**Title: A.M. ENTERPRISES VERSUS STATE OF
KARNATAKA AND OTHERS.**
S. R. KRISHINA 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 SERVICES TAX
Decision in favour of: APPELLANT
**Title: ANIL KUMAR VERSUS UNION OF INDIA
AND OTHERS**
**TARLOK SINGH CHAUHAN AND SUSHIL
KLIKHEJA, 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: 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.

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: BIGLEAP TECHNOLOGIES AND
SOLUTIONS PVT. LTD. AND OTHERS VERSUS
STATE OF TELANGANA AND OTHERS**
**SUJOY PAUL, ACTING C.J, AND RENUKA
YARA, J.**
Citation: (2025) 142 GSTR 608: 2025 SCC
OnLine TS 392
Bench/Court: In the High Court of Telangana

GST- Show-Cause Notice - Final Order - Authentication - Unsigned Notices And Orders - Requirement Of Physical Or Digital Signature - Statutory Forms Requiring Signature, Name, Designation, Jurisdiction And Address Of Proper Officer - Unsigned Notices Or Orders Did Not Satisfy Mandatory Statutory Requirement - Such Documents Not Validated Under Section 160 Of 2017 Act - Doctrine Of Waiver Not Applicable - Rule 142 Used "Shall" Making Compliance With Prescribed Forms Mandatory - Held, Notices Or Orders Without Signature Not Sustainable And To Be Set Aside - Liberty Granted To Issue Fresh Notices Or Orders - Central Goods And Services Tax Act (12 Of 2017), Ss. 73, 74, 160 - Central Goods And Services Tax Rules, 2017, Rr. 26(3), 142 - Information Technology Act (21 Of 2000), Ss. 3, 5.

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. KRINA 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. KRINA 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: 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

Statute: GOODS AND SERVICES TAX**Decision in favour of: APPELLANT****Title: G.R. NIRMOLIA AND CO VERSUS UNION OF INDIA AND OTHERS MANH CHOUBURY, J****Citation: (2025) 142 GSTR 214: 2025 SCC OnLine Gau 3082****Bench/Court: In the High Court of Gauhati**

A. Gst - Cancellation Of Registration - Non-Speaking Order - Natural Justice - Show-Cause Notice And Order Of Cancellation Absent Of Reason For Cancellation - Officer Not Absolved From Passing A Speaking Order Even If Assessee Failed To Furnish Reply Or Appear In Person - Order Of Cancellation Quashed For Procedural Order Of Cancellation Quashed For Procedural Lapse - Assam Goods And Services Tax

Act (28 Of 2017), S. 29 Central Goods And Services Tax Rules, 2017, R. 22.

B. Writ Under Constitution - Maintainability Of Writ - Assessee Filing Writ Petition After Four Years Of Order Cancelling Registration - Vulnerability Of Statutory Prescription Of Recording Reasons Outweighed Delay - Writ Petition Allowed - Constitution Of India, Art. 226.

Statute: GOODS AND SERVICES TAX**Decision in favour of: APPELLANT****Title: DHARMENDRA AGARWAL VERSUS UNION OF INDIA AND OTHERS****SAIKIA, J.J****Citation: (2025) 139 GSTR 167: 2025 SCC OnLine Gau 1380: (2025) 96 GSTL 44****Bench/Court: IN THE HIGH COURT OF GAUHATI**

GST - Offences And Prosecution- Fraudulent Availment Of Input-Tax Credit - Arrest - Bail - Writ Petition Praying For Release From Custody - No Determination Of Liability Made At By Authorities- Petitioner Summoned, Extensively Questioned And His Statements Also Recorded By Investigating Authority- No Prima Facie Finding That Petitioner's Detention Necessary To Prevent Evidence Tampering Or Interference With Ongoing Investigations - Petitioner Released On Interim Bail Subject To Certain Conditions- Central Goods And Services Tax Act (12 Of 2017), Ss. 69, 132(1)(C).

Statute: GOODS AND SERVICES TAX**Decision in favour of: APPELLANT****Title: VIRAL NARENDRA GOSALIA VERSUS SENIOR INTELLIGENCE OFFICER, DIRECTORATE GENERAL OF GOODS AND SERVICES TAX INTELLIGENCE, BENGALURU. HEMANT CHANDANGOUDAR, J.****Citation: (2025) 140 GSTR 680: 2025 SCC OnLine Kar 20 : (2025) 97 GSTL 372****Bench/Court: IN THE HIGH COURT OF KARNATAKA**

A. Gst- Offences And Prosecution-Arrest-Bail Allegation Of Wrongful Availment Of Input-Tax Credit- Issuance Of Notice Of Appearance Under Bharatiya Nagarik Suraksha Sanhita, 2023 Mandatory - Issuance Of Summons Under Section 70 Of Central Goods And Services Tax Act, 2017 Cannot Be Equated With Notice Of Appearance Under 2023 Sanhita - Arrest Of Accused Vitiating On Account Of Non-

Compliance With Statutory Requirement For Issuance Of Notice Under 2023 Sanhita- Procedure Prescribed Under Criminal Procedure Code 1973 Equally Applicable To Criminal Proceedings Arising Under 2017 Act- Petitioner Granted Bail On Conditions Central Goods And Services Tax Act (12 Of 2017), Ss. 69(1), 70,132(1)(A),(B),(I), (5) Bharatiya Nagarik Suraksha Sanhita (46 Of 2023), Ss. 35(3), 528- Criminal Procedure Code, 1973 (2 Of 1974), Ss. 41, 41a, 482-Constitution Of India, Arts. 226, 227.

B. Writs Under Constitution - High Court Gst Offences And Prosecution- Exercise Of Inherent Power By High Courts Under Section 528 Of 2023 Sanhita Is Essentially Discretionary- Inherent Powers Of Court Under Section 528 Of 2023 Sanhita Meant To Achieve Real And Substantial Justice- Writs Are Extraordinary Constitutional Remedies And Operate Independently Of Statutory Right Under Section 528 Of 2023 Sanhita To Address Grievances Not Specifically Provided For In Sanhita- High Court May, At Its Discretion, Entertain A Petition Under Article 227 Of Constitution Or Under Section 528 Of 2023 Sanhita To Address A Substantial Question Of Law That Goes To Root Of Matter Or Genesis Of Prosecution-- Challenge To Arrest On Ground Of Non-Compliance With Statutory Provision Of Section 35(3) Of 2023 Sanhita - Petition Under Section 528 Of 2023 Sanhita Maintainable - Similarly Challenge To Lawfulness Of Arrest And Continued Remand Of More Than 40 Days Since Date Of Arrest - Writ Petition Not Only Maintainable But Also Entertainable- Central Goods And Services Tax Act (12 Of 2017), Ss. 69(1), 70, 132(1)(A), (B), (I), (5) Bharatiya Nagarik Suraksha Sanhita (46 Of 2023), Ss. 35(3), 528- Criminal Procedure Code, 1973 (2 Of 1974), Ss. 41, 41A, 482 - Constitution Of India, Arts. 226, 227. -

Statute: GOODS AND SERVICES TAX

Decision in favour of: APPELLANT

Title: SURYALATHA SPINNING MILLS LIMITED VERSUS DEPUTY COMMISSIONER (ST) STU-2, BEGUMPET DIVISION, HYDERABAD AND OTHERS

SUJOY PAUL, ACTING C.J. AND RENUKA YARA, J.

Citation: (2025) 145 GSTR 298: 2025 SCC OnLine TS 277

Bench/Court: IN THE HIGH COURT OF TELANGANA

GST—Appeal- Natural justice - Statutory obligation - Appellate authority failing to state points for determination and assign adequate reasons - Order merely reproducing portion of Adjudication order and dismissing appeal without considering grounds raised - Failure to satisfy statutory mandate - Order set aside and matter restored to appellate authority for fresh consideration- Central Goods and Services Tax Act (12 of 2017), s. 107(12).

Statute: GOODS AND SERVICES TAX

Decision in favour of: APPELLANT

Title: JOINT COMMISSIONER (INTELLIGENCE AND ENFORCEMENT), THIRUVANANTHAPURAM AND ANOTHER VERSUS LAKSHMI MOBILE ACCESSORIES DR A.K. JAYASANKARAN NAMBIAR AND EASWARAN S., JJ.)

Citation: (2026) 153 GSTR 157: 2025 SCC OnLine Ker 852: (2025) 95 GSTL 356

Bench/Court: IN THE HIGH COURT OF KERALA

GST- Show-Cause Notice- Composite Show-Cause Notice Covering Multiple Financial Years- Not Ideal As Adjudication Period Varies With Due Date For Annual Return For Each Year- Consolidated Show-Cause Notice Prejudices Assessee By Denying Full Period Envisaged For Adjudication If Time-Line Circumscribed By Limitation Period Prescribed For Earliest Assessment Year- Central Goods And Services Tax Act (12 Of 2017), S. 74(1), (2), (9), (10) - Constitution Of India, Art. 226.

Statute: GOODS AND SERVICES TAX

Decision in favour of: APPELLANT

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

BEFORE 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.

Republic Day Celebrations



ICAI Skills X - Change heading to - ICAI SkillsX – Debate / Oratory Competition for the Member of ICAI



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Interbranch football tournament

