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The Institute of Chartered Accountants of India

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Ernakulam Branch

NEWSLETTER

TAX AUDIT

Chairman's Message

Dear Professional Colleagues,

July was a month of pride, celebration, and professional excellence as we commemorated the 78th CA Day of our Institute. The occasion reminded us of the remarkable legacy of ICAI and the responsibility we carry as trusted professionals committed to integrity, competence, and nation building.

ICAI's 78 Years of Excellence – A Legacy to Uphold

As we celebrate the 78th CA Day on 1st July 2026, we proudly reflect on ICAI's remarkable journey as a symbol of integrity, excellence, and service to the nation. From humble beginnings to a professional body of over five lakh members and ten lakh students, ICAI has consistently upheld the highest standards of ethics and professional competence.

The role of a Chartered Accountant has evolved significantly—from traditional accounting and auditing to becoming trusted advisors, strategic decision-makers, and partners in nation-building. Today, CAs contribute across diverse areas including financial reporting, taxation, audit, forensic accounting, corporate finance, insolvency, and technology-driven advisory services.

While we celebrate our achievements, this milestone also reminds us of our responsibility to preserve the values that define our profession. In a rapidly changing world, innovation, continuous learning, and adaptability must go hand in hand with unwavering ethical standards. As trusted custodians of public confidence, we must continue to uphold transparency, accountability, and professional excellence.

Let us use this occasion to renew our commitment to the ideals of ICAI, embrace emerging opportunities, and contribute meaningfully to the growth of our profession and our nation. Wishing every member a proud and Happy 78th CA Day.

The Ernakulam Branch marked this milestone with a series of meaningful initiatives, including CA Day celebrations, a blood donation camp, public outreach through the ICAI Help Desk, family get-together, health and wellness programmes, and sporting events that strengthened the bond within our fraternity.

On the professional front, the Branch successfully hosted the Two-Day National Conference on GST, which witnessed an overwhelming participation of over 400 members, along with the GSTART Workshop on GST Litigation and Tribunal Practice and the Certification Course on Forensic Accounting and Fraud Detection. These programmes reaffirm our commitment to continuous learning and equipping members with knowledge in emerging areas of practice.

I sincerely thank our faculty, speakers, Managing Committee members, volunteers, students, sponsors, and every participant whose support made these programmes a grand success. Your enthusiasm and commitment continue to inspire us to raise the standards of our Branch.

As we move forward, let us continue to embrace change, uphold the highest ethical values, and contribute meaningfully to the profession and society. Together, let us build on ICAI's proud legacy and strive for greater excellence.

Warm regards,
CA.JobbyGeorge
Chairman
Ernakulam Branch of SIRC of ICAI

CA. Ceeja Udayanan, *B.Com, FCA*

FOLLOW THE MONEY BEFORE IT LEAVES THE BUILDING

I. THE ILLUSION OF ACCURACY

Every major corporate financial disaster begins with a clean bill of health. Weeks before the structural collapses of history's infamous corporate giants, standard statutory auditors routinely signed off on their books with a standard, comforting phrase: "True and fair view."

This exposes the dangerous structural misunderstanding at the very heart of the modern business world. Executives and board members routinely treat a standard corporate audit as a deep-cover security sweep. It is not. A standard statutory auditor is a financial accountant checking if your math matches the receipts provided. They look for errors, omissions, and compliance.

A forensic accountant is entirely different. They are financial detectives who operate under a foundational assumption: the paperwork might be a lie. Where standard accounting trusts the trail, forensic accounting cross-examines it. In an era where white-collar fraud costs global organizations trillions of dollars annually, relying solely on an annual statutory audit to catch a rogue executive or a phantom vendor loop is like bringing a checklist to a knife fight.

"A standard auditor checks if the ledger balances. A forensic accountant checks if the ledger is telling a sophisticated fairy tale."

II. THE ANATOMY OF A CORPORATE HEIST

Fraud does not happen in a vacuum. It requires a specific structural alignment known in criminological circles as the Fraud Triangle. For an executive, manager, or vendor to successfully siphon capital from a business, three elements must seamlessly converge:

1. Pressure: The catalyst. This could be macro-level (the frantic need to manipulate financial statements to meet Wall Street's quarterly projections) or micro-level (a director's escalating personal gambling debts).

2. Opportunity: The structural open door. This takes the form of weak internal control matrices, over-centralized operational power, or a lack of dual-authorization thresholds for related-party transactions.

3. Rationalization: The internal psychological defense mechanism. The bad actor rarely views themselves as a criminal. They tell themselves: *"I'm just borrowing the capital until next quarter,"* or *"The board underpays me for the revenue I generate anyway."*

In modern corporate environments, forensic investigators have upgraded this model to the Fraud Diamond, adding a fourth critical element: Capability. The fraudster must possess the specific organizational position, technical skill, and authority to orchestrate and mask the manipulation without triggering immediate alarms.

SIDEBAR: THE C-SUITE SMOKE DETECTORS

Look out for these three immediate corporate red flags:

- **The Single-Source Vendor Spike:** Sudden, exponential increases in payments to a newly onboarded vendor, often lacking comprehensive historical contract documentation.
- **The Disconnected Margin:** A company reporting record-breaking profit margins while its direct

industry competitors are facing severe economic stagnation.

- **The Defensive Executive:** A leadership figure who insists on managing specific financial relationships personally, aggressively bypassing established internal controls.

III. THE NEW DIGITAL TOOLKIT

The stereotype of a forensic accountant buried in a dark room under mountains of physical banker boxes is dead. Today's sophisticated white-collar criminals leave complex, highly distributed digital footprints. To catch them, forensic investigators deploy advanced computational tools.

THE FORENSIC TECH STACK

🧮 **Benford's Law Algorithms**

Identifies unnatural number frequencies in invoices, expense claims, journal entries, and financial transactions that may indicate manipulation or fabricated data.

🤖 **AI Link Analysis**

Maps hidden relationships between directors, employees, vendors, customers, and related parties to uncover conflicts of interest or collusion.

📧 **Natural Language Processing (NLP)**

Scans emails, messages, contracts, and text-based communications to identify suspicious conversations and potential collusion.

📈 **Machine Learning Anomaly Detection**

Detects unusual transaction patterns by learning normal business behaviour and highlighting deviations.

🔍 **Data Mining & Predictive Analytics**

Examines large datasets to identify fraud risks, duplicate payments, abnormal transactions, and irregularities.

💻 **Digital Forensics Tools**

Recovers and analyses deleted files, emails, metadata, and electronic evidence.

📊 **Data Visualization Platforms**

Converts financial data into dashboards and relationship maps.

🔔 **Continuous Monitoring Systems**

Provides real-time surveillance of financial transactions and controls.

"Fraud thrives in the gaps between what management reports in the boardroom and what the metadata reflects in the server room."

IV. BUILDING THE CORPORATE SHIELD

A reactive forensic investigation is expensive, highly disruptive, and typically begins only after significant capital has already vanished. True enterprise resilience requires shifting corporate governance from a reactive posture to a proactive, predictive shield.

- **Optimize the Whistleblower Architecture:** Statistically, over 40% of all corporate fraud schemes are uncovered via anonymous tips—far outperforming any automated software or manual audit. Boards must implement strictly encrypted, third-party managed reporting lines that offer genuine psychological and legal safety to whistleblowers.
- **Normalize the Surprise Forensic Audit:** Standard audits are highly predictable; bad actors know exactly when to clean up their ledgers. Introducing unannounced, highly targeted forensic deep-dives into high-risk business segments (like procurement or overseas subsidiaries) acts as a powerful psychological deterrent.
- **Enforce Strict Operational Friction:** Fraud requires absolute control over a workflow to succeed. By enforcing mandatory consecutive vacation blocks and rotating personnel through key financial roles, companies break the continuity needed to maintain a complex fraud scheme. When a bad actor is forced to step away from their desk for two weeks, their carefully constructed house of cards usually collapses.

MAJOR FINANCIAL FRAUDS IN INDIA

📌 **1992 — Harshad Mehta Securities Scam**

💰 Amount: Estimated ₹4,000+ crore

⚠ What Happened: Manipulation of banking transactions and securities markets.

🎯 Lesson: Regulatory supervision and transparent settlement systems are vital.

📌 **2009 — Satyam Computer Services**

💰 Amount: Around ₹7,800 crore

⚠ What Happened: Financial statements manipulated through fictitious assets, inflated cash balances and revenues.

🎯 Lesson: Independent verification and audit skepticism are critical.

📌 **2018 — Nirav Modi – Punjab National Bank**

💰 Amount: Around ₹13,000+ crore

⚠ What Happened: Fraudulent Letters of Undertaking issued through unauthorized channels.

🎯 Lesson: Strong access controls, reconciliation and monitoring are essential.

Common Red Flags Identified Across Indian Fraud Cases

- Unusual growth without corresponding cash flows
- Mismatch between reported profits and operating cash generation
- Large related-party transactions
- Complex corporate structures with limited transparency
- Frequent changes in auditors or key management personnel
- Weak reconciliation systems
- Management override of internal controls
- Transactions just below approval thresholds
- Heavy dependence on manual processes

The Forensic Accounting Lesson

The biggest frauds are rarely hidden in a single transaction. They are hidden in patterns—patterns of behavior, relationships, approvals, and financial movements. The role of forensic accounting is to connect those dots before the damage becomes irreversible."

THE FINAL VERDICT

Capital is highly fluid, and in the digital economy, it moves across sovereign borders at the speed of a mouse click. Waiting for the annual audit report to confirm your suspicions is no longer a viable risk strategy. Boardrooms must empower their audit committees with forensic-level diagnostics, modern anomaly-detection software, and an organizational culture that treats critical skepticism not as disloyalty, but as the ultimate form of asset protection.

Before the capital leaves your building, you must know exactly where the doors are being left unlocked.

"Capital moves at digital speed, and so must vigilance. In a world where fraud hides in data, relationships, and transactions, the organizations that survive will be those that learn to see the warning signs before the losses begin."

Reported JUDICIAL DECISIONS

CA. P.M.Veeramani, *FCA*

Statute: Income Tax Act – Sec.2(14)(iii) – Proof for Agricultural Land
Title : M. J. George (Decased) and Others vs DCIT
Citation: 486 ITR 239
Decision in favour of : Revenue
Bench: Kerala HC

When revenue records showed the land as "purayidom" (dry land suitable for construction of houses) , assessee should have furnished other evidences to be considered agricultural . In the absence of any such evidence being furnished, decision of Tribunal to hold the land as non-agricultural is upheld- SLP against the decision dismissed with the remark "no case is made out for interference" 486 ITR 244 SC.

Statute: Income Tax Act – Sec.28 – Shares on Amalgamation
Title : Jindal Equipment Leasing Consultancy Services Ltd vs CIT
Citation: 468 ITR 641
Decision in favour of : Revenue
Bench: Supreme Court of India

Shares of an amalgamating company, held as stock-in-trade, are substituted by shares of the amalgamated company pursuant to a scheme of amalgamation, and such shares are realisable in money and capable of definite valuation, the substitution gives rise to taxable business income. However, mere receipt of shares does not suffice to attract section 28; commercial realisability is also required when income is received in kind.

Statute: : Income Tax Act – Sec.37 – Development Charges
Title : Hinduja Foundries Ltd vs ACIT
Citation: 486 ITR 117
Decision in favour of : Assessee Partly
Bench: Madras HC

Amount paid towards deposit on building and development charges on plot of land in industrial park acquired on long term lease for 99 years is not an intangible asset eligible for depreciation. However, the amount crystallised each year out of the above as non-refundable can be claimed as revenue expenditure.

Statute: Income Tax Act – Sec.45 – capital gains vs business income
Title : CIT vs GWL Properties Ltd (formerly Gorden Woodroffe Ltd)
Citation: 486 ITR 430
Decision in favour of : Assessee
Bench: Madras HC

Land held as investment in the books of account for several years , when sold is liable to be taxed as income from capital gains only. Classification as capital asset not merely on ground of accounting treatment but also in manner of holding of asset and intention and conduct of the assessee over the years.

Statute: Income Tax Act – Sec.90 – India – Singapore DTAA
Title : Atlantic Shipping Private Ltd vs ITO
Citation: 468 ITR 717
Decision in favour of : Assessee
Bench: Gujarat HC

Where certificate is issued by Inland Revenue Authority of Singapore stating that income derived from operation of ships in international traffic at Indian port would be taxed at Singapore, then article 8 of DTAA would apply and article 24 permitting taxing of the same in India is not attracted.

Statute: Income Tax Act – Sec.154 – Subsequent SC decision
Title : ITO vs Infantry Security and Facilities
Citation: 486 ITR 229 SC
Decision in favour of : Assessee
Bench: Supreme Court of India

The Tribunal rendered the decision of deleting the disallowance u/s 36(v)(a) based on the law existing as on the date of rendering the decision . High Court held that subsequent decision of the Supreme Court in favour of the department will not render decision of tribunal liable for rectification on ground of mistake. Department SLP dismissed with the remark “no ground to interfere with judgment of High Court”.

Statute: Income Tax Act – Sec.194A(3) – TDS provision valid
Title : Vellangallur Peoples Welfare Co-operative Society Ltd and others vs UOI
Citation: 485 ITR 686
Decision in favour of : Revenue
Bench: Kerala HC

Amendment by Finance Act 2020 making it obligatory for co-operative societies to make TDS on payments of interest where total sales, gross receipts or turnover of assessee exceeds Rs.50 crores is constitutionally valid. Hardship or inconvenience of party subjected to law, by itself not a ground for judicial interference.

Statute: Income Tax Act – Sec.271DA – Proceedings not time barred
Title : Property Plus Realtors vs UOI
Citation: 486 ITR 138
Decision in favour of : Revenue
Bench: Delhi HC

Penalty proceedings initiated by reference to Addl CIT with in eleven days of end of the financial year in which assessment was completed is reasonable and hence proceedings not time barred.

Statute: : Income Tax Act – Sec.271E – Time of limit from date of notice
Title : PCIT vs Thapar Homes Pvt Ltd
Citation: 486 ITR 149
Decision in favour of : Revenue
Bench: Delhi HC

Assessment order issued on 31.12.2010 and reference to additional commissioner for levy of penalty made on 7.6.2011 and penalty levied on 30.12.2011. Time limit of six months from the end of the month should be reckoned from date of reference to Additional Commissioner and hence the penalty proceedings are valid.

GST UPDATES

CA. P. J. JOHNEY *B.Sc. FCA*

Past Chairman Ernakulam Branch SIRC of ICAI

A. RECENT ADVANCE RULINGS UNDER GST

A1

Statute: Goods And Services Tax

Decision in Favour of: Not Applicable

Title: M/S SKL Design Studio Private Limited

Citation: RAJ/AAR/2026-27/02, Dated 11.06.2026

Bench/Court: Rajasthan Authority for Advance Ruling

M/s SKL DESIGN STUDIO PRIVATE LIMITED, Shop No R1 to 10, SKL Mart, 1st Floor, Sirsi Road, B Block, Vaishali Nagar, Jaipur, Rajasthan-302021 (hereinafter "the applicant") is engaged in the business of Providing Architectural & Interior Design Services. The applicant is also engaged in Designing & Processing of natural stones such as marble, granite, sandstone and limestone and other type of stones.

The applicant purchases raw stone blocks and undertakes various processes such as such as Unique designing, creative carvings through various methods like pietra dura, Inlay, hand sculpting, digital sculpting, relief works, physical sculpting, 3D Effects, Machine Work and Hand work Cutting & Sizing, Edge cutting, Surface finishing & Polishing and other process as required.

The applicant has sought advance ruling to the following questions;

1. What is the correct classification of the Goods manufactured from Marble stone, Granites stone,sandstone, limestone, Slate, Mocha Cream, Pakur stone, travertine i.e.,

(i) *Plain stone tiles with thickness from 10mm to 20mm.*

(ii) *Plain stone tiles with custom thickness of 20mm to 160mm.*

(iii) *Crafted stone panels and Pillars*

(iv) *Wall claddings tiles*

(v) *Decorative carved stone Art articles*

(vi) *Statues*

(vii) *Monuments*

Kindly provide eight digit HSN and the relevant entry number of the schedule of the notification.

2. *What is the correct rate of GST on the above goods made from Marble stone, Granites stone, sandstone, limestone, Slate, Mocha Cream, Pakur stone, travertine? Kindly provide the relevant entry number of the schedule of the notification.*

3. *Whether Stone Panels, Wall Claddings, Statues and Crafted Stone Articles having ornamental carving and artistic workmanship classified under 6802 is chargeable to GST at the rate of 5% under Notification No. 13/2025 dated 17.09.2025.*

During the manufacturing of tiles, stone blocks or slabs are mechanically cut into various shapes such as square or rectangular shapes with specified thickness, with or without surface polishing or finishing.Generally, Thickness of the tiles used for flooring and walls are of 5mm to 20mm. These products are primarily used as flooring materials. However, it may be used for other purposes depending on their specifications and finish.

During the manufacturing of Crafted Stone Panels, Pillars and Stone Art, natural stone blocks or slabs are cut in to customized thickness varies from 30mm and above up to 160mm, processed, and finished through mechanical and/or manual processes to achieve specific dimensions, surface textures, or decorative finishes. It covers relief works such as high relief (alto-relievo) and low relief (bas-relief) carvings, where designs or figures are projected from a stone background surface to varying degrees. These products are generally used for architectural decoration, monuments, landscaping, and interior or exterior ornamental applications. It includes products such as Wall claddings, pedestals, fountains etc.

During the manufacturing of Statute, products are created through carving, sculpting, engraving, or chiseling processes. It covers three dimensional sculptures. These products are generally used for monuments, religious structures. It includes idols, creatures, monuments etc. The supply of the taxpayer consists of architect services as well as supply of goods i.e., tiles, wall panels/claddings, stone art and statute.

Heading HSN 6802 covers worked monumental or building stone and articles thereof including ornamental stone articles, statues, statuettes and decorative articles of stone.

Accordingly, the applicant classifies the products as under:

- Plain stone tiles as worked building stone under HSN 6802 attracting GST applicable to building stone articles.
- Crafted stone panels, Pillars and wall claddings with ornamental carving, statues and decorative stone articles as ornamental stone articles under HSN 6802.

The applicant submits that even within the same HSN classification, GST rates may differ depending upon the nature of the product, degree of workmanship and functional or ornamental use of product.

The applicant relies on Notification No. 13/2025-Central Tax (Rate) dated 17.09.2025 which provides GST rate of 5% on specified ornamental stone articles such as statues, statuettes, high relief and low relief carvings and other ornamental goods of stone.

The applicant submits:

- Plain stone tiles thickness up to 20mm used as building material attract GST @18%.
- Crafted stone panels, Pillars, wall claddings, and Tiles of thickness more than 30mm up to 160mm having ornamental carving, statues and decorative stone articles qualify as ornamental stone goods therefore GST @5% under the said notification.

As per the discussions and findings, Under the established customs and GST framework, the deeper classification of goods at the six-digit and eight-digit levels does not depend merely on the final physical shape, design, or thickness of the product. Instead, the specific classification code is primarily decided by the geological nature and chemical composition of the raw stone being processed.

Above mentioned goods broadly fall under Chapter Heading 6802. However, the precise eight-digit tariff item are required to be determined on a case-by-case basis depending on both the degree of workmanship and the geological material utilized. For instance, stones simply cut with a flat surface fall under the 6802 20 series (Marble under 6802 21, Granite under 6802 23 and other under 6802 29). Conversely, stones worked beyond a flat surface, such as intricately carved items, fall under the 6802 90 series (Carved Marble under 6802 91, Carved Granite under 6802 93 and other stone under 6802 99). A single code cannot blanket the applicant's diverse inventory.

Concerning the applicable GST rates, the applicant argues that while plain stone tiles up to 20mm in thickness attract a standard 18% rate as building materials, tiles cut to customized thicknesses (30mm to 160mm) and structurally crafted stone items like panels, pillars, and wall claddings should be treated differently. They claim that because these thicker or carved items are made to customer specifications, they qualify as "ornamental stone articles" and should therefore attract a heavily reduced concessional GST rate of 5%.

This interpretation of the applicant confuses physical dimensions and aesthetic enhancements with the core functional utility of the product. Carving a stone to a customer's specific aesthetic preference,or cutting a stone to be thicker, does not strip the item of its primary identity. A thick stone slab used for commercial flooring, or an intricately carved stone pillar used to support a structure, is fundamentally a building material. Merely aesthetic craftsmanship does not transform a structural architectural element into a standalone ornament.

Applicable tax rate is strictly determined by the essential character of the goods, as mandated by the GRI of the Schedule, specifically Rule 3 (b) of the Customs Tariff Act, 1975, read with Section 9 of the CGST Act, 2017. The applicant heavily relies on Notification No. 13/2025- Central Tax (Rate) dated 17.09.2025 to claim a 5% GST rate on their crafted panels, wall claddings, and pillars.

Bearing essential character test, structural building elements like stone panels, pillars, and wall claddings integrated into a building's architecture do not qualify for the 5% rate under Notification No. 13/2025-Central Tax (Rate), regardless of the artistic workmanship involved. They remain standard building stones and are chargeable at 18%. The 5% concessional rate provided by the notification is strictly restricted to genuine, standalone decorative artware such as custom-carved statues that serve absolutely no load-bearing, flooring, or architectural function.

As per ruling;

1. What is the correct classification of the Goods manufactured from Marble stone, Granites stone, sandstone, limestone, Slate, Mocha Cream, Pakur stone, travertine i.e.,

(i) Plain stone tiles with thickness from 10mm to 20mm.

(ii) Plain stone tiles with custom thickness of 20mm to160mm.

(iii) Crafted stone panels and Pillars

(iv) Wall claddings tiles

(v) Decorative carved stone Art articles

(vi) Statues

(vii) Monuments

Kindly provide eight digit HSN and the relevant entry number of the schedule of the notification?

Ans: -

8-Digit HSN Code	Material Category	Customs Description (Degree of Workmanship)	Applicant's Goods Falling in this Category
6802 21 10	Marble, Travertine	Simply cut/sawn, flat or even surface.	Plain stone tiles (10mm to 20mm)
			Plain stone tiles (20mm to 160mm)
			Wall cladding tiles (if flat/uncarved)
6802 23 10	Granite	Simply cut/sawn, flat or even surface.	Plain stone tiles (10mm to 20mm)
			Plain stone tiles (20mm to 160mm)
			Wall cladding tiles (if flat/uncarved)
6802 29 00	Sandstone ,Limestone, Slate, Mocha Cream, Pakur	Simply cut/sawn, flat or even surface.	Plain stone tiles (10mm to 20mm)
			Plain stone tiles (20mm to 160mm)
			Wall cladding tiles (if flat/uncarved)
6802 91 00	Marble, Travertine	Worked beyond flat surface (carved, moulded, relief works).	Crafted stone panels and Pillars
			Wall claddings (if carved/moulded)
			Decorative carved stone Art articles
			Statues
			Monuments
6802 93 00	Granite	Worked beyond flat surface (carved, moulded, relief works).	Crafted stone panels and Pillars
			Wall claddings (if carved/moulded)
			Decorative carved stone Art articles
			Statues
			Monuments
6802 99 00	Sandstone, Limestone, Slate, Mocha Cream, Pakur	Worked beyond flat surface (carved, moulded, relief works).	Crafted stone panels and Pillars
			Wall claddings (if carved/moulded)
			Decorative carved stone Art articles
			Statues
			Monuments

2. What is the correct rate of GST on the above goods made from Marble stone, Granites stone, sandstone, limestone, Slate, Mocha Cream, Pakur stone, travertine? Kindly provide the relevant entry number of the schedule of the notification?

Ans: -

Applicant's Goods	Essential Character / Primary Utility	Applicable Tax Rate Classification
1. Plain stone tiles (10mm to 20mm)	Structural/ Building Material	Standard rate applicable to building/monumental stones under Chapter 6802 (as per prevailing tariff schedules)
2. Plain stone tiles (20mm to 160mm)	Structural/ Building Material	Standard rate
3.Crafted stone panels & Pillars	Architectural / Load-bearing	Standard rate
4.Wall claddings tiles	Architectural/ Structural	Standard rate
5.Monuments	Commemorative / Structural Masonry	Standard rate
6. Decorative carved stone Art articles	Standalone Ornamental / No structural use	Concessional rate as prescribed specifically for ornamental articles under Notification No. 13/2025- Central Tax (Rate) dated 17.09.2025 (as amended).
7. Statues	Standalone Ornamental / No structural use	Concessional rate

3. Whether Stone Panels, Wall Claddings, Statues and Crafted Stone Articles having ornamental carving and artistic workmanship classified under 6802 is chargeable to GST at the rate of 5% under Notification No. 13/2025 dated 17.09.2025?

Ans: -

Item Category	Eligible for Concessional Rate under Notif. 13/2025?	Legal Rationale
Stone Panels, Wall Claddings, and Pillars (even with ornamental carving)	No. (Chargeable at the standard rate for Chapter 6802).	If, they primarily used as building stones.
Statues and Standalone Crafted Stone Articles	Yes. (Eligible for the rate prescribed in the said Notification).	Their essential character is purely ornamental with no architectural or loadbearing function.

A2

Statute: Goods And Services Tax
Decision in Favour of: Not Applicable
Title: M/S Aditya Auto Products & Engineering India Pvt. Ltd.

Citation: KAR.ADRG 25/2026/ Dated 19.05.2026
Bench/Court: The Authority for Advance Ruling in Karnataka

M/s. Aditya Auto Products & Engineering India Pvt. Ltd., (herein after referred to as 'Applicant) #13E, KIADB Industrial Area, Doddaballapur, Bangalore-561203., having GSTIN 29AABCA7045H1ZO, is engaged in the manufacture, sale and trading of automotive parts, classifiable under HSN 8708, and supplies such goods and related services to automotive Original Equipment Manufacturers (OEMs) as well as Tier-I suppliers.

The applicant submits that it operates three manufacturing locations within the State of Karnataka and employs approximately 1,288 employees across all locations, excluding contract employees. The applicant is registered under the provisions of the Factories Act, 1948. The applicant has engaged Canteen Service Providers (CSPs) for providing food facilities to its employees as well as contract employees at all three locations, through canteen facilities operated within the factory premises.

The applicant has sought advance ruling on the following question

(a) Whether input tax credit (ITC) is admissible to the applicant on GST charged by the CSP for providing catering services, which the applicant is mandatorily required to provide under Section 46 of the Factories Act, 1948?

The applicant is registered under the Factories Act, 1948 and is statutorily required to provide and maintain a canteen facility in terms of Section 46 of the said Act. Accordingly, the applicant provides canteen facilities to its regular employees as well as contract workers at a subsidized rate, with only a portion of the cost being recovered from them. In respect of regular employees, the monthly amount recovered towards canteen facilities ranges between ₹200/- and 250/- per employee, which is deducted from their salaries. he remaining portion of the cost of such canteen services is borne by the applicant.

Further, in respect of contract workers, the applicant raises a monthly invoice on the respective contractors/suppliers for recovery of the same concessional amount, on which GST is discharged at the rate of 5%. The applicant submits that the recoveries made from employees and contractors are purely in the nature of partial cost recovery, without any commercial intent or profit motive, and that the balance cost of the canteen services continues to be borne by the applicant.

In the present case, it is an admitted and undisputed fact that the applicant is registered under the provisions of the Factories Act, 1948 and is, therefore, required to comply with all the obligations and responsibilities cast upon it under the said Act. One such obligation arises under Section 46 of the Factories Act, 1948, which mandates the provision and maintenance of canteen facilities. In order to discharge this statutory obligation, the applicant provides canteen facilities within its factory premises for its employees, including contractual workers. For this purpose, the applicant has engaged Canteen Service Providers (CSPs) to supply food at all three manufacturing locations. The engagement of CSPs is solely for the purpose of complying with the statutory requirement and not with any intention to carry on or promote an independent business of catering services.

It is further observed that the applicant recovers only a nominal and subsidised amount from its regular employees towards canteen facilities, which is deducted from their salaries. The substantial portion of the cost incurred towards the canteen services is borne by the applicant itself. Such recovery is merely incidental to the employer-employee relationship and does not impart any commercial character to the activity of providing canteen facilities.

In respect of contract workers, the applicant raises a monthly invoice on the respective contractors/suppliers for recovery of the same concessional amount, on which GST is discharged at the rate of 5%. It is pertinent to note that contractual workers are not employees of the applicant, as there is no direct employer-employee relationship between the applicant and such workers. Further, there is no statutory obligation cast upon the applicant under the Factories Act, 1948 to provide canteen facilities to contractual workers. Accordingly, the amount recovered in respect of contract workers constitutes a taxable supply, and the applicant has been discharging GST on such recoveries by issuing tax invoices to the respective contractors/suppliers.

It is also observed that the CSP raises taxable invoices on the applicant in respect of catering services provided to both categories of users, namely, regular employees and contract workers. Out of the total cost charged by the CSP, a portion is recovered from regular employees without charging GST, another portion is recovered from contractors of contract workers with applicable GST, and the remaining cost of the canteen services is borne by the applicant.

The issue that now arises for consideration is whether the applicant is eligible to avail input tax credit of the GST charged by the CSP in respect of catering services provided to its employees as well as contract workers.

Section 17(5)(b) of the CGST Act, 2017 places a restriction on availment of input tax credit in respect of food and beverages, including canteen services. However, the provisos to the said provision clearly stipulates that such restriction shall not apply where

1. It is an obligatory for an employer to provide such service under any law, OR
2. If the inward supply is used for making an outward taxable supply of the same category.

Here, the applicant is engaged in manufacturing activities and is required to provide canteen facilities in terms of Section 46 of the Factories Act, 1948. The statutory obligation to maintain a canteen arises once the prescribed threshold of workers is exceeded.

In respect of regular employees, the provision of canteen facility arises out of statutory mandate and forms part of the conditions of employment. Accordingly, in terms of the proviso to Section 17(5)(b) of the CGST Act, 2017, input tax credit on catering services is admissible, as the same is obligatory under law.

However, in respect of contractual workers, there exists no direct employer-employee relationship between the applicant and such workers. Further, no statutory obligation has been cast upon the applicant to provide canteen facilities to such contractual workers. The canteen facility extended to them is in the nature of a voluntary welfare measure and does not arise from Any mandate under the Factories Act, 1948 or any other law for the time being in force.

It is also pertinent to note that the applicant is not engaged in the business of supplying food or running a canteen. The principal business activity of the applicant is manufacturing of goods.

Therefore, the inward supply of catering services is not used for making an outward taxable supply of the same category of goods or services. Consequently, the exception carved out under Section 17(5)(b) of the CGST Act, 2017, permitting input tax credit where such inward supply is used for making an outward taxable supply of the same category, is not applicable in the present case.

In view of the above, input tax credit attributable to catering services provided to contractual workers remains restricted under Section 17(5)(b) of the CGST Act, 2017 read with Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended. Accordingly, ITC is admissible only to the extent of catering services provided to the applicant's regular employees in discharge of statutory obligation, and not in respect of services attributable to contractual workers.

As discussed in the preceding paragraphs, in terms of the proviso to Section 17(5)(b) of the CGST Act, 2017, read with Serial No. 7 of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended, and clarified vide Circular No. 172/04/2022-GST dated 06.07.2022, input tax credit in respect of food and beverage services is admissible only where such services are obligatory for an employer to provide to its employees under any law for the time being in force. The admissibility of ITC is, therefore, restricted to the extent of the statutory obligation and the expenditure incurred by the employer in discharge of such obligation.

In the present case, the applicant is statutorily required to provide canteen facilities to its employees under Section 46 of the Factories Act, 1948. However, it is observed that a portion of the cost of such canteen services is recovered from the employees. To the extent of such recovery, the applicant cannot be said to have borne the cost of the canteen services.

Input tax credit is admissible only to the extent of the cost actually borne by the applicant towards providing the statutory canteen facility. ITC cannot be availed on the entire value charged by the Canteen Service Provider (CSP) where a portion of such value is recovered from the employees. Allowing credit on the full value, including the portion recovered,would result in availment of ITC beyond the applicant's actual expenditure incurred in fulfilment of its statutory obligation.

Further, permitting availment of ITC on the entire value charged by the CSP, including the portion recovered from employees, would not be in consonance with the scheme of the CGST Act, which contemplates availment of input tax credit only to the extent the inward supply is used in the course or furtherance of business and the cost thereof is borne by the registered person.

Accordingly, it is held that the applicant is eligible to avail input tax credit of GST charged by the CSP only to the extent of the cost of canteen services actually borne by the applicant in respect of its regular employees. Input tax credit attributable to the portion of the cost recovered from employees is not admissible.

During the personal hearing, M.V. Sridhar, the Authorised Representative of the applicant, appeared on 16.01.2026 before this Authority and reiterated the submissions and facts as narrated in the application.

As per ruling;

(a) Whether input tax credit (ITC) is admissible to the applicant on GST charged by the CSP for providing catering services, which the applicant is mandatorily required to provide under Section 46 of the Factories Act, 1948?

Ans: - The applicant is eligible to avail input tax credit of GST charged by the Canteen Service Provider (CSP) in respect of canteen services provided to its regular employees, in terms of the proviso to Section 17(5)(b) of the CGST Act, 2017, read with Serial No. 7 of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended, and Circular No. 172/04/2022-GST dated 06.07.2022, since the provision of canteen facility is obligatory under Section 46 of the Factories Act, 1948. However, the admissibility of input tax credit shall be restricted only to the extent of the cost of canteen services actually borne by the applicant.

Input tax credit in respect of GST charged on canteen services attributable to contract workers is not admissible, as the restriction under Section 17(5)(b) of the CGST Act, 2017 continues to apply in the absence of any statutory obligation or employer-employee relationship.

A3 **Statute: Goods and Services Tax**

Decision in Favour of: Not Applicable

Title: M/S Oxyhydra Beverages Pvt. Ltd

Citation: Advance Ruling NO. GUJ/GAAR/R/2 026/16, Dated 08.05.2026

Bench/Court: Gujarat Authority For Advance Ruling

M/s. Oxyhydra Beverages Private Limited, Lodhika, Sidhdhivinayak Industrial Zone, Plot No. 27, Sonal krupa, Lodhika Sub Post Office, Lodhika, Lodhikas, Rajkot, Gujarat, 360035. [for short-'applicant'], is registered under GST and their GSTIN is 24AAECO5970G1ZD.

The applicant (GSTIN 24AAECO5970G1ZD) is engaged in the business of manufacture and supply of bottled water under the brand ALVA (trade name: Oxyhydra Beverages Pvt.Ltd.). The product is sold in bottles of various capacities (250 ml, 475 ml, 500 ml& in 1 L) packed, labelled and marketed for human consumption. The product is water with added minerals (as per attached laboratory report), does not contain any added flavoring, added sugar, sweetening matter, preservatives or any other additives (lab reports confirm only mineral composition and standard physico-chemical parameters).

As per the laboratory analysis (Lab Report dated 17.09.2025), the product contains mainly calcium, magnesium, sodium at specified ppm levels. There are no added flavours, no added sugars/sweeteners, no preservatives and no other functional additives. The product is produced by the applicant by adding minerals to purified water at the manufacturing facility. The product is sold for human consumption as a packaged drinking water product and not sold as a medicinal product or as a food supplement.

The applicant manufactures the product at the manufacturing unit situated at Lodhikas, Rajkot, Gujarat, sells to distributors/retailers and also supplies to institutional buyers. Applicant collects GST and issues tax invoices for B2B and B2C supplies.

The applicant has sought advance ruling on the following questions;

1. Whether the supply of our black mineral water with brand name “ALVA" manufactured and supplied by the applicant is classifiable under HSN 22011010 (i.e., mineral waters and aerated waters: mineral waters") or some other HSN heading for the purpose of GST?

2. In the event HSN 22011010 is not held applicable, the applicant requests the AAR to kindly specify the correct HSN heading and the GST rate applicable to the said product.

The applicant's product is a "water, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured" and therefore falls within HSN 22011010 (mineral waters/mineral water).

The text of the HSN heading and sub-heading (2201/22011010) covers mineral waters and aerated waters that do not contain added sugar or flavour, that the applicant's product contains added minerals only (as per the lab report), and contains no flavouring or sweeteners & therefore the product squarely fits within the scope of HSN 22011010.

The addition of minerals (to achieve mineral composition) does not transform the product into a different category outside heading 2201, that 2201 notes and explanatory notes for HS Chapter 22 treat mineral waters (22011010 etc.) (natural or artificial) as covered under sub-headings for mineral waters (22011010 etc.). Therefore, the presence of minerals (whether naturally occurring or added to purified water to produce a mineral water) does not preclude classification under 22011010 provided there is no added sugar or flavour (which is not present in the applicant's product).

As per the discussions and findings, we find that the applicant is engaged in the business of manufacture and supply of bottled water under the brand ALVA (trade name: OXYHYDRA BEVERAGES PVT.LTD.) which is sold in bottles of various capacities (250 ml, 475 ml, 500 ml& in 1 L) packed, labelled and marketed for human consumption. The applicant has submitted that their product is water with added minerals (as per laboratory report shown in para 3 above), does not contain any added flavoring, added sugar, sweetening matter, preservatives or any other additives (lab reports confirm only mineral composition and standard physico-chemical parameters).

We have gone through the lab report of the applicant's product as well the various flow charts marked as "Raw materials to product R.O. water" and flow charts showing processes carried out in Alkaline Water Plant, Black Alkaline Water Plant as well as flow chart regarding rinsing, filling & capping RFC plant as appearing in paras - 3 & 7 above The lab report suggests that the sample of the product is "Drinking Water" and Black coloured liquid (black water).

Ongoing through the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), we find that beverages are covered under Chapter 22 which covers "Beverages, spirit and vinegar" and drinking water/mineral water etc. being 'beverages', would fall under the said Chapter. Further, since the applicant has opined that the black mineral water with brand name "ALVA" manufactured and supplied by them is classifiable under HSN 22011010, we find it prudent to refer to the Chapter Notes of Chapter 22 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), heading 2201 as per the Customs Tariff as well as the HSN notes of heading 2201.

Based on information available online, the applicant is an active company based in Rajkot, incorporated in January 2025 and engaged in the manufacturing and supply of black alkaline water. The test report submitted by the applicant for their product shows that it contains a black-coloured liquid (black water). The test report does not indicate the presence of sugar, sweetening agents or any flavouring substances in the sample of black mineral water. Additionally, the flow charts submitted by the applicant (referred to in para 7), which outline the entire process from production of RO water, processing in the alkaline water plant and black alkaline plant to bottling and dispatch-do not mention the addition of sugar, sweetening agents or flavouring substances. Therefore, it is concluded that the applicant's product, "Black Mineral Water" under the brand name "Alva," is correctly classified under Heading 2201, specifically under sub-heading 22011010 of Chapter 22 of the First Schedule to the Customs Tariff Act, 1975.

Now, having decided the classification of the product, the rate of the said product needs to be ascertained for which a reference is required to be made to Notification No.09/2025-Central Tax (Rate) dated 17.9.2025. Notification No.09/2025-Central Tax (Rate) dated 17.9.2025.

Personal hearing was granted on 08.04.2026 wherein Shri Bansi Sudhir Pandya, authorised representative appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application.

We find that Entry No.146 of Schedule I of Notification No.09/2025- Central Tax (Rate) covers heading 2201 which reads as "Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured". wherein GST rate is 5% (2.5% CGST + 2.5% SGST). Hence, we find and conclude that the product of the applicant namely 'Black Mineral Water' is classifiable under sub-heading 22011010 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), falls under Entry No.146 of Schedule I of Notification No.09/2025-Central Tax (Rate) and is liable to GST at the rate 5% (2.5% CGST +2.5% SGST).

As per ruling;

1. Whether the supply of our black mineral water with brand name “ALVA" manufactured and supplied by the applicant is classifiable under HSN 22011010 (i.e., mineral waters and aerated waters: mineral waters") or some other HSN heading for the purpose of GST?

Ans: - Black mineral water with brand name "ALVA" manufactured and supplied by the applicant is classifiable under HSN 22011010 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

2. In the event HSN 22011010 is not held applicable, the applicant requests the AAR to kindly specify the correct HSN heading and the GST rate applicable to the said product.

Ans: - The aforementioned product appears at Sr.No.146 of Schedule-I of Notification No.09/2025-Central Tax (Rate) dated 17.09.2025 and is liable to GST at the rate 5% (2.5% CGST + 2.5% SGST).

B. JUDICIAL DECISIONS ON INDIRECT TAXES

B1

Statute: Services Tax

Decision in Favour of: Appellant

Title: S.M. Autokraft Pvt. Ltd Versus Commissioner Of CGST & Central Excise, Guwahati

R. Muralidhar, Members (Judicial) & Rajeev Tandon, Member (Technical)

Citation: (2026) 159 GSTR 324: 2026 SCC OnLine CESTAT 1639

Bench/court: In the Customs Excise & Service Tax Appellate Tribunal

(a) Service Tax- Authorised Dealer Of Business Auxiliary Service Vehicle Manufacturers - Operating On Principal-To-Principal Basis - Profit Margin On Sale Of Vehicles Not "Commission" Discounts And Incentives Received From Manufacturer - Constitute Trade Discount On Sale Price Not Consideration For Any Service - Demand Unsustainable - Finance Act (32 Of 1994), S. 65(105) (Zzb).

(b) Service Tax Limitation --- Assessee Duly Registered - Filing St-3 Returns Regularly - Income-Tax Returns And Balance Sheets Duly Filed No Evidence Of Suppression Or Concealment Invocation Of Extended Period Unwarranted Second Show-Cause Notice Issued On Same Set Of Allegation Of Suppression -Facts Already In Knowledge Of Department Unsustainable - Finance Act (32 Of 1994), S. 73.

B2

Statute: Services Tax

Decision in Favour of: Appellant

Title: Relx India Private Limited Versus Commissioner Of GST & Central Excise, Chennai Outer Commissionerate, Chennai

Vasa Seshagiri Rao, Member (Technical)

Citation: (2026) 156 GSTR 1: 2026 SCC Online CESTAT 467

Bench/Court: In the Customs Excise & Service Tax Appellate Tribunal

A. Service Tax- Refund - Export Of Services - Receipt In Indian Rupees - Consideration Received In India From Overseas Customers Through Authorised Banking Channels Via Freely Convertible Vostro Account Of Non-Resident Bank - Condition Under Rule 3(2)(B) Of Export Of Services Rules, Refund Admissible - Cenvat Credit Rules, 2004, R. 5 Export Of Services Rules, 2005, R. 3(2)(B) - Foreign Exchange Management Act (42 Of 1999), S. 2(N) - Central Excise Act (1 Of 1944), S. 11b.

B. Service Tax- Centralized Refund Export Of Services Accounting - Foreign Inward Remittance Certificates Addressed To Delhi Head Office Export Proceeds Credited To Delhi Bank Account Under Centralized Accounting System - Foreign Inward Remittance Certificates Though Addressed In Name Of Delhi Entity Certify That Remittance Pertains To Chennai Operations - Rule 3(2)(B) Of Export Of Services Rules, 2005 Requires Receipt In Convertible Foreign Exchange, Not In Account Of Service-Providing Unit Refund Not Deniable On Ground Of Credit To Centralized Account - Export Of Services Rules, 2005, R. 3(2)(B) - Cenvat Credit Rules, 2004, R. 5.

B3

Statute: Services Tax

Decision in Favour of: Appellant

Title: Braithwaite Burn & Jessop Construction Company (formerly known as Bharat Bhari Udyog Nigam Ltd) Versus Commissioner of Service Tax-II, Kolkata

R. Muralidhar, Member (Judicial) & Rajeev Tandon, Member(Technical)

Citation: (2026) 158 GSTR 633: 2026 SCC Online CESTAT 1473

Bench/Court: In the Customs Excise & Service Tax Appellate Tribunal

A. Service Works Contract Service Tax Commercial Or Industrial Construction Service - Civil And Structural Works For Bhel Agreement Requiring Supply Of Materials Works Contract Tax Deducted By Client Service Classifiable As Works Contract Demand Under Commercial Or Industrial Construction Service -Finance Act (32 Of 1994), S. 65(105)(Zzzza). -Unsustainable

-B. Service Tax - Consulting Engineer Service Construction Services For University - Demand Quantified On Full Project Cost Plus Agency Charges - Service Tax Demandable Only On 8.5 Per Cent. Agency Commission Demand On Full Project Cost – Erroneous

65(105)(Zzb). Re-Quantification Directed Finance Act (32 Of 1994), S.

C. Service Tax - Limitation Public Sector Public Sector Undertaking Undertaking Cannot Be Charged With Suppression Or Intent To Evade Invocation Of Extended Period Unsustainable - Finance Act (32 Of 1994), S. 73(1).

D. Disallowance On Ground Of Non-D. Service Tax Cenvat Credit Disclosure In Returns - Credit Cannot Be Denied Where Assessee Possesses Supporting Invoices Remand For Verification Of Invoices Directed Cenvat Credit Rules, 2004.

E. Service Tax - Cenvat Credit - Services To Clw And Sail - Balance Liability And Cenvat Credit Payments To Be Verified Adjudicating Authority Remand Directed By Finance Act (32 Of 1994).

B4

Statute: Services Tax

Decision in Favour of: Appellant

Title: Mining & Engineering Corporation Versus Commissioner Of CGST & Central Excise, Kolkata

Ashok Jindal, Member (Judicial) & K. Anpazhakan, Member (Technical)

Citation: (2026) 155 GSTR 383: 2026 SCC Online CESTAT 744

Bench/Court: In the Customs Excise & Service Tax Appellate Tribunal

Service Tax - Supply Of Tangible Goods For Use Service - Site Analyser Machines Supplied On Hire Basis - Value Added Tax Paid On Hire Charges -Transfer Of Right To Use Goods Constitutes Deemed Sale Under Article 366(29A)(D) Of Constitution - Transaction Involving Transfer Of Possession And Effective Control Assessee Paid Value Added Tax Constitutes Deemed Sale And Not Taxable Service Added Tax Indicator That Transaction Treated As Sale Of Goods - Service Tax Not Leviable On Transaction Treated As Sale Of Goods And Subjected To Value Added Tax - Demand Of Service Tax Unsustainable - Finance Act (32 Of 1994), Ss. 65(105)(Zzzzj), 65B(44), 66E(F) - Constitution Of India, Art. 366(29A)(D).

B5

Statute: Services Tax

Decision in Favour of: Appellant

Title: Nirmal Kumar Sharma Versus Union of India & Others

Soumitra Saikia, J.

Citation: (2026) 156 GSTR 256: 2026 SCC Online Gau 2817

Bench/ Court: In the High Court of Gauhati

Service Tax - Assessment Levy Of Tax - Limitation - Demand Based On Form 26AS - Tax Liability Cannot Be Imposed On Inference Or Analogy -Reverse Charge Mechanism Services Provided To Public Sector Undertakings - Service Tax Liability On Service Recipient Extended Period Of Limitation - Invocation Without Finding Of Fraud Or Suppression Demand Set Aside Finance Act (32 Of 1994), Ss. 73, 75, 78.

B6

Statute: Goods and Services Tax

Decision in Favour of: Appellant

Title: Sona Enterprises Versus Assistant Commissioner of Central Tax, Central CGST Division, Vishakapatnam & Others

R. Raghunandan Rao & T.C.D. Sekhar, J J.

Citation: (2026) 154 GSTR 568: 2026 SCC Online AP 480

Bench/Court: In the High Court of Andhra Pradesh

GST- Recovery Of Tax Interest Input-Tax Credit --Reverse Charge Mechanism -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).

B7

Statute: Goods and Services Tax

Decision in Favour of: Appellant

Title: Arnab Kumar Versus State of Assam & Others

Soumitra Saikia, J.

Citation: (2026) 155 GSTR 346: 2026 SCC Online Gau 1981

Bench/Court: In the High Court of Gauhati

GST- Show-Cause Notice - Summary Of Show-Cause Notice - Proper Show-Cause Notice Mandatory - Statement Of Determination Of Tax Cannot Substitute Show-Cause Notice Distinction Between Show-Cause Notice And Statement Digital Signature Or E-Signature Mandatory - Unsigned Attachments Without Authentication By Proper Officer Invalid - Request For Personal Hearing - Denial Of Personal Hearing When No Reply Filed Adverse Decision Contemplated - Violation Of Principles Of Natural Justice Impugned Order Set Aside - Liberty To Initiate De Novo Proceedings - Exclusion Of Time For Limitation - Central Goods And Services Tax Act (12 Of 2017), Ss. 2(91), 73(1), (2), (3), (9), (10), 75(4) - Assam Goods And Services Tax Act (28 Of 2017), Ss. 2(91), 73(1), (2), (3), (9), (10), 75(4) - Central Goods And Services Tax Rules, 2017, Rr. 26(3), 142(1)(A), (B).

B8

Statute: Goods and Services Tax

Decision in Favour of: Appellant

Title: MD Shoriful Islam Versus State of *Assam & Others*

Soumitra Saikia, J.

Citation: (2026) 156 GSTR 223: 2026 SCC Online Gau 884: (2026) 107 GSTL 146

Bench/Court: In the High Court of Gauhati

GST- Assessment -Show-Cause Notice Authentication Digital Signature - Natural Justice - Summary Of Show-Cause Notice In Form GST DRC-01 Not Substitute For Proper Show-Cause Notice Statement Of Determination Of Tax Under Section 73(3) Different From Show-Cause Notice Under Section 73(1) - Show-Cause Notice, Statement And Order Required To Be Authenticated By Proper Officer Through Digital Signature Rule 26(3) Applicable To All Notices And Orders No Opportunity Of Hearing Granted Despite Request - Violation Of Section 75(4) - Order Set Aside With Liberty To Initiate Fresh Proceedings - Central Goods And Services Tax Act (12 Of 2017), Ss. 2(91), 73, 75 - Central Goods And Services Tax Rules, 2017, Rr. 26, 142.

B9

Statute: Goods and Services Tax

Decision in Favour of: Appellant

Title: Sahil Enterprises Versus Union of India & Others

M.S. Ramachandra Rao, C.J. & S.Datta Purkayastha, J.

Citation: (2026) 154 GSTR 108: 2026 SCC Online Tri 4: (2026) 105 GSTL 177

Bench/Court: In the High Court of Tripura

GST - Legislative Powers - Input-Tax Credit - Constitutional Validity Of Provision Governing Claim Of - Demand Raised Against Bona Fide Purchaser When Tax Not Deposited By Seller In Treasury Held: Penalising Purchaser Not Justified When No Mechanism For It To Verify If Tax Paid By It Deposited By Seller Constitutional Validity Upheld Albeit Provision To Be Applied Only In Fraudulent Or Collusive Transactions Made By Purchaser And Not Of Bona Fide Purchaser - Input-Tax Credit Being Conceptualised To Avoid Double Taxation, Purchaser Not To Be Taxed Second Time By Denying Its Input-Tax Credit Judgements Passed By Apex Court On Same Concept Overlooked By High Courts Earlier Now Followed - Input-Tax Credit Allowed There Being No Collusion Central Goods And Services Tax Act (12 Of -2017), Ss. 16(2)(C) - Constitution Of India, Arts. 14, 19, 265, 300A.

B10

Statute: Goods and Services Tax

Decision in Favour of: Appellant

Title: Shivam Electric Corporation Versus *Union of India& Others*

Vivek Singh Thakur & Romesh Verma, JJ.

Citation: (2026) 158 GSTR 90: 2026 SCC Online HP 176: (2026) 106 GSTL 188

Bench/Court: In the High Court of Himachal Pradesh

GST-Return - Manual Filing - Error In Claiming Input-Tax Credit Error Noticed While Filing Annual Return Rectification Done But Discrepancy Prevailed In Departmental Record - Demand Raised Held : Assessee Permitted To File Annual Return Manually There Being No Mechanism Under Provision To Rectify Record Demand Order To Remain Intact Till Further Orders, If Any Central Goods And Services Tax Act (12 Of 2017), S. 16.

B11

Statute: Goods and Services Tax

Decision in Favour of: Appellant

Title: Golden Traders & Others Versus *Deputy Assistant Commissioner of State Tax, Ananthapuramu & another*

R. Raghunandan Rao & T.C.D. Sekhar, JJ

Citation: (2026) 157 GSTR 454: 2026 SCC Online AP 1289

Bench/Court: In the High Court of Andhra Pradesh

GST - Cross-Empowerment - Detention And Seizure In Transit - Inter-State Goods Section 129 And Section 130 - Jurisdiction Of State Officers- Integrated Goods And Services Tax Act – Goods Moving From Outside State To Outside State - State Officer Not Empowered To Exercise Jurisdiction - Cross-Empowerment Under Section 6 Of Central Goods And Services Tax Act Limited To Taxpayers Allotted To State Valuation Dispute Cannot Be Ground For Seizure Or Confiscation State Officer May Forward Discrepancies To Proper Officer Of Consignee Or Consignor - Proceedings Set Aside Integrated Goods And Services Tax Act (13 Of 2017), Ss. 4, 17- Central Goods And Services Tax Act (12 Of 2017), Ss. 6, 129, 130 - Andhra Pradesh Goods And Services Tax Act (16 Of 2017), Ss. 6, 129, 130 - Constitution Of India, Arts. 246A, 269A.

B12

Statute: Goods and Services Tax

Decision in Favour of: Appellant

Title: Assistant Commissioner (Anti Evasion) *& Another Versus Aerocom Cushions Pvt Ltd*

Dipankar Datta & Satish Chandra Sharma, JJ.

Citation: (2026) 158 GSTR 537: 2026 SCC Online SC 1217

Bench/Court: In the Supreme Court of India

GST - Supply Of Services - Leasehold Rights - Assignment Of Leasehold Rights Constitutes Transfer Of Immovable Property - Transaction Has No Mexus With Business Of Company - Essential Element Of Supply Of Service In Course Of Business Absent Assignment By Sale And Transfer Of Leasehold Rights Of Plot Allotted By Industrial Development Corporation To Lessee In Favour Of Third Party Assignee For Consideration Shall Be Assignment Of Denefits Arising Out Of Immovable Property - Not Subject To Levy Of Goods And Services Tax - Show-Cause Notice For Non-Payment Of Tax On Transfer Of Leasehold Rights Quashed Central Goods And Services Tax Act (12 Of 2017), Ss. 7, 9; Sch. II, Cl. 2(B), Sch. III, Cl. 5.

B12

Statute: Central Sales Tax

Decision in Favour of: Appellant

Title: State Of Uttar Pradesh & Others Versus Reliance Industries Limited & Others (& Other Cases)

J.K. Maheshwar& A.S. Chandurkar, JJ.

Citation: (2026) 158 GSTR 353: 2026 SCC Online SC 864

Bench/Court: In the Supreme Court of India

A. Central Sales Tax Inter-State Sale Dealer Engaged In Extraction Of Mineral Oil And Production Of Petroleum Products Production Sharing Agreement With Government Permitting Dealer To Sell Excess Product After Supplying Government Share Gas Purchase Agreements Entered Into With Buyers In U.P. For Sale Of Natural Gas Natural Gas Extracted Offshore Andhra Pradesh And Delivered At Delivery Point "G" In Andhra Pradesh, Thereafter Transmitted Outside State Through Common Carrier Pipeline Under Separate Gas Transmission Agreements Between Buyers And Transporters Gas Purchase Agreements And Gas Transmission Agreements Contemplated Delivery At "G" Passing Of Title And Custody Occurring In Andhra Pradesh Sale Constituted Inter-State Sale Agreements To Be Construed In Light Of Statutory Provisions - Transactions Neither Contrary To Public Policy Nor Shown To Be Sham Or Result Of Illegitimate Tax Planning Commingling Of Gas In Common Carrier Pipeline Owing To Open Access Transportation Arrangement Immaterial Central Sales Tax Act (74 Of 1956), Ss. 2(A), (D), (Dd), (G), (I), (J). (Ja), 3, 4, 8(4) Uttar Pradesh Value Added Tax Act (5 Of 2008), Ss. 2(Ac), (Ag), (Ap), (Aq), 25, 55 Uttar Pradesh Value Added Tax Rules, 2008, Rr. 4(11), 60 Central Sales Tax (Registration And Turnover) Rules, 1957, R. 12 - Petroleum And Natural Gas Regulatory Board (Access Code For Common Carrier Or Contract Carrier Natural Gas Pipelines) Regulations, 2008 - Constitution Of India, , Arts. 286, 297, 298, 304; Sch.Vii, List I, Entries 53, 92a, 92b, List Ii, Entry 54.

B. Central Sales Tax: Inter-State Sale Explanation - Explanation Inserted To Clarify That Sale Of Gas Through Common Carrier Pipeline From One State To Another Falls Within Ambit Of Inter-State Sale Is Declaratory And Clarificatory In Nature, Introduced Ex Abundanti Cautela To Formalise Pre-Existing Legal Position - Explanation Not Prospective Central Sales Tax Act (74 Of 1956), S. 3, Expl. 3.

C. Construction Of Taxing Statutes Scope Of Section To Which It Appended. Explanation - Explanation Ordinarily Cannot Enlarge

D. Sales Tax And Vat Value Added Tax Authorities Assessment Jurisdiction Assessing Authority Appointed To Higher Post And Assuming Duties At New Post Taking Up Assessment Proceedings And Passing Order Thereafter Pradesh Value Added Tax Act (5 Of 2008), S. 2(B) R. 2(C). Order Without Jurisdiction - Uttar Uttar Pradesh Value Added Tax Rules, 2008,r.2(c).

B14

Statute: Goods and Services Tax

Decision in Favour of: Appellant

Title: Srideva Sattva Private Ltd Versus State of Haryana & Others

Aravind Kumar & Prasanna B. Varale, JJ.

Citation: (2026) 157 GSTR 119: 2026 SCC Online SC 822

Bench/Court: In the Supreme Court of India

GST- Writs Under Constitution Show-Cause Notice Alternative Remedy Natural Justice Challenge To Show-Cause Notice And Order-In-Original Absence Of Material Evidencing Service Of Show-Cause Notice On Assessee Despite Recital In Order-In-Original Indicating Service Violation Of Principles Of Natural Justice Matter Remitted - Liberty To Assessee To File Reply And To Assessing Officer To Adjudicate Afresh Question Of Jurisdiction Kept Open For Consideration By Assessing Officer Interference With Show-Cause Notice In Writ Jurisdiction Limited Especially Where Efficacious Alternate Remedy Of Appeal Available Haryana Goods And Services Tax Act (19 Of 2017) Constitution Of India, Art. 226.

B15

Statute: Services Act

Decision in Favour of: Appellant

Title: HT Media Limited Versus Principal Commissioner Delhi South Goods & Service Tax

J.B. Pardiwala & K.V. Viswanathan, JJ.

Citation: (2026) 154 GSTR 237: 2026 SCC Online SC 90

Bench/Court: In the Supreme Court of India

Service Tax- Event Management Service Overseas Agent Arranging Foreign-Based Speakers For Assessee's Annual Summit Activity Not Covered Under "Event Manager" And Hence Not Liable To Service Tax Under Reverse Charge Mechanism Contract With Booking Agents Not For "Management Of An Event" But Only For Booking Speakers For Event Organised By Assessee Finance Act (32 Of 1994), S. 65(40), (41). (105)(Zu).

B16

Statute: Goods & Services Tax

Decision in Favour of: Appellant

Title: Aerocom Cushions Pvt Ltd Versus Assistant Commissioner (Anti-Evasion), CGST & Cx, Nagpur-1 & Another

Anil L. Pansare & Nivedita P. Mehta, JJ.

Citation: (2026) 158 GSTR 530: 2026 SCC Online Bom 134: (2026) 2 Bom CR 28: (2026) 106 GSTL 145: (2026) 3 Mah LJ 461

Bench/Court: In the High Court of Bombay

GST - Supply Of Services Leasehold Rights - Assignment Of Leasehold Rights Constitutes Cransfer Of Immovable Property Transaction Has No Nexus With Business Of Company Essential Element Of Supply Of Service In Course Of Business Absent Assignment By Sale And Cransfer Of Leasehold Rights Of Plot Allotted By Industrial Development Corporation To Lessee In Favour Of Third Party Assignee For Consideration Shall Be Assignment Of Benefits Arising Out Of Mmovable Property Not Subject To Levy Of Goods And Services Tax Show-Cause Notice For Mon-Payment Of Tax On Transfer Of Leasehold Rights - Quashed Central Goods And Services Tax Act (12 Of 2017), Ss. 7, 9; Sch. II, Cl. 2(B), Sch. III, Cl. 5.

78th CA DAY CELEBRATIONS

Flag Hoisting



Blood Donation Camp









Family Get-together

























All Kerala Inter Branch Indoor Games

Certificate Course on FAFD

Two Day National Conference on GST

FIT India - Cycling

3 Days GSTART Workshop

Faculty Meeting