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ERNAKULAM BRANCH

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Chairman's Message

Dear Members,

Greetings from the Ernakulam Branch of SIRC of ICAI.

It gives me immense pleasure to present the May 2026 edition of our CA Journal.

The accounting profession is witnessing unprecedented transformation driven by technology, evolving regulations, and increasing stakeholder expectations. As Chartered Accountants, our ability to adapt, innovate, and uphold the highest standards of professional excellence will define our relevance in the years ahead. At the Ernakulam Branch, we remain committed to supporting this journey through quality learning, meaningful collaboration, and continuous professional development.

During the month of May, the Branch organized a series of impactful programmes that reflected this vision. Our flagship seminar on Enhancing Audit Quality through Data Analytics highlighted how technology and automation are reshaping audit methodologies, while the seminar on the Companies Act, 2013 provided valuable perspectives on governance, compliance, and corporate reporting. The successful conduct of the AICA – Level 1 Certification Course further reinforced our commitment to preparing members for an AI-enabled professional environment.

We were equally privileged to collaborate with the Income Tax Department in organizing outreach programmes on the provisions of the Income Tax Act, 2025, demonstrating the importance of constructive engagement between professional institutions and regulatory authorities. Such initiatives not only enhance technical knowledge but also strengthen public trust in the profession through greater awareness and compliance.

The Branch also had the honour of hosting the Campus Placement Programme for newly qualified Chartered Accountants and the ICAI Convocation in Kerala. These milestones remind us that every newly enrolled Chartered Accountant carries forward the legacy of our profession while embracing new opportunities and responsibilities. It is our collective responsibility to guide and support the next generation as they embark on this professional journey.

I am particularly delighted by the vibrant activities organized by our SICASA team throughout the month. From technical seminars and workshops to talent search competitions, sports events, and orientation programmes, our students demonstrated exceptional enthusiasm, creativity, and determination. Investing in our students today is an investment in the future strength of the profession.

None of these accomplishments would have been possible without the wholehearted support of our Managing Committee, SICASA leadership, speakers, faculty members, volunteers, sponsors, participants, and dedicated Branch staff. I extend my sincere appreciation to each one of you for your invaluable contribution.

As we continue our journey together, let us embrace innovation with confidence, strengthen our professional competencies through continuous learning, and uphold the ethical values that define the Chartered Accountancy profession. Together, we can build a stronger profession that continues to serve business, society, and the nation with integrity and excellence.

Wishing all our members and students continued success, good health, and a fulfilling professional journey.

Warm regards,

CA .Jobby George
Chairman
Ernakulam Branch of SIRC of ICAI

NEW INCOME TAX

A Comparative Analysis with Earlier Act and TDS Changes

by CA. Gnana Sangeetha P

EDITOR'S NOTE

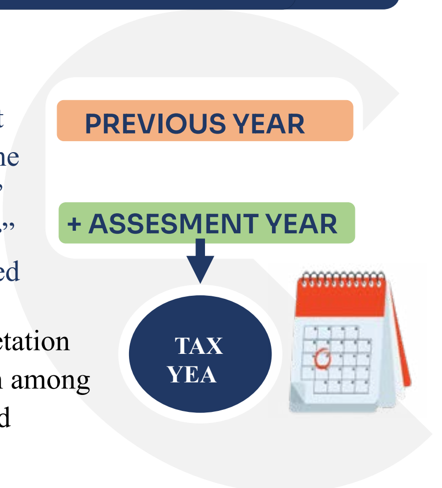
India's taxation framework has entered a new phase with the implementation of the new Income Tax Act, 2025 effective from 1 April 2026 replacing the sixdecadeold Income Tax Act, 1961. The objective of the new legislation is to simplify tax provisions, improve compliance, reduce litigation, and align the system with the requirements of a modern digital economy. Over the years, the Income Tax Act, 1961 became highly complex due to repeated amendments, insertion of multiple provisos, explanations, and nonsequential section numbering. The new Act aims to provide a cleaner structure, simplified drafting style, and technologyoriented tax administration.

Why a New Income Tax Act?

- Simplification of tax laws.
- Better readability and interpretation.
- Removal of redundant provisions.
- Reduction of litigation.
- Promotion of digital tax administration
- Improvement in Compliance Systems

Introduction of "TAX YEAR"

One of the most important conceptual changes in the new Act is the replacement of the terms "**Previous Year**" and "**Assessment Year**" with a single term called "**Tax Year**."



This simplifies interpretation and removes confusion among taxpayers, students, and professionals.

These changes are expected to improve tax literacy and ease of compliance.

LANGUAGE & STRUCTURAL IMPROVEMENTS

- Shorter Sentences.
- Logical Arrangement of Chapters.
- Better Sequencing of Provisions.
- Simplified Explanations.
- Reduced Repetitive Drafting .

Digital Tax Administration

The new Income Tax framework strongly supports digital governance and faceless tax administration.

- Faceless Assessments
- Electronic Notices & Proceedings
- Improved Refund Processing Mechanisms
- AI Supported Scrutiny Systems
- Automated Reconciliation of Returns & TDS

Challenges During Transition

- Learning revised section numbers.
- Updating accounting and tax software.
- Retraining professionals and staff.
- Revising compliance manuals and templates.
- Initial interpretation issues during . implementation.

Tax professionals and chartered accountants will therefore need continuous learning and adaptation.

COMPARITIVE STATEMENT IMPORTANT SECTIONS

Subject	Old Income Tax Act, 1961	New Income Tax Act, 20252026
Definitions	Section 2	Section 2
Tax Year	Previous Year & Assessment Year	Tax Year
Charge of Income Tax	Section 4	Section 4
Residential Status	Section 6	Section 6
Exempt Income	Section 10	Section 11
Salary Income	Section 15	Section 15
House Property	Section 22	Section 20
Business Deductions	Section 37	Section 34
Unexplained Credits	Section 68	Section 102
Deductions	Sections 80C- 80U	Sections 122154
Rebate	Sections 87A	Sections 155158
DTAA	Sections 9091	Sections 159160
Transfer Pricing	Sections 92 Series	Sections 161177
GAAR	Sections 95102	Sections 178184
Return Filing	Sections 139	Sections 262267
Assessment	Sections 143/144/147	Sections 268301

Comparative Statement – Old vs New TDS Provisions

Nature of Payment	Old Section	New Section
Salary	Section 192	Section 392
Interest on Securities	Section 193	Section 393 (1)
Dividend	Section 194	Section 393 (1)
Interest other than Securities	Section 194A	Section 393 (1)
Contractor Payment	Section 194C	Section 393 (1)
Insurance Commission	Section 194D	Section 393 (1)
Commission/ Brokerages	Section 194H	Section 393 (1)
Rent	Section 194I	Section 393 (1)
Professional Fees	Section 194J	Section 393 (1)
Purchase of Property	Section 194IA	Section 393 (1)
Virtual Digital Assets	Section 194S	Section 393 (1)
NonResident Payment	Section 195	Section 393 (2)
TCS	Section 206C	Section 394

The restructuring of TDS provisions is one of the major highlights of the new Income Tax Act. Important changes include:

- Consolidation of Multiple TDS Sections
- Introduction of Numeric Coding System
- AIDriven Scrutiny & Reconciliation
- Renumbering of TDS Forms & Compliance Statements
- Enhanced Digital Integration

EXPERT CONCLUSION

" " The new Income Tax Act, 2026 represents a major modernization initiative in India's direct tax system. Rather than changing the core principles of taxation, the new law focuses on simplification, restructuring, digital compliance, and improved administration. The restructuring of TDS provisions and simplified section mapping are among the most significant reforms introduced under the new framework. Although professionals and taxpayers may initially require time to adapt to the revised provisions and numbering system, the longterm benefits are expected to improve transparency, efficiency, and ease of doing business. India's tax administration is gradually moving toward a more technologyoriented, transparent, and taxpayerfriendly structure, and the new Income Tax Act marks an important step in that direction.

Reported Judicial Decisions

CA. P. M Veeramani

Statute: Income Tax Act – Sec.10(10AA) – Enhanced limits
Decision in favour of : Assessee
Title : Sunil Kumar Bhilare vs ITO
Citation: 215 ITD 476
Bench: ITAT Pune

Exemption limit for leave encashment on retirement enhanced to Rs.25 lakhs by notification 31/2023 dated 24.5.2023 not considered by CPC while processing the return and also by CIT(A) while adjudicating appeal. Remanded for fresh adjudication in the light of CBDT notification

Statute: Income Tax Act – Sec.10(10AA) – Period of service with government
Decision in favour of : Assessee (partly)
Title : Chander Sekher Saini vs ITO
Citation: 216 ITD 15
Bench: ITAT Chandigarh

Assessee , an employee of Punjab State Electricity Board , undertaking of State Government entitled to claim exemption applicable to government employee for the leave encashment on retirement relatable to the period up to which he was with EB but not entitled for the period after it was converted to Corporation

Statute: Income Tax Act – Sec.11(2) – belated deposit in bank
Decision in favour of : Assessee
Title : Rajasthan Ophthalmological Society vs ITO
Citation: 128 ITR Trib 525
Bench: ITAT Jaipur

The assessee had complied with the conditions laid down in section 11(2) of the Act as well as rightly deposited the amount in scheduled bank as per section 11(5)(iii). The mere fact that the investment in fixed deposit was made few days after the end of the financial year , despite the funds being securely parked in a scheduled bank through out, could not be a valid ground for denial of exemption

Statute: Income Tax Act – Sec.28(iv) – Expenditure incurred
Decision in favour of : Assessee

Title : Atul Kumar Guptha vs ITO
Citation: 215 ITD 472
Bench: ITAT Delhi

Expenditure on account of travelling , telephone, depreciation on assets and its repairs and maintenance, fuel for vehicle, driver salary allowable as expenditure against remuneration from the firm of a working partner, as they incurred wholly and exclusively for earning such income

Statute: Income Tax Act – Sec.35AC – subsequent withdrawal of approval
Decision in favour of : Assessee
Title : Raman and Weil Pvt Ltd vs DCIT
Citation: 215 ITD 514 Bench: ITAT Mumbai

Subsequent withdrawal of approval of the institution cannot negate the assessee's claim for deduction which was made when the approval was in force

Statute: : Income Tax Act – Sec.37 – Non compete fee
Decision in favour of : Assessee
Title : Sharp Business Systems vs CIT
Citation: 484 ITR 509 SC
Bench: Supreme Court of India

On account of payment of non-compete fee the assessee had not acquired any new business nor was there an addition to the profit making apparatus. The assets remained the same. The expenditure incurred was essentially to keep a potential competitor out of the same business. Payment only to ensure that assessee operated the business more efficiently and profitably. Hence the expenditure is allowable as revenue . HC decision in 484 ITR 496 reversed

Statute: Income Tax Act – Sec.54F – Inclusion of son's name
Decision in favour of : Assessee
Title : Daulat Singh Haldea vs ITO
Citation: 216 ITD 87
Bench: ITAT Jaipur

Assessee sold residential house and invested in new residential house jointly in name of assessee and his son where the entire investment was by the assessee and son's name included for operational convenience in future and department had not disputed the investment was by assessee only, the deduction would be available in full to the assessee

Statute: : Income Tax Act – Sec.68 – Source of Source
Decision in favour of : Assessee
Title : Sheela Overseas Pvt Ltd vs PCIT
Citation: 484 ITR 486
Bench: Delhi HC

The amended provisions vide Finance Act 2022 requiring to prove source of source is applicable only in respect of share application money, share capital and share premium. The expression "such amount" would necessarily take its colour from the terms share application money, share capital and share premium and rule of noscitur a sociis would be applicable

Statute: Income Tax Act – Sec.69 – Investment in India out of earning from abroad
Decision in favour of : Assessee
Title : Rajnish Kasturchand Ostwal vs ITO
Citation: 216 ITD 24
Bench: ITAT

Purchase of property in India with funds originated from salary earned abroad and remitted to India through banking channels , such investment is not chargeable to tax in India and could not treated as unexplained investment as only income received or accrued in India is taxable for non-residents under section 5(2)

Indirect Tax

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

CA. P. J Johney

JUDICIAL DECISIONS ON INDIRECT TAXES

Statute: GOODS AND SERVICES TAX
Decision in Favour of: NOT APPLICABLE
Title: M/s. Sanctum Trading Corporation Private Limited
Citation: Order No GST-ARA-09/2021-22/B52, Mumbai Dated. 30.03.2026
Bench/Court: MAHARASHTRA AUTHORITY FOR ADVANCE RULING

The Applicant, M/s. Sanctum Trading Corporation Private Limited, having GSTIN 27AAUCS0963M1ZJ, is the holder of Bonded Warehouse Licence No. 1775/2019-2020 issued under Section 58A of the Customs Act, 1962 and operates a Special Warehouse under the Customs Warehousing Regulations, 2016 for supply of duty-free ship stores from its bonded warehouse to foreign-going vessels and to ships of the Indian Navy and the Indian Coast Guard.

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

1. The Applicant supplies imported goods stored in his bonded warehouse to foreign-going vessels, Indian Navy Ships and Indian Coast Guard Ships. Will these outward supplies be treated as Export Sales (Zero-rated Supply) under GST?

2. If these outward supplies are treated as Export Sales, then under LUT, can these items be exported without payment of IGST ?

The applicant, M/s. Sanctum Trading Corporation Private Limited, is a private limited company registered under the GST Act bearing GSTIN 27AAUCS0963MIZJ and having its registered office at 101, Sajjad Yasin Chamber No.2, 1st floor, 30-G Bomanji Lane, Fort, Mumbai - 400001. The applicant is the holder of Bonded Warehouse Licence No. 1775/2019-2020 issued under Section 58A of the Customs Act, 1962 and operates a "Special Warehouse" within the meaning of Chapter IX of the Customs Act, 1962, read with the Customs Warehousing Regulations, 2016, as a duty-free ship-store supplier

.

The applicant has further stated that the warehoused goods are permitted, in terms of the license held and the relevant provisions of the Customs Act, 1962, to be supplied duty-free from the booted warehouse to -

- Ocean-going merchant vessels on foreign run;
- Indian Navy Ships; and
- Indian Coast Guard Ships

The applicant submits that it has been importing into India various items, principally cigarettes, from manufacturers located outside India, and that the said goods are stored, duty-free, in its bonded warehouse for being supplied as ship stores to merchant vessels on foreign run, to vessels of the Indian Navy and to vessels of the Indian Coast Guard. The applicant contends that the said supplies are governed by the provisions of Chapter X of the Customs Act, 1962, more particularly Sections 85, 86, 87, 88, 89 and 90 thereof.

It is the applicant's contention that the items so supplied are exempt from payment of customs duty, cess, special additional duty and value added tax, and that this exemption-status under the Customs Act has the consequence, on a parity of reasoning, of qualifying the supplies as exports under the GST Act.

The applicant has further reproduced Section 85 of the Customs Act, 1962, which provides as under: -

"Where any imported goods are entered for warehousing and the importer makes and subscribes to a declaration that the goods are to be supplied as stores to vessels or aircrafts without payment of import duty under this Chapter, the proper officer may permit the goods to be warehoused without the goods being assessed to duty."

On the strength of the foregoing provisions of the Customs Act, 1962, the applicant submits that under Indian Customs law, supplies made to merchant vessels on foreign run, to vessels of the Indian Navy and to vessels of the Indian Coast Guard are treated as exports. The applicant further contends that the same treatment ought to be extended to the said supplies under the GST Act, since exports are zero-rated supplies under the GST regime.

The applicant has also placed reliance on the advance ruling rendered by the Authority for Advance Ruling, State of Andhra Pradesh, in the case of M/s. Fairmacs Shipstores Pvt. Ltd., bearing Ruling No. AAR/AP/10(GST)/2018 dated 20.08.2018. The applicant submits that the said Authority has ruled that "outward supplies made to ocean-going merchant ships which are in foreign run, Indian Navy Ships and Indian Coast Guard Ships will be treated as Exports."

The application was forwarded to the concerned jurisdictional officer in terms of Section 98(1) of the CGST Act, 2017 read with Rule 104 of the CGST Rules, 2017, calling for comments on the issues raised by the applicant.

However, despite sufficient opportunity having been afforded, no written submissions or records have been furnished by the jurisdictional officer. In the absence of any response from the department, the Authority has proceeded to consider and decide the application on the basis of the facts pleaded, the documents placed on record, the oral and written submissions of the applicant, and the provisions of law applicable thereto.

We observe that the applicant, M/s. Sanctum Trading Corporation Private Limited, is a registered taxpayer under the GST Act bearing GSTIN 27AAUCS0963MIZJ. The applicant holds Bonded Warehouse Licence No. 1775/2019-2020 issued under Section 58A of the Customs Act, 1962, and operates a Special Warehouse under Chapter IX of the Customs Act, 1962 read with the Customs Warehousing Regulations, 2016. The goods in question – namely cosmetics, toiletries, food products, confectionery and cigarettes - are sourced either by direct import from foreign manufacturers or by procurement from foreign manufacturers' SEZ-based hubs in India, and are stored in the applicant's bonded warehouse without payment of customs duty. Such warehoused goods are then supplied to (i) ocean-going merchant vessels on foreign run, (ii) Indian Navy ships and (iii) Indian Coast Guard ships, against an "Intent to Purchase "issued by the Master of the vessel (in the case of foreign-going merchant vessels) or against a Purchase Order issued by the Indian Navy / Indian Coast Guard (in the case of naval / coast-guard ships), and only after a Duty-Free Shipping Bill is filed and customs approval is obtained.

During the course of the proceedings, the applicant withdrew Question No. 2 vide letter dated 15.12.2021. The present advance ruling, accordingly, is confined to Question No. 1, which is whether the outward supplies made by the applicant of warehoused goods from its bonded warehouse to (i) ocean-going merchant vessels on foreign run, (ii) Indian Navy ships, and (iii) Indian Coast Guard ships, will be treated as "Export Sales (Zero-rated Supply)" under the GST Act.

The single issue that falls for our determination, accordingly, is whether the supply, by the applicant, of warehoused goods from its bonded warehouse to (i) ocean-going merchant vessels on foreign run, (ii) Indian Navy ships and (iii) Indian Coast Guard ships, before clearance of succeeds for home consumption, qualifies as "export of goods" under Section 2(5) of the IGST Act, 2018 and thereby as a zero-rated supply under Section 16 of the IGST Act, 2017.

Before turning to the merits, it is appropriate to set out the statutory framework that governs the question. Section 9 of the CGST Act, 2017 is the charging provision and levies the tax on all intra State supplies of goods or services, save those expressly excluded; the corresponding levy on inter-State supplies is laid by Section 5 of the IGST Act, 2017. Section 16 of the IGST Act, 2017 then provides for the regime of zero-rated supplies and reads, in material part, as under: -

"16. (1) "zero rated supply" means any of the following supplies of goods or services or both, namely: -

(a) export of goods or services or both; or
(b) supply of goods or services or both [for authorised operations] to a Special Economic Zone developer or a Special Economic Zone unit."

Section 2(5) of the IGST Act, 2017 defines the expression "export of goods" as follows: -
"(5) "export of goods" with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India."

Section 2(56) of the CGST Act, 2017, which is to be read in pari materia for the meaning of "India" under the IGST Act by virtue of Section 2(24) of the IGST Act, defines "India" as under:-

"India" means the territory of India as referred to in article 1 of the Constitution, its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, and the air space above its territory and territorial waters."

Section 11(b) of the IGST Act, 2017 reinforces the destination-based test from the angle of place of supply, by providing that the place of supply of goods exported from India shall be the location outside India. A supply whose recipient is, at the time of supply, located within India -

Rehabber on land, in territorial waters, in the EEZ, or otherwise within the territory comprehended by Section 2(56) – does not have a supply outside India and therefore does not engage Section 12(b).

Examined against this statutory framework, the supplies in question manifestly do not quality as "export of goods" under Section 2(5) of the IGST Act, 2017. The recipient vessels - whether foreign-going merchant vessels at anchor in Indian ports / territorial waters, Indian Navy ships, or Indian Coast Guard ships - are, at the time of supply, located within India as defined under Section 2(56).

It is true, as the applicant has urged, that "warehoused goods", within the meaning of Section 2(44) of the Customs Act, 1962, may, under Section 69 of the said Act, be exported to a place outside India without payment of import duty subject to compliance with the conditions stipulated therein. It is also true that Section 88(a) of the said Act extends the same exemption from import duty to warehoused goods that are taken on board any foreign-going vessel as stores. Section 90 of the Customs Act, 1962 makes a corresponding provision in respect of supplies of stores to ships of the Indian Navy.

The expression "export" under the Customs Act, 1962 has a wider sweep than "export of goods" under the IGST Act, 2017. Under the Customs Act, "export" is defined in Section 2(18) as taking out of India to a place outside India, but the operative provisions of Chapter X (Sections 85-90) extend the consequence of "export" - namely, exemption from import duty - to certain supplies of warehoused goods as ship stores even where the goods, in fact, are taken on board within India. Thus, what the Customs Act treats, for the limited purpose of duty exemption, as if it were an export, the IGST Act treats only as an "export of goods" if the destination-based test of Section 2(5) is, in fact, satisfied.

The preliminary virtual e-hearing in the matter was held on 14.12.2021. Mr. Rishabh Jain, Chartered Accountant, Mr. Chintan Dhediya, Chartered Accountant, and Mr. Girish Agarwal, Accountant, appeared as Authorised Representatives on behalf of the applicant and made oral submissions in support of the admission of the application. The Jurisdictional Officer was not available for the said hearing.

Subsequent to the preliminary hearing, the applicant, vide letter dated 15.12.2021, withdrew Question No. 2 raised in the application. The said withdrawal has been taken on record. The application was thereafter admitted in terms of Section 98(2) of the CGST Act, 2017, in respect of Question No. 1.

The matter was called for final virtual e-hearing on 01.10.2025, on which date Mr. Ashok Mudaliar, Advocate, appeared as Authorised Representative for the applicant and reiterated the written submissions on record and made further oral submissions in support of the contentions advanced. The Jurisdictional Officer was not available during the said hearing. Both sides being heard, and the record being complete, the matter was reserved for orders.

As per Ruling:
Question 1:- The Applicant supplies imported goods stored in his bonded warehouse to foreign-going vessels, Indian Navy Ships and Indian Coast Guard Ships. Will these outward supplies be treated as Export Sales (Zero-rated Supply) under GST?

Answer:- The outward supplies made by the Applicant, M/s. Sanctum Trading Corporation Private Limited, from its bonded warehouse to ocean-going merchant vessels on foreign run, Indian Navy ships and Indian Coast Guard ships, before clearance of the said warehoused goods for home consumption, do not qualify as "export of goods" within the meaning of Section 2(5) of the Integrated Goods and Services Tax Act, 2017, and are not zero-rated supplies under Section 16 of the Integrated Goods and Services Tax Act, 2017. The said transactions are, however, covered under paragraph 8(a). of Schedule III to the Central Goods and Services Tax Act, 2017 read with Section 7(2)(a) thereof, and are, accordingly, to be treated as neither a supply of goods nor a supply of services for the purposes of the GST Act

Question 2:- If these outward supplies are treated as Export Sales, then under LUT, can these items be exported without payment of IGST?

Answer:- Not answered, as the applicant has, vide letter dated 15.12.2021, withdrawn the said

Statute: GOODS AND SERVICES TAX
Decision in Favour of: NOT APPLICABLE
Title: M C PRASANTH
Citation: ADVANCE RULING No. KER/07/2026 Dated 28/04/2026
Bench/Court: KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER THIRUVANANTHAPURAM

The applicant, Shri M C Prasanth (hereinafter referred to as "the Applicant"), is stated to be the proprietor of M C Associates having its principal place of business at Thana, Kannur, Kerala - 670012. The Applicant has filed the present application seeking an advance ruling under Section 97 of the Central Goods and Services Tax Act, 2017 and the Kerala State Goods and Services Tax Act, 2017 in respect of certain questions relating to the applicability of GST under the Reverse Charge Mechanism (RCM) in respect of (i) rent paid to an unregistered landlord and (ii) purchase of wood from unregistered dealers.

In this Ruling, a reference hereinafter to the provisions of the CGST Act, Rules or the notifications issued there under shall include a reference to the corresponding provisions of the KSGST Act, Rules or the notifications issued there under.

1. Whether rent paid by the applicant (a voluntary registered exclusively in exempted goods) to an unregistered landlord for commercial space is liable to GST under the Reverse Charge Mechanism?

(a) If RCM applies, whether the liability arises under Section 9(3) or Section 9(4) of the CGST Act, 2017?
(b) If RCM does not apply, what is the legal basis for exemption?

2. If the Applicant composition person dealer Dealing registers as a for a furniture manufacturing unit, will the applicant be liable to pay GST under the RCM on purchases of wood (a key raw material) from unregistered dealers

under Section 9(3) or Section 9(4) of the CGST Act, 2017?

In Scenario 1, the Applicant proposes to deal exclusively in exempt goods and, although not required to obtain GST registration, intends to voluntarily register under GST due to business considerations such as participation in tenders and maintaining supplier relationships. The Applicant proposes to rent commercial premises from an unregistered landlord and seeks clarification as to whether GST would be payable under Reverse Charge Mechanism (RCM) in terms of Notification No. 09/2024-Central Tax (Rate) dated 08.10.2024.

In Scenario 2, the Applicant has stated that if the answer to Scenario 1 is in the affirmative, he proposes to start a furniture manufacturing unit and opt for the composition scheme under Section 10 of the CGST Act, 2017, where the primary raw material would be wood sourced from unregistered suppliers. The Applicant seeks clarification whether GST under RCM would apply on such purchases.

At the outset, it is necessary to examine whether the present application satisfies the statutory requirements for admission under the provisions of Section 97 of the CGST Act, 2017. As per Section 95(a) of the CGST Act, 2017, an advance ruling means a decision provided by the Authority to an applicant on matters specified in Section 97 (2), in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant. Thus, the advance ruling mechanism is intended to provide certainty regarding the tax implications of a specific supply undertaken or proposed to be undertaken by the applicant.

From the provisions of the Act, it is clear that an advance ruling can be sought only in respect of questions relating to the supply of goods or services undertaken or proposed to be undertaken by the applicant himself.

The Authority for Advance Ruling is constituted for the limited purpose of providing clarity on the tax implications of transactions pertaining to the applicant's own supplies, and not for rendering general advisory opinions on issues that may arise in respect of third parties. In this regard, it is pertinent to note that the scheme of advance ruling under Section 95(a) read with Section 97 of the CGST Act, 2017 contemplates that a ruling can be sought only in relation to the supply of goods or services undertaken or proposed to be undertaken by the applicant. Accordingly, the Authority for Advance Ruling is not intended to function as a forum for providing general clarification on the interpretation of GST provisions or for answering academic queries that do not arise from a specific factual matrix relating to the applicant's own transactions. Further, it is evident that the applicant has not approached this Authority in his capacity as a taxpayer seeking clarity on his own transactions, but rather as a professional seeking general guidance for clients, which falls outside the scope of the advance ruling mechanism.

The present application does not satisfy the essential requirement stipulated under Section 95(a) read with Section 97(2) of the CGST Act, 2017, which requires that the questions on which advance ruling is sought must relate to a supply of goods or services undertaken or proposed to be undertaken by the applicant. The issues raised in the application are thus academic in nature and fall outside the scope of matters on which an advance ruling can be issued by this Authority.

It is well settled that the Authority for Advance Ruling cannot be converted into a forum for providing general tax advisory opinions or answering academic questions which are not linked to an actual or proposed supply undertaken by he applicant. Accordingly, without going into the merits of the questions raised in the application, it is held that the present application is not admissible under the provisions of the CGST Act, 2017 and the KSGST Act, 2017. In view of the above findings, this Authority refrains from examining the questions raised on merits and holds that the application is liable to be rejected at the threshold.

The applicant was granted an opportunity for a personal hearing on 26-02-2026. Shri. M C Prasanth, Proprietor represented for the applicant in personal hearing. In the hearing, he explained the nature of activity undertaken by the applicant and reiterated the contentions submitted in the written application. During the course of the personal hearing, the Applicant identified himself as a Chartered Accountant and submitted that the questions raised in the application are prospective in nature and have been raised in order to obtain clarity on issues that may arise for his clients in the course of their business activities. The Applicant further stated that the questions are not necessarily linked to any specific supply of goods or services being undertaken or proposed to be undertaken by the Applicant himself, but are intended to seek general clarification on the applicability of GST provisions in such situations.

As per Ruling:
Question 1- Whether rent paid by the applicant (a voluntarily registered person dealing exclusively in exempted goods) to an unregistered landlord for commercial space is liable to GST under the Reverse Charge Mechanism?

(a) If RCM applies, whether the liability arises under Section 9(3) or Section 9(4) of the CGST Act, 2017?
(b) If RCM does not apply, what is the legal basis for exemption?

Answer- In view of the discussions above, the application for advance ruling filed by the Applicant is not admissible under Section 97 of the CGST Act, 2017 and the KSGST Act, 2017, as the questions raised do not relate to any supply of goods or services undertaken or proposed to be undertaken by the Applicant. Accordingly, the application is rejected as not maintainable, without going into the merits of the issues raised.

Question 2- If the Applicant registers as a composition dealer for a furniture manufacturing unit, will the applicant be liable to pay GST under the RCM on purchases of wood (a key raw material) from unregistered dealers under Section 9(3) or Section 9(4) of the CGST Act, 2017?

Answer- In view of the discussions above, the application for advance ruling filed by the Applicant is not admissible under Section 97 of the CGST Act, 2017 and the KSGST Act, 2017, as the questions raised do not relate to any supply of goods or services undertaken or proposed to be undertaken by the Applicant. Accordingly, the application is rejected as not maintainable, without going into the merits of the issues raised.

Statute: GOODS AND SERVICES TAX
Decision in Favour of: NOT APPLICABLE
Title: MR. VINOD KUMAR (C.A.), MR. GIRISH KOHLI (C.A.)
Citation: RAJ/AAR/2025-26/24, dated 27.03.2026
Bench/Court: RAJASTHAN AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX, KAR BHAWAN, AMBEDKAR CIRCLE, NEAR RAJASTHAN HIGHCOURT JAIPUR - 302005 (RAJASTHAN)

We M/s SKP Enterprises, a proprietorship concern in the name of Mrs Sunita Kohl having GST number and address mentioned above, are into manufacturing and selling of packing material i.e. carrying bag of various types. Out of them one major portion pertains to Compostable bags (i.e. bio-degradable bags) . The HSN Code of the above items has been HSN: 3923 29 90, Chapter: 39 - Plastics and articles thereof, Description: Other sacks and bags, of plastics. Earlier prior to 22.09.2025, the above item was classified as above are GST rate was charged at GST @ 18% (9% CGST + 9% SGST). Copy of Certificate to manufacture and sell compostable bags by CPCB, Copy of LAB testing report CIPET and Copy of Sample Sales Invoices as evidence that we are into manufacturing of such product and the products are biodegradable/ compostable.

In pursuance of notification Notification No. 9/2025-Central Tax (Rate) dated 17-Sep-2025, effective 22-Sep-2025,"Paper Sacks/Bags and bio- degradable bags" are specified against Chapters 39, 48 in Schedule I (CGST 2.5%), yielding 5% GST.

QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT:

1. Classification/HSN: Whether the Applicant's biodegradable bags are classifiable under Chapter 39 (if of plastic/ compostable polymer) or Chapter 48 (if of paper), and the appropriate HSN therein.

2. Rate of tax & applicability of notification: Whether supplies of the said biodegradable bags are covered by the entry "Paper Sacks/Bags and bio-degradable bags" (Ch. 39, 48) in Schedule I of Notification 9/2025-CTR, attracting 5% GST (2.5% CGST + 2.5% SGST), w.e.f. 22- Sep-2025.

We have carefully examined the statement of facts, the application filed by the applicant, the submissions made during the hearing, and the comments from the jurisdictional Tax Authority. We also considered the issues involved for which the advance ruling is sought, along with other relevant facts.

The applicant M/s SKP Enterprises, a proprietorship concern in the name of Mrs. Sunita Kohli, F-274, INDUSTRIAL PLOT, CHOPANKI, BHIWADI-301019, ALWAR, Rajasthan, and is registered with the GST department having GSTIN 08AKUPK9470G1ZG. The applicant is engaged in the manufacturing and selling of packing material i.e. carrying bag of various types.

The issue raised by the applicant is fit to pronounce advance ruling as they have deposited prescribed fee under CGST Act and it falls under the ambit of the Section 97(2) given as under: (a) classification of goods and/or services or both, and (b) Applicability of a notification issued under the provisions of this Act.

We find that the applicant has submitted certificates issued by a notified agency indicating that the product is "bio-degradable/compostable". However, the mere submission of such a certificate does not authorize this Authority to make any scientific, technical or environmental determination regarding the actual biodegradability or compostability of the product.

This Authority is constituted to decide matters falling within the scope of Section 97(2) of the CGST Act, namely classification of goods, applicability of notifications, admissibility of input tax credit, liability to pay tax, requirement for registration, and whether an activity amounts to supply. We do not possess the jurisdiction to determine whether a product meets environmental, technical or scientific standards of biodegradability or compostability.

The determination of biodegradability or compostability is a scientific and technical matter falling within the jurisdiction of the environmental authorities and not within the scope of this Authority under Section 97(2) of the CGST Act.

We find that the bags in question, if made from polymer or compostable plastics, are classifiable under Chapter 39 - Plastics and articles thereof, specifically under heading 3923, being articles for the conveyance or packing of goods. Furthermore, if the bags are manufactured from paper, they are classifiable under Chapter 48 - Paper and paperboard; articles of paper pulp, of paper or of paperboard. This classification is independent of whether the material is biodegradable or not.

We further observe that Entry No. 319 of Schedule I to Notification No. 9/2025-Central Tax (Rate) dated 17.09.2025 provides a concessional GST rate of 5% for "Paper Sacks/Bags and bio-degradable bags" under Chapters 39 and 48. The concessional rate is therefore conditional in nature and applies only if the goods supplied are biodegradable as understood in the context of the said entry.

Accordingly, while we cannot determine whether the applicant's product is biodegradable or compostable, we hold that if the bags supplied by the applicant are biodegradable, then the benefit of Entry No. 319 of Schedule I would be available and GST would be payable at the rate of 5% (2.5% CGST + 2.5% SGST). If the product is not biodegradable, then the concessional rate would not apply, and the applicable rate under the general classification for plastic bags under Chapter 39 would apply. In the matter, personal hearing was granted to the applicant on 09.03.2026. Mr. Vinod Kumar (C.A.), Mr. Girish Kohli (C.A.) Authorized Representative appeared for personal hearing. They reiterated the submission already made by them.

As per Ruling:
Question 1:- Classification/HSN: Whether the Applicant's biodegradable bags are classifiable under Chapter 39 (if of plastic/compostable polymer) or Chapter 48 (if of paper), and the appropriate HSN therein
Answer:- As per Para 7, We find that the bags in question, if made from polymer or compostable plastics, are classifiable under Chapter 39 - Plastics and articles thereof, specifically under heading 3923, being articles for the conveyance or packing of goods. Furthermore, if the bags are manufactured from paper, they are classifiable under Chapter 48 - Paper and paperboard; articles of paper pulp, of paper or of paperboard. This classification is independent of whether the material is biodegradable or not.

Question 2:- Rate of tax & applicability of notification: Whether supplies of the said biodegradable bags are covered by the entry "Paper Sacks/Bags and bio-degradable bags" (Ch. 39, 48) in Schedule I of Notification 9/2025-CTR, attracting 5% GST (2.5% CGST + 2.5% SGST), w.e.f. 22-Sep-2025?

Answer:- As per Para 9, Accordingly, while we cannot determine whether the applicant's product is biodegradable or compostable, we hold that if the bags supplied by the applicant are biodegradable, then the benefit of Entry No. 319 of Schedule I would be available and GST would be payable at the rate of 5% (2.5% CGST + 2.5% SGST). If the product is not biodegradable, then the concessional rate would not apply, and the applicable rate under the general classification for plastic bags under Chapter 39 would apply

JUDICIAL DECISIONS ON INDIRECT TAXES

Statute: GOODS & SERVICE TAX
Decision in Favour of: APPELLANT
Title: SURYA TEXTILE VERSUS SUPERINTENDENT OF GST AND CENTRAL EXCISE, KARUR II RANGE, KARUR
(KRISHNAN RAMASAMY, J.)
Citation: (2026) 157 GSTR 1: 2026 SCC OnLine Mad 4363
Bench/Court: IN THE HIGH COURT OF MADRAS

GST - Input-Tax Credit - Limitation -- Reversal Of Input-Tax Credit On Ground Of Limitation Under Section 16(4) Registered Dealer Unable To File GSTR-3B Returns Due To Financial Constraints, Covid-19, Lockdown And Other Difficulties - Show-Cause Notice Issued And Order Passed Reversing Input-Tax Credit And Directing Payment Of Tax, Penalty And Interest - Subsequent Amendment By Finance (No. 2) Act, 2024 Inserting Section 16(5) With Retrospective Effect From July 1, 2017 - Extended Deadline Of November 30, 2021 For Availing Input-Tax Credit In Respect Of Financial Years 2017-2018 To 2020-2021 - Issue Covered By Common Order In Sri Ganapathi Pandi Industries V. Asstt. Commr. (ST)(FAC), (2025) 145 GSTR 136 (Mad); 2024 SCC Online Mad 8823 - Order Reversing Input-Tax Credit Quashed Insofar As It Relates To Claim Barred By Limitation Under Section 16(4) But Within Period Prescribed Under Section 16(5) - Department Restrained From Initiating Proceedings On Limitation Ground - De-Freezer Of Bank Accounts Directed - Liberty Granted To Assessee To Apply For Refund - Central Goods And Services Tax Act (12 Of 2017), Ss. 16(4), (5), 39, 73 - Tamil Nadu Goods And Services Tax Act (19 Of 2017), S. 16(5) - Finance (No. 2) Act, 2024 – Notification No. 17 Of 2024 - Central Tax, Dated 27-9-2024 - Circular No. 237/31/2024-GST.

Statute: GOODS AND SERVICE TAX
Decision in favour of: APPELLANT
Title: GOLDEN TRADERS AND OTHERS ... APPELLANT; DEPUTY ASSISTANT COMMISSIONER OF STATE TAX, ANANTHAPURAMU AND ANOTHER.
(R. RAGHUNANDAN RAO AND 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.

Statute: SERVICE TAX
Decision in favour of: APPELLANT
Title: HT MEDIA LIMITED VERSUS PRINCIPAL COMMISSIONER DELHI SOUTH GOODS AND SERVICE TAX
(J.B. PARDIWALA AND 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).

Statute: SALES TAX AND VAT
Decision in favour of: APPELLANT
Title: HAMDARD (WAKF) LABORATORIES VERSUS COMMISSIONER, COMMERCIAL TAX, U.P.... RESPONDENT.
(B.V. NAGARATHNA AND R. MAHADEVAN, JJ.)
Citation: (2026) 156 GSTR 46: 2026 SCC OnLine SC 306
Bench/Court: IN THE SUPREME COURT OF INDIA

A. - Sales Tax And Vat - Value Added Tax - Classification Of Goods - Entries In Schedule - "Sharbat Rooh Afza" - Classifiable As Fruit Drink/Processed Fruit Product Taxable At Concessional Rate - Not Under Residuary Entry - Product Containing Declared Fruit Juice And Deriving Essential Beverage Identity From Fruit-Based Constituents - Fruit Squashes, Concentrates And Sharbat Preparations Intended For Dilution Capable Of Being Understood As Fruit Drink Preparations - Nomenclature "Sharbat" Not Determinative Of Classification - Entry Illustrative And Inclusive In Character And Does Not Prescribe Any Quantitative Threshold For Fruit Content - Regulatory Or Licensing Classification Not Decisive For Fiscal Classification - Use Of Expression "Including" Expanding Scope Of Entry To Cover Broad Category Of Fruit-Based Preparations - Nature, Composition And Commercial Identity Of Product Decisive - Expression "Fruit Drink" Not Confined To Ready-To-Consume Bottled Beverages - Revenue Failing To Establish Applicability Of Residuary Entry - Resort To Residuary Entry Impermissible Where Classification Under Specific Entry Reasonably Possible - Findings Of Authorities And High Court Vitiated By Misapplication Of Settled Principles Of Classification Interference Warranted - Uttar Pradesh Value Added Tax Act (5 Of 2008), Sch. Ii, Part A, Entry 103, Sch. V, Entry 1. –

B. Sales Tax And Vat - Value Added Tax Classification of Goods Entries In Schedule Interpretation Of Taxing Statutes Common Parlance Test Residuary Entry - In Absence Of A Statutory Definition Commodity To Be Understood In Its Common Parlance Or Commercial Sense Resort To Residuary Entry Impermissible Where Goods Reasonably Fall Within Specific Enumerated Entry.

Statute: GOODS AND SERVICE TAX
Decision in favour of: APPELLANT
Title: MANAS AGRO INDUSTRIES AND INFRASTRUCTURE LTD. VERSUS UNION OF INDIA AND OTHERS
(ANIL L. PANSARE AND NIVEDITA P. MEHTA, JJ.)
Citation: (2026) 156 GSTR 493: 2026 SCC OnLine Bom 2698
Bench/ Court: IN THE HIGH COURT OF BOMBAY

GST - Assessment - Show-Cause Notice - Single Show-Cause Notice Covering Multiple Financial Years - Consequent Assessment Order Passed - Time-Limit For Assessment Operates Separately For Each Financial Year - Section 2(106) Defines "Tax Period" As Period For Which Return Required - Sections 73(10) And 74(10) Fix Time-Limit From Last Date For Annual Return Of That Year - Single Notice Aggregating Multiple Years With Different Due Dates Impermissible - Consolidation Collapses Year-Wise Structure - Show-Cause Notice And Order Quashed - Central Goods And Services Tax Act (12 Of 2017), Ss. 2(106), 73(10), 74(10).

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: AR TRADERS VERSUS JOINT COMMISSIONER, CGST AND CENTRAL EXCISE, NAGPUR-IL AND OTHERS
(ANIL L. PANSARE AND NIVEDITA P. MEHTA, JJ.)
Citation: (2026) 156 GSTR 487: 2026 SCC OnLine Bom 2697: (2026) 106 GSTL 12
Bench/Court: IN THE HIGH COURT OF BOMBAY

GST – Assessment - Show-cause notice - Consolidated notice - Notice consolidating multiple financial years not permissible GST Scheme based on annual returns for each financial year - Time-limit runs separately for each year Tax period defined as period for which return required to be furnished - Consolidation of different tax periods with different due dates and limitations not permitted by statute - Consolidated show-cause notices and order quashed and set aside - Central Goods and Services Tax Act (12 of 2017), ss. 2(106), 73(10), 74(10). --

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: K. SUDHAKAR AND CO VERSUS SUPERINTENDENT OF GST AND CENTRAL EXCISE, KARUR III RANGE, KARUR
(KRISHNAN RAMASAMY, J.)
Citation: (2026) 156 GSTR 499: 2026 SCC ONLINE MAD 3921
Bench/Court: IN THE HIGH COURT OF MADRAS

GST - Input-Tax Credit - Limitation - Section 16 Of Central Goods And Services Tax Act, 2017, Was Amended And Sub-Section (5) Was Inserted Which Came Into Force With Retrospective Effect From July 1, 2017 - Section 16(5) Extended Time-Limit For Claiming Input-Tax Credit For Financial Years 2017-18, 2018-19, 2019-20 And 2020-21 Till November 30, 2021 - Assessee Filed GSTR-3B Returns Claiming Input-Tax Credit Within Extended Period Prescribed Under Section 16(5) Of Act - Order Was Passed Reversing Claim Of Input-Tax Credit On Ground Of Limitation Under Section 16(4) Of Act - Issue Was Covered By Sri Ganapathi Pandi Industries V. Asstt. Commr. (State Tax) (FAC), (2025) 145 GSTR 136 (Mad); 2024 SCC Online Mad 8823 - Assessee Entitled To Avail Input-Tax Credit In Respect Of GSTR-3B Filed On Or Before November 30, 2021 - Section 16(5) Extending Time-Limit Notwithstanding Section 16(4) - Order Reversing Claim On Ground Of Limitation Under Section 16(4) Not Sustainable - Order Quashed Insofar As It Related To Limitation Issue - Petition Allowed - Central Goods And Services Tax Act (12 Of 2017), S. 16.

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: ARUNACHALA GAS AGENCY VERSUS ASSISTANT COMMISSIONER OF CGST AND CENTRAL EXCISE, MADURAI-IL DIVISION, MADURAI
(KRISHNAN RAMASAMY, J.)
Citation: (2026) 154 GSTR 562: 2026 SCC OnLine Mad 912
Bench/Court: IN THE HIGH COURT OF MADRAS

GST -Input-tax credit - Limitation - Retrospective amendment -Order reversing input-tax credit claim as barred by limitation -Amendment extending deadline to November 30, 2021 for financial years 2017-2018 to 2020-2021 with retrospective effect from July 1, 2017 - Bank account de-freezing directed Order quashed Department for other issues - Refund permitted - Liberty to Central Goods and Services Tax Act (12 of 2017), s. 16.

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: SELVA VILAS JEWELLERY VERSUS SUPERINTENDENT OF GST AND CENTRAL EXCISE, THANJAVUR-1 RANGE, THANJAVUR
(KRISHNAN RAMASAMY, 1.)
Citation: (2026) 154 GSTR 89: 2026 SCC ONLINE MAD 1211
Bench/Court: IN THE HIGH COURT OF MADRAS

GST - Input-tax credit - Limitation - Change of law - Retrospective amendment - Order reversing input-tax credit claim for limitation - Amendment inserting section 16(5) with retrospective effect from July 1, 2017 extending deadline for availing input-tax credit to November 30, 2021 for financial years 2017-2018 to 2020-2021 - Order reversing input-tax credit quashed - Bank account de-freezing directed - Refund permitted - Central Goods and Services Tax Act (12 of 2017), s. 16(4), (5).

Statue: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: V.V. IRON STEEL COMPANY PRIVATE LIMITED VERSUS ASSISTANT COMMISSIONER, CENTRAL GST AND CENTRAL EXCISE, TIRUNELVELI DIVISION.
(KRISHNAN RAMASAMY, J.)
Citation: (2026) 156 GSTR 477: 2026 SCC OnLine Mad 3920
Bench/Court: IN THE HIGH COURT OF MADRAS

GST - Input-Tax Credit - Electronic Credit Ledger -Blocking -Assessee's Electronic Credit Ledger Was Blocked On Ground That Assessee Had Transactions With Non-Existing Dealers - Assessee Made Representation Requesting To Unblock Electronic Credit Ledger - Representation Was Not Considered - Order Blocking Electronic Credit Ledger Did Not Record Reasons In Writing - Reasons Were Not Communicated To Assessee - Assessee Challenged Order Blocking Electronic Credit Ledger - Assessee Sought Directions To Communicate Reasons For Blocking And To Permit Assessee To File Reply - Central Goods And Services Tax Rules, 2017, R. 86A.

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: SRI SELVAGANAPATHY STEELS VERSUS ASSISTANT COMMISSIONER (ST) (FAC), HOSUR (SOUTH)-III ASSESSMENT CIRCLE, HOSUR.
(C. SARAVANAN, J.)
Citation: (2026) 155 GSTR 517: 2026 SCC OnLine Mad 197
Bench/Court: IN THE HIGH COURT OF MADRAS

GST - Appeal - Limitation - Writs under Constitution - Remand - Expiry of limitation for filing appeal under provision governing filing of appeal before first appellate authority - Writ allowed remitting matter back to pass orders afresh after considering documents subject to fulfilment of condition of 50 per cent. deposit of disputed tax - Central Goods and Services Tax Act (12 of 2017), s. 107.

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION VERSUS UNION OF INDIA AND OTHERS ... RESPONDENT.
(VIVEK SINGH THAKUR AND ROMESH VERMA, JJ.)
Citation: (2026) 154 GSTR 489: 2026 SCC OnLine HP 1013
Bench/Court: IN THE HIGH COURT OF HIMACHAL PRADESH

GST - Regulatory Commission - Services By Court Or Tribunal - Electricity Regulatory Commission Performing Quasi-Judicial And Regulatory Functions - Show-Cause Notice Proposing Levy Of Goods And Services Tax On License Fee, Petition Fee And Miscellaneous Charges - Services Rendered By Court Or Tribunal Excluded - Regulatory Functions Not Falling Within Definition Of "Business" - Show-Cause Notice Quashed - Central Goods And Services Tax Act (12 Of 2017), Ss. 2(17), (31), 7; Sch. III, Entry 2.

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: NIKET BIPINBHAI PATEL VERSUS ASSISTANT COMMISSIONER (A.E.), CGST-CENTRAL EXCISE, VADODARA-II COMMISSIONERATE
(A.S. SUPEHIA AND PRANAV TRIVEDI, JJ.)
Citation: (2026) 157 GSTR 412: 2026 SCC ONLINE GUJ 2977
Bench/Court: IN THE HIGH COURT OF GUJARAT

GST - Input-Tax Credit Electronic Credit Ledger - Blocked Credit Show-Cause Notice Alleging Wrongful Availment Of Input-Tax Credit - Assessee Acquired Leasehold Rights Over GIDC Plot And Transferred Leasehold Rights Of Sub-Plots - Show-Cause Notice Alleged Blocked Credit Availed Under Section 17(5)(D) - Assessee Reversed Input-Tax Credit And Paid Entire Output Liability In Cash Section 17(5)(D) Applies To Construction Of Immovable Property - Bar On Credit Applies Exclusively To Construction Related Expenditure - Transferring Leasehold Rights Not Construction Activity - Section 17(5)(D) Not Applicable - Section 74 Requires Fraud Or Wilful Misstatement

Or Suppression Of Facts No Fraud Or Suppression Established - Input-Tax Credit Already Reversed Show-Cause Notice Without Jurisdiction - Notice Quashed - Central Goods And Services Tax Act (12 Of 2017), Ss. 17(5)(D), 50, 74.

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: ITI LIMITED VERSUS UNION OF INDIA AND OTHERS
(DEVASHIS BARUAH, J.)
Citation: (2026) 157 GSTR 504: 2026 SCC OnLine Gau 3315
Bench/Court: IN THE HIGH COURT OF GAUHATI

GST - Assessment - GSTR-1 and GSTR-3B mismatch - Proper officer required to issue rule 88C Notice - Opportunity to explain mismatch mandatory - Order passed without affording opportunity set aside - Bona fide error in GSTR-1 correctable - Tax recoverable only at rate imposed by statute Input-tax credit - Section 16(4) bar overridden by retrospective insertion of section 16(5) Assessee entitled to input-tax credit for returns filed up to November 30, 2021 for financial years 2017-2018 to 2020-2021 Order quashed Central Goods and Services Tax Act (12 of 2017), ss. 16(4), (5), 37, 73, 75(12) - Central Goods and Services Tax Rules, 2017, rr. 59, 88C.

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: AMZAD ALI VERSUS STATE OF ASSAM AND OTHERS
(N. UNNI KRISHNAN NAIR, J.)
Citation: (2026) 157 GSTR 487: 2026 SCC ONLINE GAU 3314
Bench/Court: IN THE HIGH COURT OF GAUHATI

GST - Show-cause notice - Summary of show-cause notice not substitute for proper show-cause notice - Determination of tax attached to Form DRC-01 not equivalent to show-cause notice -Authentication by proper officer mandatory - Order without digital signature invalid - Order passed without opportunity of hearing violates section 75(4) - Order set aside - De novo proceedings permitted - Limitation period excluding intervening period - Central Goods and Services Tax Act (12 of 2017), ss. 74, 75(4) - Assam Goods and Services Tax Act (28 of 2017), ss. 74, 75(4) - Central Goods and Services Tax Rules, 2017, rr. 26(3), 142.

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: N. CHETIA AND SONS TRADING AND OTHERS VERSUS STATE OF ASSAM AND OTHERS
(ROBIN PHUKAN, J.)
Citation: (2026) 155 GSTR 525: 2026 SCC OnLine Gau 844
Bench/Court: IN THE HIGH COURT OF GAUHATI

GST - Registration - Cancellation Of Registration - Bank Account Attachment - Payment Of Tax In Instalments - Non-Filing Of Returns - Goods And Services Tax Registration Cancelled For Non-Filing Of Returns - Bank Accounts Attached - Assessee Willing To File Returns And Pay Tax Liability - Filing Of Returns Not Possible After Cancellation Of Registration - Petition Disposed Of With Liberty To File Application For Revocation Of Cancellation, Filing Of Returns And Payment In Instalments Under Section 80 - Bank Accounts To Be Defreezed Subject To Furnishing Security -Assam Goods And Services Tax Act (28 Of 2017), Ss. 29, 37, 38, 39, 44, 45, 73, 74, 80, 83 - Assam Goods And Services Tax Rules, 2017, R. 159.

Statute: GOODS & SERVICE TAX
Decision in favour of: APPELLANT
Title: MD SHORIFUL ISLAM VERSUS STATE OF ASSAM AND OTHERS.
(SOUMITRA SAIKIA, J.)
Citation: (2026) 156 GSTR 223: 2026 SCC OnLine Gau 884
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.

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Convocation