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NEWSLETTER



Chairman's Message





Dear Professional Colleagues,

We, Chartered Accountants, should be at the forefront of this journey toward economic self-reliance. After all, the measurement of productivity and profitability, and the enhancement of organisational efficiency through improved accounting techniques, is pre-eminently the task of Chartered Accountants. As CA. M. P. Chitale, former President of ICAI, observed in 1966: "The strength of a profession does not depend on mere expertise, skill, or technical competence of its members... the prestige and dignity of the profession is determined by the restless urge of its members, by their will to apply their knowledge and experience to the solution of current social and economic problems." These words hold true even today, and as members of the CA community, we remain guided by this wisdom.

Whatever path we choose in life, it is our sincerity and dedication towards our profession that sets us apart from others — for we, Chartered Accountants, never stray from our foundations of integrity and accountability. We continue to discharge our professional obligations with absolute diligence, advancing the economic agenda of our nation, and playing the role of both saints and sages of the Indian economy. We constantly prioritise our desired role as partners in nation-building.

Ethics: The Bedrock of Our Profession

Yet none of this holds meaning without ethics at its core. A Chartered Accountant is entrusted with something far more valuable than numbers — we are entrusted with trust itself. Investors
rely on our audits to make sound decisions. Businesses rely on our counsel to remain compliant and sustainable. The government relies on our diligence to ensure transparency in the economy. Society relies on us to be the watchdogs who stand between honest enterprise and financial malpractice.

Technical competence without ethical grounding is a hollow achievement. A CA who bends the rules for short-term gain may prosper briefly, but erodes something far more precious — the credibility of the profession itself, painstakingly built over generations. Every fudged number, every compromised opinion, every act of complicity chips away not just at individual reputation, but at the collective trust society places in every Chartered Accountant who comes after. Conversely, when we hold the line — when we say no to unethical demands, when we report truthfully even under pressure, when we

choose integrity over convenience — we don't just protect ourselves. We protect the institution of the profession, and by extension, the health of the entire economy.

This is why ethics cannot be treated as a checkbox or a chapter in a study manual. It must be a living, breathing part of how we practice — in every audit signed, every certificate issued, every piece of advice given. Our professional code of conduct is not a constraint on our work; it is the very foundation that gives our work meaning and worth.

Embracing Tomorrow, Without Forgetting Our Roots

"Let's go invent tomorrow instead of worrying about what happened yesterday." — Steve Jobs

India is reinventing itself, gearing up to leap into the future through aggressive digital transformation. Let us embrace technology and empower ourselves to seamlessly continue playing a pivotal role in strengthening our economy, spreading financial awareness among our fellow citizens, and safeguarding their economic interests. But as we adopt new tools and new methods, let our ethical compass remain unchanged — for technology may evolve, but integrity must remain constant.

In this constantly changing and dynamic world, the key lies in maintaining unwavering confidence and trust in our own capabilities. During the most difficult moments, we must remember: even a seed must endure dirt and darkness before it can become a plant. So — keep going. As Chartered Accountants, we are the custodians of financial propriety in business and the economy. With unwavering resolve, and with ethics as our guiding light, we can move ahead.

Warm regards,

CA.JobbyGeorge

Chairman

Ernakulam Branch of SIRC of ICAI

TRANSFER PRICING IN INDIA



When Group Transactions Meet the Arm's Length Test

CA. Saandra Thomas

Pricing between related parties is rarely just about the price. It is about where value is created, where risks are borne, and where profits should be taxed.

Global business has made the boundaries between companies increasingly invisible. An Indian subsidiary may manufacture for its overseas parent, provide technology support to a group company in Singapore, borrow from an associated enterprise, pay royalty for intellectual property, or provide back-office services to a global group.

The commercial relationship may be seamless. The tax treatment is not.

When transactions take place between associated enterprises, the Indian transfer-pricing framework asks a fundamental question: Would independent parties, dealing with each other under comparable circumstances, have agreed to the same terms?

This is the essence of the arm's length principle. India introduced its detailed transfer-pricing provisions through the Finance Act, 2001, primarily to address the risk of profits being shifted through intra-group transactions. The rules require income arising from international transactions—and specified domestic transactions within the prescribed framework—to be determined with reference to the arm's length price.

The Business Behind the Numbers

Consider an Indian company providing software development services to its overseas group company. The Indian entity employs the engineers, operates the development centre, and incurs the operating costs. The foreign associated enterprise owns the customer relationships and intellectual property, and assumes certain entrepreneurial risks.

The Indian company earns a margin of 5%. Is that margin appropriate?

There is no answer simply by looking at the company's financial statements. The transfer-pricing analysis asks us to understand what each entity actually does. This is commonly described as the FAR analysis—Functions, Assets, and Risks:

- **Functions:** Who performs the operational and managerial functions?
- **Assets:** Who owns or uses the tangible and intangible assets?
- **Risks:** Who assumes the economically significant market and credit risks?

> ***"The FAR analysis is one of the most important foundations of a transfer-pricing study, transforming numbers on a ledger into a true narrative of economic value creation."***
> ***— Transfer Pricing Principles***

What Is an International Transaction?

Under India's transfer-pricing framework, transactions between associated enterprises can include a wide range of dealings—not merely the sale or purchase of goods. They may include:

- **Goods & Services:** Import or export of goods, and provision or receipt of management/technical services.
- **Intangible Assets:** Royalty and licence arrangements, or the transfer/use of proprietary technology.
- **Financing & Capital:** Intra-group loans, interest payments, corporate guarantees, and cost-sharing arrangements.
- **Other Undertakings:** Any arrangement having a direct bearing on profits, income, losses, or assets.

The practical lesson is important: Transfer pricing is not restricted to the invoice value of goods. A seemingly routine management-service charge or intra-group loan can raise significant transfer-pricing questions.

The Arm's Length Principle & Recognized Methods

The arm's length price is essentially the price that would apply between independent enterprises dealing with each other under uncontrolled conditions. India's current framework provides for six recognised methods for determining the arm's length price:

#	Method Name	Core Focus & Application
1	**Comparable Uncontrolled Price (CUP)**	Compares the price charged in the controlled transaction with an uncontrolled transaction.
2	**Resale Price Method (RPM)**	Relevant where goods purchased from an associated enterprise are resold to third parties.
3	**Cost Plus Method (CPM)**	Begins with costs incurred and applies an appropriate comparable mark-up.
4	**Profit Split Method (PSM)**	Used in integrated operations or where multiple entities make unique contributions.
5	**Transactional Net Margin Method (TNMM)**	Examines net profit margins relative to an appropriate base against comparable independents.
6	**Other Method**	Prescribed alternative method applied when traditional methods are unsuitable.

The law does not simply permit a taxpayer to select whichever method produces the most convenient answer. The method must be the most appropriate method, considering the nature of the transaction, the associated enterprises, and the functions performed.

The Role of Documentation & The TPO Review

One of the biggest misconceptions about transfer pricing is that compliance begins when the tax department asks a question. It does not. Good transfer-pricing compliance begins when the

transaction is designed.

A taxpayer needs to maintain prescribed information and documentation supporting the nature of the transaction, the associated-enterprise relationship, the economic analysis, the method selected, comparable data, and the adjustments considered. The objective should be to create a defensible record of why the price makes commercial sense.

Under Section 166 of the Income-tax Act, 2025, the Assessing Officer may refer the determination of the arm's length price to the Transfer Pricing Officer (TPO). The TPO examines the evidence in detail. The numbers must tell the same story as the business—if agreements, FAR analysis, and actual conduct diverge, taxpayers face steep risks.

A New Dimension from 2026: Block Assessment & APAs

One of the notable developments taking effect from 1 April 2026 is the provision allowing an arm's length price determined for one year to apply to similar international transactions for the two immediately following tax years, subject to prescribed conditions. This block transfer-pricing assessment reduces repetitive audits.

Instead of viewing every year in isolation, taxpayers must think in terms of consistency across a three-year transaction cycle, elevating the importance of base-year analysis.

Because transfer pricing involves judgment, certainty has immense commercial value. India provides statutory mechanisms such as Safe Harbour Rules (Section 167 of the Income-tax Act, 2025) and Advance Pricing Agreements (APAs) to offer long-term clarity.

> ***"The real transfer-pricing question is not 'What margin do we want?', but 'Given the functions, assets, and risks, what would independent enterprises reasonably have agreed to?'"***
> ***— Strategic Insight***

Conclusion: Beyond Tax Planning

A modern transfer-pricing exercise sits at the intersection of six disciplines: Tax, Finance, Accounting, Legal, Operations, and Business Strategy. When related-party transactions cross borders, tax authorities look beyond what was paid to ask why it was the price. The strongest answer will always be one supported by the commercial reality of the business itself.



Reported Judicial Decisions

CA. P.M.Veeramani
FCA

Statute: Income Tax Act – Sec.10(1), 44AA – Maintenance of books
Title : Ishwar Chander Pahuja vs ACIT
Citation: 135 ITR Trib 317
Decision in favour of : Assessee
Bench: ITAT Delhi

AO not accepting agricultural income declared in return in the absence of books of accounts . The assessee's income being agricultural income fell under section 10(1) of the Act and agriculturists were not included among persons who were required to maintain books prescribed under section 44AA of the Act. Hence, AO not justified in rejecting agricultural income in the absence of books.

Statute: Income Tax Act – Sec.12A(1)(ac) – Family of ex-employees
Title : Radisson India Charitable Foundation vs ITO (E)
Citation: 133 ITR Trib 192
Decision in favour of : Assessee
Bench: ITAT Delhi

Trust having objects for providing medical and educational assistance to family of employees deceased during COVID is public charitable purpose and entitled for registration. Absence of dissolution clause in trust deed not a valid ground for denial of registration.

Statute: Income Tax Act – Sec.50C, 54F – Investment out of sale of depreciable asset
Title : Sonia Pathak Khanna vs ITO
Citation: 135 ITR Trib 326
Decision in favour of : Assessee
Bench: ITAT Mumbai

Even if the capital gain is recharacterized by virtue of the deeming fiction as short-term capital gain due to claiming depreciation, but still the asset remains a long-term capital asset. Therefore, it does not prevent the assesse from claiming exemption under section 54F if the conditions of that section is satisfied.

Statute: Income Tax Act – Sec.56(2)(x)- Buy back of shares
Title: PCIT v Globe Capital Market Ltd
Citation: 487 ITR 744
Decision in favour of : Assessee
Bench: Delhi HC

Buy back of own shares is not acquisition of property but reduction of share capital. The shares stood extinguished upon buy back hence section 56(2)(x) and consequently Rule 11UA are not applicable.

Statute: Income Tax Act – Sec.142A(1) – Reference to valuation
Title : Bimla Devi Agrawal vs AO
Citation: 133 ITR Trib 226
Decision in favour of : Revenue
Bench: ITAT Kolkatta
Amended section 142A(1) allowing reference to valuation officer to estimate value, including FMV of any asset, property or investment and submit report to AO for the purpose of assessment. Specific reference to section 69A or section 69B no longer applicable with effect from 1.10.2014.

Statute: Income Tax Act – Sec.154(7) – ITNS 150 is an order
Title : Dhanasamridhi Finance Pvt Ltd vDCIT
Citation: 487 ITR 693
Decision in favour of : Assessee
Bench: Delhi HC
ITNS 150 is an order in writing determining the sum payable by an assessee. Any amendment to form ITNS 150 would clearly fall within the scope of an amendment as contemplated under section 154(1)(a) . Thus in terms of section 154(7) no amendment of such an order can be made after expiry of four years from the date of the said order.

Statute: Income Tax Act – Sec.156A – IBC resolution plan
Title : Universal Industrial Equipment & Technical Services Pvt Ltd vs DCIT
Citation: 135 ITR Trib SN 22
Decision in favour of : Assessee
Bench: ITAT Nagpur
After the raising of demand by the assessment order which was subject matter of appeal before CIT(A), the assessee under went corporate insolvency resolution process and the IT demand was not part of the resolution plan approved by Adjudicating authority. The demand stood extinguished and AO directed to pass order accordingly.

Statute: Income Tax Act – Sec.195(2) Physical presence in India required
Title: Ernst and Young LLP vs ACIT
Citation: 488 ITR 81 Del
Decision in favour of : Assessee
Bench: Delhi HC
Since the DTAA contained the words " within the contracting state" had a territorial connotation , in the absence of personnel physically performing services in India, there could be no rendering of services within India and as such there could be no virtual service permanent establishment as contended by the Revenue, more when such a concept was not contemplated the DTAA or the domestic act.

Statute: Income Tax Act – Sec.264 – Error while punching return
Title : Swaminarayan Mandir Trust vsCIT (E)
Citation: 488 ITR 65
Decision in favour of : Assessee
Bench: Bombay HC
Human punching or data entry error while return of income resulting in denial of exemption under section 11 and appellant's several petition for rectification reject and also the petition for revision under section 264. CIT bound to exercise revisional jurisdiction to correct even errors or mistakes of assessee in return of income . Order rejecting revision set aside.

Statute: Income Tax Act – Sec.270A(9) – Deliberate and Wilful act
Title: Verizon Data Services India Pvt Ltd vs DCIT
Citation: 487 ITR 637
Decision in favour of : Assessee
Bench: Madras HC
Misreporting of income represents an aggravated form of under reporting, characterized by a deliberate and wilful attempt to evade tax. Unless there are clear and categorical incriminating facts to infer deliberate and conscious concealment or furnishing of false particulars, it cannot be said that there was "under reporting of income as a consequence of misreporting of income ".

GST UPDATES



CA. P. J. Johney
B.Sc. FCA

A. RECENT ADVANCE RULINGS UNDER GST

A 1

Statute: Goods & Services Tax
Decision in Favour of: Not Applicable
Title: M/S S.K. Swamy & Company
Citation: KAR.ADRG/42/2026 Dated 29.7.2026
Bench/Court: The Authority for Advance Ruling in Karnataka

M/s S.K. Swamy and Company, (herein after referred to as 'the Applicant or M/s SKSAC), #30/9, 9TH A Main Road, Rmv Extension, Bengaluru Urban, Karnataka, 560080, having GSTIN 29AAPFS7533P1Z4, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017.

The Applicant is a partnership firm registered under the provisions of Central Goods & Service Tax Act, 2017 as well as Karnataka Goods & Services Tax Act, 2017. The applicant is engaged in executing works contract to Indian Railways such as construction of Rail under Bridge, construction of tunnels & supplying & stacking of ballast, earth work & also sub contracts of all the mentioned works.

The applicant has sought advance ruling on the following question;

Q: - What is the output GST rate for loading of ballast which is stacked adjacent to the railway tracks into the railway wagons which is stationed on the railway track by using JCB loader (Machinery)?

The applicant, under Column 13 of Form ARA-01, has selected category of issues, "Determination of the liability to pay tax on the goods or services or both. On examination of the nature of the question raised & the issue involved, it is found that the applicant has correctly selected the said category of issue. Accordingly, the present application is held to be admissible in terms of Sections 97(2) (e) of the CGST Act, 2017.

The Applicant submits that their works contracts with Indian railways for supply of ballast is more than 70%, they are of the opinion that loading charges charged for loading into Railway wagons will be also taxed at 5% under GST Act,2017. We have considered the submissions made by the applicant in their application for advance ruling. We have also considered the issues involved on which advance ruling is sought by the applicant, relevant facts, & the arguments made by the applicant & the submissions made by their learned representative during the time of hearing.

The main issues for consideration are determination of the liability to pay tax on the goods or services or both. Accordingly, the applicant is of the considered view that the loading charges charged for loading of ballast into Railway Wagons will also be taxes @ 5% under GST Act, 2017. The issue for determination is whether the activity of loading ballast, stacked adjacent to the railway track, into railway wagons/hoppers placed on the track through deployment of a JCB loader (machinery), where the same contract also includes supply of ballast, is liable to be treated as an independent supply of service, or a composite supply with supply of ballast as the principal supply, or a works contract service under the provisions of the CGST Act, 2017.

There are some legal provisions of CGST Act, 2017 to be considered viz Section 2(119) “Work Contract Service”, Section 2(30) “Composite supply, Section 2(90) “Principal supply”. The determination of this issue is fundamental to the present application, as the taxability, classification, & applicable rate of tax would depend upon the nature of the supply. Therefore, before proceeding to examine the other

issues raised by the applicant, it is considered appropriate to analyze whether the activities undertaken by the applicant satisfy the statutory requirements of a works contract under the provisions of the CGST Act, 2017.

The essential ingredients to be satisfied for a supply to qualify as a works contract are, there must be a contract for activities such as building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning. Also Such activities must be undertaken in relation to an immovable property; & Transfer of property in goods (whether as goods or in some other form) must be involved in the execution of such contract.

In the instant case It does not involve any activity in the nature of building, construction, fabrication, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning in relation to any immovable property. Further, the activity of supplying ballast & loading the same into railway wagons is not undertaken in the course of execution of any work relating to an immovable property. Therefore, one of the essential conditions prescribed under Section 2(119) of the CGST Act, 2017 for classification as a works contract is not satisfied.

In the present case, it is observed that the Letter of Acceptance (LOA) separately specifies the quantities & corresponding rates for each item of work to be executed by the applicant which is as follows:

(a) Supply of ballast at Railway depot or nominated location; &

(b) Loading of Railway's ballast collected at yard/depot into Railway wagons using Mechanical Loader or any other method with all lead & lifts, as directed by Engineer in Charge.

From the facts of the present case, it is evident that the supply of ballast & the activity of loading the ballast into railway wagons using a JCB loader are two separate & independently identifiable supplies. It is observed that the applicant first supplies the ballast to the Railways at the designated location & raises a tax invoice for such supply. Upon delivery & unloading at the designated location, the ownership of the ballast is transferred to the Railways. Thereafter, the applicant is neither responsible for the custody of the ballast nor liable for any loss, damage, or theft thereof.

Subsequently, only upon the directions & schedule issued by the Engineer in-Charge, the applicant undertakes the activity of loading the ballast into railway wagons using a JCB loader. This loading activity is carried out independently of the earlier supply of ballast. Further, each activity is executed separately, is supported by separate consideration, & is invoiced independently. The supply of ballast is complete upon its delivery at the designated location & is not dependent upon the subsequent loading activity. Similarly, the loading of ballast into railway wagons does not alter the nature or character of the completed supply of goods. Therefore, both activities are distinct & independently identifiable supplies.

It is evident from the above facts that the essential character of the activity is the h&ling & loading of goods into Railway wagons for their onward transportation by Railways. The activity does not involve transportation of goods or operation of railway rolling stock. Therefore, the classification is required to be examined under Heading 9967 relating to "Supporting services in transport".

The relevant classification is as under:

Heading: 9967, Group: 99671, SAC: 996719, Description: Other cargo & baggage h&ling services.

In the present case, the applicant undertakes only the activity of loading ballast lying adjacent to the railway track into Railway wagons stationed on the railway track. The consideration is prescribed on a per cubic metre basis for the quantity loaded. No transportation of ballast, movement of railway wagons, shunting, towing, marshalling or any other railway operational activity is undertaken by the applicant.

Accordingly, having regard to the nature of the activity, the scope of Heading 9967, & the Explanatory Notes to Group 99671 relating to cargo handling services, we hold that the activity of loading ballast into Railway wagons by using JCBs is appropriately classifiable under SAC 996719 – "Other cargo & baggage handling services" falling under Heading 9967 - "Supporting services in transport".

Consequently, the said service is liable to GST at the rate of 18% (9% CGST + 9% SGST or 18% IGST) in terms of Entry No. 11 of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended from time to time.

During, the personal hearing, the authorized representative of applicant stated that these activities are not executed continuously. The ballast is first supplied at the designated depot or location decided by Railway, upon which ownership & possession of the goods are transferred to the Railways & invoice is raised for such supply. Thereafter, based on separate instructions & schedules issued by the Railways, the applicant undertakes loading of the ballast into Railway wagon using JCB loader & raises separate invoices for the said services. Thus, at the time of execution of the loading activity, the ballast already belongs to the

Railways.

As per ruling;

Q: - What is the output GST rate for loading of ballast which is stacked adjacent to the railway tracks into the railway wagons which is stationed on the railway track by using JCB loader (Machinery)?

Ans: - The activity undertaken by the applicant consists solely of loading ballast lying adjacent to the railway track into railway wagons stationed on the railway track by using JCB. No transportation of goods, movement of wagons, shunting, towing or railway operational service is involved. The dominant nature of the activity is h&ling & loading of goods into railway wagons. Accordingly, the activity is appropriately classifiable under SAC 996719 – 'Other cargo & baggage h&ling services' falling under Heading 9967 'Supporting services in transport' & is liable to GST at the applicable rate of 18%."

A 2

Statute: Goods & Services Tax
Decision in Favour of: Not Applicable
Title: M/S Zenith Residence Association
Citation: KAR.ADRG35/2026 Dated: 06.07.2026
Bench/Court: The Authority for Advance Ruling in Karnataka

M/s Zenith Residence Association, (herein after referred to as 'the Applicant or M/s ZRA,) # No. 94/1, Zenith Residency, 100 ft, Kempapura Main Road, Nagavara, Bangalore-560045, having GSTIN 29AAAAZ4620Q1ZU, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 & Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017.

The Applicant is an Apartment Owners' Association/Resident Welfare Association (RWA) formed for the maintenance & administration of the Karle Zenith Residences, a residential complex comprising of multiple apartment units. The Applicant is responsible for the security, housekeeping, & overall maintenance of the complex. The applicant collects common area maintenance (CAM) Charges from apartment owners on a quarterly basis at the beginning of each quarter to meet expenses related to upkeep & maintenance of the complex.

The applicant has sought advance rulings for the following questions;

Q1: - Whether the recovery of electricity & water charges by the applicant from its members on an actual basis (without any markup) forms part of the value of taxable supply under Section 15 of CGST Act, 2017 or is exempt from GST as:

(a) Reimbursement of actual expenses incurred as a pure agent under Rule 33 of the CGST Rules, 2017 or

(b) Being supplies not liable to tax, as electricity (under entry 104 of Notification No. 02/2017- Central Tax (Rate) dated 28.06.2017) & water (Entry 99 of the same Notification)

The Applicant collects common maintenance charges from its members to meet the day-to-day maintenance expenses of the society & ensure the smooth functioning of common facilities & services. The amount is collected to meet the expenses of common area electricity expenses, water supplied to resident's individual flats, common area water expenses, housekeeping, security, gardening & other general maintenance related costs. The association collects the actual electricity & water charges based on consumption from each members on an actual reimbursement basis (I,e without any mark-up or profit element). The applicant charges GST at the applicable rate (currently 18%) on the value of maintenance services excluding electricity & water charges.

The Applicant submits that they collects the actual electricity & water charges based on consumption from each member on an actual reimbursement basis (i.e. without any mark-up or profit element). Further, they stated that electricity & water are exempt from GST being supplies by a local authority or through a pure agent mechanism. They merely acts as a collecting conduit for actual electricity & water expenses incurred on behalf of the members.

Electricity & water are not "goods" or "Services" supplied by the applicant, they are procured from external sources (M/s BESCOM, M/s BWSSB, etc) & recovered on actuals basis from the members. The applicant merely facilitates the payment for members & hence acts as a pure agent under Rule 33, provided condition therein are satisfied.

As per Entry No. 77 of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 as amended, services by an RWA to its members by way of reimbursement of charges or share of contribution up to Rs. 7500/- per month per member for sourcing of goods or services for common use are exempt, therefore the recovery of actual electricity & water charges should not form part of the taxable value for the purpose of GST Levy.

As regard to the advance ruling sought, the applicant submits that electricity & water are neither "goods" nor "services" supplied by the applicant on its own account. The applicant merely procures the same from external suppliers & recovers the charges from its members on an actual & proportionate basis without any markup. Therefore, such recovery ought not to form part of the taxable value of the principal supply made by the applicant to its members. The applicant is merely facilitating payment on behalf of the members & thus acts as a "pure agent" in

terms of Rule 33 of the CGST Rules, 2017, having satisfied all the conditions prescribed therein. Without prejudice to the above, it is further submitted that the supply of water & electricity is otherwise exempt under Entry Nos. 99 & 104 respectively of Notification No. 02/2017- Central Tax (Rate) dated 28.06.2017.

The Association comprises all apartment owners of Karle Zenith Residences & is responsible for the upkeep, maintenance, security, & management of the building & its common amenities, while safeguarding the lawful rights of the owners.

Its objectives include ensuring a safe, healthy, & peaceful living environment; managing & maintaining all assets & common facilities of societies; & carrying out repairs, improvements, & maintenance of shared infrastructure.

From the above objectives, it is evident that the Association is constituted for the purpose of providing various services to its members relating to the maintenance of common areas, infrastructure & capital assets, thereby ensuring liveable conditions for the residents.

The activities undertaken by a Resident Welfare Association for its members are classifiable under Chapter Heading 9995, falling under the description "Services of Membership Organisations", & more specifically under Service Code 999598, described as "Home Owners Association", as per the Scheme of Classification of Services (Annexure).

In respect of Water Charges, the Association is not selling water as goods to its members. It is only recovering from members the actual cost of water procured from third parties such as municipalities or tanker suppliers. This recovery is integrally linked to the overall service of maintaining the residential complex & its common facilities.

Therefore, the recovery of water charges from members, even when collected separately on actual basis, forms part of the overall service (Home Owners Association) provided by the applicant to its member. It cannot be treated as an independent supply of water (goods). It will be taxable only if the total monthly contribution per member (including water charges) exceeds the exemption limit (Rs.7500/- per member per month) prescribed under Entry 77 of Notification No. 12/2017-CT (Rate) dated 28.06.2017, as amended.

After examining the applicant's submissions & the relevant GST provisions, it is evident that an Association & its members are treated as distinct persons for GST purposes & that the applicant is undertaking certain activities which constitute a supply of services to its members. In this regard, the applicant has admitted that they pay the electricity charges & subsequently recover the amount from their members for the electricity consumed in the common areas.

The charges recovered are on an actual basis, corresponding to the payments made to the electricity supplier. The electricity bill for consumption in the common areas & utilities is issued in the name of the applicant. The applicant is not engaged in supplying electrical energy to its members; rather, it provides services related to the upkeep & maintenance of the common utilities of the apartment complex, for which the electricity consumed constitutes an input.

Further, the applicant has placed reliance upon Rule 33 of the CGST Rules, 2017 & contended that, in relation to the recovery of electricity & water charges from its members, it acts merely as a "pure agent." Accordingly, the applicant contends that such recoveries satisfy the conditions prescribed under Rule 33 of the CGST Rules, 2017 & therefore ought to be excluded from the value of taxable supply.

In the instant case:-

- The electricity & water bills are issued in the name of the applicant, not in the name of individual owners/members.
- Electricity & water are consumed as an input in providing maintenance services for common areas, such as lifts, lighting, pumps, & security systems & water for individual flats.
- The applicant is responsible for maintaining the common utilities for providing the basic facilities to its members; electricity & water are not procured "on behalf of the members as a third-party agent but rather to fulfil its own obligations.
- Payments recovered from members represent part of the consideration for the maintenance services supplied, & not reimbursement as a pure agent.

For the reasons stated above, the applicant does not satisfy the conditions of a "pure agent" for the electricity charges & water charges recovered from members. Accordingly, the recovered electricity charges & water charges cost forms part of the value of the maintenance services supplied by the RWA & is liable to GST at the applicable rates, subject to the ceilings provided under Notification No. 12/2017-Central Tax (Rate).

As per ruling:

Q1: - Whether the recovery of electricity & water charges by the applicant from its members on an actual basis (without any markup) forms part of the value of taxable supply under Section 15 of CGST Act, 2017 or is exempt from GST as:

(a) Reimbursement of actual expenses incurred as a pure agent under Rule 33 of the CGST Rules, 2017 or

(**b)** Being supplies not liable to tax, as electricity (under entry 104 of Notification No. 02/2017- Central Tax (Rate) dated 28.06.2017) & water (Entry 99 of the same Notification)

Ans: - "The recovery of water charges & electricity charges from members, even if recovered on an actual basis, is considered part of the taxable supply of services (Home Owners Association Services) provided by the applicant & cannot be treated as a separate supply of water & electricity (as goods) & maintenance charges(including water & electricity charges) are subject to GST at the applicable rates, in accordance with the ceiling specified under Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017, as amended."

A 3

Statute: Goods & Services Tax
Decision in Favour of: Not Applicable
Title: M/S Hadoti Constructions Company Joint Venture
Citation: RAJ/AAR/2026-27/01, Dated 11.06.2026
Bench/Court: Rajasthan Authority For Advance Ruling

M/s HADOTI CONSTRUCTIONS COMPANY JOINT VENTURE, A-279, BALAJI MARKET VYAVASAIK, Kota, Rajasthan- 324005 (hereinafter "the applicant"), engaged in the Services of Transportation of Goods. They have been awarded a work order by the Kota Development Authority (KDA) regarding the management of organic waste for their 150 T Pl) Biogas Plant in Devnarayan Yojna, Kota.

Details of Work order:

1. **Service Recipient:** Kota Development Authority (KDA).
2. **Nature of Service:** Collection & Transportation of Cow Dung from Cattle Shelters or nearby Villages.
3. **Destination:** Delivery of the collected cow dung to the 150 TPI) Biogas Plant of KDA

Based on the sources, the collection & transportation of cow dung for 150 TPD biogas plant project would likely fall under an exemption for the transportation of goods, specifically organic manure, & the applicable Central Goods & Service Tax (CGST) Rate would be NIL.

The applicant has sought advance ruling on the following question;

1. What is the GST rate applicable to the services supplied under this contract, specifically whether the transportation & collection of cow dung quality for exemption under existing GST notifications?

The Services of transportation of certain essential goods are exempted under the Central Goods & Service Tax (Rate) notification. The Key exemption relevant to your service, assuming cow dung is classified as "organic manure," is:

1. If the transportation service is provided by a Goods Transport Agency (GTA)

(a) Services provided by a Goods Transport Agency (GTA), by way of transport in a goods carriage, of organic manure are exempt from tax.

(b) The GST Rate for this service is NIL..

2. If the transportation service is provided otherwise than by a GTA (e.g., a simple carrier/ transporter not issuing a consignment note):

(a) Services by way transportation of goods by road are generally exempt, except for services provided by a Goods Transportation Agency (GTA) or a Courier Agency.

(b) Since the transportation of Cow Dung (Organic Manure) is exempted even when carried out by a GTA (as detailed in point 1 above), the overall service of transportation of this specific commodity by road should qualify for a NIL rate of GST.

3. Transportation by rail or Vessel:

The service of transportation of organic manure by rail or a vessel from one place in India to another is also exempt. The rate for this NIL.

Since cow dung is primary material used as organic manure, its collection & transportation fall under the exemption listed for the transport of "organic manure".

Classification of Cow Dung as "Organic Manure" The applicant submits that cow dung is the primary material used as organic manure. According to the 4th Edition of Words & Phrases of Excise, Customs & Service Tax, 'manure' denotes decomposed plant material & animal excreta applied to the soil to increase its productiveness. Since cow dung is animal excreta used for this purpose, its transportation should be classified under the exemption for organic manure.

The Biogas plant waste (slurry/digestate) produced from the transported cow dung is a high-quality liquid fertilizer rich in Nitrogen, Phosphorus, & Potassium (NPK). Since the anaerobic process effectively converts cow dung into a safe, pathogen-free organic manure that improves soil structure & fertility, the collection & transportation of the raw feedstock (cow dung) is inextricably linked to the supply of organic manure.

By turning animal waste into high-value organic fertilizer, the project supports a circular economy, further aligning the service with the intent of the exemption for organic manure.

Classification as "Agricultural Produce" "Agricultural Produce" is defined to include products resulting from the rearing of all life forms of animals (except horses) for raw materials, where no further processing is done that alters

its essential characteristics. Cow dung often falls under the category of raw material/organic manure derived from animal rearing, further supporting a NIL rate of GST.

Treatment of Ancillary Services The service involves "collection" along with transportation. Per CBEC Circular No. 104/07/2008, services such as loading, unloading, & temporary storage that are provided in relation to the transportation of goods are ancillary to the main service & are classified under the category of GTA. Therefore, the entire composite service should be exempt if the primary commodity (organic manure) is exempt.

Services Provided to a Department or Establishment of the Central Government or State Government or Union Territory/Local Authority/Government Agencies The recipient of the service is the Kota Development Authority (KDA), is considered a Governmental Authority & a Government Entity under the GST Act, established by a state legislative act. Under Sl. No. 21B of Notification No. 12/2017, services provided by a GTA to a local authority or governmental agency that is registered only for the purpose of deducting tax under Section 51 are also exempt.

We have carefully examined the statement of facts, the application filed by the applicant, the submissions made during the hearing, & 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 claims that their services are exempt under Sl. No. 21 of Notification 12/2017-Central Tax (Rate) dated 28.06.2017. As per this entry, a "Service provided by a Goods Transport agency, by way of transport in a Good carriage of (e) Organic Manure" attracts a NIL rate of GST.

For this specific exemption to apply, the service must be provided by a "Goods Transport Agency" (GTA). The applicant has explicitly admitted during the Personal Hearing that they operate as "a simple carrier/ transporter (Where KDA maintains a log of trucks unloaded & Generates the amount bill) not issuing a consignment note". Since the issuance of a consignment note is the fundamental legal requirement to be classified as a Goods Transport Agency under the GST framework, the applicant does not qualify as a GTA. Consequently, the exemption designated under Sl. No. 21 is entirely inapplicable to the present case.

Alternatively, the applicant claims exemption under Sl. No. 18 of Notification NO. 12/2017 -Central Tax (Rate). This entry provides a NIL rate for "Services by way of transportation of goods (a) by road except the services of (i) a goods transportation agency; (ii) a Courier agency". This exemption is strictly applicable to the mere transportation of goods by road.

As per Para 7, Based on the above analysis, the services supplied under the work order do not qualify as an exempted or NIL rated supply under any of the cited entries. The core nature of the service, as established by the work order & the applicant's submissions, is the collection of organic waste from multiple dispersed sources (gaushalas & villages) & its subsequent movement. Therefore, as per the Section 2(74) of the CGST Act, 2017, the activity squarely falls under the category of mix supply of waste collectionservices, classifiable under Heading 9994 (Sewage & waste collection, treatment & disposal & other environmental protection services) & transportation of the same. In accordance with Section 8(b) of the CGST Act, the tax liability on a mixed supply shall be determined by treating it as a se ppl)' of that particular service which attracts the highest rate of tax. Here, Collection of waste attracts 18% & transportation of waste attracts nil rate but because of the nature of supply as mix supply. applicable rate on mix supply will be 18% or any highest rate that is applicable on Heading 9994.

As per ruling;

Q: What is the GST rate applicable to the services supplied under this contract, specifically whether the transportation & collection of cow dung quality for exemption under existing GST notifications?

Ans: - As discussed in Para No. 7 above

B. JUDICIAL DECISIONS ON INDIRECT TAXES

B 1

Statute: Goods & Services Tax
Decision in Favour of: Appellant
Title: Uber India Systems Pvt Ltd Versus Deputy Commissioner Of Central Tax, Visakhapatnam & Another
(R. RAGHUNANDAN RAO & T.C.D. SEKHAR, JJ.)
Citation: (2026) 159 GSTR 743: 2026 SCC Online AP 2468
Bench/Court: In the High Court of Andhra Pradesh

GST - Show-Cause Notice - Assessment - Common Show-Cause Notice Clubbing Different Taxation Periods - Not Permissible - Each Taxation Period Requires Separate Notice - Notice Covering Multiple Periods Set Aside - Liberty To Initiate Fresh Proceedings - Central Goods & Services Tax Act (12 Of 2017) - Constitution Of India, Art. 226.

B 2

Statute: Goods & Services Tax
Decision in Favour of: Appellant
Title: Surya Textile Versus Superintendent of GST & Central Excise, Karur Li 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 & other difficulties - Show-cause notice issued & order passed reversing input-tax credit & directing payment of tax, penalty & 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 P&i 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 & Services Tax Act (12 of 2017), ss. 16(4), (5), 39, 73 - Tamil Nadu Goods & 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.

B 3

Statute: Goods & 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 & Seizure In Transit - Inter-State Goods - Section 129 & Section 130 - Jurisdiction Of State Officers - Integrated Goods & 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 & 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 & Services Tax Act (13 Of 2017), Ss. 4, 17 - Central Goods & Services Tax Act (12 Of 2017), Ss. 6, 129, 130 &hra Pradesh Goods & Services Tax Act (16 Of 2017), Ss. 6, 129, 130 - Constitution Of India, Arts. 246A, 269A.

B 4

Statute: Services Tax
Decision in Favour of: Appellant
Title: Gouribidanur Venkatakrishna Kumar Versus Assistant Commissioner,CGST-Central Excise, Hubli.
(M. Nagaprasanna, J.)
Citation: (2026) 158 GSTR 581: 2026 SCC OnLine Kar 1522
Bench/Court: In the High Court of Karnataka

Service tax - Show-cause notice - Limitation - Jurisdiction - Writs under Constitution - Alternative remedy - Service tax not leviable where value added tax paid on same transaction - Assessee discharging value added tax liability on disputed turnover - No suppression of turnover - Extended period of limitation not invocable - Show-cause notice invoking extended period of limitation without jurisdiction - Proceedings wholly without jurisdiction Existence of alternative statutory remedy not an absolute bar to exercise writ jurisdiction -Finance Act (32 of 1994), S. 73(1) - Constitution of India, Art. 226.

B 5

Statute: Goods & 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 nexus with business of company - Essential element of supply of service in course of business absent - Assignment by sale & 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 benefits arising out of immovable property - Not subject to levy of goods & services tax - Show-cause notice for non-payment of tax on transfer of leasehold rights quashed - Central Goods & Services Tax Act (12 of 2017), Ss. 7, 9; Sch. II, cl. 2(b), Sch. III, cl. 5.

B 6

Statute: Central Sales Tax
Decision in Favour of: Appellant
Title: State Of Uttar Pradesh & Others Versus Reliance Industries Limited & Others (& Other Cases).
(J.K. Maheshwari & 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 & 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 & Delivered At Delivery Point "G" In Andhra Pradesh, Thereafter Transmitted Outside State Through Common Carrier Pipeline Under Separate Gas Transmission Agreements Between Buyers & Transporters - Gas Purchase Agreements & Gas Transmission Agreements Contemplated Delivery At "G" - Passing Of Title & 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 & Turnover) Rules, 1957, R. 12 - Petroleum & 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 & 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 - Explanation - Explanation Ordinarily Cannot Enlarge Scope Of Section To Which It Appended.

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

B 7

Statute: Services Tax
Decision in Favour of: Appellant
Title: Firmenich Aromatics Production India Pvt. Ltd. Versus Union of India & Others
(G.S. Kulkarni & Aarti Sathe, JJ.)
Citation: (2026) 158 GSTR 41: 2026 SCC OnLine Bom 3456
Bench/Court: In the High Court of Bombay

A. Service Tax - Ocean Freight - Reverse Charge Mechanism - Cif Contract - Services By Way Of Transportation Of Goods By A Vessel Provided By Person Located In Non-Taxable Territory To Person Located In Non-Taxable Territory From Place Outside India Up To Customs Station Of Clearance In India - Indian Importer Under Cif Contracts Neither Service Provider Nor Service Receiver - Notifications Imposing Liability To Pay Service Tax On Importer Under Reverse Charge Mechanism Ultra Vires Charging & Machinery Provisions Of Act & Rule-Making Power Conferred Under Section 94 - Importers Under Cif Contracts Not Liable To Pay Service Tax On Ocean Freight - Show-Cause Notice & Letters Demanding Service Tax Quashed - Finance Act (32 Of 1994), Ss. 64, 65b(44), 66b, 67, 68, 94 - Service Tax Rules, 1994, Rr. 2(1)(D) (Eec), 6(7ca) — Notification No.

1/2017-St Dated January 12, 2017 Notification Nos. 14/2017-St, 15/2017-St & 16/2017-St Dated April 13, 2017.

B. GST - Ocean Freight - Integrated Goods & Services Tax Reverse Charge Mechanism - Cif Contract - Indian Importer Liable To Pay Integrated Goods & Services Tax On "Composite Supply" Comprising Supply Of Goods & Supply Of Service Of Transportation, Insurance, Etc. - Separate Levy On Importer For Supply Of Services By Shipping Line Violative Of Section 8 Of Central Goods & Services Tax Act - Specification Of Recipient By Notification No. 10/2017 Only Clarificatory - Government By Notification Not Specifying Taxable Person Different From Recipient Prescribed Under Section 5(3) Of Integrated Goods & Services Tax Act - Integrated Goods & Services Tax Act (13 Of 2017), Ss. 5(3), 7(5)(C) 13(9) Central Goods & Services Tax Act (12 Of 2017), Ss. 2(30), 8- Notification No. 8/2017-Integrated Tax (Rate) Dated June 28, 2017 Notification No. 10/2017-Integrated Tax (Rate) Dated June 28, 2017.

C. Service Tax - Refund - Unjust Enrichment - Voluntary Deposit By Petitioner - Any Deposit Or Dem& Without Authority In Law Violative Of Article 265 Of Constitution - Petitioner Entitled To File Refund Application To Be Decided In Accordance With Law Including On Principles Of Unjust Enrichment - Constitution Of India, Art. 265.

B 8

Statute: Goods & Service Tax
Decision in Favour of: Appellant
Title:B.B. Metal Versus Joint Commissioner Of State Tax & Others.
(G.S. Kulkarni & Aarti Sathe, JJ.)
Citation: (2026) 159 GSTR 1: 2026 SCC OnLine Bom 4027
Bench/Court: In the High Court of Bombay

GST - Cross-empowerment - Jurisdiction - Bank accounts - Provisional attachment - Bar on parallel proceedings by State tax authority once Central tax authority has initiated proceedings on same subject-matter for same period - Fraudulent availment of input-tax credit from suppliers whose GST registration cancelled - Central tax authority having conducted search, blocked input-tax credit in electronic credit ledger & issued show-cause notice on identical subject-matter - State tax authority thereafter conducting search & provisionally attaching five bank accounts of assessee - Such parallel proceedings impermissible Attachment causing crippling effect on business - Violation of articles 265 & 300A of Constitution of India -Investigations by State tax authority against suppliers independent & may continue - Provisional attachment orders quashed - Central Goods & Services Tax Act (12 of 2017), ss. 6(2)(b), 67, 70 - Maharashtra Goods & Services Tax Act (43 of 2017), s. 6(2)(b) - Constitution of India, arts. 226, 265, 300A.

B 9

Statute: Goods & Service 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 transfer 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 & 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 benefits arising out of immovable property - Not subject to levy of goods & services tax - Show-cause notice for non-payment of tax on transfer of leasehold rights - Quashed - Central Goods & Services Tax Act (12 of 2017), Ss. 7, 9; Sch. II, cl. 2(b), Sch. III, cl. 5.

B 10

Statute: Goods & Service Tax
Decision in Favour of: Appellant
Title: Paras Stone Industries Versus Union of India & Others
(Anil L. Pansare & Nivedita P. Mehta, JJ.)
Citation: (2026) 159 GSTR 271: 2026 SCC OnLine Bom 4131: (2026) 106 GSTL 269
Bench/Court: In the High Court of Bombay

A. GST- Show-cause notice - Single show-cause notice covering multiple financial years or tax periods impermissible - Central Goods & Services Tax Act (12 of 2017), s. 74.

B. Precedent - Binding effect - High Court - Tax authorities - Subsequent jurisdictional - High Court ruling prevailing over contrary non-jurisdictional High Court view - Tax authorities bound to follow later judgments of jurisdictional High Court on same issue & cannot rely on a contrary decision of another High Court.

C. Writs under Constitution - Alternative remedy - Availability of alternative remedy not a bar to maintainability of writ petition in cases involving enforcement of fundamental rights, violation of principle of natural justice, lack of jurisdiction, or challenge to legislative competence - Constitution of India, art. 226.

B 11

Statute: Goods & Service Tax
Decision in Favour of: Appellant
Title: Aasawa Brothers Corporate Avenue Versus Union of India & Others (& Other Cases)
(Arun R. Pedneker & Vaishali Patil-Jadhav, JJ.)
Citation: (2026) 159 GSTR 284: 2026 SCC OnLine Bom 1616: (2026) 3 AIR Bom R 387
Bench/Court: In the High Court of Bombay

GST - Show-cause notice - Single show-cause notice for multiple financial years - Impermissible in absence of allegation of composite or interlinked fraudulent scheme spanning relevant years - Clubbing of distinct tax periods governed by separate limitation provisions prejudicial to assessee's right to raise year-specific defences - Show-cause notice set aside - Liberty granted to authorities to issue separate notices for respective financial years – Central Goods & Services Tax Act (12 of 2017), s. 74.

B 12

Statute: Goods & Service Tax
Decision in Favour of: Appellant
Title: TATA Sons Private Ltd. Versus Union of India & Others
(G.S. Kulkarni & Aarti Sathe, JJ.)
Citation: (2026) 159 GSTR 434: 2026 SCC OnLine Bom 5105
Bench/Court: In the High Court of Bombay

GST - Integrated goods & services tax - Supply of services - Arbitral award - Damages for breach of contract - Settlement of foreign arbitral award in enforcement proceedings - Consent terms providing for withdrawal of UK & US execution proceedings upon payment of award amount - Not independent agreement - No separate consideration Settlement not constituting "supply" under section 7 - Entry 5(e) of Schedule II attracted only where an independent agreement to refrain from an act or to tolerate an act or situation exists for consideration - Requirement not satisfied by consent terms in court proceedings - Collateral enforcement proceedings integral to arbitral award - Withdrawal of proceedings natural corollary of satisfaction of award -CBIC circulars binding on Department - Liquidated & unliquidated damages alike representing mere flow of money & not consideration for any supply - No taxable supply -Show-cause notice quashed - Writ petition Alternative remedy - Not a bar where assumption of jurisdiction wholly without authority - Writ petition maintainable Central Goods & Services Tax Act (12 of 2017), S. 7; Sch. II, entry 5(e) - Integrated Goods & Services Tax Act (13 of 2017), Ss. 2(11), 5, 7(4), 13.

B 13

Statute: Goods & Service Tax
Decision in Favour of: Appellant
Title: Manas Agro Industries & Infrastructure Ltd. Versus Union of India & Others.
(Anil L. Pansare & 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) & 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 & order quashed - Central Goods & Services Tax Act (12 of 2017), ss. 2(106), 73(10), 74(10).

B 14

Statute: Goods & Service Tax
Decision in Favour of: Appellant
Title: AR Traders Versus Joint Commissioner, CGST & Central Excise Nagpur-Ll & Others.
(Anil L. Pansare & 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 & limitations not permitted by statute - Consolidated show-cause notices & order quashed & set aside - Central Goods & Services Tax Act (12 of 2017), ss. 2(106), 73(10), 74(10).

B 15

Statute: Goods & Service Tax
Decision in Favour of: Appellant
Title: ICAD School of Learning Pvt. Ltd. Versus Union of India & Others
(Anil L. Pansare & Nivedita P. Mehta, JJ.)
Citation: (2026) 159 GSTR 278: 2026 SCC OnLine Bom 927
Bench/Court: In the High Court of Bombay

A. GST - Show-cause notice - Single show-cause notice

covering multiple financial years or tax periods impermissible - Central Goods & Services Tax Act (12 of 2017), s. 74.

B. Precedent - Binding effect - High Court Tribunal Absence of jurisdictional High Court ruling-Tribunal bound to follow decision of another High Court until contrary view expressed by jurisdictional or other competent High Court binding on it.

C. Doctrine of merger - Special leave petition Dismissal of special leave petition in limine & not on merits - Judgment of High Court attaining finality does not merge with Supreme Court order.

B 16

Statute: Goods & Service Tax
Decision in Favour of: Appellant
Title: GU Shipping India Pvt. Ltd. Versus Assistant Commissioner of CGST & Central Excise, Chennai
(C. Saravanan, J.)
Citation: (2026) 159 GSTR 290: 2026 SCC OnLine Mad 5486: (2026) 108 GSTL 361
Bench/Court: In the High Court of Madras

GST - Input-tax credit - Concessional rate – Exemption - Transport of goods in vessel - Time charter of vessels - Concessional rate under notification subject to non-availment of input-tax credit - Notification operates both as rate & exemption notification - Condition regarding non-availment of input-tax credit to be construed as referring to credit on goods or services used exclusively for supplying such service - Wrong availment & utilisation of input-tax credit does not justify denial of substantive benefit of concessional rate - Department cannot retain tax not legally due or augment revenue by denying otherwise available benefit - Proper course is reversal of wrongly availed & utilized input-tax credit & recover consequential interest & penalty rather than deny concessional rate - Fresh determination of wrongly availed input-tax credit - & consequential liability directed Central Goods & Services Tax Act (12 of 2017), ss. 50, 74 - Notification No. 11/2017-CGST (Rate) dated June 28, 2017, Serial Nos. 9(ii), 10(ii), Expln. (iv).

B 17

Statute: Goods & Service Tax
Decision in Favour of: Appellant
Title: K. Sudhakar & Co Versus Superintendent of GST & 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 & Services Tax Act, 2017, was amended & 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 & 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 P&i Industries v. Asstt. Commr. (State Tax) (FAC), (2025) 145 GSTR 136 (Mad); 2024 SCC OnLine Mad8823 - 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 notwithst&ing 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 & Services Tax Act (12 of 2017), s. 16.

THINGS TO PONDER

Ideas, ironies and observations from the world of business



The business world rarely pauses. Perhaps we should.

Every day brings another target, another deadline, another meeting—and, inevitably, another meeting about the meeting. We measure growth, track margins, analyse markets and forecast the future, often without finding the time to ask a deceptively simple question:

Are we actually thinking, or are we simply staying busy?

Business has a curious way of turning simple things into **complicated ones. A customer becomes a "market segment."** A conversation becomes a "strategic alignment." A problem becomes an "opportunity for optimisation." And sometimes, a perfectly good idea spends three weeks waiting for approval.

Yet behind all the terminology, dashboards and boardroom conversations, business remains remarkably human.

It is built on trust, judgement, relationships, timing—and occasionally, the ability to laugh at ourselves.

This page is a small pause from the numbers. A collection of observations, facts, questions and a little business humour—because sometimes the most valuable insight is the one that makes us stop, smile and think.

BOARDROOM WIT

CEO: "We need to think outside the box."
CFO: "Fine. But can we first find out who bought the box?"

Manager: "Why is this taking so long?"
Employee: "Because we are waiting for approval."
Manager: "Whose approval?"
Employee: "We're still waiting to find out."

Consultant: "The solution is simple."
Client: "Excellent. What is it?"
Consultant: "That will be covered in Phase Two."



THE CURIOUS SIDE OF BUSINESS

A customer who complains is giving you information.
The silent customer may simply be giving it to someone else.

Revenue tells you how much you sold.
Profit tells you what remained.
Cash flow tells you whether you can keep going.

A strategy that nobody understands is not a strategy.
It is a presentation.

The most expensive sentence in business may be:
"We have always done it this way."



A QUESTION WORTH ASKING

If you disappeared from your business for 30 days, would the business continue to run—or would everyone simply wait for you to return?

The answer may reveal more about the strength of your systems and leadership than any annual report.

ONE FINAL THOUGHT

The strongest businesses are not necessarily those that move the fastest.
They are often the ones that know when to move, when to wait, what to measure, what to ignore—and what questions to ask before making the next decision.

Because in business, the smartest question is sometimes not:

"What should we do next?"

but rather:

"What are we not seeing?"

Pause. Think. Then get back to business.



One Day Seminar on TAX AUDIT



















Teacher's Day Celebration



















One Day Seminar on Cooperatives and NPOs















Convocation September - 2026



















Half Day Seminar on Company Audit













Ernakulam Regional Commerce Carnival 2026










NARAYANA COLLEGE OF EDUCATION
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Career Counselling Programme








Career Counselling Programme












Career Counselling Programme














HSS HUMANITIES 1 A


HSS HUMANITIES 1 A


HSS HUMANITIES 1 A