

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(SET UP BY AN ACT OF PARLIAMENT)

HYDERABAD BRANCH (SIRC)



E-NEWSLETTER



APRIL 2026

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CHAIRMAN COMMUNIQUE

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FROM THE CHAIRMAN

Dear Member,

Warm Greetings!

“The only way to know truth is through experience.”

As we step into the vibrant month of April, it brings with it a renewed sense of purpose, professional commitment, and festive joy. The beginning of the financial year offers us an opportunity to realign our goals, embrace emerging challenges, and continue upholding the highest standards of the profession.

The dynamic regulatory landscape, including evolving Tax frameworks and compliance requirements, calls for continuous learning and adaptability. As Chartered Accountants, we play a pivotal role in nation-building by ensuring transparency, accountability, and ethical practices across sectors. Let us continue to strengthen our knowledge, enhance our professional competence, and contribute meaningfully to the economy.

As we enter the Bank Audit season, I understand that many of our members will be deeply engaged with their professional assignments and responsibilities. This is a crucial period that reflects the strength, diligence, and integrity of our profession. I take this opportunity to extend my best wishes to all members for the successful and timely completion of your assignments. May your efforts be rewarding and your work continue to uphold the highest standards of excellence.

Programmes Conducted – March 2026

The following programmes were conducted for the members during the month of March 2026 by the Hyderabad Branch of SIRC of ICAI:



**CA. GIRDHARI LAL TOSHWAL
- CHAIRMAN**

- Women's Day Seminar – Rise. Lead. Transform – Beyond Boundaries (For Women Chartered Accountants) – 07-03-2026
- Seminar on Bank Branch Audit – 12-03-2026
- Investments During War Times – 20-03-2026
- Programme on Economy of India – The States & Federal Structure – 22-03-2026
- Audit Documentation of Bank Branch Audit – 27-03-2026
- IRAC Norms and LFAR – 28-03-2026
- Seminar on Bank Audit using Technology Tools – 29-03-2026
- Practising Issues on Bank Audit – 30-03-2026
- Study Circle Meetings
- Indirect Taxes
- Appeals under GST – 05-03-2026

FROM THE CHAIRMAN

Direct Taxes

Discussion on New Income Tax Act 2025 – 30-03-2026

Discussion on New Income Tax Act 2025 – 31-03-2026

Changes in International Taxation under New Income Tax Act 2025 – 21-03-2026

Seminar on TDS Provisions under New Income Tax Act 2025 – 13-03-2026

Section-by-Section Analysis of New Income Tax Act 2025 – 06-03-2026

Workshop

6-Day Workshop on Real Estate Consultancy Practice – 9th, 10th, 11th, 16th, 17th & 18th March 2026.

Meet & Greet with ICAI Leadership

A Meet & Greet with the leadership of the Institute of Chartered Accountants of India was held on 22nd March 2026 at Shilpakala Vedika, Hyderabad.

The event was graced by CA. Prasanna Kumar D, President of ICAI, and CA. Mangesh Pandurang Kinare, Vice-President of ICAI. Both dignitaries engaged with members and shared their vision for strengthening and globally positioning the Chartered Accountancy profession.

The programme was also graced by CA. Muppala Subba Rao and other eminent professionals.

Addressing the gathering, the President emphasized maintaining professional excellence, upholding ethical standards, and embracing emerging opportunities. The Vice-President highlighted key initiatives focused on capacity building, member support, and strengthening the profession at national and international levels.

The event served as a valuable platform for members to interact with ICAI leadership, exchange ideas, and gain insights into the Institute's future roadmap. The dignitaries were accorded a grand traditional welcome, adding cultural significance to the occasion.

The programme witnessed enthusiastic participation from over 800 members, reflecting strong professional camaraderie.

Census 2027 – Call for Participation

The forthcoming Census 2027 is a significant national exercise that plays a crucial role in shaping public policy, economic planning, and governance in India. As Chartered Accountants, your analytical capabilities and integrity make you valuable contributors to this initiative.

We encourage all members to actively participate and extend their support to Census 2027. Your involvement will contribute to nation-building and reinforce the profession's commitment to public service.

Participate in Census 2027—be a part of nation building. Your contribution matters.

FROM THE CHAIRMAN

On behalf of the Managing Committee, I extend my warm greetings to all members and their families on the auspicious occasions of the traditional New Year celebrations on April 14, including Puthandu, Vishu, and Baisakhi.

I end the message with the famous quote of Swamy Vivekananda.

Do not lower your goals to the level of your abilities. Instead, raise your abilities to the height of your goals.

Be Happy - Keep Laughing

With warm regards,

CA. Girdhari Lal Toshniwal
Chairman - Hyderabad Branch of SIRC of ICAI

MEET THE TEAM!

MANAGING COMMITTEE OF HYDERABAD BRANCH SIRC (2026-27)



CA. Girdhari Lal Toshniwal
(Chairman)



CA. Uppalapati Saran Kumar
(Vice- Chairman)



CA. Kumar Pal Tated
(Secretary)



CA. Shailesh Khandelwal
(Treasurer)



CA. Mukkara Sai Charan Reddy
(Chairman - SICASA)



CA. Gonugunta Murali
(Co-Chairman - SICASA)



CA. Chinna Sita Rami Reddy A
(Immediate Past Chairman)



CA. Karumanchi Rama Rao
(Committee Member)



CA. S N Harshavardhan Reddy
(Committee Member)

EX- OFFICIO COUNCIL MEMBERS (2026-27)



CA. Dayaniwas Sharma
(Central Council Member)



CA. Muppala Sridhar
(Central Council Member)



CA. Mandava Sunil Kumar
(Vice Chairman - SIRC)



CA. Deepak Ladda
(Chairman- SICASA, SIRC)



CA. Chengal Reddy R.
(Member - SIRC)



CA. Bhanu Narayan Rao Y.V.
(Member - SIRC)



CA. Yarra Tirupathiah
(Member - SIRC)

SUB - COMMITTEES

COMMITTEE FOR MEMBERS IN INDUSTRY

CA. Shailesh Khandelwal	Chairman
CA. A Chinna Sita Rami Reddy	Member Ex-Officio
CA. Seelam Naga Harshavardhan Reddy	Member
CA. Gonugunta Murali	Member
CA. Srikanth Bhakkad	Member Co-opted
CA. Manu Sharma	Member Co-opted

TAXATION COMMITTEE

CA. Kumar Pal Tated	Chairman
CA. A Chinna Sita Rami Reddy	Member Ex-Officio
CA. Seelam Naga Harshavardhan Reddy	Member
CA. Gonugunta Murali	Member
CA. Akshaye Surana	Member Co-opted
CA. Komal Chhajed	Member Co-opted

CPE COMMITTEE

CA. Girdhari Lal Toshniwal	Chairman
CA. A Chinna Sita Rami Reddy	Member Ex-Officio

NEWSLETTER COMMITTEE

CA. Shailesh Khandelwal	Chairman
CA. A Chinna Sita Rami Reddy	Member Ex-Officio

INFORMATION TECHNOLOGY (IT) COMMITTEE

CA. Uppalapati Saran Kumar	Chairman
CA. A Chinna Sita Rami Reddy	Member Ex-Officio

LIBRARY COMMITTEE

CA. Rama Rao Karumanchi	Chairman
CA. A Chinna Sita Rami Reddy	Member Ex-Officio

**HYDERABAD
(SIRC)**



**CHARTERED ACCOUNTANTS'
BENEVOLENT FUND [CABF]**



Join Hands to strengthen CABF: Special Drive

The Chartered Accountants' Benevolent Fund (CABF) was established in December, 1962 with the main objective to provide financial assistance for maintenance, and other similar purposes to needy members of the Institute, their wives, widows, children and dependent parent(s).

During the Financial Year 2024-25, CABF has given assistance of Rs. 2.54 Crore to 145 beneficiaries. The available funds with CABF is not sufficient to continue to support all the beneficiaries. To meet the demand, Management Committee of CABF desires to augment funds through a "SPECIAL DRIVE". The contributions can be made by ICAI Members and CA Firms.

All Contributions of more than Rs.10,000 will receive congratulatory letter from the President, ICAI.

Category of Contribution	Shield Award	Presentation of Shield	Acknowledgement/ Recognition
Rs. 1 Lakh and above	Bronze plated Shield	Regional Council/Branch Chairman at major members seminar/conference at branch/region.	To be published in ICAI Journal, Regional Newsletter and branch newsletter.
Rs. 5 Lakh and above	Silver plated Shield	Regional Council/Branch Chairman at mega members seminar/conference at branch/region.	To be published in ICAI Journal, Regional Newsletter and branch newsletter.
Rs. 11 Lakh and above	Gold plated Shield	President/Vice President at Regional conference.	To be published in ICAI Journal, Regional Newsletter and branch newsletters with photograph.
Rs. 25 Lakh and above	Special Gold-plated Shield	President/Vice President at International conference.	To be published in ICAI Journal, Regional Newsletter and branch newsletters with photograph.
Rs. 51 Lakh and above	Platinum plated Shield	President/Vice President at International conference.	To be published in ICAI Journal, Regional Newsletter and branch newsletters with photograph.

The Contribution is eligible for tax exemption under Section 80G of the Income Tax Act

Link for Contribution as Life Member:
<https://cabf.icai.org/lifeMember>

Link for Voluntary Contribution:
<https://cabf.icai.org/voluntaryMember>

Contribution can also be made by scanning the QR code or directly through NEFT/RTGS

Name of A/C : Chartered Accountants Benevolent Fund

Name of Bank & Branch : Axis Bank Ltd., Swasthya Vihar Branch

A/C No. : 913010046844303

IFS code : UTIB0000055



CABF – A WAY TO SUPPORT PEERS IN DISTRESS

cabf.icai.org

PRERANA 2026 - INTERNATIONAL WOMEN'S DAY CELEBRATIONS

HELD ON
7TH MARCH, 2026



PRERANA 2026, organized on the occasion of International Women's Day, was a vibrant celebration honoring the strength, achievements, and contributions of women in various fields. The event brought together inspiring speakers who shared their journeys, experiences, and insights on leadership, resilience, and empowerment.



The resource persons addressed key themes such as personal growth, professional excellence, mental well-being, and work-life balance, encouraging participants to break barriers and pursue their aspirations with confidence. The session fostered motivation, inspiration, and a sense of community among attendees.





The programme concluded on a high note, celebrating the spirit of womanhood and reinforcing the importance of inclusivity, equality, and continuous growth in both personal and professional spheres.



DR. PALLAVI JAJU, DR. ANURADHA JAJU, CAPT. MAMATHA, CA. LAKSHMI NALLAMILLI, CA. SHARATH JYOTHSNA A & CA. V. S. HIRANMAI

**6 DAYS WORKSHOP ON SETTING UP
PRACTICE OF REAL ESTATE
CONSULTANCY: COMPLIANCE,
ADVISORY & EVOLVING FRONTIERS**

**HELD ON
09TH, 10TH, 11TH, 16TH, 17TH AND
18TH MARCH, 2026**





A comprehensive 6-day workshop was conducted to guide professionals on establishing and expanding a Real Estate Consultancy practice. The sessions covered key areas including regulatory compliance, advisory services, documentation, taxation aspects, and emerging trends in the real estate sector.





The workshop provided practical insights into structuring consultancy services, understanding legal frameworks, handling client engagements, and leveraging new opportunities in the evolving real estate landscape. Case studies and real-world scenarios helped participants gain clarity on implementation and best practices.





The programme proved highly beneficial for participants seeking to diversify their professional services and build expertise in real estate consultancy, equipping them with the knowledge and confidence to explore new avenues in this dynamic sector.





BANK BRANCH AUDIT SEMINAR

HELD ON
12TH MARCH, 2026



The seminar focused on the procedures and practical aspects of bank branch audits, covering key areas such as audit planning, verification of advances, income recognition, asset classification, and compliance requirements. The session provided valuable insights into regulatory guidelines, documentation, and common audit challenges.





Participants gained practical knowledge and guidance to effectively conduct bank audits, ensuring accuracy, compliance, and adherence to professional standards.





The seminar also highlighted recent developments in banking regulations, risk assessment procedures, and the importance of internal controls in maintaining financial discipline. Emphasis was placed on identifying potential irregularities, ensuring proper documentation, and adopting a systematic audit approach to enhance audit quality.





Interactive discussions and practical illustrations enabled participants to gain clarity on complex audit areas and resolve common issues faced during bank audits. The session proved highly beneficial for professionals by strengthening their technical knowledge and preparing them for effective execution of bank branch audits.

MCS COURSE VALEDICTORY

HELD ON
18TH MARCH, 2026



The MCS Course Valedictory Session held on 18th March 2026 marked the successful completion of the Management and Communication Skills programme. The session acknowledged the participants' dedication and development in communication, leadership, and professional skills, and concluded with motivating guidance encouraging them to apply these learnings in their professional journey with confidence and integrity.

SEMINAR ON INVESTMENTS DURING WAR TIMES

HELD ON
20TH MARCH, 2026



The seminar focused on investment strategies during periods of geopolitical uncertainty and conflict. CA. Manoj Trivedi discussed risk management, asset allocation, market volatility, and safe investment avenues, providing practical insights to help participants make informed financial decisions in challenging economic conditions.



RESOURCE PERSON: CA. MANOJ TRIVEDI

MEET AND GREET WITH PRESIDENT AND VICE-PRESIDENT

HELD ON
22ND MARCH, 2026



The Meet and Greet with the President and Vice-President held on 22nd March 2026 provided members and students with a valuable opportunity to interact with the leadership of the Institute. The session created an open platform for dialogue, where participants could share their views, seek guidance, and gain insights into the vision and initiatives of the leadership.





The interaction fostered a sense of connection and engagement within the fraternity, encouraging active participation and collaboration. The President and Vice-President shared their perspectives on professional development, future opportunities, and the importance of upholding ethical standards, inspiring attendees to contribute meaningfully to the growth of the profession.



A TO Z BANK AUDIT

HELD ON
27TH MARCH, 2026



The session covered a comprehensive overview of bank audits, guiding participants through the entire process from planning to reporting. CA. V. Jawahar explained key areas such as advances verification, NPA classification, income recognition, and compliance requirements, along with practical challenges faced during audits.

The session provided valuable insights and practical guidance, helping participants strengthen their understanding and approach towards conducting bank audits effectively and in accordance with professional standards.



RESOURCE PERSON: CA. V. JAWAHAR

A TO Z BANK AUDIT

HELD ON
28TH MARCH, 2026



The session provided a comprehensive overview of bank audit procedures, covering key areas such as audit planning, advances verification, NPA classification, income recognition, and regulatory compliance. The speakers shared practical insights, common challenges, and best practices to ensure effective and accurate audit execution.



RESOURCE PERSONS: CA. M. V. KALI PRASAD AND CA. VIJAY TOTAPALLY

A TO Z BANK AUDIT

HELD ON
29TH MARCH, 2026



The session proved highly beneficial for participants, enhancing their technical knowledge and confidence in handling bank audits in line with professional standards.



RESOURCE PERSON: CA. SARAN KUMAR UPPALAPATI

A TO Z BANK AUDIT

HELD ON
30TH MARCH, 2026



The session also emphasized recent updates in banking regulations, documentation standards, and the importance of maintaining audit quality and professional skepticism. Through practical examples and discussions, participants gained clarity on critical audit areas and effective approaches to address real-time issues during bank audits.



RESOURCE PERSONS: CA. K. VIJAY SRINIVAS AND CA. PREMNATH D



CA AKASH HEDA

CASE LAW UPDATES - MAR '26

Case-I - Physical service of notice is mandatory where GST registration stands cancelled

Steps Care India v. Commissioner of State Tax and Another (TS-192-HC(ALL)-2026-GST, Allahabad High Court)

1. Facts of the Case

The petitioner's GST registration was cancelled on 13/11/2019. Subsequently, a show cause notice dated 27/05/2024 was issued by uploading it on the GST portal. An adjudication order dated 28/08/2024 was passed without the petitioner filing any reply. The petitioner challenged the order on the ground that:

- No physical notice was served post cancellation of registration.
- Uploading notice on the portal deprived them of an opportunity to respond.
- There was a violation of principles of natural justice, particularly the right to be heard.

2. Issues Before the Court

- Whether service of notice through the GST portal is valid after cancellation of registration.
- Whether failure to serve physical notice amounts to violation of natural justice.
- Whether the adjudication order passed without proper service of notice is legally sustainable.

3. Reasoning and Decision of the Court

- The Court observed that once registration is cancelled, the taxpayer:
 - Is no longer expected to access the GST portal, and
 - May not receive electronic communications uploaded thereon.
- It relied on earlier precedent and departmental position that in such cases, physical service of notice is required under Section 169(1) (a), (b) of GST Act, 2017.
- The Court held that issuing notice only through the portal after cancellation of registration is improper. Such failure results in denial of opportunity of hearing, violating Section 75(4) and principles of natural justice.

Comments: -

This judgment reiterates that mode of service of notice must be aligned with practical realities and statutory intent. Where a taxpayer's registration stands cancelled, reliance solely on electronic communication through the GST portal is insufficient and legally untenable. The ruling strengthens the **Doctrine of Audi Alteram Partem** i.e., hear the other side by emphasizing that procedural compliance is not a mere formality but a substantive safeguard. It also places a clear obligation on the department to ensure effective service of notice, failing which the entire adjudication proceeding becomes vulnerable to challenge.

From a compliance perspective, the judgment highlights that while electronic governance is the norm under GST, exceptions must be recognized where digital access is no longer feasible, thereby requiring traditional modes of communication.

Case-II: First Appellate Authority has no power to remand matters under Section 107(11) of the CGST Act, 2017

Anand and Anand (Law Firm) v. Principal Commissioner of CGST & Ors. (TS-146-HC(ALL)-2026-GST - Allahabad High Court)

1. Facts of the Case:

The petitioner, a law firm, was engaged in providing legal services to domestic as well as foreign clients and had filed refund claims of accumulated ITC for the period March 2021 to August 2021 on account of export of services without payment of tax. The refund applications were supported by relevant documents including FIRC, details of ITC and other supporting records. The Department issued show cause notices alleging that the remittances reflected services rendered in India; and accordingly, the services did not qualify as “export of services”. The refund claims were rejected vide Orders-in-Original. On appeal, the Appellate Authority recorded a finding that the conditions for export of services were satisfied. However, it remanded the matter back to the adjudicating authority for re-examination of the place of supply. Aggrieved by such remand, the petitioner filed a writ petition before the High Court.

2. Issues Before the Court

1. Whether the Appellate Authority under Section 107 of the CGST Act has the power to remand matters to the adjudicating authority?
2. Whether the remand order passed despite recording findings in favour of the assessee is legally sustainable?

3. Reasoning and Decision of the Court

- The Court examined Section 107(11) of the CGST Act, which provides that the Appellate Authority may confirm, modify, or annul the decision or order appealed against. It was specifically noted that the provision expressly prohibits remand of the matter to the adjudicating authority.
- The Court observed that:
 - Once the statute restricts the scope of appellate powers, no inherent power of remand can be assumed.
 - The Appellate Authority is required to decide the appeal finally on merits.
 - The Appellate Authority had already recorded findings in favor of the petitioner regarding fulfilment of export conditions.
 - Despite such findings, remanding the matter was contrary to statutory mandate and inconsistent with its own conclusions.
- The contention of the Revenue that the petitioner should approach the GST Tribunal was rejected, considering:
 - The lack of statutory power to remand; and
 - The illegality is apparent on the face of the record.
- Accordingly:
 - The remand portion of the appellate order was set aside; and
 - The Appellate Authority was directed to decide the appeal afresh on merits within a stipulated time.



Comments: -

This judgment conclusively clarifies that the powers of the Appellate Authority under Section 107 of the CGST Act are strictly circumscribed by the statute, and there is a complete bar on remanding matters to the adjudicating authority.

The ruling is significant as it prevents unnecessary prolongation of litigation and ensures that appellate proceedings culminate in a final determination of rights and liabilities, rather than being relegated back for re-adjudication.

Further, the judgment highlights that where the Appellate Authority itself records findings on merits, it cannot subsequently adopt a contradictory approach by remanding the matter, as such action would amount to abdication of statutory responsibility.

From a practical standpoint, this decision strengthens taxpayer rights by ensuring that appellate remedies are effective and conclusive, thereby reducing procedural delays and multiplicity of proceedings.

Case-III: Once confiscation order under Section 130 is passed, remedy under Section 129 ceases to be available

Commercial Tax Officer & Ors. v. Aaiz Steel & Ors. (TS-148-HC(KAR)-2026-GST - Karnataka High Court)

1. Facts of the Case

The goods and conveyance of the assessee were intercepted during transit and found to be transported without valid documents. Proceedings were initially initiated under Section 129 of the CGST Act, and the goods were detained. Subsequently the goods were valued by an independent valuer and Proceedings under Section 130 were initiated. An order of confiscation was passed under Section 130, whereby the goods and conveyance stood confiscated; and Title vested in the Government. Instead of challenging the confiscation order, the assessee filed a writ petition challenging only the detention order under Section 129; and Sought release of goods. The Single Judge allowed release of goods subject to certain conditions. Aggrieved of order, the Revenue filed an appeal before the High Court.

2. Issues Before the Court

1. Whether, after passing of a confiscation order under Section 130, the assessee can challenge only the detention proceedings under Section 129.
2. Whether the Court can direct release of goods when title has already vested in the Government under Section 130.

3. Reasoning and Decision of the Court

- The Court analyzed the scheme of Sections 129 and 130 and observed that:
 - Section 129 deals with detention and release of goods in transit;
 - Section 130 deals with confiscation of goods and conveyance.
- It was held that:
 - Once an order under Section 130 is passed,
 - The title to the goods vests in the Government; and
 - The proceedings under Section 129 lose their relevance and merge into Section 130 proceedings.

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- The Court further held:
 - After confiscation, the remedy lies only under Section 130 and appellate provisions under Section 107.
 - It is impermissible to challenge only Section 129 proceedings while ignoring the confiscation order.
 - The Court observed that:
 - The Single Judge's direction to release goods effectively modified the confiscation order, which is not permissible without challenging Section 130 order.
 - Accordingly:
 - The order of the Single Judge directing release of goods was set aside.
 - The assessee was granted liberty to pursue statutory appeal under Section 107.
 - The Court also clarified that for filing appeal, pre-deposit requirement would be:
 - 100% of fine under Section 130; and
 - 10% of tax determined.

Comments: -

The ruling prevents assesseees from circumventing statutory remedies by selectively challenging preliminary proceedings while ignoring final confiscation orders.

Further, the judgment reinforces the principle that once title to goods vests in the Government, courts cannot order release of such goods without setting aside the confiscation order itself.

Contrary to the current order, in Andhra Pradesh HC in Golden Traders, allowed a batch of writ petitions challenging seizure/confiscation of goods in transit u/s 129/130 of the CGST Act on allegation of gross under valuation, holding that “..the issues of valuation cannot be taken up by the Officials at check post under the provisions of Section 129 or Section 130 of the G.S.T. Act”, further in Dayal Product , Supreme Court upheld the Allahabad HC order, which held that if some discrepancy in stock is found, then the proceedings u/s 73/74 ought to have been initiated, instead of Section 130.

Further, imposing to pay 100% pre-deposit on fine runs apposite to clause (a) and (b) of section 107(6) of the CGST Act, 2017 unless admitted.

From a practical standpoint, the decision underscores the importance of adopting the correct procedural route, i.e., challenging confiscation orders through statutory appeals rather than invoking writ jurisdiction in a piecemeal manner.



Case-IV Absent prohibitory provisions, inter-state transfer of ITC upon amalgamation permissible, directs manual processing.

Emerson Process Management (India) Pvt Ltd vs Union Of India & ors [TS-149-HC(GUJ)-2026-GST]

1. Facts of the Case

The petitioner filed a writ petition before the Gujarat High Court challenging the denial of transfer of unutilized ITC pursuant to an amalgamation. The petitioner had amalgamated with another company under an NCLT-approved scheme, resulting in transfer of all assets and liabilities, including ITC. However, when the petitioner attempted to transfer such ITC through Form GST ITC-02 under Section 18(3) of the CGST Act read with Rule 41, the GST portal rejected the request stating that the transferor and transferee must be in the same State. The respondent contended that:

- Inter-State transfer of ITC is not permissible under the GST framework.
- Allowing such transfer may lead to administrative and audit complications.
- The restriction on the portal reflects the intended scheme of the GST law.

The petitioner therefore sought:

- Quashing of the rejection of Form GST ITC-02 by the GST portal.
- Direction to the authorities to allow transfer of unutilized ITC pursuant to amalgamation.
- Appropriate relief to enable transfer of ITC, including acceptance of the form through alternative means.

2. Issues Before the Court

The High Court considered mainly the following issues:

1. Whether unutilized ITC can be transferred upon amalgamation between entities located in different States.
2. Whether the restriction imposed by the GST portal (requiring same State registration) is legally valid.
3. Whether technical limitations of the GST portal can override substantive rights available under the statute.

3. Reasoning and Decision of the Court

Held that:

- There is no restriction under Section 18(3) of the CGST Act read with Rule 41 prohibiting inter-State transfer of ITC pursuant to amalgamation.
- The statutory framework permits transfer of ITC, and no condition regarding same-State transfer is prescribed under law.
- The GST portal cannot impose additional conditions such as requiring transferor and transferee to be located in the same State, as such restriction is not contemplated under the statute.
- System-generated constraints or technical limitations cannot override substantive legal rights available to taxpayers.
- Rejection of the application through an endorsement in Form ITC-02, without issuance of a reasoned order, is procedurally improper and violative of principles of natural justice.
- Following the reasoning of the Bombay High Court in *Umicore Autocat India Pvt. Ltd.*, it was reiterated that procedural or technological limitations cannot defeat statutory entitlements.
- Accordingly, the rejection was set aside, and the petitioner was permitted to file the application manually, with a direction to the authorities to process the same within six weeks.

Comment: -

This judgment is particularly relevant for businesses undergoing mergers, amalgamations, or restructuring across multiple States, as it clarifies that inter-State transfer of ITC is permissible under the law.

It reinforces the principle that statutory provisions prevail over system-driven restrictions and that taxpayers cannot be denied legitimate benefits due to technical limitations of the GST portal.

Furthermore, Hon'ble high Court of Andhra Pradesh in Shilpa Medicare Limited has held that for inter-state transfer ITC is allowed.

Importantly, the Court also provided a practical solution by pointing out that, until a proper mechanism is developed on the GST portal, Form ITC-02 shall be accepted and processed manually.

Case-V: GSTR-1 vs GSTR-3B mismatch due to bona fide error cannot be treated as “self-assessed tax” without following due process

ITI Ltd. v. Union of India & Ors. (TS-191-HC(GAUH)-2026-GST - Gauhati High Court)

1. Facts of the Case

- The petitioner filed GSTR-1 and GSTR-3B returns for FY 2018-19.
- Due to clerical errors in GSTR-1:
 - Tax was incorrectly reported at 18% instead of 12% for certain invoices;
 - A credit note was wrongly reflected.
- However, correct details were reported in GSTR-3B and GSTR-9 and the discrepancy was reconciled by the petitioner.
- The Department:
 - Treated the higher liability in GSTR-1 as “self-assessed tax” referred in explanation under Section 75(12) of CGST Act, 2017.
 - Initiated recovery of differential tax along with interest without issuing notice or seeking explanation.
- Further, ITC was denied on the ground that the return for March 2019 was filed on 13/03/2021, beyond the time limit under Section 16(4).
- Aggrieved, the petitioner challenged the order passed under Section 73.

2. Issues Before the Court

1. Whether mismatch between GSTR-1 and GSTR-3B due to bona fide errors can be treated as “self-assessed tax” under Section 75(12).
2. Whether recovery can be made without following the procedure prescribed under Rule 88C.
3. Whether ITC can be denied on limitation grounds in light of the retrospective insertion of Section 16(5).

3. Reasoning and Decision of the Court**(A) On GSTR-1 vs GSTR-3B mismatch**

- The Court observed that GSTR-1 contains details of outward supplies, whereas GSTR-3B reflects tax liability actually discharged.

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- It held that:
 - Clerical errors in GSTR-1 cannot be mechanically treated as admitted liability.
 - The Explanation to Section 75(12) cannot be applied blindly, especially for past periods.
 - The Court emphasized:
 - Under Rule 88C, the department must Issue intimation of mismatch. Provide an opportunity to explain or pay.
 - In the present case:
 - No such opportunity of hearing was given;
 - Recovery was initiated directly based on GSTR-1.
 - Relying on **Apex Court** judgment in Central Board of Indirect Taxes and Customs Vs Aberdare Technologies and Others reported in 2025 (4) TMI 101, the Court held that Bona fide errors must be allowed to be corrected.
 - Further, it reiterated a fundamental principle that Tax can be levied only at the correct statutory rate (12%), not based on erroneous reporting (18%).

(B) On denial of ITC

- The Court noted that ITC was denied based on Section 16(4) limitation.
- However, subsequent amendment:
 - Section 16(5) (inserted retrospectively) allows ITC for FY 2017-18 to 2020-21
 - If returns are filed up to 30/11/2021.
- Since the petitioner filed return on 13/03/2021, ITC was held to be validly availed.

(C) Final Decision

- The impugned order was set aside.
- The petitioner should be granted opportunity to explain mismatch with supporting documents.
- ITC denial was held unsustainable.



Comments: -

This judgment is a significant ruling on the treatment of return mismatches under GST, particularly in the context of automated recoveries under Section 79.

The Court has clarified that GSTR-1 cannot be treated as conclusive evidence of tax liability, especially where discrepancies arise due to bona fide errors. The decision reinforces that procedural safeguards, including issuance of notice under Rule 88C, are mandatory before invoking recovery provisions under Section 75(12).

Further, the judgment reiterates the principle that tax liability must be determined based on the correct statutory rate, and not on erroneous disclosures in returns.

On the ITC front, the ruling gives effect to the beneficial retrospective amendment under Section 16(5), thereby providing relief to taxpayers who had otherwise been denied ITC due to procedural timelines this was consistently affirmed in various high courts.

Overall, the decision strikes a balance between technological compliance mechanisms and substantive justice, ensuring that genuine mistakes do not result in undue tax demands.

Case-VI: Packaging similarity or statutory disclosure does not constitute “brand name”; Exemption available upon relinquishment of brand rights

Narasus Saarathy Enterprises Pvt. Ltd. v. Additional Commissioner of GST & Central Excise (TS-202-HC(MAD)-2026-GST - Madras High Court)

1. Facts of the Case

- The petitioner was engaged in manufacture and sale of wheat products such as Atta, Maida, Sooji and Bran.
- The petitioner:
 - Paid GST @ 5% on goods sold under registered brand names (e.g., “Narasu’s”); and
 - Claimed exemption under Notification No. 2/2017-CT (Rate) for goods sold in unit containers without brand name.
- For “unbranded goods”:
 - Packaging contained generic farmer graphics, colour schemes, abbreviations, and corporate name.
 - The petitioner had also filed affidavit disclaiming any actionable claim or enforceable right over such brand name, as required under amended notification.
- The Department alleged that:
 - Even “unbranded” goods bore identical packaging features, graphics, abbreviations and corporate identity, thereby constituting a “brand name”.
 - Exemption was wrongly claimed and demand of approx. Rs.12.65 crores (tax + penalty) was raised under Section 74.
- The demand was confirmed on the ground that packaging elements created a trade connection with the petitioner.

2. Issues Before the Court

1. Whether common packaging features (graphics, colour, abbreviations, etc.) constitute a “brand name” under GST.
2. Whether mentioning corporate name (as per statutory requirement) amounts to branding.
3. Whether exemption is available where brand rights are voluntarily relinquished.
4. Whether invocation of extended limitation under Section 74 was justified.
5. Whether composite SCN is valid in line with judgement to Hon'ble madras high court.

3. Reasoning and Decision of the Court

(A) On concept of “Brand Name”

- The Court analyzed the meaning of “**brand name**” and “**trade mark**” and held that:
 - A brand name must indicate a **connection in the course of trade** and create **distinct identity**.
 - Mere generic or descriptive elements cannot constitute a brand.
- It is distinguished between:
 - Distinctive trademark (protectable); and
 - Generic/descriptive features (non-protectable).

(B) On packaging similarity

- The Department relied heavily on similar graphics, colour scheme, abbreviations and layout across branded and unbranded goods.
- The Court held:
 - Mere similarity in packaging does not automatically establish a brand name.
 - The determinative test is whether there exists enforceable right or monopoly over such mark and whether it indicates a **trade connection**.

(C) On statutory declaration (manufacturer name):

- The Court categorically held:
 - Mention of “**Narasus Saarathy Enterprises Pvt. Ltd.**” on packaging is:
 - A **statutory requirement** under FSSAI and Legal Metrology laws;
 - Not a voluntary act of branding.
- It relied on the distinction between:
 - “**House mark**” (**identification of manufacturer**); and
 - “**Product mark/brand name**” (**indicating trade connection**).
- Accordingly mandatory disclosure **cannot be treated as branding**.

(D) On relinquishment of brand rights

- The Court noted that:
 - The petitioner had filed in Annexure-I to Not. 28/2017-CT(Rate) affidavit disclaiming actionable claim or enforceable right over brand name.
- It held under Notification (post 22/09/2017 amendment) even if a brand name exists, exemption is still available if rights are relinquished.

(E) On limitation under Section 74

- The Court observed all facts were within knowledge of the Department through:
 - Returns filed;
 - Inspection was conducted in 2022.

-
- It further held that:
 - There was **no suppression or intent to evade tax**.
 - Invocation of **extended period under Section 74 is invalid**.
 - At best, proceedings could be under **Section 73 (normal period)**.

(F) On bunching of multiple periods in a single Show Cause Notice

The Court noted that:

- **The said issue is currently pending consideration before the Hon'ble Division Bench of the Court.**

(G) Final Decision

- The demand and impugned order were set aside.
- Exemption claimed by the petitioner was upheld.
- Extended limitation under Section 74 was held unsustainable.
- On composite SCN, the Court refrained from expressing any opinion on the issue of bunching of multiple tax periods in a single Show Cause Notice

Comments: -

This judgment is a landmark ruling on the interpretation of “**brand name**” under GST exemption notifications, particularly in the context of food products sold in unit containers.

The Court has clearly laid down that visual similarity in packaging is not determinative of branding, and the existence of enforceable proprietary rights is the key test.

Importantly, the ruling draws a crucial distinction between:

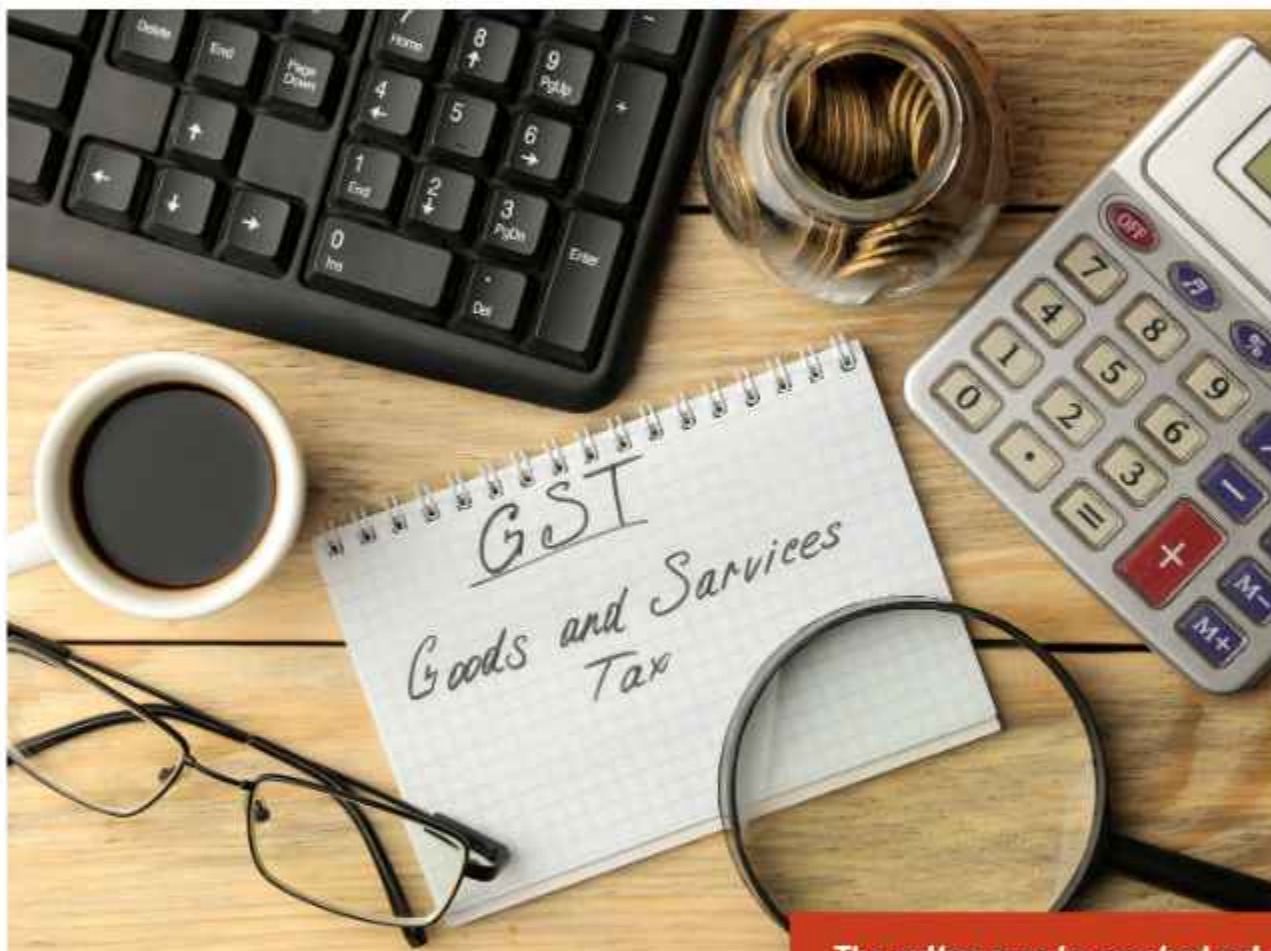
- **Mandatory statutory disclosures (manufacturer details);** and
- **Voluntary branding elements,** thereby preventing misuse of compliance requirements to deny exemptions.



The judgment also reinforces that relinquishment of brand rights through affidavit is a valid mechanism to claim exemption under the amended notification.

On limitation, the Court reiterates that **Section 74 cannot be invoked mechanically**, and absence of suppression or intent to evade tax bars invocation of extended period.

Overall, the decision provides significant clarity and relief to taxpayers dealing in **“unbranded” goods with standardized or regulatory packaging**, ensuring that exemption benefits are not denied on hyper-technical grounds.



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