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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
TIRUPUR BRANCH (SIRC)

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Contents

S.No	Particulars	Page No
1	Chairman's Message	2
2	Forthcoming Programs	3
3	Concessional GST rate of 0.1% under notification no. 41/2017 – IGST (rate) strict compliance with prescribed supply conditions mandatory for merchant export benefit - [in favour of revenue]	4
4	Latest Updates	7
5	Due Dates Chart for the Month of April 2026	9
6	Photo gallery	11

Dear Pioneers of the New Financial Era

Greetings and warm wishes to each one of you as we step into the new Financial Year 2026-27! As April 1st marks the beginning of FY 2026-27, I find myself reflecting on how privileged we are to be part of a profession that sits at the very heart of our nation's economic fabric. And what a year lies ahead of us! As we turn the page on another year of dedicated service to our profession, let us embrace this moment with renewed purpose and commitment.



NEW INCOME TAX ACT - A LANDMARK SHIFT

This year brings with it the implementation of the long-awaited new Income Tax Act, a game-changer for our profession. Yes, change can feel overwhelming, but for us CAs, change has always been our greatest opportunity. This is not merely a compliance change; it is a transformation in the very framework within which we operate. I invite every member of our fraternity to attend ICAI-organized seminars, study circles and CPE sessions on the new legislation. Let's share knowledge and interpretations within our peer groups to collectively strengthen our understanding.

Artificial Intelligence is no longer the future - it's the present. From smart tax planning tools to AI-powered audit assistance, there are incredible resources available to us right now. Let's make a collective commitment this year to explore, learn, and implement AI in our practices. A small step in this direction today can transform our productivity and client experience tomorrow.

Every new financial year is an opportunity - to reset, to reimagine and to rise. Let us enter 2026-27 with fresh ideas, greater collaboration and the spirit of excellence that defines our fraternity. Let's shed old habits, embrace new ideas and bring a fresh burst of energy to our practice and our fraternity. Let's be bold, be curious and be brilliant, as we always have been!

In the middle of every difficulty lies opportunity and for a CA, every new law is a new frontier.

With Best Regards,

CA. Vishnukumar M
Chairman
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
Tirupur Branch (SIRC)

Forthcoming Programs

Date	Day & Timing	Program	CPE Hours	Speaker/Guest	Venue
10-04-2026	Fri 5.00pm to 8.00pm	Young Members Empowerment Programme on New TDS Forms and sections as per Income Tax Act 2025	3	CA. Saranya K, Tirupur	ICAI Bhawan, Tirupur
25-04-2026	Sat 10.00am to 5.00pm	One Day CPE Seminar on Business Income & TDS - IT Act 1961 vs 2025 and Assessment Proceedings Old vs New Act	6	CA. Ramnath V, Coimbatore & Dr. CA. Abhishek Murali, Regional Council Member, SIRC of ICAI	ICAI Bhawan, Tirupur

CONCESSIONAL GST RATE OF 0.1% UNDER NOTIFICATION NO. 41/2017 – IGST (RATE) STRICT COMPLIANCE WITH PRESCRIBED SUPPLY CONDITIONS MANDATORY FOR MERCHANT EXPORT BENEFIT - [IN FAVOUR OF REVENUE]

- **CA. VIGNESH KALAISELVAN**



Recent judicial pronouncements under the Goods and Services Tax law continue to reinforce the principle that exemption and concessional rate notifications must be interpreted strictly and complied with literally. The decision discussed below examines the eligibility for the concessional GST rate of 0.1% under Notification No. 41/2017 – IGST (Rate) in a situation where goods were supplied against a merchant exporter's order but were routed through a third-party manufacturer before export.

M/s Time Technoplast Ltd. v. Union of India [2026] (3) TMI 899 – High Court of Karnataka [11-03-2026]:

Relevant provisions under consideration:

Notification No. 41/2017 – IGST (Rate) dated 23.10.2017 prescribes a **concessional GST rate of 0.1%** on inter-State supply of taxable goods by a registered supplier to a registered recipient (merchant exporter) for the purpose of export, subject to fulfilment of the conditions enumerated therein.

The key conditions relevant to the present case are:

- **Condition (v):** The registered recipient shall place an order on the registered supplier for procuring goods at the concessional rate, and a copy of the same shall be provided to the jurisdictional tax officer of the registered supplier.
- **Condition (vi):** The registered recipient shall move the said goods from the place of the registered supplier directly to the Port, Inland Container Depot, Airport or Land Customs Station; or directly to a registered warehouse, from where the goods shall be moved for export.
- **Condition (vii):** Where the registered recipient intends to aggregate supplies from multiple registered suppliers, goods from each supplier shall be moved to a registered warehouse, and thereafter to the Port/ICD/Airport/Land Customs Station for export.

The Hon'ble Supreme Court's Constitution Bench decision in Commissioner of Customs (Import), Mumbai v. Dilip Kumar and Company [(2018) 9 SCC 1] lays down that exemption notifications must be interpreted strictly, the burden of proof lies on the assessee, and any ambiguity must be resolved in favour of the Revenue.

Background of the case:

- The petitioner, M/s Time Technoplast Ltd., is engaged in the manufacture of packaging materials including HDPE drums, Jerrycans and Intermediate Bulk Containers falling under HSN 3923.
- Upon receipt of purchase orders from merchant exporters, the petitioner raised invoices on the merchant exporters but delivered the HDPE drums to the premises of chemical manufacturers.
- The chemical manufacturers packed their manufactured goods (ethyl alcohol) in the drums supplied by the petitioner, and thereafter the merchant exporter exported the same.
- The petitioner sought an Advance Ruling under Section 97 of the CGST Act on the eligibility of such supply for the concessional rate of 0.1% under the Notification.
- The Authority for Advance Ruling, by its order dated 29.10.2021, held that the petitioner is not entitled to the concessional rate.
- On appeal under Section 100 of the CGST Act, the Appellate Authority for Advance Ruling, by order dated 04.03.2022, confirmed the ruling and dismissed the appeal.
- Aggrieved, the petitioner filed a Writ Petition before the Karnataka High Court seeking a writ of mandamus directing the respondents to hold the supply eligible for exemption under the Notification.

Issue before the High Court:

Whether, in the facts and circumstances of the present case, the petitioner is entitled to the benefit of the concessional rate of tax at 0.1% under Notification No. 41/2017 – IGST (Rate) dated 23.10.2017, where the goods were delivered to a third-party chemical manufacturer and not directly to the merchant exporter or as per the prescribed movement route?

Judgment:

The Hon'ble High Court, after examining the conditions of the Notification and the background from the Minutes of the 22nd GST Council Meeting, held as under:

- The scheme under the Notification contemplates only two persons the registered supplier and the registered recipient (merchant exporter). **Supply to any third party is not contemplated.**
- **Condition (vi) mandates that the registered recipient shall move the goods from the place of the registered supplier directly to the Port/ICD/Airport/Land Customs Station or to a registered warehouse for onward export. There is no provision permitting routing of goods through a third-party manufacturer's premises.**
- The language of the Notification is clear and unambiguous. There is no scope for any purposive or liberal interpretation to expand the benefit to situations not expressly covered.

- Reliance placed by the petitioner on the Minutes of the 22nd GST Council Meeting does not assist, as the GST Council's recommendation itself clearly indicates that the supply of goods is to be made to a registered merchant exporter, i.e., the registered recipient.
- Any interpretation permitting supply to a third party would amount to rewriting or modifying the stipulated conditions of the Notification, which is impermissible in law.
- **The Constitution Bench decision in Dilip Kumar & Co. (supra) squarely applies exemption must be strictly construed, the burden lies on the assessee, and in the event of any ambiguity, the benefit must enure to the Revenue and not to the assessee.**
- **This principle was further reiterated by the Supreme Court in Krishi Upaj Mandi Samiti v. Commissioner of Central Excise and Service Tax, Alwar [(2022) 5 SCC 62], wherein it was held that exemption notifications must not be liberally construed and all conditions must be fully satisfied.**

Accordingly, the Hon'ble High Court answered the question against the petitioner and dismissed the writ petition.

To conclude:

Where goods supplied against a merchant exporter's order are delivered to a third-party manufacturer's premises instead of being moved directly to the port, ICD, airport, land customs station, or a registered warehouse as prescribed under Notification No. 41/2017 – IGST (Rate), the conditions of the Notification are not satisfied. The benefit of the concessional rate of 0.1% will not be available notwithstanding that the export was actually completed and foreign exchange was received.

Comments:

This ruling serves as a significant reminder to registered suppliers and merchant exporters that the **benefit under the 0.1% GST scheme is not merely export-outcome driven it is route-driven.** The Notification prescribes not just the parties but also the precise path the goods must travel. Any deviation, howsoever commercially justifiable, will disentitle the supplier from the concessional rate.

Practically, businesses involved in export linked supply chains where goods are supplied to job workers, processors or contract manufacturers before reaching the final exporter must exercise caution. In such cases, eligibility for the concessional rate will not survive, even if the underlying export transaction is genuine, complete, and supported by shipping bills and foreign exchange receipts.

The judgment reinforces that in GST, as in all fiscal legislation, the law rewards compliance with the prescribed framework, not merely the achievement of the intended commercial outcome. Suppliers operating in merchant export ecosystems must carefully re-examine their supply chain structures in light of this ruling to avoid future exposure to demands and denial of benefit.

LATEST UPDATES

Latest Updates – GST (Effective from February 2026 Tax Period)

1. Facility for withdrawal from Rule 14A

GSTN has enabled a new online facility for eligible taxpayers to apply for withdrawal from the option availed under Rule 14A of the CGST Rules by filing **Form GST REG-32** on the GST Portal.

1. Who can apply

- Active Taxpayers who are registered under Rule 14A, may apply for OPT OUT in accordance with the provisions of the law.

2. How to apply on the GST Portal

- After login, navigate to:

Services -> Registration -> Application for Withdrawal from Rule 14A

The link will be visible only if the taxpayer is registered under Rule 14A and is active.

- The field "Option for registration under Rule 14A" will be selected as "No" by default.
- Enter "Reason for withdrawal from Rule 14A".
- Proceed to Aadhaar Authentication tab for Aadhaar Authentication of Primary Authorised Signatory and one Promoter/Partner.

3. Key pre-conditions

- The registered person shall not be allowed to file Form GST REG-32 unless he has furnished,
 - (a) returns for a period of minimum three months, if Form GST REG-32 is filed before 1st April, 2026;
 - (b) returns for a period of minimum one tax period, if Form GST REG-32 is filed on or after 1st April, 2026; and
 - (c) all the returns due for the period from the effective date of registration till the date of filing of Form GST REG-32.

4. Aadhaar authentication

- Based on data analysis, the taxpayer will have to undergo either OTP based Aadhaar authentication or Biometric based Aadhaar Authentication.
- Authentication is required for:
 - o Primary Authorised Signatory (mandatory), and
 - o At least one Promoter/Partner (where applicable).
- ARN will be generated only after successful Aadhaar authentication.

5. Important timelines

- Draft application must be submitted within 15 days of creation.
- Aadhaar/Biometric authentication must be completed within 15 days from submission.

- If authentication is not completed within the prescribed time, ARN will not be generated.

6. Restrictions during processing

- While Form GST REG-32 is pending after submission, Taxpayer cannot file Core amendment, non-core amendment and Self-cancellation application.

7. Post-Sanction of Opt-Out

- The taxpayer who has received an order in Form GST REG-33 allowing withdrawal shall be able to furnish the details of output tax liability on supply of goods or services or both made to registered persons, exceeding the output tax liability of Rs.2.5 lakhs, from the first day of succeeding month in which the said order has been issued.

Latest Updates – Income Tax (Effective from April 2026 Tax Period)

The Income-tax Act, 2025 represents a landmark reform in India's direct tax framework, replacing the six-decade-old Income-tax Act, 1961, effective from 1st Apr 2026. The new legislation is aimed at simplifying the law, reducing ambiguity, and aligning tax administration with a digital economy. Importantly, it does not significantly alter tax rates or fundamental concepts, but restructures the law for better clarity and usability.

Major Structural Changes

1. Introduction of "Tax Year" replacing Previous Year & Assessment Year
2. Reduction in sections and removal of redundant provisions
3. Logical reorganisation of chapters and provisions
4. Extensive use of tables & schedules for clarity
5. Simplified legal drafting with minimal provisos

Some of the major Section no.s changes:

Particulars	Old sec no. (IT act, 1961)	New sec no. (IT act, 2025)	Explanation
Income not forming part of total income	Sec 10	Schedules (II–VIII)	Exemptions shifted to schedules for better organisation and readability.
Presumptive Taxation (Business/Profession)	Sec 44AD, 44ADA, 44AE	Sec 58	Multiple sections consolidated into a single provision for simplicity.
Presumptive Taxation (Non-residents)	Sec 44B, 44BB, 44BBA, etc.	Sec 61	All non-resident presumptive provisions grouped together.

Maintenance of Books of Account	Sec 44AA	Sec 62	Same requirement retained; thresholds and conditions presented clearly.
Tax Audit	Sec 44AB	Sec 63	No major change; simplified structure and drafting.
TDS Provisions	Sec 193 to 196 series & 197A	Sec 393 (consolidated)	Fragmented provisions merged for ease of compliance.

DUE DATES CHART FOR THE MONTH OF APRIL 2026

GST Due Dates:

Due Date	Period	Form No. / Type	Due Date Details
10-04-2026	Mar, 26	GSTR-7	Summary of Tax Deducted at Source (TDS) and deposited under GST laws for the month of March, 2026
10-04-2026	Mar, 26	GSTR-8	Summary of Tax Collected at Source (TCS) and deposited by e-commerce operators under GST laws for the month of March, 2026
11-04-2026	Mar, 26	GSTR-1	Summary of outward supplies where turnover exceeds Rs.5 crore or have not chosen the QRMP scheme for the quarter of Jan - Mar 2026
13-04-2026	Mar, 26	GSTR-6	GSTR 6 is a monthly return for Input Service Distributors (ISD) to provide the details of their inward supplies & distributed Input Tax Credit (ITC).
13-04-2026	Jan – Mar 26	GSTR 1	Summary of outward supplies where turnover does not exceeds Rs.5 crore or have chosen the QRMP scheme for the quarter of Jan - Mar 2026
13-04-2026	Mar, 26	GSTR-5	Summary of outward taxable supplies and tax payable by a non-resident taxable person
20-04-2026	Mar, 26	GSTR-5A	Summary of outward taxable supplies and tax payable by a person supplying OIDAR services
20-04-2026	Mar, 26	GSTR-3B	Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not chosen the QRMP scheme for the quarter of Jan - Mar 2026

30-06-2026	Mar, 26	GSTR-4	Annual return for the persons who have opted for Composition scheme for FY 2025-26
25-04-2026	Mar, 26	PMT-06	PMT-06 is a challan used for making payment of tax, interest, late fee and penalty under the GST law by taxpayers who have opted for the quarterly filing of GSTR- 3B under the QRMP scheme

Income Tax Due Dates:

Due Date	Period	Form No. / Type	Due Date Details
07-04-2026	Mar, 26	TCS Payment	Due date for deposit of Tax collected for the month of March, 2026. However, all sum collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan.
30-04-2026	Mar, 26	TDS Payment	Due date for deposit of Tax deducted for the month of March, 2026. However, all sum deducted by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan.
30-4-2026	Mar, 26	Form 24G	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2026 has been paid without the production of a challan
15-04-2026	Mar, 26	Form no. 3BB	Due date for furnishing statement in Form No. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of March, 2026

PF & ESIC Due Dates:

Due Date	Period	Form No. / Type	Due Date Details
15-04-2026	Mar, 26	PF & ESIC	<ul style="list-style-type: none"> PF deducted from the Employees salary in the month of March 2026, needs to be paid on or before 15th of Apr, 2026. The payment of ESIC is made by every employer to the ESIC department on a monthly basis. The due date for ESIC is 15th Apr, 2026

PHOTO GALLERY



CPE SEMNAR ON 06.03.2026 AT ICAI BHAWAN, TIRUPUR



WOMEN'S DAY CELEBRATION ON 07.03.2026 AT ICAI BHAWAN, TIRUPUR



CPE SEMNAR ON 20.03.2026 AT ICAI BHAWAN, TIRUPUR



ONE DAY CPE SEMNAR ON 21.03.2026 AT ICAI BHAWAN, TIRUPUR



CPE SEMNAR ON 27.03.2026 AT ICAI BHAWAN, TIRUPUR