

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

CHENGALPATTU DISTRICT BRANCH (SIRC)

HAPPY NEW YEAR 2026

E-Newsletter - January 2026



**Address : Flat No. 402 Fourth Floor, No.1A, Periyalwar Street,
Sundaram Colony, East Tambaram, Chennai – 600059.**

Phone : 044-22390098 | 8056244300 | 7550009811

Email : chengalpattu@icai.org

Website : www.chengai-icai.org



Contents

S No	Particulars	Page No
1	From the Chairman's Desk	3
2	Photo Gallery	5
3	Upcoming Programs	15
4	Income Tax Updates	16
5	Recent Judgements on Direct Taxes	19

ARTICLES INVITED FROM MEMBERS

Note: Articles are invited from members for publishing in Newsletter. The articles shall be either on the specific subject or a general article. Members can send their articles with Name, Membership Number, Mobile Number, Residential Address, Office Address & Photo to our E-mail id mentioned below:

E-mail id: chengalpattu@icai.org

Note: The views expressed in the articles published, are their own views and Chengalpattu District Branch (SIRC) does not endorse or take responsibility.

From the Chairman's Desk

January 2026



Dear Members,

Warm greetings from the Chengalpattu District Branch of SIRC of ICAI. As we step into January 2026, I extend my best wishes to each one of you for a productive, disciplined, and professionally rewarding year ahead. December 2025 concluded on a positive and impactful note, marked by strong member participation and meaningful technical deliberations.

CPE PROGRAMMES – DECEMBER 2025

The month witnessed a robust series of technical programmes covering GST, the Digital Personal Data Protection (DPDP) Act, Labour Codes, MCA compliance, FEMA, forensic aspects, and technology-enabled practice management.

The Two-Day Seminar on GST, conducted under the aegis of the GST & Indirect Taxes Committee and hosted by our branch, stood out as a flagship programme. The seminar addressed critical areas such as contracts, ITC challenges, assessments, appeals, ISD, and RCM, and received an excellent response from members. We are grateful to CA. Rajendra Kumar P, Chairman of the GST & Indirect Taxes Committee, for his support and for gracing the occasion.

These initiatives reaffirm our commitment to continuous professional development, and I sincerely thank all speakers, coordinators, and volunteers for their dedicated efforts.

SICASA ACTIVITIES

Student initiatives during December were equally enriching. The AURA – AI Workshop strengthened students' understanding of emerging technologies, while the Industrial Visit provided valuable practical exposure to manufacturing processes and compliance systems. Programmes such as SUDAR 2025, GSTR-9 & 9C, and Chengai Vizha 2025 continue to nurture leadership, confidence, and holistic development among students.

INAUGURATION OF ICAI BHAWAN

A Historic Milestone for Chengalpattu District Branch. The Chengalpattu District Branch of SIRC of ICAI proudly marks a historic and defining moment with the Inauguration of the ICAI Bhawan at East Tambaram, scheduled on Saturday, 24th January 2026.

This long-cherished vision, nurtured over several years, has become a reality through the collective efforts, perseverance, and commitment of our members and leadership. The ICAI Bhawan stands as a symbol of institutional strength, professional unity, and forward-looking growth.

January 2026

AUGUST INAUGURAL OCCASION

The ICAI Bhawan will be inaugurated by CA. Charanjot Singh Nanda, President, ICAI, in the esteemed presence of CA. Prasanna Kumar D, Vice President, ICAI, with Shri S. R. Raja, Hon'ble MLA, Tambaram Constituency, gracing the occasion as the Guest of Honour. The presence of national ICAI leadership and public representatives underscores the significance of this milestone for our branch and the region.

A HUB FOR LEARNING & PROFESSIONAL EXCELLENCE

The new ICAI Bhawan is envisioned as a vibrant centre for learning, training, interaction, and professional development, serving:

- Members through CPE programmes, seminars, and conferences
- Students through SICASA activities, mentoring, and academic support
- The profession through outreach, knowledge sharing, and institutional engagement

This infrastructure will significantly enhance the branch's capacity to deliver value-driven initiatives in the years ahead.

A COLLECTIVE ACHIEVEMENT

This achievement would not have been possible without the unwavering support of our members and the visionary leadership of our past Chairmen, Infrastructure Committee, Managing Committee members, donors, contributors, and well-wishers. Their sustained efforts have transformed a shared dream into a lasting institution.

INVITATION TO MEMBERS & STUDENTS

All members and students are warmly invited to participate in large numbers and be part of this landmark celebration. Your presence will add meaning and strength to this proud moment in the history of our branch.

Together, we celebrate a new beginning.

Together, we build a stronger future for the profession.

With best wishes for a successful year ahead.

Warm regards,

CA. Shivachandra Reddy K

Chairman

Chengalpattu District Branch (SIRC)

The Institute of Chartered Accountants of India

January 2026

PHOTO GALLERY

CPE Meeting

Topic: GSTR - 9 & 9C

Speaker: CA. SUBRAMANIAN R

Date: 5th December 2025, Friday

Time: 5:00 PM to 8.00 PM

Venue: Swami Vivekananda Matriculation Higher Secondary School, Dr. J J Nagar, Sevilimedu, Kancheepuram – 631502



January 2026

CPE Meeting

Topic: Digital Personal Data Protection (DPDP) Act and Labour Codes

Speaker: CA. Sankar V & CA. Sathiyamarayanan S, Advocate

Date: 6th December 2025, Saturday

Time: 4:00 PM to 8.00 PM

Venue: Branch Premises



E-Newsletter - Chengalpattu District Branch (SIRC)

January 2026

Topic: GST, Forensics & FEMA

Speaker: CA. Raghavan Ramabadran, CA. Smrithi Mrinalini Balaji & Mr. Mahendra Singh, Advocate

Date: 9th December 2025, Tuesday

Time: 2:30 PM to 6:30 PM

Venue: MWC Club by Downtown, Mahindra World City.



January 2026



E-Newsletter - Chengalpattu District Branch (SIRC)

January 2026

Topic: Annual filing Forms under MCA V3 & Private Limited Company Audit Tiny Details
Towering Impact

Speaker: Mr. Sudarsan Babu V & CA. Narasimma Raghavan R

Date: 13th December 2025, Saturday

Time: 4:00 PM to 8:00 PM

Venue: Branch Premises



January 2026



E-Newsletter - Chengalpattu District Branch (SIRC)

January 2026

Topic: Two Days Seminar on GST

Speaker: CA. Bharath Kumar N K, CA. Aravind Thangam P, CA. Shaikh Abdul Samad Ahmad, Mr. R Srivatsan IRS, CA. Prasanna Krishnan V and CA. Srinivasan V

Date: 19th and 20th December 2025 (Friday & Saturday)

Time: 9:00 PM to 5.00 PM

Venue: PRC Residency, No - 10B, Kakkan Street, West Tambaram, Chennai 600 045



January 2026



January 2026



E-Newsletter - Chengalpattu District Branch (SIRC)

January 2026

Topic: GST deadline - Zero Panic : Leverage Tally's new Smart Features for faster Advanced Audit intelligence.

Speaker: CA. Monica Challani Ranka

Date: 27th December 2025, Saturday

Time: 4:00 PM to 7:00 PM

Venue: Branch Premises





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

Cordially invites you for

INAUGURATION OF ICAI BHAWAN

by

CA. CHARANJOT SINGH NANDA
President, ICAI

in the presence of

CA. PRASANNA KUMAR D
Vice President, ICAI

Guest of Honour

Thiru S R RAJA, M.L.A.
Tambaram Constituency, Tamil Nadu

CA. REVATHI S RAGHUNATHAN
Chairperson, SIRC

Date & Time:
Saturday,
24th January 2026, 11:00 AM

Venue:
ICAI Bhawan, East Tambaram – 600059
(Near Tambaram Sanatorium Railway Station)

Committee Members

CA. Rajendra Kumar P
Central Council Member, ICAI
Chairman – Infrastructure Committee

CA. Babu Abraham Kallivayalil
Central Council Member, ICAI
Member – Infrastructure Committee

CA. Madhumitha R
Vice Chairperson

CA. Ravichandran S
Managing Committee Member

CA. Sathish T S
Secretary

CA. Arumugaraj P
Managing Committee Member

CA. Sripriya K
Central Council Member, ICAI & Ex-Officio
Vice Chairperson – Infrastructure Committee

CA. Shivachandra Reddy K
Chairman
Chengalpattu District Branch (SIRC)

CA. Aanand Pasupathy
Treasurer

CA. Deepa Rao
Managing Committee Member

CA. Priya A
SICASA Chairperson

CA. Sridhar Ganesh N
Managing Committee Member

CA. Rekha Uma Shiv
RCM, SIRC & Ex-Officio
Member – Infrastructure Committee



RECENT DECISIONS IN DIRECT TAXES **January 2026**

by



CA. Muthu Abirami T V

Recent decisions under the Income Tax Act, 1961.

Reference - taxguru.com

1. KU Power Projects Ltd. v. ITO (ITA No. 7096/Del/2025, AY 2017-18; order dated 24.12.2025)

Held: An addition relating to an investment of an earlier assessment year cannot be taxed in a subsequent year merely on presumptions or estimation.

Assessing Officer made addition of ₹13.55 lakh by applying 2% on alleged investment of ₹6.77 crore — It was found that the entire investment pertained to Financial Year 2015-16 relevant to Assessment Year 2016-17 and not to the year under appeal — Addition made in a wrong assessment year held to be unsustainable — In favour of assessee.

2. Sushil Kumari Vs ITO (ITAT Delhi) (ITA No. 7076/Del/2025, order dated: 24/12/2025)

Held: The Tribunal noted that the approval dated 31.03.2021 by the prescribed authority merely recorded the phrase "I find it a fit case ...", without demonstrating any independent application of mind to the reasons for reopening. Such a bald endorsement, the Bench held, does not satisfy the mandatory requirement of section 151.

Reassessment — Sanction under section 151 — Mechanical approval — Invalid reopening — Assessment Year 2017-18 — Reassessment proceedings initiated under section 147 on the basis of approval granted by the prescribed authority — Approval merely recorded the phrase "I find it a fit case" without any discussion or independent application of mind to the reasons recorded — Such bald and mechanical sanction held to be in violation of the mandatory requirement of section 151 — Following the binding decision of the Supreme Court in PCIT v. Goyanka Lime & Chemical Ltd. — Mechanical sanction held to vitiate jurisdiction — Held, reassessment proceedings void ab initio and liable to be quashed — Consequential assessment also set aside — All other issues on merits held to be academic — In favour of assessee.

3. Rajlaxmi Charitable Trust Vs ITO (ITAT Delhi) ITA No. 7582/Del/2025, order dated 24/12/2025

Held: that delay in e-filing Form 10 cannot defeat exemption u/s 11(2) when the form was otherwise filed before completion of assessment.

Charitable trust — Exemption under section 11(2) — Delay in e-filing Form No. 10 — Directory vs mandatory requirement — Assessment Year 2016-17 — Assessee-trust was denied accumulation benefit under section 11(2) solely on the ground of belated e-filing of Form No. 10 — It was found that Form No. 10 had been physically filed much prior to filing of return of income and that even e-filing was completed before the assessment order was passed — Procedural requirement of filing Form No. 10 held to be directory and not mandatory — Since the Assessing Officer had all relevant particulars before completion of assessment, exemption could not be denied on technical grounds — Held, delay in e-filing of Form No. 10 does not defeat exemption under section 11(2) — Assessing Officer directed to grant exemption and recompute income — In favour of assessee.

4. ITO Vs Indian National Theatre Trust (ITAT Delhi) ITA No. 4881/DEL/2025 order dated 29/12/2025

Held: The Tribunal has dismissed the Revenue's appeal and upheld the grant of exemption u/s 11 & 12 to the Assessee-trust, notwithstanding receipts from hiring out an auditorium and providing space on rent.

Charitable trust — Exemption under sections 11 & 12 — Applicability of proviso to section 2(15) — Receipts from hiring auditorium / renting space — Principle of consistency — Assessment Year 2017-18 — Revenue denied exemption on the ground that assessee-trust was engaged in commercial activities of hiring out auditorium and renting space, attracting first proviso to section 2(15) — It was contended that reliance on consistency was misplaced as res judicata does not apply to income-tax proceedings — Tribunal noted that identical issue stood decided in favour of assessee in its own case for earlier assessment years and that such view had been affirmed by jurisdictional High Court while dismissing Revenue's appeals — Department fairly conceded that issue was covered against it — Respectfully following binding precedents, it was held that income from hiring of auditorium and allied facilities did not change charitable character of trust — Held, exemption under sections 11 & 12 allowable — Revenue's appeal dismissed — In favour of assessee.

5. Amandeep Singh Vs ITO (ITAT Delhi) ITA No. 7147/DEL/2025 order dated: 16/12/2025

Held: the CIT(A), being the first appellate authority, has no power to dismiss an appeal for non-prosecution and is statutorily bound u/s 250(6) to pass a reasoned and speaking order on merits, dealing with each ground raised by the Assessee.

Appeal — Dismissal for non-prosecution by CIT(A) — Validity — Assessment Year 2017-18 — CIT(A), NFAC dismissed assessee's appeal ex-parte solely for non-prosecution without adjudicating grounds on merits — Tribunal held that CIT(A), being the first appellate authority, has no power to dismiss an appeal for non-prosecution — Under section 250(6), CIT(A) is statutorily bound to pass a reasoned and speaking order dealing with each ground of appeal — Ex-parte dismissal without deciding merits held unsustainable in law — Impugned order set aside and matter remanded to CIT(A) for fresh adjudication on merits after granting reasonable opportunity of hearing — Assessee directed to cooperate — In favour of assessee.

6. Susamma John Vs ITO (ITAT Raipur) ITA No. 750/RPR/2025 order dated 24/12/2025

Held: Wrong Salary Uploaded by Consultant Can't Be Taxed.

Assessment — Wrong income reflected in return due to consultant's mistake — Evidentiary value of Form 26AS — Principles of natural justice — Assessment Year 2020-21 — Assessee, a retired Army officer and pensioner, explained that salary income of another person was inadvertently uploaded in her return by her tax consultant — Explanation supported by consultant's affidavit, Form 26AS showing only pension income and undisputed facts — Department did not dispute nature of assessee's actual income — CIT(A)/NFAC dismissed appeal without enquiry, without verification of Form 26AS and without bringing any material to establish undisclosed income — Such cryptic disposal held to be violative of sections 250(4) and 250(6) and principles of natural justice — Income wrongly reflected due to clerical/consultant error cannot be taxed when contemporaneous records clearly support assessee — Held, entire addition unsustainable and liable to be deleted — AO directed to delete addition in full — In favour of assessee.



RECENT JUDGEMENTS ON DIRECT TAXES

January 2026

by



CA. Arumugaraj P

1. Penalty Deleted as Audited Books Existed Despite Rejection for Defects (Anita Basak Vs ACIT, Kolkata Tribunal)

The Tribunal ruled that penalty under Section 271A cannot be levied merely because books were rejected and income was estimated. Since audited books were available, there was no failure to maintain accounts. The post Penalty Deleted as Audited Books Existed Despite Rejection for Defects. Mere deficiencies or rejection of books under section 145(3) do not justify penalty under section 271A.

2.Additions Can't Be Based on Suspicion, ITAT Deletes 2.5% Profit Arvind Jain Vs ITO (ITAT Delhi)

The Tribunal held that profit estimation cannot rest on conjectures or lump-sum allegations. In absence of identified bogus purchases or factual basis, the entire addition was deleted.

3.Reassessment Quashed Due to Change of Opinion on Share Capital Scrutiny (PCIT Vs South Delhi Promoters Ltd. (Delhi High Court)

The ruling confirms that reassessment based on investigation inputs cannot proceed without independent application of mind by the Assessing Officer. Prior scrutiny of share capital defeated the reopening.

4.Reassessment Quashed Due to No Failure to Disclose Material Facts (Chowgule & Company Pvt. Ltd. Vs JCIT (Bombay High Court)

The court held that reopening beyond four years is invalid when the recorded reasons do not allege failure to disclose material facts. Full disclosure by the assessee barred reassessment.

January 2026

5. SC Upholds Bar on Reopening After Four Years for No Disclosure Failure (ACIT Vs Asian Paints Limited. (Supreme Court of India)

The SC confirmed that reassessment beyond four years is invalid where full material facts were disclosed during scrutiny. A mere change of opinion cannot justify reopening.

6. Mechanical Dismissal Fails as CIT(A) Skips Speaking Order (Landmark Exim Private Limited Vs DCIT (ITAT Delhi)

ITAT held that dismissing a ground without reasons violates appellate duty. The 43B disallowance was remanded for fresh, reasoned adjudication.

7. Only Profit Element Taxable Where Purchases Are From Suspected Hawala Parties (Prankit Exports Vs ITO (ITAT Mumbai)

The Tribunal held that when sales are accepted and purchases are unverifiable, only the embedded profit can be taxed. Full disallowance of purchases was found unsustainable.

8. Partner's Remuneration Eligible for Presumptive Taxation Under Section 44ADA (ITAT Delhi's Decision: Ranu Gupta vs ACIT)

The ITAT allowed the assessee's appeal and held that Section 44ADA is applicable to the remuneration received by the assessee as a working partner. The Tribunal observed that there is no statutory pre-condition under Section 44ADA requiring the assessee to carry on an independent professional practice outside the partnership firm. It further held that Section 44ADA does not mandate that the assessee must first claim actual expenditure to opt for presumptive taxation, particularly in view of Section 44ADA(2).

9. Final assessment order u/s. 153A without issuance of draft assessment order u/s. 144C is void (Damandeep Kaur Vs ACIT (ITAT Chandigarh)

ITAT Chandigarh held that passing of final assessment order under section 153A of the Income Tax Act without issuing draft assessment orders under section 144C of the Income Tax Act is untenable. Accordingly, final assessment order u/s. 153A is quashed.

10. Genuine Member Cash Transactions Protected by Reasonable Cause Rule (DCIT Vs Umiya Co-operative Credit Society Ltd. (ITAT Ahmedabad)

The issue was whether penalties under sections 271D and 271E apply to cash dealings of a credit society with its members. ITAT held that genuine, audited member transactions supported by reasonable cause are protected under section 273B.