

The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)



Visakhapatnam Branch e-Newsletter

DECEMBER - 2025



CA. Sridhar Andhavarapu, Chairman, CA. Patnala Lokesh, Vice Chairman, CA. Ramu Naidu N, Secretary,

CA. Ujwala M L D, Treasurer, CA. D. Leela Vara Prasad, SICASA Chairman,

CA. Mogalapalli P GuruMurthy, Member & Editor, CA. K. Rambabu, Member, CA. Prasanna Kumar D, Ex-officio Member & Vice President, ICAI

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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WORLD FORUM OF ACCOUNTANTS
2026 | 30th JAN to 1st FEB | GREATER NOIDA INDIA

Nation Building to Global Collaboration: Strengthening Trust, Enabling Growth

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WOFA 2.0 REGISTRATIONS NOW OPEN!

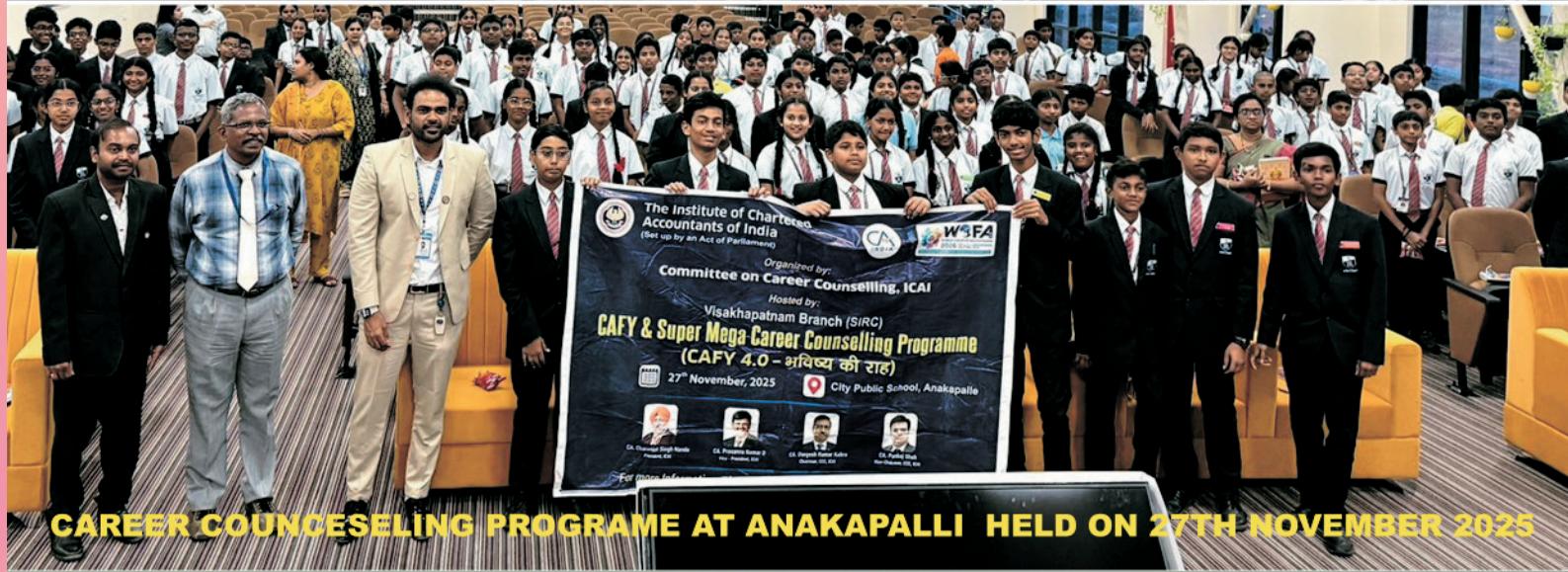
Early Bird Discount till 10th November, 2025

REGISTER NOW



India Expo Centre & Mart, Greater Noida

30th Jan to 1st Feb, 2026



CAREER COUNSELLING PROGRAM AT ANAKAPALLI HELD ON 27TH NOVEMBER 2025

From the Chairman's Desk

Chairman's Message

Dear Esteemed Members,

Sanskrit:

श्रेयो हि ज्ञानमध्यासाज्जानादृद्ध्यानं विशिष्यते ।
ध्यानात्कर्मफलत्यागस्त्यागाच्छान्तिरनन्तरम् ॥ १२ ॥

Telugu :

శ్రేయా హి జానమభ్యాసాజ్జానాదృధ్యానం విశిష్యతే ।
ధ్యానాత్కర్మఫలత్యాగస్త్యాగాచ్ఛాన్తిరనన్తరమ్ ॥ १२ ॥

English:

sreyo hi jñānam abhyāsāj jñānād dhyāna viceicyate
/ dhyānāt karma-phala-tyāgas tyāgāc chāntir
anantaram

Meaning

(English):

Better indeed is knowledge than mechanical practice; better than knowledge is meditation; better than meditation is the renunciation of the fruits of actions; for peace immediately follows such renunciation.

Warm greetings to all esteemed members,

As we approach the final month of 2025, it is a time for both reflection and renewed vigor. The landscape of our profession continues to evolve, and at the Visakhapatnam Branch of ICAI(SIRC), our endeavor remains steadfast: to equip our members



with the cutting-edge knowledge required to navigate these changes while maintaining personal well-being.

The month of December is packed with high-caliber technical sessions and a unique focus on the “human” element of our professional lives.

Career in Accounting & Finance for Youth (CAFY) & Super Mega Career Counselling Programme

Our branch had conducted successfully career counselling programs with objective of promoting Career Counselling for the students, Promotion of Commerce Education in Visakhapatnam and Vizianagaram districts simultaneously on 27th of November and took part in achieving Guinness Book of World Records by our ICAI.

Technical Excellence & Regulatory Updates

The core of our professional duty lies in staying ahead of the curve. This month, we have curated sessions addressing some of the most critical areas of practice:

- December 6th | Overview of the New Income Tax Act:** With significant legislative shifts on the horizon, this session is designed to provide a comprehensive roadmap of the new Act. Understanding these foundational changes early is crucial for effective tax planning and compliance.

- **December 13th | Specialized Taxation Sessions:** We are honored to host two stalwarts of our profession:
 - **CA R. Bupathy (Past President, ICAI)** will share his profound insights on the **Taxation of NPOs**. Given the complexities and recent scrutiny in the NGO sector, this session is unmissable.
 - **CA T.G. Suresh** will deliberate on **Capital Gains Taxation**, a perennial area of complexity where precision is paramount.
- **December 20th**
 - Taxation of business profits and cross border taxation will be deliberated by CA PVSS Prasad
 - GST Notices Decoded- How to read between the lines – by CA Billapati Vinay Gandhi
- **Dec 24th**
 - Practical aspects of peer review

Harmony in Practice: World Meditation Day

In the relentless pursuit of professional deadlines, we often overlook the importance of the mind. Under the aegis of the **Committee for Work-Life Balance**, we will be observing **World Meditation Day on December 21st, 2025**.

Our profession is demanding, and the pressure of the “busy season” can take a toll. This initiative is a reminder that a calm mind is a Chartered Accountant’s greatest asset. I encourage all members to join this session to learn techniques that foster mental clarity and resilience.



As we stand at the close of 2025, it is natural to look back on our aspirations and forward to the opportunities of a new year. Dreams inspire us, but it is our effort, discipline, and perseverance that transform them into reality.

We congratulate the members for their active participation in the marathons conducted in Vizag.

World Forum of Accountants (WOFA) 2026

ICAI will host WOFA 2026 from 30–31 January and 1 February 2026 at India Expo Centre, Greater Noida, on the theme:

“Nation Building to Global Collaboration: Strengthening Trust, Enabling Growth.”

Members are encouraged to register early via the ICAI website. <https://wofa.icai.org/> and get the exposure to global network of professionals and seamless learning.

ICAI SkillsX – Debate & Oratory Competition,

We encourage the members to participate in the upcoming ICAI SkillsX – Debate & Oratory Competition held at our branch, a multi-tier national initiative designed to enrich, showcase, and celebrate the soft skills and professional acumen of ICAI members. Program structure will be communicated separately to all the members.

Closing Note-

Dreams inspire us, but it is our effort, discipline, and perseverance that transform them into reality. As we approach the close of 2025, it's time to reflect on our achievements and plan for greater successful journey ahead

Warm regards,

CA. Sridhar Andhavarapu

Chairman

Visakhapatnam Branch of ICAI (SIRC)

ICAI UPDATES



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)



Nation Building to Global Collaboration: Strengthening Trust, Enabling Growth

**REGISTER
TODAY**



India Expo Centre & Mart, Greater Noida



30th January to 1st February, 2026

Register at
wofa.icai.org/register





ICAI Commerce Olympiad

11th January 2026 (Sunday)



Organised by: Committee on Career Counselling of ICAI

Levels of Olympiad

- Level 1: Students of class VIII
- Level 2: Students of class IX
- Level 3: Students of class X
- Level 4: Students of class XI
- Level 5: Students of class XII
- Level 6: Students of Graduation

No
Registration
Fees

Students pursuing in the academic year 2025-26

Subjects

For Levels 1, 2 & 3	a. Social Studies c. Business Awareness	b. Mathematics b. Aptitude
For Levels 4, 5 & 6	a. Business Studies c. Economics	b. Accountancy d. Aptitude

Test Pattern

- Objective Type test of 60 minutes duration comprising 100 Multiple Choice Questions.
- 25 Questions from each subject through online arrangement. Each question will carry 1 Mark. (No Negative marking)

Mode of Olympiad (Online)

Students can participate in the ICAI Commerce Olympiad from anywhere on their Desktop / Laptop/ Mobile / I-Pad.

How to Register

Students can Register online through its dedicated webpage

<https://icaimcommerceolympiad.in/>

Prizes & Certificates will be given to the awardees of all classes separately

Category	Ranks 1-3	Ranks 4-28	Ranks 29-78	Ranks 79-128	Rest of the participants will be given Participation Certificate.
Amount	12,000/-	2,400/-	1,800/-	1,200/-	

- ❖ Additionally, first three Rank Holders in ICAI Commerce Olympiad (class X till Graduation) will be reimbursed after paying of fees registering in the Foundation Course/ Direct Entry (As per their eligibility) of CA Course subject to the registration in CA Course is done in the same year.
- ❖ Result: The result will be generated based on marks attained in the shortest time through the Computer System and will be published exclusively on its webpage i.e. <https://icaimcommerceolympiad.in/>

Contact us:

Secretary, Committee on Career Counselling, ICAI

ICAI Bhawan, A-29, First Floor, Administrative Block, Sector-62, Noida (U.P.), Pin-201309

E-mail: ccc.secretary@icai.in, Tel.: 0120-3876871/886, Toll Free No.: 1800 202 8371, For more details: www.icai.org, www.ccg.icai.org

The Institute of Chartered Accountants of India

Visakhapatnam Branch

ONE TIME ANNUAL PAYMENT OF DELEGATE FEE (2025-26)

Registration Form

To
The Secretary,
The Institute of Chartered Accountants of India
Visakhapatnam Branch (SIRC)
ICAI Bhawan,
VISAKHAPATNAM -530 003

Dear Sir,

I/We have enclosed Cheque No..... of

Bank dated for Rs/- in favour of **VISAKHAPATNAM BRANCH**

OF SIRC OF ICAI, VISAKHAPATNAM towards my/our **ONE TIME ANNUAL DELEGATE FEE PAYMENT** for CPE Seminars at Visakhapatnam Branch for the period from 01.04.2025 to 31.03.2026.

Details of the Member/Members

S.No	Name of the Member	Date of Enrolment	M. No	Mobile No.	E-mail ID

Thanking You,

Yours Truly,

Signature



GST No. :

Online Payment Details :

ACCOUNT NAME	: VISAKHAPATNAM BRANCH OF SIRC OF ICAI
ACCOUNT NO	: 024510011011521
BANK NAME	: Union Bank of India
BRANCH NAME	: PITHAPURAM COLONY
IFSC CODE	: UBIN0802450

Please forward the UTR No., Name and Membership No. to the following mail ID : icaiviskpbranch@gmail.com

One Time Annual Fee Structure for 2025-26 :

Rs. 3,000+GST 18% (Rs. 3,540/-) for New Members enrolled after 01.04.2022

Rs. 6,000+GST 18% (Rs. 7,080/-) for Members enrolled on or before 01.04.2022

COMPLIANCE CALENDAR

Days to Remember December 2025

CA. P.S.V. Sai Kumar

Date	Department	Summary
05-Dec-25	SEZ	Monthly Report of Investment & Employment
07-Dec-25	FEMA	ECB 2 Return
07-Dec-25	TDS/TCS	TDS/TCS Payment for Nov'2025
10-Dec-25	Professional Tax	PT on Salaries for Nov'2025 (Due date varies from State to State)
10-Dec-25	Income Tax	Due date for filing of return of income for the assessment year 2025-26 if the assessee (not having any international or specified domestic transaction) is (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A apply Note: The due date of furnishing of Return of Income has been extended from October 31, 2025 to December 10, 2025, vide Circular no. 15/2025, dated 29-10-2025
10-Dec-25	STPI/SEZ	STPI - SERF; SEZ - SERF
10-Dec-25	GST	GSTR - 7 (TDS); GSTR - 8 (TCS)
11-Dec-25	GST	Monthly Return of GSTR 1 for Nov'2025
13-Dec-25	GST	GSTR-1 IFF for QRMP
13-Nov-25	GST	GSTR - 5 (NRTP) ; GSTR 6 - Input Service Distributor
15-Dec-25	PF & ESI	Monthly Payment for Nov'2025
15-Dec-25	Income Tax	Advance tax Payment for Oct to Dec 2025
15-Dec-25	TDS/TCS	Due date for furnishing of challan-cum-statement (Form 16B,C,D in respect of tax deducted under section 194-IA ,IB,IM, in the month of October, 2025)
20-Dec-25	GST	Monthly GSTR 3B for Nov'2025

Date	Department	Summary
20-Dec-25	GST	GSTR 5A - OIDAR
25-Dec-25	GST	GST Challan Payment - Nov 2025 (QRMP Scheme filers)
30-Dec-25	TDS/TCS	Due date for furnishing of challan-cum-statement (Form 26QB,QC,QD,QE in respect of tax deducted under section 194-IA , IB,IM,IS in the month of Nov, 2025
30-Dec-25	STPI/SEZ	STPI/SEZ - SOFTEX
31-Dec-25	Income Tax	TP CbCR Form 3CEAD for Accounting Year 2024
31-Dec-25	Income Tax	Due date for Belated and Revised Income Tax Filing for FY 2024-25 for Individuals, Non Corporates and corporates(Audit and Non Audit)
31-Dec-25	SEZ	SEZ - APR (for FY: 2024-25)
31-Dec-25	FEMA	FEMA - APR (for FY: 2024-25)
31-Dec-25	GST	GST Annual Return Filing for FY 2024-25(GSTR-9 & 9C)
31-Dec-25	MCA	AOC 4 Filing for Companies for FY 2024-25
31-Dec-25	MCA	MGT 7/7A Filing for Companies & OPC for FY 2024-25

ARTICLES



CA. Leela Vara Prasad D

Supreme Court says no Levy of Export duty on sale of goods by Local Unit to SEZ Unit

CA Leela Vara Prasad D

The Special Economic Zones Act, 2005, was enacted primarily to promote exports through an expeditious single window approval mechanism and to make goods and services available free of taxes and duties, supported by integrated infrastructure for such export production.

Section 53 of the SEZ Act, 2005, envisages that the Special Economic Zone from the appointed day shall be deemed to be a territory outside the customs territory of India for the purposes of undertaking the authorized operations. Does this mean every transaction from the Domestic tariff unit to the SEZ unit will be treated as export and liable for export customs duties?

First, we must remember that Section 12(1) of the Customs Act, 1962, is the charging section for customs duty on imports or exports. Previously, Section 76F(a) of the Customs Act, 1962, specifically envisaged levy of export duty on supplies from Domestic Tariff Area to the

Special Economic Zone, later with the enactment of SEZ Act, 2005 the related provisions of customs were omitted..

By going through the provisions of the SEZ Act, 2005,

- Section 26(1) allows **duty-free imports** and exports by SEZ units, and it does not specify the duty on supply by DTA to SEZ units, subject to terms and conditions specified
- Section 30 (a) specifies that any goods removed from a SEZ to DTA shall be chargeable to customs duties
- Section 53, an SEZ unit shall be deemed to be a territory outside the customs territory of India for the purpose of undertaking the Authorized Operations.
- Rule 27 (1) an SEZ unit **may import or procure from DTA** without payment of duty, provided it will attract export duty in case export duty is leviable on items.

From the above, we can understand that there is no provision in the SEZ Act, 2005 that levies customs duty on DTA to SEZ supplies. However, Proviso to Rule 27 specifies the export duty would attract on these items when sold to SEZ Unit from DTA Unit, and Customs officers were demanding the export duty based on Rule 27.

Couple of taxpayers challenged this levy before the Constitutional Courts. The above issue was initially discussed in the case of M/s. Adani Power Limited vs UOI 2009 (11) TMI 141, where the Hon'ble Gujarat High Court held that levy of export duty on goods supplied from the Domestic Tariff Area to the Special Economic Zone is not justified for the following reasons.

- Movement of goods from DTA to SEZ unit is not a taxable event to levy export duty as per the Customs Act, 1962.
- There cannot be a levy of duty which is impliedly contemplated unless there is a charging provision. The objective of the SEZ is to make available (to the unit) goods and services free of taxes and duties for export production, supported by an integrated infrastructure
- No corresponding provision akin to section 76F (removed w.e.f 2007) has been enacted in the SEZ Act, 2005, which categorically rules out reading in a purported intendment to levy duty.
- The Treatment of movement from DTA to SEZ unit as an export in the SEZ Act is only to provide actual benefits like

exports, i.e., duty drawback and DEPB benefits, etc. in line with the objective of the SEZ Act.

The above decision was challenged by the revenue in the Hon'ble Supreme Court.

In the case of **M/s. Metallurgical Private Limited vs UOI 2025 (9) TMI 1171**, the Hon'ble Andhra Pradesh High Court also held that Rule 27 of SEZ Rules, 2006, as ultra vires the SEZ Act, 2005, based on the following analysis and landmark rulings

- The argument of the department that Section 53(1) says SEZ should be construed as located outside the customs territory of India should be rejected, as it was held by the Hon'ble Supreme Court of India in *Tirupati Udyog Ltd. v. Union of India* 2010 SCC OnLine AP 591 that Section 53(1) of the SEZ Act creates a *legal fiction* but the *legal fiction is limited in its scope*. ...**A legal fiction must be limited to the purposes for which it has been created and cannot be extended beyond its legitimate field. It is only for the limited purpose of undertaking authorized operations**, i.e., operations which the Central Government may authorise to be undertaken by a developer in a Special Economic Zone, is the Special Economic Zone to be deemed as a territory outside the customs territory of India and not for levy of customs duty.
- The Apex Court in *CIT v. McDowell and Co. Ltd.* (2009) 10 SCC 755, held that “law” in the context of Article 265 meant an Act of the legislature and not an executive

order or Rule without express statutory authority

- Section 55 of SEZ Act,2005 does not at all authorize, in any manner, the Central Government to levy customs duty on account of movement of goods from Domestic Tariff Area to Special Economic Zone
- **Ahmedabad Urban Development Authority vs. Sharadkumar Jayantikumar Pasawalla (1992) 3 SCC 285**, wherein it was held that it appears to us that the delegated authority must act strictly within the parameters of the authority delegated to it under Act and it will not be proper to bring the theory of implied intent or the concept of incidental and ancillary power in the matter of exercise of fiscal power.

Based on the above principles, the Hon'ble High Court has held that even though the proviso to Rule 27(1) says that supplies from DTA to SEZ unit will attract export duty, since said rule does not have any delegative power from the provisions of the Act, it is ultra vires the SEZ Act, 2005, and accordingly struck down.

Decision by the Hon'ble Supreme Court:
Recently, the Hon'ble Supreme Court in the case of **M/s. Adani Power Ltd. Vs UOI 2025 (9) TMI 1355**, considering the above two High Court rulings, held that the *High Courts have rightly arrived at the conclusions on the correct interpretation of provisions of the two Acts.*

Section 12 of the Customs Act, 1962, is the

charging Section. However, under Section 26 of the SEZ Act, power is reserved to grant an exemption or a concession.

Further Course of Action: Any payment of duty by the taxpayer in the past on this transaction can be applied for a refund, and the question of time limitation for these claims does not arise.

For any clarifications, reach out to leela@hnaindia.com



CA. J. Kesava Rao

Finance Concurrence : Beyond Numbers

CA J. Kesava Rao

Executive Summary

Finance Concurrence in Public Sector Undertakings is often perceived as a financial clearance step, but in reality, it goes far beyond arithmetic checks. It requires an integrated view—scrutinizing technical, contractual, and process implications.

This article narrates four real-live cases where Finance observations plugged gaps that could have led to significant cost or operational deficiencies.

In short we can call it a Pre Audit before any commitment.

Case I: Valve Procurement – Where a Decimal Made a Lot of Difference

A tender enquiry mistakenly specified 14 inch dia pressure valve instead of 1.4-inch dia pressure valve based on the Indent.

The bidder, who is the earlier supplier for the same item, quoted for the correct requirement(1.4") but not in line with the tender enquiry(14").

After technical discussions, he revised his original price from Rs 5 lakhs to Rs.14 lakhs. This raised a doubt why he only increased the price

when others retained their original quote in the mind of Finance and the above error was noticed.

Ideally, the case should have been re-tendered with corrected specifications. However, since associated materials were already procured and urgency expressed procurement continued. Finance on pointing out the anomaly, party was called and asked him to reduce the price to his original level which he agreed to. The party was cautioned and the indentor advised to be more careful in future.

Learning Point: Even small errors in tender documents will have a big impact.

Case II: The Limestone Dilemma

An alternate grade imported limestone from a new mine was proposed as a substitute when compared to earlier used one because of the lower price. Both grades were offered by the same party. While both grades had similar CaO content, the alternate grade was rich in dolomite (MgO). Proponents argued that this would reduce captive dolomite consumption in the process reducing the cost of production as the process involves mixed calcination.

It's a known fact basically the lime stone is imported because of rich in Cao content which is not available indigenously.

On verification of the chemical composition of captive dolomite by finance it is observed that it had some CaO content. This raised a concern: how would this be factored into the ultimate process if the alternate limestone is going to be used as this saves the consumption of captive dolomite which has some Cao content.

Immediately on noticing the lacuna the Indentor revised the technical recommendations proposing to go for earlier grade material as the original recommendations will not give any envisaged savings.

Learning Point: Finance's role is not to negate technical views, but to ensure that technical recommendations withstand full scrutiny—including hidden implications.

Case III: Pipeline Contracts – The Inter-se Comparison. For the expansion project, four different pipe supply and storage erection and commissioning contracts

under different tenders came up for approval stage around the same time. In all the four tenders the same party has emerged as the lowest bidder. Finance, while examining the proposals, observed that the same material was being quoted at different prices across tenders for supply portion even the destination point remain the same (Plant). If left unnoticed, this would have resulted in the organisation paying different rates for the same item under different contracts resulting in additional cost to the organisation. The observation led to a proper inter se comparison awarding all the four contracts for supply portion at the lowest among all the four tenders.

Learning Point: Essentiality of Inter se comparison across the tenders for same/similar scope.

Case IV: Power Plant – Captive Consumption and Hidden Costs

For the Power plant(2×60 M.W.) tender the lowest bidder quoted the highest captive consumption. This was noticed while examining the Technical Summary Points of all the bidders.

This is one way playing safe in meeting the tender conditions and avoid future penalties as the power generation is computed by adding the metered power at the company's end and captive consumption quoted by the tenderer. The tender enquiry did not put any cap on captive consumption. On enquiry the tender conditions were in line with the industry practice. The point brought out by Finance was well taken and the party expressed regret and corrected the captive power consumption of the power plant going to be supplied by him to the lowest among all. This ensures quality supplies and taking care of the short comings in the tender conditions.

Learning Point: Beyond the quoted price hidden costs and pitfalls in the tender conditions are taken care.

Conclusion

These cases demonstrate that Finance Concurrence is not confined to numbers alone. A deep examination—covering specifications, alternate materials, comparative analysis among bidders and plugging out hidden costs in time.

Acknowledgement

The author gratefully acknowledges the guidance and encouragement received from seniors during his career.

PROGRAM CALENDAR FOR THE MONTH

S.No	Date & Time	Topics
1	06/12/2025 - 10.30 am - 5.00 pm (Saturday) - 6 Hrs	Overview of New Income Tax Act 2025 Recent Judicial Developments in GST and key take away from 56th GST Council Meeting
2	13/12/2025 - 10.30 am - 5.00 pm (Saturday) - 6 Hrs	Provisions in the Income Tax Act 2025 relating to Assessment of NPO and Taxation of Capital Gains under the New Income Tax Act 2025
3	17/12/2025 - 4.00 pm - 8.00 pm (Wednesday) - 4 Hrs	Financial reporting frame work with Ind AS (Considering Inventory, PPE, CFS) and Code of Ethics
4	20/12/2025 - 10.30 am - 5.00 pm (Saturday) - 6 Hrs	Income Tax 2025 : Insights on Business Profits & Cross-Border Taxation
5	24/12/2025 - 5.00 pm - 8.00 pm (Wednesday) - 3 Hrs	Preparation for Peer Review

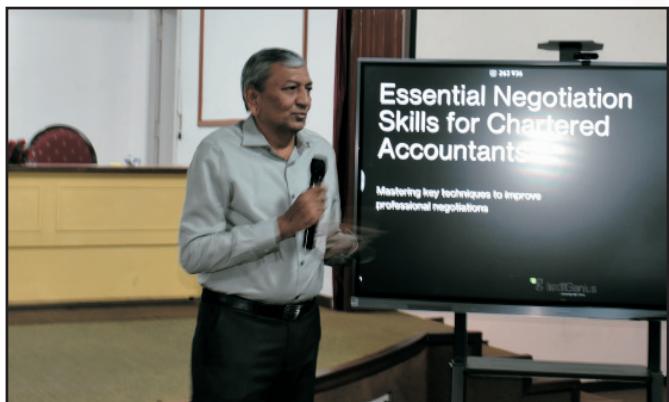
“Snapshot of Memories: A Glimpse into Last Month’s Events”

Seminar on Capital Markets - Building investment portfolio, all about ESI Compliance, GSTR 9 and 9C held on 22nd November 2025





Seminar on Empowering Excellence : Building Skills for a Transformative Professional Future held on 27th November 2025





Career Counseling Program at Visakhapatnam held on 27th November 2025





Career Counselling Programme at Anakapalli held on 27th November 2025



Career Counseling Programme at Vizianagaram held on 27th November 2025



Seminar on Comprehensive study of Income Tax Act, 2025 held on 29th November 2025



Published by **CA. Sridhar Andhavarapu**, Chairman on behalf of Visakhapatnam Branch of SIRC of The Institute of Chartered Accountants of India, Visakhapatnam and Desgnined at Maruthi Printers, Plot No.193, Sector-3, MVP Colony, Visakhapatnam - 530 017, Cell : 92469 32859, email : balajivprasad@gmail.com and Published for Visakhapatnam Branch of SIRC of ICAI, D.No.9-36-22/2, Pithapuram Colony, Visakhapatnam - 530 003, **Ph : 0891-2755019**, email : visakhapatnam@icai.org.

Editor : CA. Mogalapalli P GuruMurthy, Visakhapatnam Branch of SIRC of ICAI.

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