The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

Visakhapatnam Branch

e-Newsletter

JULY - 2026

CA INDIA

CA. Patnala Lokesh, Chairman | CA. Ramu Naidu N, Vice Chairman | CA. Ujwala M L D, Secretary,
CA. Mogalapalli P GuruMurthy, Treasurer | CA. Konni Rambabu, SICASA Chairman | CA. D. Leela Vara Prasad, Member
CA. Sridhar Andhavarapu, Member & Immediate Past Chairman | CA. Prasanna Kumar D, Ex-officio Member & President, ICAI

From the Chairman's Desk

"Sri Krishnaya Vasudevaya, Haraye Paramatmane,
"Pranata Klesha Nashaya, Govindaya Namo Namah."

"I bow to Lord Sri Krishna, the Supreme Lord, the remover of all obstacles and the guiding force of righteousness."

Dear Esteemed Members,

Warm greetings and a very Happy Chartered Accountants Day to you and your family.

As we celebrate the 78th Chartered Accountants Day, I look back at the past month with immense pride, gratitude, and satisfaction. The month of June has truly been a memorable chapter in the history of the Visakhapatnam Branch. What began as our vision of "A Month of Sports, Wellness, Culture & Family Togetherness" blossomed into a vibrant celebration of our profession through the wholehearted participation of our members and their families.

This year, we embraced the theme "Healthy CA • Happy CA • Strong Profession." It was not merely a slogan but the guiding philosophy behind every programme we organised. We firmly believe that a Chartered Accountant who is physically fit, mentally positive, emotionally connected with family, and socially responsible is better equipped to serve society and uphold the dignity of our profession.

Throughout the month, every initiative reflected this vision. From the Fit CA Challenge, trekking, yoga sessions, sports tournaments, wellness initiatives, family programmes, social service activities, blood donation drives, professional seminars, and the grand CA Day Utsav, every event strengthened our bond as one professional family.

The overwhelming response from members, students, spouses, children, and well-wishers made every initiative truly memorable. I extend my heartfelt gratitude to each one of you for making CA Day Utsav 2026 a grand success.

Our celebrations commenced with the energetic CA Trek Programme at the scenic Kambalakonda Eco Park. Surrounded by nature, members enthusiastically embraced fitness, adventure, and togetherness, reaffirming our belief that a healthy professional builds a healthy profession.

Professional excellence continued to remain our priority through an enriching CPE Seminar delivered by CA Banusekar. His insightful deliberations and practical knowledge immensely benefited our members. On behalf of the Visakhapatnam Branch, I sincerely thank him for sparing his valuable time and sharing his expertise with us.

Health and wellness remained one of our major focus areas. Through the "We Care" Wellness Initiative and Bone & Joint Health Medical Camp, members underwent bone density assessments and received expert guidance on preventive healthcare. The programme encouraged all of us to prioritise our health while striving for professional excellence.

The sporting spirit reached new heights through our Men's & Women's Badminton Tournament and the Women's Box Cricket Tournament. The enthusiasm, sportsmanship, friendship, and healthy competition displayed by the participants made these events highly successful. My heartfelt congratulations to every winner and every participant who made these tournaments memorable.

Our Cricket Tournament showcased exceptional talent and tremendous sporting spirit among our members. It was truly inspiring to witness the future of our profession displaying discipline, teamwork, leadership, and determination both on and off the field. I express my sincere gratitude to CA Jakkampudi Srinivas Garu, who graciously attended as the Chief Guest and motivated all the participants.

One of the proudest moments of the month was the celebration of International Yoga Day. Members and their families enthusiastically participated in Chair Yoga, Regular Yoga, and an informative session on Stress Management. The programme beautifully reminded us that yoga is not merely an exercise but a way of life that promotes physical fitness, inner peace, mental wellness, emotional balance, and overall well-being.

As Chartered Accountants, our responsibility extends beyond professional services. Under our "Cool Relief – Kind Hearts" initiative, we distributed nearly 1,000 buttermilk packets and water bottles to passengers at the Visakhapatnam Railway Station. This simple act of compassion reflected our commitment towards society and demonstrated that our profession stands not only for knowledge but also for humanity.

Among the most heartwarming programmes of the month was "Celebrating Her – A Day of Wellness, Fun & Togetherness." Dedicated exclusively to our women Chartered Accountants and the spouses of our members, the programme celebrated their invaluable contribution to our profession and our families. Their enthusiastic participation, vibrant energy, and joyful smiles made it one of the most cherished highlights of CA Day Utsav 2026.

The Family Walkathon, Family Day Celebrations, and wellness initiatives beautifully reinforced the importance of family bonding. Watching members walk alongside their spouses, children, and parents on the Beach Road was truly inspiring. These memorable moments reminded us that while professional success is important, family remains our greatest source of strength and happiness.

Our commitment to serving society continued through the successful Blood Donation Drive organised from 29th June to 1st July. Every unit of blood donated represents hope for someone in need. I sincerely thank every donor who selflessly contributed to this noble cause and demonstrated the true spirit of service.

A significant milestone during the month was the successful conduct of ICAI MSME Mahotsav 2026. Through this nationwide initiative, our branch extended free professional guidance on MSME registration, statutory compliance, taxation, government schemes, and business advisory services. We proudly demonstrated that Chartered Accountants are trusted partners in entrepreneurship, economic development, and nation-building. It was indeed a matter of great pride to contribute towards ICAI's nationwide initiative aimed at achieving a Guinness World Record for facilitating the highest number of MSME registrations through Chartered Accountants.

Every programme conducted during the month carried a common purpose—to promote professional excellence, encourage healthy living, strengthen family values, foster leadership, and enhance our contribution to society. The success of these initiatives reflects the unity, commitment, and vibrant spirit of our members.

On behalf of the Managing Committee, I extend my heartfelt congratulations to all the winners across various sports, fitness, and cultural events. Your achievements inspire others to participate, compete, and excel. At the same time, I congratulate every participant because your enthusiasm and active involvement made every programme successful. Participation itself is the true celebration of our profession.

I place on record my sincere appreciation to our dedicated Managing Committee—Vice Chairman CA Ramu Naidu N, Secretary CA Ujwala M. L. D., Treasurer CA M. P. Gurumurthy, SICASA Chairman CA Konni Rambabu, Immediate Past Chairman CA Sridhar Andhavarapu, our committed staff members, volunteers, sponsors, student volunteers, and every member who worked tirelessly behind the scenes. Your dedication transformed every event into a memorable experience.

I also express my profound gratitude to the President of ICAI, CA Prasanna Kumar D., the Central Council Members, the SIRC leadership, our distinguished speakers, dignitaries, guests, and supporters for their constant encouragement, guidance, and unwavering support.

The enthusiasm witnessed throughout the month has clearly demonstrated that the Visakhapatnam Branch is not merely organising programmes—we are building relationships, promoting wellness, nurturing leadership, strengthening professional excellence, and serving society with compassion and commitment.

As we move forward, let us continue to uphold the highest standards of integrity, ethics, professionalism, knowledge, and service. Let us continue learning, leading, serving, and inspiring. Together, let us strive to make our branch one of the finest in the country and contribute meaningfully to ICAI's vision of "Building a Stronger Profession – Building a Better Nation."

I once again express my heartfelt gratitude to every member, every family, every student, every volunteer, every sponsor, and every well-wisher for making CA Day Utsav 2026 an unforgettable celebration.

Let us carry forward this spirit of unity, wellness, and excellence into every initiative we undertake in the months ahead. Together, let us continue to inspire one another, serve society with compassion, uphold the highest standards of our profession, and build a stronger, healthier, and more vibrant Chartered Accountants fraternity.

"Together, we celebrated our profession. Together, we strengthened our bonds. Together, we built memories. Together, we shall build a stronger profession and a better nation."

With Warm Regards,

CA. Patnala Lokesh
Chairman
Visakhapatnam Branch of ICAI (SIRC)

The Institute of Chartered Accountants of India

Visakhapatnam Branch

ONE TIME ANNUAL PAYMENT OF DELEGATE FEE (2026-27)

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 01.04.2026 to 31.03.2027.

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

Union Bank of India
VISAKHAPATNAM BR. OF SIRC OF THE I C A I

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 : icaivskpbranch@gmail.com**

One Time Annual Fee Structure for 2026-27 :

Rs. 3,000+GST 18% (Rs. 3,540/-) for New Members enrolled after 01.04.2023

Rs. 6,000+GST 18% (Rs. 7,080/-) for Members enrolled on or before 01.04.2023

COMPLIANCE CALENDAR

Days to Remember July 2026

CA. P.S.V. Sai Kumar

Date	Department	Summary
5-Jul-26	SEZ	SEZ - MPR (Monthly Performance Report) for Jun'2026
7-Jul-26	FEMA	ECB 2 Return
7-Jul-26	TDS/TCS	TDS/TCS Payment for Jun'2026
7-Jul-26	Income Tax	Form 121 (April-June 26)***
7-Jul-26	Professional Tax	PT on Salaries for Jun'2026 (Due date varies from State to State)
10-Jul-26	STPI/SEZ	STPI - SERF; SEZ - SERF
10-Jul-26	GST	GSTR - 7 (TDS) ; GSTR - 8 (TCS) for Jun'2026
11-Jul-26	GST	Monthly Return of GSTR 1 for Jun'2026
13-Jul-26	GST	GSTR-1 (Apr-Jun, 2026) for QRMP
13-Jul-26	GST	GSTR - 5 (NRTP) ; GSTR 6 - Input Service Distributor
15-Jul-26	PF & ESI	Monthly Payment for Jun'2026
15-Jul-26	TDS/TCS	Form 27EQ - Quarterly statement of TCS deposited for the quarter ending June 30, 2026
15-Jul-26	FEMA/RBI	Form FLAIR Return - Based on unaudited financials
15-Jul-26	MCA	Last date to opt for CFSS Scheme 2026 by all companies and OPC
15-Jul-26	NBFCs-D	NBS1/NBS2/NBS3/Branch Information Return
15-Jul-26	NBFC-ND-SI	NBS7, NBFCs-ND-SI 500cr, ALM-1, Branch Info return
15-Jul-26	NBFC-ARC	Form ARC
15-Jul-26	RNBCs	Form NBS-3A
15-Jul-26	Other NBFC's	Overseas Investments
18-Jul-26	GST	CMP 08 for Apr to June 2026 (Composition)
20-Jul-26	GST	Monthly GSTR 3B; GSTR - 5A (OIDAR) for Jun'2026 ; GSTR - 5 (NRTP) for Jun'2026
21-Jul-26	NBFCs-D	Reporting to Central Repository of Information on Large Credits (CRILC)

Date	Department	Summary
21-Jul-26	SEBI	Corporate Governance Report (As per Regulation 27(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)
21-Jul-26	SEBI	Disclosure of Shareholding (As per Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)
22-Jul-26	GST	GSTR 3B (Apr-Jun, 2026) QRMP for Category-I States*
24-Jul-26	GST	GSTR 3B (Apr-Jun, 2026) QRMP for Category-II States**
30-Jul-26	STPI/SEZ	STPI - SOFTEX; SEZ - SOFTEX
30-Jul-26	TDS/TCS	Form 27D - Quarterly statement of TCS for the quarter ending Jun 30, 2026
30-Jul-26	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA/IB/M/S in the month of Jun'2026
30-Jul-26	Income Tax	Form 131 (Apr-Jun 26)
30-Jul-26	SEBI	Reconciliation of share capital audit report (As per Regulation 76(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)
31-Jul-26	TDS/TCS	Quarterly statement of TDS deposited (Form 24Q/26Q/27Q) for the quarter ending June 30, 2026
31-Jul-26	Income Tax	Income Tax Returns for Individuals, HUF who are not having any business/ profession (ITR-1/ITR-2) FY 2025-26
31-Jul-26	MCA	Return of Deposits - Form DPT-3 for FY 2025-26 (one-time + outstanding receipts of loans/money not treated as deposits as on 31 March 2026)

*Category I : States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.

**Category II : States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi

***Due date is mentioned on the basis of time limit provided in section 393(7) of the Income-tax Act, 2025. Notification No. 9/2016 dated 9 June 2016 issued under the Income-tax Act, 1961 had extended due date for Form 15G/15H till 15 July. A similar relaxation under the Income-tax Act, 2025 is currently not available.

ARTICLE

"Notwithstanding vs. Irrespective" : Paradigm Shift or Pandora's Box?

A Perspective under the Income Tax Act 2025

CA. T. Venkateswarulu

The Income Tax Act 2025 aims to modernise India's tax framework by simplifying language, eliminating obsolete provisions, consolidating rules, and aligning with global standards. Its primary objectives are to reduce litigation, enhance compliance, and promote transparency through digital-first processes.

The jurisprudence governing statutory interpretation in India has long relied on standardised legislative devices to navigate conflicts between overlapping provisions.

Chief among these is the *non-obstante* clause, traditionally introduced by the phrase "notwithstanding anything contained...". However, the Income Tax Act 2025 has introduced a striking drafting departure, substituting the deeply entrenched phrase "notwithstanding" with the simpler yet untested expression "irrespective of anything...".

The term "Notwithstanding" was used nearly 400 times in the Income Tax Act 1961, and "Irrespective" 19 times. In the Income Tax Act 2025, the term "Notwithstanding" is absent and "Irrespective" is used nearly 200 times.

The shift from "notwithstanding" to "irrespective of" in the Income Tax Act 2025 is more than a linguistic change. While the government's stated intent is to make the language simpler and more accessible, judicial precedent and legal phrasing suggest this change could materially alter the scope of overriding provisions, potentially granting the tax administration a broader mandate while creating new interpretive battlegrounds. Is this a welcome move towards simpler, modern, plain-English drafting? Or does it open a "Pandora's Box" — creating more confusion, endless court cases, and giving tax officers too much power? Let us check.

1. The Historical and Judicial Bedrock of "Notwithstanding" (Income Tax Act 1961)

Under the Income-tax Act, 1961, and broader Indian jurisprudence, the *non-obstante* clause serves as a standard statutory tie-breaker. As articulated by the Supreme Court in *Union of India v. G.M. Kokil, AIR 1984 SC 1022*, a *non-obstante* clause is employed to give overriding effect to specific provisions over contrary provisions found within the same enactment or in external statutes.

Crucially, decades of litigation have severely circumscribed the potency of "notwithstanding":

Conflict Prerequisite: A non-obstante clause does not automatically nullify other statutory provisions. Its operation is confined to situations in which there is an irreconcilable conflict or inconsistency between competing provisions. If the provisions can be interpreted harmoniously, the overriding effect does not apply. This principle was affirmed in *R.S. Raghunath v. State of Karnataka* (1991 INSC 253).

Restricted Ambit: When a clause refers to an Act generally (e.g., *"notwithstanding anything contained in this Act"*), courts do not permit it to isolate the provision entirely. As held in *Indra Kumar Patodia v. Reliance Industries Ltd.*, the non-obstante clause in Section 142 of the Negotiable Instruments (NI) Act, 1881 has a strictly restricted ambit and does not completely override the CrPC. Therefore, a procedural omission like a missing signature can be cured under standard CrPC mechanisms. A general *non-obstante* clause must be given a restricted meaning based on the specific context and legislative intent; it cannot blindly bulldoze non-conflicting rights.

Abundant Caution : In many instances, the judiciary reads down "notwithstanding" as a merely clarificatory tool inserted by the legislature out of abundant caution, rather than an expansive tool designed to alter the operative boundaries of a statute In the landmark case of *The Dominion of India & Anr v. Shrinbai A. Irani & Anr (1954)*, the Supreme Court of India established a highly authoritative precedent on the interpretation of a non-obstante clause. The apex court ruled that a non-obstante clause cannot be read in a restrictive manner to limit the scope of the main operative provision. Instead, it is often deployed by the legislature out of abundant caution to clarify that no outside rules conflict with the statute.

2. The Mechanics of "Irrespective Of" (Income Tax Act 2025)

The Income Tax Act 2025 introduces "irrespective of anything contained in this Act" into critical high-stakes environments, most notably within the General Anti-Avoidance Rules (GAAR) and Specific Anti-Avoidance Rules (SAAR) frameworks.

Because "irrespective of" completely lacks judicial precedent in Indian tax law, we must analyse its potential impact by contrasting its literal meaning with the settled boundaries of *non-obstante* interpretation:

Particulars	"Notwithstanding" (ITA 1961)	"Irrespective Of" (ITA 2025)
Plain Meaning	"In spite of" or "despite" potential obstacles.	"Without consideration for" or "regardless of".
Trigger Event	Requires an actual, patent text-based conflict to override.	Operates blindly, bypassing the need to establish a direct conflict.
Judicial Ambit	Heavily restricted and circumscribed by context and intent.	Extensively broad and invites literal "natural meaning" interpretations.
Status of Other Provisions	Other provisions remain active if they operate in a separate field.	Other provisions can potentially be entirely shut out or disregarded.

In practical terms, starting a tax provision with "irrespective of" signals to an Assessing Officer that they may simply disregard every other provision of the Act when applying that specific section, whether a conflict exists or not.

3. The GAAR/SAAR Context: Paradigm Shift or Pandora's Box?

The tension between these two expressions becomes highly explosive within anti-avoidance jurisprudence.

The Argument for a Paradigm Shift:

For the tax administration, the shift is a masterstroke of modern drafting. Under the 1961 Act, aggressive tax planning schemes frequently bypassed GAAR (Section 95) by arguing that their transactions perfectly complied with other explicit, permitted areas of the Act. Taxpayers routinely claimed that since their actions were valid under specific machinery provisions, no genuine "conflict" existed to trigger the *non-obstante* GAAR clause.

By utilising "irrespective of," the Income Tax Act 2025 attempts to codify an absolute, unassailable supremacy for anti-avoidance provisions. It solidifies the legal theory observed in various cases, asserting that anti-avoidance determinations stand entirely above standard tax computations. It streamlines enforcement by stripping away technical arguments regarding statutory overlaps, thereby delivering a modern, airtight tax code.

The Argument for Pandora's Box:

Conversely, erasing decades of finely tuned jurisprudence strips away essential safeguards, opening a Pandora's box of systemic uncertainty.

Elimination of Harmonious Construction: The bedrock principle that a statute must be read as a whole is severely undermined. If a provision functions "irrespective" of the rest of the Act, it acts as a legal silo, effectively nullifying incentive provisions, deductions, and procedural justice clauses elsewhere in the statute. Under the 1961 Act, taxpayers frequently argued that a specific provision (e.g., a deduction section) should coexist with a general charging section despite a "notwithstanding" clause, provided there was no explicit conflict. Under the 2025 Act, the Revenue will argue that "irrespective of" removes the obligation to read provisions harmoniously, forcing a literal application of the overriding provision.

Unrestricted Executive Power: Tax authorities are highly unlikely to surrender the arguable advantages of an untested, expansive phrase. "Irrespective of", the vast, unchecked powers in the hands of the Revenue to bypass statutory limitations under the guise of anti-avoidance.

Escalation of Preventable Legal Disputes: Rather than simplifying the law, the phrase invites a fresh wave of constitutional and statutory challenges. The courts will be forced to meticulously construct an entirely new body of jurisprudence to determine whether "irrespective of" truly mirrors "notwithstanding," or if it unlocks an entirely different, highly disruptive standard of statutory dominance.

Retrospectivity and Pending Litigation: A significant interpretational issue is whether this change applies to pending litigation concerning the 1961 Act. The Supreme Court has held that an Explanation or amendment that changes the law is not presumed to be retrospective merely because it uses phrases like "for the removal of doubts".

The taxpayers may argue that the 1961 Act should be interpreted based on the law as it stood then ("notwithstanding").

Alternatively, the Revenue may argue that the 2025 Act is clarificatory/simplificatory (as per the Government's intent) and should guide the interpretation of the old law.

Section 530 – Contingency Provisions under the Act:

While not directly a "notwithstanding" issue, Section 530 of the 2025 Act deals with situations where the Finance Act is not passed by April 1st. It uses conditional language. However, if the government passes a retrospective amendment later in the year, the use of "irrespective of" in other sections might be used to argue that Section 530's grandfathering clause can be ignored, though this would face heavy constitutional scrutiny regarding the levy of tax without authority of law.

4. Conclusion

The term "Irrespective of" has been used in multiple Acts, such as the Insolvency and Bankruptcy Code, 2016, the Arbitration and Conciliation Act, 1996, the Information Technology Act, 2000, etc and the Constitution of India. The terminology in most cases was used to denote a specific provision to be in operation, overriding the conflict.

The replacement of the traditional *non-obstante* clause with "irrespective of" in the Income Tax Act 2025 represents far more than a simple semantic update. While it was likely introduced to simplify statutory language or provide an absolute safety net for the Revenue, its unintended consequence is the severe disruption of established legal certainty.

The substitution of *"notwithstanding"* with *"irrespective of"* in the Income Tax Act, 2025 marks a decisive linguistic evolution that extends far beyond mere simplification. While the government's stated intent is to make statutory language more accessible, the phrase *"irrespective of"* functions as a powerful enforcement mechanism that anchors the absolute supremacy of anti-avoidance rules. Yet, by eliminating the traditional requirement of an actual statutory conflict, it simultaneously opens a Pandora's box of procedural vulnerabilities—granting the executive authority to isolate individual provisions and disregard taxpayer rights otherwise safeguarded within the Act. Judicial precedents surrounding *"notwithstanding"* had established clear interpretive boundaries, but the untested breadth of *"irrespective"* risks materially altering the scope of overriding provisions, expanding the mandate of the tax administration, and creating new battlegrounds for interpretation and litigation

To prevent an overwhelming wave of litigation, the judiciary must step in early to interpret "irrespective of" through the lens of strict contextual limitation. The courts must clarify that "regardless of" cannot mean "oblivious to," thereby restoring the essential principles of equity, balance, and systemic harmony to Indian tax law.

CA. K.V.S. Siva Prasad

CA. Vasmsi Rajesh. A

Mastering the Language of Fiscal Law : A Guide to Reading Tax Statutes

CA. K.V.S. Siva Prasad & CA. Vamsi Rajesh. A

For tax officials, legal practitioners, Chartered Accountants, and corporate professionals, a comprehensive mastery of statutory law is a primary cornerstone of professional excellence. Navigating complex frameworks like mercantile laws, labour regulations, and economic policies demands deep technical expertise. However, few statutory frameworks match the dynamic complexity or the frequent evolutionary shifts of direct taxation.

Because society and financial landscapes are never static, tax laws must consistently adapt to serve changing macroeconomic demands. Provisions studied today can transform by the time they are practically applied in a professional scenario.

Crucially, reading a **Bare Act**, a primary text containing purely the enacted statute without secondary description, interpretations, or expert commentaries, differs completely from standard reading. It demands a specialized understanding of statutory interpretation and legal linguistics.

The following helps a person as a foundation for navigating direct tax legislation, with a focus on structural paradigms and contemporary legal applications.

1. The Fundamental Pivot: From the 1961 Act to the Income Tax Act, 2025

For over six decades, direct taxation in India was governed by the **Income Tax Act, 1961**. While its foundational rules of interpretation remain highly relevant, modern professionals must read these principles through the contemporary lens of the **Income Tax Act, 2025**.

Historically, when analyzing an enactment like the *Income Tax Act, 1961 (No. 43 of 1961)*, the nomenclature explicitly provided its historical context: it denoted that the statute was the 43rd Act passed by the legislature in the calendar year 1961. Similarly the Income Tax Act 2025 is No 30 of 2025.

The transition to the **Income Tax Act, 2025** represents a structural milestone. The contemporary statute aims to consolidate decades of scattered amendments, simplify archaic phrasing, and align fiscal definitions with modern economic digital transformations.

When analyzing any direct tax statute, your initial diagnostic steps should always follow a specific order:

The Long Title & Preamble: Positioned at the very beginning of the Act, the long title and preamble spell out the primary legal objectives. For example, the historical long title, *"An Act to consolidate and amend the law relating to income-tax and super-tax,"* firmly establishes that the statute is a self-contained, exhaustive code.

The Short Title: Usually located in Section 1, this provides the recognized name of the Act and its exact year of enforcement.

2. The Core Principle of Literal Interpretation

The primary approach used by the judiciary to interpret a tax statute is **Literal Interpretation**. This principle requires that the Bare Act be read precisely as written, applying its plain, ordinary, and grammatical meaning without assuming unwritten intentions.

In tax law, there is no room for equity, assumptions, or personal intent. One must look clearly at the literal language used. Various Judicial Authorities have held that courts cannot read more words into a taxing provision than it actually contains and courts will not stretch a statute's natural meaning to cover areas it did not intend to address.

Resolving Undefined Statutory Phrasing:

If a specific word used within the Act is not explicitly assigned a definition, professionals must follow a structured hierarchy of external interpretation to determine its exact legal meaning: First- We need to check the definition of the respective term in Section2 (Definitions of the terms are given in Section 2) and if such term is not defined that check the definitions in the General Clauses Act, 1897 and still it is not defined than check the definitions in the similar legal statues (*Pari Materia)*. If such definition is not found in any of the above, then we need to apply the standard dictionary meaning or we need to take the recourse of the Judicial Interpretation.

The **General Clauses Act, 1897** serves as a vital structural anchor here, containing standard definitions and rules of construction applicable to all common laws unless explicitly overridden by a specific tax definition.

3. Decoding Section 2: The Five Types of Statutory Definitions

Most Bare Acts consolidate their definitions within **Section 2**. Understanding the exact linguistic formulas used in these definitions is essential for determining their legal scope. They generally fall into five distinct categories:

I. Inclusive Definitions

Linguistic Identifier: Contains the word **"includes"**.

Legal Scope: Provides an illustrative, open-ended meaning rather than an exhaustive list. It allows the scope to expand to items of a similar nature that fit ordinary understanding.

Statutory Examples:

Section 2(13): *"assessment" includes reassessment and recomputation*.

Section 2(20): *"business" includes any trade, commerce or manufacture...*

Section 2(49): *"income" includes profits and gains, dividends, etc.*

II. Exhaustive Definitions

Linguistic Identifier: Contains the word **"means"**.

Legal Scope: Self-explanatory, restrictive, and complete. The term is strictly limited to the specified boundaries, leaving no room for assumptions or outside inclusions.

Statutory Examples:

Section 2(4): *"advance tax" means the advance tax payable as per Chapter XIX-C*

Section 2(80): *"prescribed" means prescribed by rules made under this Act*.

III. Adoptive Definitions

Linguistic Identifier: Explicitly references external statutes.

Legal Scope: Instead of creating a new definition, the statute directly adopts a definition from another piece of legislation.

Statutory Examples:

Section 2(38): *"director", "manager" and "managing agent"... have the meanings respectively assigned to them in the Companies Act*.

Section 2(89): *"public servant" shall have the same meaning as assigned to it in section 2(28) of the Bharatiya Nyaya Sanhita, 2023*

IV. Exclusive Definitions

Linguistic Identifier: Contains the phrase **"does not include"**.

Legal Scope: Explicitly removes specific items from the statutory scope of a term.

Statutory Example: Section 2(22), where the definition of a *"capital asset"* expressly states that it *does not include* personal effects, stock-in-trade, or consumable stores held for business purposes.

V. Combined Definitions

Linguistic Identifier: Utilizes both **"means"** and **"includes"** simultaneously.

Legal Scope: Highly detailed and deliberate, used to prevent ambiguity. It provides a strict boundary while explicitly highlighting certain items to clarify whether they are covered.

Statutory Example: Section 2(1): *"assessee" means a person by whom any tax or any other sum of money is payable under this Act, and includes (a) every person in respect of whom any proceeding under this Act has been taken...*

4. Navigating the Structural Hierarchy of a Section

A statutory section is often broken down into several sub-components to handle detailed requirements. Recognizing the punctuation and formatting clues within a Bare Act makes it much easier to identify these components correctly:

Section 45 ‘ Sub-section (1) ‘ Clause (a) ‘ Sub-clause (i)

Sub-sections vs. Clauses

Sub-sections: These are used when the parts of a section are closely interrelated and build upon each other to form a complete provision .

Visual Clue: A sub-section always begins with a capital letter and ends with a full stop, as it functions as a complete sentence. It is written directly after the section number, such as Section 46(1).

Clauses: These are used when the parts of a section are independent of one another and cover distinct, separate definitions or exemptions.

Visual Clue: A clause typically starts with a lowercase letter and ends with a semicolon, signalling that it is part of a longer running sentence.

5. The Role of Provisos, Explanations, and Schedules

Provisos: Handling Exceptions

A proviso creates an exception to the main enactment, removing a specific scenario from the general rule. It must always be read in direct relation to the specific provision it sits under.

The Rule of Logic: A proviso must stay connected to the subject matter of the main text. For instance, if the primary rule covers "fruits," the proviso can restrict bananas, but it cannot introduce a rule about bread.

Tracking Multiple Provisos: Statutes use a specific phrasing sequence to introduce consecutive provisos:

1. *First Proviso:* Begins with **"Provided that..."**
2. *Second Proviso:* Begins with **"Provided further that..."**
3. *Subsequent Provisos:* Begin with **"Provided also that..."** (These must be counted manually to determine if it is the third, fourth, or later proviso).

Explanations: Clarifying Ambiguity

An **Explanation** is added by the legislature to clear up doubts or remove confusion regarding the intent of a provision.

Function: Various Judicial views have held that it's purpose is to fill gaps, address potential misunderstandings, or make explicit what was already implied. It generally does not expand or reduce the scope of the main provision unless it functions as a deeming clause.

Scope of Placement: If an Explanation sits right below a specific sub-section or clause, it applies *only* to that sub-section or clause. If it is placed at the very end of a section, it applies to the entire section.

Schedules: Organizing Fine Details

Schedules are attached to the end of a statute to keep the main body of the Act from becoming cluttered with excessive detail. They contain administrative forms, calculation guidelines, or transitional rules that may require frequent updates. They are fully integrated components of the law.

6. Mastering Key Statutory Phrasing and Legal Terms

When reading the fiscal Acts, you will frequently encounter specific legal phrases that alter how a provision applies:

"Notwithstanding anything contained in..." (Non-Obstante Clauses)

This is a powerful overriding phrase. It gives the provision full authority to prevail over any conflicting rules within the same Act or other referenced laws. If two different statutes contain conflicting non-obstante clauses, the rule established is that the later enactment takes legal precedence. (This Term "Notwithstanding" is absent in Income Tax Act 2025 and in most places it is replaced by the term "Irrespective")

"Subject to the provisions of..."

Unlike a non-obstante clause, this phrase introduces a conditional limit. It means the current provision can only be applied if you also comply with the requirements of the other sections mentioned.

"Without prejudice to..."

This indicates that applying the current provision does not affect, compromise, or cancel out any other provisions of the Act that deal with the same subject matter. Both can apply simultaneously.

"Save as otherwise provided in this Act..."

This phrase ensures that the current section applies broadly *unless* another specific provision explicitly details a different rule for a particular scenario.

The Punctuation of Conditions: "AND" vs. "OR"

"AND" (Conjunctive): Requires **all** listed conditions to be met simultaneously before the provision applies.

"OR" (Disjunctive): Requires only **one** of the listed conditions to be met.

Courts may occasionally interchange these terms, but as established in various cases this is only done when the clear intent of the legislature requires it.

7. Rules vs. Acts and Effective Amendment Dates

To properly apply direct tax laws, it is important to understand how the Act interacts with its operational rules and amendments:

Understanding the Act vs. Rules Relationship

The Act sets out the overarching legal policies and mandates passed by the legislature. The **Income Tax Rules** are secondary enactments designed to make the parent Act functional by providing the necessary operational details.

The Rule of Power: Rules are secondary and they cannot exceed the authority granted by the parent Act or expand its scope.

The "Prescribed" Clue: Under Section 2(80), whenever the Act uses terms like *"prescribed"*, *"as may be prescribed"*, or *"prescribed form verified in the prescribed manner"*, it indicates that you must look to the corresponding Income Tax Rules or official forms to find the procedural steps.

7. Summary Checklist for Professionals

When interpreting a provision under the contemporary direct tax framework, keep this quick reference checklist in mind:

1. **Check the Phrasing:** Is the definition open-ended (*includes*) or strictly limited (*means*)?
2. **Review the Structure:** Are you looking at a self-contained *sub-section* or an independent *clause*?
3. **Identify Exceptions:** Does a *proviso* add a condition or remove certain scenarios from the general rule?
4. **Determine Precedence:** Does the text include a non-obstante clause (*notwithstanding*) that overrides other provisions?

Conclusion:

In conclusion, mastering the language of fiscal law requires more than just familiarity with statutory provisions—it demands a disciplined approach to interpretation, a keen eye for structural nuances, and an appreciation of the evolving economic context in which tax statutes operate. From the foundational pivot of the 1961 Act to the modern consolidation in the Income Tax Act, 2025, professionals must balance literal interpretation with an awareness of definitions, provisos, explanations, and schedules. By systematically applying interpretive principles, recognizing statutory phrasing, and respecting the hierarchy between Acts and Rules, practitioners can ensure clarity, precision, and compliance in their advisory and professional work. Ultimately, the art of reading tax statutes is not just about decoding words, but about aligning legal understanding with the dynamic realities of fiscal governance.

PROGRAM CALENDAR FOR THE MONTH

S.No	Date & Time	Topics
1	01/07/2026 (Wednesday)	CA DAY CELEBRATIONS
2	22/07/2026 (Wednesday)	Physical - CPE Seminar Global Opportunities for Chartered Accountants
3	27/07/2026 (Monday) From 5.00 pm onwards	ANNUAL GENERAL BODY MEETING (AGM)

*Any additional CPE Seminar(s) and/or changes to the above schedule will be intimated to members through the Branch's official WhatsApp channels and registered email communications.

Branch Event Photos – Scan to Access

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For any assistance, please contact:

CA. Mogalapalli P. GuruMurthy

Cell : +91 98850 28811

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

Saplings were planted on June 5th, 2026, on the occasion of World Environment Day

Handing over of Cash prize in MCS Batch No. 20 held 5th June, 2026

CA Trek at Kambalakonda held on 7th June, 2026


CHARTERED ACCOUNTANTS OF INDIA
INDIA
Flag-Off by
CA TREK DAY
KAMBALAKONDA
CONNECT
RISE TOGETHER

Met Smt. D. Nava Bharati, wife of ICAI President CA Prasanna Kumar D, on June 9, 2026, to invite her as the Chief Guest for the "Celebrating Her – A Day of Wellness, Fun & Togetherness" event.

Workshop on the Income Tax Act 2025 and the NRI Tax Regime held on June 13th, 2026.

CA. Ravi Teja Parinam

CA. T. Banusekar

CA. Hemanth Kolachana

Bone Density Testing Camp for Branch Members & family was conducted on June 13th, 2026.

Badminton tournament for male and female members were held at AVN College held on June 14th, 2026.

Box Cricket tournament for female members were held on June 14th, 2026, at Aha Box Cricket in MVP Colony.

Cricket tournament for male members were held at the ACE Academy in ACE Acadamy, Sontyam on June 20th, 2026.


SS


MASTER

The 12th International Yoga Day celebrations were held on June 21st, 2026.

Chair Yoga by Dr. Sravani Chittori

Yoga Tutor: CA Mente Trimurthulu

Stress management by Ms. Sanjeevini

A social service initiative to distribute water bottles and buttermilk packets (1,000 of each) to passengers at the Visakhapatnam railway station was held on June 23rd, 2026.

Celebrating Her – A Day of Wellness, Fun & Togetherness" event organized on June 24th, 2026, for female members and the spouses of male members.

A Seminar on ICAI MSME Mahotsav 2026 was held on June 27th, 2026.

CA. G. Sambasiva Rao, Managing Director
Sravan Shipping, Visakhapatnam, & Vice Chairman, CII AP State Council

CA. Vayetla Srinivasa Rao

Sri. Chandra Mouli Jangam

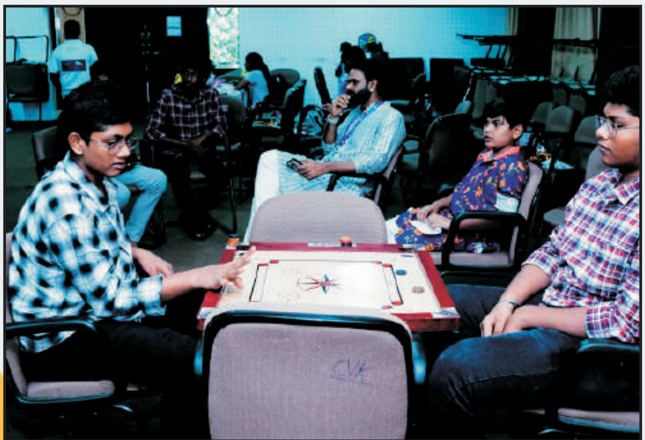
Walkathon for families was held at R.K. Beach on June 28th, 2026.

The CA Members' Family Day was held on June 28th, 2026.















Bone and joint health camp (free health check-up and doctor consultations) in association with Lee Pharma Limited Pvt Ltd was held on June 28th, 2026.

Blood donation camp in association with Visakha Blood Bank was held on June 29th & 30th 2026

Published by **CA. Patnala Lokesh,** Chairman on behalf of Visakhapatnam Branch of SIRC of The Institute of Chartered Accountants of India, Visakhapatnam and Designed at Maruthi Printers, Plot No. 193, Sector-3, MVP Colony, Visakhapatnam - 530 017, Cell : 92469 32859, email : balajiavprasad@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.