

# Update JANUARY 2026

Bizsolindia Monthly Update | Issue V | Volume XXI | January 2026

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## In This Update

**Whats New?**

**BTO**

**Bizsol Corner**

**#Digital Updates**



## We Believe In

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**“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.”**

**Mahatma Gandhi**

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# This Month For You - January 2026

Date	Law	Particular
06-01-2026	Excise	Excise E-Payment
07-01-2026	Income Tax	Due date for deposit of Tax deducted/collected for the month of December, 2025.
07-01-2026	Income Tax	Due date for deposit of TDS for the period October 2025 to December 2025 when Assessing Officer has permitted quarterly deposit of TDS under 192, 194A, 194D or 194H
07-01-2026	Wages Act	Payment of Salary / Wages If employees <1000
10-01-2026	GST	GSTR -8 E Commerce Operator For The Month of December 2025
10-01-2026	GST	GSTR-7 Registered persons who deduct TDS for the month of December 2025
10-01-2026	Wages Act	Payment of Salary / Wages If employees > 1000
10-01-2026	Excise	ER-1 / ER-2 Returns (w.r.t. products not covered under GST)
11-01-2026	GST	Filing of GSTR-1 for the month of December 2025
13-01-2026	GST	Filing of GSTR 1 for the quarter of Oct-Dec 2025 for the taxpayers filing GSTR-1 under QRMP Scheme.
13-01-2026	GST	GSTR-5 & GSTR-6-ISD Return for the month of December 2025
14-01-2026	Income Tax	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of November, 2025
15-01-2026	Income Tax	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of December, 2025 has been paid without the production of a challan
15-01-2026	Income Tax	Quarterly statement of TCS for the quarter ending December 31, 2025
15-01-2026	Income Tax	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending Dec., 2025
15-01-2026	Income Tax	Due date for furnishing of Form 15G/15H declarations received during the quarter ending December, 2025
15-01-2026	Income Tax	Furnishing of statement in Form No. 49BA under Rule 114AAB (by specified fund) for the quarter ending December 31, 2025
15-01-2026	Labour Law	Due date to pay of the December 2025's provident fund contribution of both employee and employer to be paid by the employer under ECRCum-Return
15-01-2026	Labour Law	Due date to pay ESIC Payments for December 2025

# This Month For You - January 2026

Date	Law	Particular
18-01-2026	GST	Due date of filing of CMP-08 for Oct-Dec 25 quarter for taxpayer who are registered under Composition Levy
20-01-2026	GST	Due date of filing of GSTR-3B for the month of December 2025
20-01-2026	GST	Due date for filing GSTR-5A (OIDAR) for the month of December 2025
28-01-2026	GST	Due date of filing of GSTR-11 for Oct-Dec 25 quarter for taxpayer who are Unique Identity Number(UIN) Holders
30-01-2026	Income Tax	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of December, 2025
30-01-2026	Income Tax	Quarterly TCS certificate in respect of quarter ending December 31, 2025
31-01-2026	Income Tax	Quarterly statement of TDS for the quarter ending December 31, 2025
31-01-2026	Income Tax	Quarterly return of non-deduction at source by a banking company from interest on time deposit in respect of the quarter ending Dec. 31, 2025
31-01-2026	Income Tax	Intimation by Sovereign Wealth Fund in respect of investment made in India for quarter ending December, 2025

# From The Desk Of The Chairman



**CS Venkat R Venkitachalam**  
**Chairman, Bizsolindia Services Pvt Ltd**

## **Here is wishing you all a Happy and Prosperous New Year!**

When I sat in front of my computer screen and typing this piece, I was acutely aware of my own undefinable trepidations. Will I continue with my undiluted admiration for our famed judiciary or would I be bitter about it? The reason was today the Indian justice system (no less) would be on trial. The case involving Kuldeep Singh Sengar, former MLA from Uttar Pradesh would go before the Supreme Court. Sengar is serving life imprisonment for rape and kidnapping in addition to a 10-year sentence for the custodial death of the victim's father. The Delhi High Court had suspended his life sentence and granted him conditional bail on a Fifteen Lakh bail bond. Today a three Bench apex court consisting of Justice Surya Kant, Justice K K Maheshwari and Justice Augustine Masih stayed this Delhi High Court's bail order noting the seriousness of the crime and risks to the victim. This case underscores a critical balance in our criminal justice system - the rights of the accused versus the safety and dignity of victims. While bail is a constitutional safeguard against indefinite detention, the Court highlighted that in cases of grave crimes - rape of a minor and custodial death of her father - victim protection must take precedence. Granting bail risks intimidation, traumatisation, and erosion of public faith in justice. This case illustrates the limits of bail as a legal entitlement. Courts must weigh not only the presumption of liberty but also the gravity of the offence, the vulnerability of survivors and the broader social impact. In doing so, the judiciary reaffirms that justice is not merely procedural. It is also protective. In essence, the Sengar case is a reminder that bail jurisprudence must also evolve to safeguard victims in high-stakes crimes, ensuring that liberty does not come at the cost of justice or safety. Sengar sought bail on the ground that his appeal against conviction was pending and claimed that aggravated provisions under the POCSO did not apply in his case. Sengar's lawyers had also argued that he was a legislator, a position that was not included in the list of 'public servants' under this law. The Delhi High Court accepted their argument, noting that without aggravated assault, the law mandates a minimum seven-year sentence - which Sengar had already served. Based on these arguments when the High Court suspended his sentence and granted him bail, it sparked a nationwide outrage. The Supreme Court's stay on Kuldeep Singh Sengar's bail was a necessary course correction that reasserts the judiciary's duty to stand with the vulnerable rather than indulge in hyper-technical mercies for the powerful. . The real test will be whether the final outcome turns this momentary relief into a durable doctrine that makes it clear that in cases of brutal

sexual violence, especially by elected representatives, justice will not be outwitted by legal semantics. Thank you, Your Honour, we the ordinary citizens feel obliged.

In the high-stakes theatre of global aviation, IndiGo has long been the example as a successful behemoth. It was indeed a remarkable success story in aviation – a business model of clinical efficiency. With a domestic market share exceeding 60% and a reputation for clinical, point-to-point efficiency, the airline seemed invincible. However, December 2025 marked a watershed moment - an imbroglio that saw this carrier's finely tuned machinery ground to a chaotic halt. This meltdown was more than an operational glitch; it is a case study in the perils of hyper-utilisation and the fragility of a near monopoly. The crisis, which peaked between third December and fifth, saw thousands of flight cancellations leaving nearly two lakh passengers stranded, thankfully not in midair! At the heart of the "meltdown" was a collision between IndiGo's lean business model and the Directorate General of Civil Aviation's (DGCA) new Flight Duty Time Limitation (FDTL) Rules. Neither of them were not new to this airline or any other. These regulations, aimed at combating pilot fatigue by increasing mandatory rest and capping night landings, effectively broke IndiGo's crew rostering logic. What beats logic is that the airline had over a year to prepare itself but chose to prioritise aggressive expansion and a hiring freeze over regulatory compliance. The result was a "silent rebellion" among pilots and a system-wide collapse that eventually forced the government to cap fares and mandate a 10% reduction in IndiGo's winter schedule. The financial fallout was swift. InterGlobe Aviation's stock felt the tremor with a 7% decline as investor confidence wavered. Management was forced to slash Q3 FY26 growth guidance from high teens to single digits, and the company reported a deepening net loss despite rising revenues. This imbroglio exposed a systemic risk: when a single airline controls three-fifths of a nation's domestic travel, its internal mismanagement becomes a national infrastructure crisis. Despite the reputational "blemish," IndiGo's future is far from grounded.

The airline is currently navigating a strategic pivot characterised by three key pillars: IndiGo is aggressively shifting its focus from a 70:30 domestic-to-international ratio toward a 60:40 split by 2030. With orders for Airbus A350-900s and the long-range A321XLR, it is moving into the long-haul, "premium" territory once reserved for full-service carriers. The launch of IndiGo Stretch (business class) and direct routes to cities like London, Amsterdam, and Manchester signals a move away from the "no-frills" identity toward a dual-model powerhouse. To fix the current capacity crunch, the airline has accelerated wet-leasing agreements with Qatar Airways and Freebird Airlines. More importantly, it is building a massive MRO (Maintenance, Repair, and Overhaul) facility in Bengaluru to decouple its fate from global supply chain bottlenecks. The 2025 crisis has delivered a clear message: dominance without resilience is a liability. For IndiGo to reach its goal of being a "one-billion-passenger airline" by 2029, it must transition from a culture of "maximum utilisation" to one of "safety-led stability." The future holds a more complex version of IndiGo - one that flies farther and offers more luxury, but one that is also under the sternest regulatory microscope in its 19-year history.

If the airline can successfully integrate its wide-body ambitions while rebuilding its reputation for reliability, what happened in 2025 would be remembered not as the beginning of the end, but as the painful birth of a global aviation giant.

**India** (not just West Bengal or Kolkata) was looking forward eagerly to see the football legend Lionel Messi landing in Kolkata. The visit was seen as an opportunity to highlight the football crazy Bengal's global face. Instead, it exposed a provincial, star struck state machinery that converted a celebration of football into a widely televised fiasco and a civic humiliation. What unfolded at Salt Lake Stadium at Kolkata was not just an organiser's failure but a deeper indictment of an administration that wants the prestige of a Messi without accepting the responsibility of managing a Messi-sized crowd. Thousands of fans, many having paid upwards of ₹5,000 (a princely sum for a fan), waited for hours only to see Messi for barely 10–20 minutes from a distance, before he was whisked away behind a wall of politicians, security personalities and political bigwigs, making him barely visible to the stands. As the realisation set in, that the "event" was effectively a glorified photo-op for people on the pitch, anger spilled over, predictably. Bottles and chairs were hurled, barricades were torn, parts of the stadium were vandalised forcing the police to ultimately resort to a lathi charge to regain control of the crowd. A serious administration would have limited the stadium capacity to what the security could realistically handle, ring-fence fan sightlines from VIP encroachment, communicated Messi's exact expected presence clearly in advance and staged the event as a structured show, not as a political durbar. Instead, Bengal got the worst of all worlds: a commercialised event outsourced to a private promoter, co-opted by political actors, underwritten by state security and redeemed only by belated arrests and apologies that came after Kolkata's sporting reputation had already taken a needless hit. This tragedy was waiting to happen. In this scenario Bengal's famed Renaissance legacy - home to Tagore, Bose, and a vibrant arts scene - fades into obscurity. The bhadralok intellectuals, once a bulwark against tyranny, now hastens decline through complacency, sidelining modern icons akin to Uttam Kumar or Mahasweta Devi. Film industry woes saw more than three hundred and fifty cinema halls shutter in four years, while literature, theatre and music stagnate amid funding shortages and political meddling. Transborder migration and cultural homogenisation dilute Bengal's unique ethos, replacing intellectual ferment with populist inertia. This triple decline stems from decades of administrative mismanagement, industrial sabotage like Nandigram, and political parties' patronage politics, turning a maritime giant into a laggard, nationally. It is a sad reminder that it does not take long for a state to become a national embarrassment from being a cultural icon.

**When** you see Donald Trump, the incumbent President of the United States of America on TV screens and newspapers, he is vicious when criticising and insincere while praising his predecessors. . If you have noticed, there is one clear exception to this rule. Whenever, he eulogises the 25th President of the US, he looks truly genuine and frank. But who was that President and what has he done to the U S? Here

it is. He is William McKinley, who is often remembered, for good reason, for his advocacy of high tariffs to protect domestic industries. It is another matter that while tariffs could protect domestic industries, this economic measure could result in higher consumer prices, trade retaliations while making domestic economy plainly inefficient in global competition. Back then in 1890, as a member of the Congress, before becoming President, McKinley championed this law which raised average import duties into the US to nearly 50%. His goal was to protect American manufacturers and workers from foreign competition thus aligning his action with core Republican protectionist policies. While it benefited certain industries, it sparked widespread opposition, contributed to higher consumer prices and led to a Democratic landslide in the 1890 elections. Prices of everyday goods rose, making tariffs unpopular among the public. The tariff was a major factor in the Republican Party's electoral debacle in 1890. By artificially inflating domestic prices, tariffs reduced economic efficiency and limited consumer choices. President Trump has often invoked McKinley's legacy to justify tariffs arguing that they protect American jobs. However, history shows tariffs are a double-edged sword; while they can provide short-term relief to industries, they often lead to higher costs, retaliation, and long term inefficiency. Invariably, these tariffs increase prices of everyday goods, making them unpopular among the general public. McKinley then and Trump now, conveniently forget that the effective burden of tariffs on outsiders disproportionately falls on the domestic consumers apart from breeding inefficiencies and reducing innovations. In essence, McKinley's tariff experiment illustrates both the appeal and pitfalls of protectionism. Tariffs may serve as a political tool to rally domestic support, but their economic limitations, especially in today's interconnected global economy make them a blunt instrument compared to more nuanced trade policies. But then, who will tell the emperor?

**Donald** Trump recently was in the news for all the wrong reasons (when was he not). His decision to rebrand the "Kennedy Center" as the "Trump-Kennedy Center" epitomises his broader self-promotion strategy. While it may give the impression that it helps consolidate his influence over cultural institutions, it has predictably sparked backlash from artists, raised legal questions, and highlighted the tension between personal branding and public heritage. His presidency has been marked by an aggressive pursuit of personal branding, extending beyond politics into cultural institutions. The renaming of the John F. Kennedy Center for the Performing Arts to the Trump-Kennedy Center in December 2025 is the most striking example. The Board of Trustees, the Centre largely composed of his own appointees, voted unanimously to add his name to the iconic venue. Trump described himself as "honoured," but the move predictably triggered a controversy. The renaming provoked strong reactions from musicians and performers. Several artists cancelled scheduled concerts, citing discomfort with performing under Trump's name on building. Folk singer Kristy Lee explained that she "couldn't sleep at night" if she legitimised what she saw as an erasure of history for personal ego. Jazz groups echoed similar sentiments, linking their cancellations to the values of freedom and integrity embedded in their art. This backlash has left gaps in programming during high-profile holiday events, undermining the Centre's cultural mission. By attaching his name to a venue synonymous with American arts and heritage,

Trump seeks to cement his legacy in the cultural sphere. This strategy mirrors his broader pattern of branding - hotels, golf courses, and now national institutions - turning public spaces into extensions of his persona. Supporters view it as true recognition of his leadership, while detractors see it as an attempt to overwrite history that would diminish Kennedy's symbolic role in American culture. Trump's self-promotion spree, exemplified by the Trump - Kennedy Center, underscores the tension between personal branding and public heritage. While it strengthens his symbolic footprint, it alienates artists, raises legal challenges, and intensifies cultural polarisation. The episode reveals how political power can reshape not just governance but the very symbols of national identity. Simply put, it sounds crass. Just as I finish writing this, here comes the news that a jazz ensemble and a New York dance company have cancelled their New Year's Eve performances at the John F. Kennedy Center for the Performing Arts, intensifying the fallout at the arts Center after it was renamed to include President Trump.

**When** I bid adieu to 2025 and welcome a brand new 2026, I cannot but express this soliloquy. The world is running out of fresh adjectives for the word decline. By now, every new year arrives pre exhausted, heavy with recycled optimism and faintly embarrassed resolutions. 2025, for its part, has been less an age of upheaval than of exquisite stagnation - motion without progress and sound without substance. From its first weeks, the signs were plain: think tank essays declaring new beginnings, politicians rebooting old promises, executives unveiling products that had already looked obsolete. This spectacle had the rhythm of a ritual. Humanity marched forward gamely, mostly to prove that it could still walk. Technology remained the unchallenged faith of our time and artificial intelligence became its most pious idol. Everything, we were told, was on the brink of transformation - soon, learning itself would be automated, creativity algorithmic, judgment optional. The revolution mostly produced better marketing copy. Machines authored passable reports and humans wrote apologies for the machines. Progress now meant getting your chatbot to mislead you politely. Politics preserved its own dependable absurdity. Democracies clung to their institutions the way aging actors cling to spotlights - with visible strain and misplaced dignity. Leaders gathered at Summits to praise "global cooperation," then flew home to fortify trade barriers and mistrust. Meanwhile, public life expanded into a theatre of noise: outrage as currency and confusion as policy. The economy, we were told, was "stabilising." Translated, that meant most people could still afford less than they needed, while a handful of conglomerates redefined hoarding as growth. Inflation dipped only because expectations fell faster than prices. Stock markets celebrated their own detachment from reality, joined by central banks that measured prosperity in graphs rather than in lives. The climate, persistent as guilt, staged its annual reminders - storms too severe for metaphors, wildfires visible from space. Officials offered thoughts, funds and targets conveniently rescheduled for 2040. Sustainability became a branding exercise for those who had already made unsustainability profitable. Culture did not escape the entropy either. Art surrendered its daring to algorithms that promised engagement; cinema re discovered sequels to sequels with music blurring into ambience. Literature, heroic but cornered, still whispered warnings no one retweeted. Every platform, it seemed, had something to say; none had anything to add. And yet, amid the fatigue there was a

strange precision to 2025 - the sense of a species coming to terms with its own inertia. We now live in a permanent rehearsal of a crisis, sustained not by belief in better outcomes but by the habit of anticipation. The collective mood is neither despair nor hope, but the dull endurance of those who know both too well. Still, 2026 waits - tentatively, maybe mercifully. The world may not be on the cusp of renewal, but exhaustion can clarify; boredom can breed intention. Beneath the public noise linger quieter acts of repair; young scientists rebuilding trust in expertise, local communities choosing cooperation over spectacle, citizens remembering that civic life survives only when practiced. These are not heroic narratives fit for headlines, but they might, in time, amount to a movement. After all, centuries rarely pivot on grand epiphanies. They shift when people stop mistaking commentary for change. If 2025 was the year humanity perfected standing still, perhaps 2026 will test whether we remember how to walk - not quickly, not gloriously, but in the one direction that still matters - forward.

**Thank you.**  
**Venkat R Venkitachalam**



## Introduction:

In India a Will is defined by Section 2(h) of the Indian Succession Act, 1925 as “the legal declaration of the intention of a testator with respect to his property, which he desires to be carried into effect after his death”. It is a formal and written document through which a person (the testator) expresses how his assets should be distributed after his demise, and it can be amended or revoked anytime during his lifetime. For a Will to be valid in India, the testator who makes the Will must be of sound mind, not a minor and the document must be signed and attested as required by law. A Will serves as a person’s final declaration of intent regarding his property distribution after his death governed primarily by the Indian Succession Act, 1925, which outlines the execution, revocation and interpretation rules. Courts interpreting Wills prioritise ascertaining the testator’s true intentions through a “plain meaning rule,” examining words literally before invoking the “armchair principle” under Section 75 to consider surrounding circumstances when ambiguities arise. Landmark Supreme Court rulings emphasise reading the Will holistically, reconciling clauses where possible and favouring later provisions in irreconcilable conflicts to honour the testator’s likely final wishes. This judicial approach balances literal construction with contextual insight, often resolving disputes over family relationships, nature of properties and inconsistent bequests. Your properties and how it should get distributed on your death is entirely up to you. The statutes relating succession are explicitly clear in that what you have earned in your lifetime can also be distributed by you entirely as per your wishes. The process of these bequeaths are clearly spelt out and is adequately codified into the statute. There are minimum formalities involved in this process of succession with minimum expenditure. Simply put, a Will has to be in writing and must be signed by the testator with two witnesses. It cannot get any simpler than that.

In India, interpretation of Wills has evolved through a nuanced body of judicial precedents that illuminate both the complexity of testamentary intent and the delicate balance courts must maintain between literal and purposive interpretations. The Supreme Court has consistently emphasised that the object of construing a Will is to uncover the testator’s true intention, derived from the language used and the surrounding circumstances, without substituting judicial conjecture for expressed words. Through landmark judgments, the Court has laid down guiding principles on ambiguity resolution, the weight of surrounding circumstances and the interplay between successive bequests or codicils. Examining these decisions not only clarifies how

Indian courts approach testamentary construction but also offers valuable lessons on drafting and dispute avoidance in succession matters. Wills, often perceived as simple documents, hold immense legal and emotional weight. They are the final wishes of an individual regarding the distribution of his or her earthly possessions after his or her demise. In India, the law governing Wills is primarily encapsulated in the Indian Succession Act, 1925 (ISA), with specific provisions for Hindus, Sikhs, Jains, and Buddhists under Section 30 of the Hindu Succession Act, 1956 (HSA). While the fundamental principles are clear, the complexities of human relationships, property disputes and evolving societal norms often lead to intricate legal battles. The Supreme Court of India as the apex judicial authority, has played a pivotal role in interpreting these laws, laying down crucial precedents that guide the lower courts to ensure justice. Wills, often perceived as simple documents, hold immense legal and emotional weight. They are the final wishes of an individual on the distribution of their earthly possessions after their demise. While the fundamental principles are clear, the complexities of human relationships, unique nature of property disputes and evolving societal norms often lead to intricate legal battles. In this piece, we cover the following broad categories where the decisions of the apex court had a decisive effect, viz., testamentary capacity and due execution, suspicious circumstances, interpretation of the Wills, revocation and alteration of Wills and Probate and Letters of Administration.

Section 63 of the Indian Succession Act, 1925, prescribes the essential formalities for the execution of a Will. The Testator shall sign or shall affix his mark to the Will or it shall be signed by some other person in his presence and as per his direction. The signature or mark of the testator or the signature of the person signing for him, shall be so placed that it shall appear that it indeed was intended thereby to give effect to the writing as a Will. The Will shall be attested by two or more witnesses, each of whom has seen the testator sign or affix his mark to the Will or has seen some other person sign the Will in the presence and by the direction of the Testator or has received from the Testator a personal acknowledgment of his signature or mark, or the signature of such other person and each of the witnesses shall sign the Will in the presence of the Testator, but it shall not be necessary that more than one witness be present at the same time, and no particular form of attestation shall be necessary. Section 68 of the Indian Evidence Act, 1872, deals with the proof of execution of documents required by law to be attested. It mandates that if a document is required by law to be attested, it shall not be used as evidence until at least one attesting witness has been called for the purpose of proving its execution, if an attesting witness is alive and subject to the process of the court and capable of giving evidence. Let us dive in with the case laws from the apex court.

## **1. Testamentary Capacity:**

- a. In *Venkatachala Iyengar vs B N Thimmaramm*, the validity of a Will hinged on two primary pillars: the Testator's capacity to make a Will and the proper execution of the Will as per legal mandates - sound mind and free will. Section 59 of the Indian Succession Act, 1925 clearly states that "Every person of sound mind not being a minor may dispose of his property by Will." The

concept of “sound mind” is crucial. It does not mean perfect mental health but the ability to understand the nature of the act of making a Will, the extent of the property being disposed of and the persons who are the natural objects of the Testator’s bounty. In this case, the appellant, as the Executor, filed a suit seeking a declaration that Lakshamma was the absolute owner of certain properties and had the right to dispose of them via a Will executed on August 22, 1945. The suit also sought consequential reliefs to implement the bequests. The respondent, Lakshamma’s daughter-in-law, contested the Will alleging coercion and questioning Lakshamma’s mental capacity at the time of execution of the Will. Evidence showed that the appellant played a prominent role in preparing the Will which included substantial bequests to his sons. There was also a lack of unambiguous evidence that the Testatrix had approved the draft or fully understood the Will’s contents. The central issue in this case was the validity and due execution of the Will. Specifically, the court had to determine - whether the Testatrix, Lakshamma, had signed the Will, whether she possessed a sound mind at the time of execution, whether she understood the nature and effect of the dispositions made in the Will, whether she signed the Will of her own free will and whether the suspicious circumstances surrounding the Will’s execution had been adequately explained by the propounder.

**The Judgment:** The Supreme Court upheld the High Court’s decision, dismissing the appellant’s appeal. The Court reiterated that while a Will generally needs to be proved like any other document, the propounder bears a heavy onus, especially when “suspicious circumstances” exist. Such circumstances include a propounder taking a prominent role in the Will’s execution and receiving substantial benefits under it or the testatrix’s feeble mental state, or unnatural dispositions. In this case, the appellant’s prominent role and the substantial benefits to his sons, coupled with the lack of convincing evidence regarding the testatrix’s full understanding and free will created significant suspicions. The Court found that these suspicious circumstances were not adequately removed by the propounder leading it to conclude that the Will was not genuinely and validly executed. This landmark judgment emphasised the need for courts to be satisfied that the Will is the product of the Testator’s free volition and not influenced by others.

- b.** In *Shashi Kumar Banerjee vs. Subodh Kumar Banerjee*, the former and others were propounders of the Will, seeking its probate whereas Subodh Kumar Banerjee and sons and descendant of the Testator opposed the Will. The dispute revolved around the Will of Ramtaran Banerjee, a wealthy 97-year-old lawyer, who died on April 1, 1947. The will was purportedly executed on August 29, 1943, when he was 93 years old. The appellants sought probate of this will. The respondents challenged its validity claiming improper execution, lack of genuineness, diminished testamentary capacity of the Testator, and undue influence/fraud. The District Judge granted the Probate, finding that the Testator had a sound mind and the Will was duly

executed. However, the High Court reversed this decision largely relying on expert handwriting evidence indicating that the signature was not from 1943. The primary issues before the Supreme Court were whether the Will was duly executed and attested as required by law, whether the Testator had the necessary testamentary capacity at the time of execution and whether there were suspicious circumstances surrounding the Will's execution that required explanation by the propounders. The court had to decide how much weight to be given to the expert's handwriting evidence, vis-à-vis, the testimony of attesting witnesses.

*The Judgment:* The Supreme Court reversed the High Court's decision and upheld the probate of the will. The court reiterated the established principles when it comes to proving of Wills that inter alia included the principles like the onus of proving the Will lies on the propounder. If there are no suspicious circumstances, proof of testamentary capacity and the testator's signature would suffice. However, if suspicious circumstances exist (e.g., propounder taking a prominent role in preparing the Will, unnatural dispositions, testator's mental condition), the propounder must explain them to the court's satisfaction. The court also emphasised in this case that expert handwriting evidence is opinion-dominated evidence and generally cannot override the clear testimony of attesting witnesses unless there are compelling reasons to do so.

## **2. Presence of 'Prudent Mind'**

In the case of *Meena Pradhan v. Kamla Pradhan & Ors* the court reaffirmed that a Will, even if executed mere days before death, can be legally valid if it complies with the statutory requirements of Section 63 of the Indian Succession Act and Section 68 of the Indian Evidence Act. Bahadur Pradhan, the deceased, had two wives: Meena Pradhan and Kamla Pradhan. He had children from both marriages. Seven days before his death on July 30, 1992, Bahadur Pradhan executed a Will bequeathing all his assets to Kamla Pradhan and their daughter, Ritu, effectively excluding Meena Pradhan and her children. The Will was attested by two witnesses, though only one (Suraj Bahadur Limboo) was examined in court. After Bahadur Pradhan's death, Meena Pradhan challenged the Will's authenticity, alleging forgery, suspicious circumstances, and the testator's unsound mental state. The central issue before the Supreme Court was whether the Will executed by Bahadur Pradhan was validly proved in accordance with the statutory requirements of the Indian Succession Act, 1925 (Section 63) and the Indian Evidence Act, 1872 (Section 68), particularly concerning proper attestation and the absence of suspicious circumstances.

*The Judgment:* The Supreme Court, upholding the decisions of the lower courts, dismissed Meena Pradhan's appeal. The Court reaffirmed that for a Will to be proved valid, the propounder must satisfy the "prudent mind" test, demonstrating that the Testator signed the Will out of his own free will, with a sound mind, and understanding its nature and effect. The Court emphasised strict compliance with

with statutory requirements, particularly attestation by at least two witnesses, one of whom must be examined in court if alive and capable. It held that mere exclusion of certain family members or preferential treatment does not automatically create suspicion. The Court found that the attesting witness's testimony adequately proved the Will's execution and that the appellants failed to provide sufficient evidence to establish suspicious circumstances, fraud, or undue influence. The judgment stressed that "suspicious circumstances" must be real and germane, not merely speculative. Consequently, the Will's validity was upheld, and consequential benefits were directed to be disbursed as per its terms.

#### **4. Presence of Suspicious Circumstances:**

a. **In Shivakumar vs. Sharanabasappa** it was reiterated by the apex court that suspicious circumstances must be "legitimate, real and germane" to the execution of the Will and not based on mere conjectures or surmises. The central issue here was the genuineness and validity of a Will dated May 20, 1991, allegedly executed by Sri Sangappa Shettar, which bequeathed properties to the plaintiffs. The court also considered whether a trust created by the defendants, which included the suit properties, was binding on the plaintiffs. The plaintiffs filed a civil suit seeking declaration of ownership and injunction over properties, claiming rights based on a Will executed by Sri Sangappa Shettar. The Trial Court initially ruled in favour of the plaintiffs, upholding the Will's authenticity. However, the High Court reversed this decision, finding numerous "suspicious circumstances" surrounding the Will's execution, leading it to conclude it was not genuine. These circumstances included the use of different coloured papers, inconsistent placement of signatures, varying pen types, and the absence of signatures on certain pages. The High Court also noted that the propounders failed to adequately explain these discrepancies. The plaintiffs then appealed to the Supreme Court.

*The Judgment:* The Supreme Court upheld the decision of the High Court, dismissing the appeal. The Court meticulously reviewed the evidence and concurred with the High Court's finding that the Will was not genuine due to the numerous unexplained suspicious circumstances and discrepancies in its execution. The Supreme Court emphasised the principle that while courts do not approach a Will with inherent doubt, they must examine it cautiously and with circumspection, especially when suspicious circumstances are present. The propounder of the Will bears the burden of removing all legitimate suspicions before the document can be accepted as genuine. In this case, the plaintiffs failed to dispel the doubts regarding the Will's authenticity.

**b.** The presence of “suspicious circumstances” often forms the core of challenges to a Will. The Supreme Court has consistently held that while a Will is a sacred document, courts must exercise “judicial conscience” when dealing with suspicious circumstances. In the case of **Jasbir Kaur v. Amrit Kaur**, the court clarified that the registration of a will, while offering a presumption of validity, does not make it immune to challenges. The plaintiff/appellant in this case was Smt. Jaswant Kaur (one of the wives of the deceased) and the defendant/respondent was Smt. Amrit Kaur & Ors. (including a grandson of the deceased). The case concerned the estate of Sardar Gobinder Singh Sibia, who passed away in 1954. He had two wives, Gulab Kaur (mother of Jaswant Kaur, one of the wives of the Plaintiff) and Dalip Kaur. After Gobinder Singh’s death, his widow Gulab Kaur filed a suit claiming maintenance and a share in his properties. The Defendant, Surjit Inder Singh (a grandson), presented a Will purportedly executed by Gobinder Singh, which bequeathed the entire estate to him, largely excluding Jaswant Kaur. The Trial Court decreed the plaintiff’s suit, holding the Will invalid. The High Court reversed this, upholding the Will. The central issues revolved around the burden of proving the validity of a Will, especially when surrounded by suspicious circumstances, the interplay between customary laws and the Hindu Succession Act, 1956 in determining succession rights, the standards courts should apply when assessing suspicious circumstances concerning testamentary documents.

**The Judgment:** The Supreme Court, allowing the appeal, set aside the High Court’s judgment and held that the Will to be invalid. The Court emphasised that in cases where the execution of a Will is “shrouded in suspicion,” the propounder (the party asserting the will) bears a heavy burden to remove all legitimate suspicions before the document can be accepted as the last Will of the Testator. The court found several suspicious circumstances, including the delayed revelation of the Will, inconsistencies in the attesting witnesses’ testimonies, and the unnatural exclusion of other natural heirs without clear justifications. The judgment reiterated the principle that the court must be satisfied that the Will reflects the true intentions of the Testator.

## **5. The Language Deployed in the Will:**

In a relatively recent case of **Indore Development Authority vs. Manohar Lal and Others** reinforces the broader principle of how the courts must look at the substance and intent behind legal documents. In the context of Wills, this means not just a mechanical application of rules, but an assessment of the Testator’s true wishes, especially when suspicious circumstances are alleged. The core issue in this case revolved around the interpretation

interpretation of Section 24(2) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (2013 Act). This provision deals with the lapse of land acquisition proceedings initiated under the repealed Land Acquisition Act, 1894. A key question was whether the deposit of compensation by the government in the treasury could be considered as “paid” under Section 24(2) to prevent the proceedings from lapsing. This issue had led to conflicting judgments by three-judge benches of the Supreme Court, particularly between Pune Municipal Corporation v. Harakchand Misirmal Solanki (2014) and an earlier Indore Development Authority vs. Shailendra (2018) judgment. The Pune Municipal Corporation case had held that compensation not deposited in the landowner’s account or with the court would lead to a lapse, while Indore Development Authority (2018) stated that tendering compensation was sufficient, even if refused by the landowner. The issues that had to be determined by the court were: What is the correct interpretation of Section 24(2) of the 2013 Act specifically the conjunction “or” in the phrase “physical possession of the land has not been taken or the compensation has not been paid”? Should it be read as disjunctive (“or”) or conjunctive (“and”/“nor”)? Whether the non-deposit of compensation in court, especially when refused by the landowner, leads to the lapse of land acquisition proceedings and also whether a judge who had expressed an opinion in a smaller bench on a referred matter can hear the case in a larger bench.

*The Judgment:* A five-judge Constitution Bench of the Supreme Court, in its judgment delivered on March 6, 2020, overturned the Pune Municipal Corporation decision. The Court held that for land acquisition proceedings to lapse under Section 24(2) of the 2013 Act, both conditions must be met: physical possession of the land must not have been taken and compensation must not have been paid. The “or” in Section 24(2) should be read as “nor” or “and” in this specific statutory context. The judgment clarified that tendering compensation by the State is sufficient to discharge its obligation, and it is not mandatory to deposit the compensation in court if the landowner refuses to accept it. A deposit in the treasury would not cause the acquisition to lapse. The non-deposit in court would only attract a higher rate of interest as per Section 34 of the 1894 Act, not a lapse of proceedings. The judgment also addressed the issue of a judge’s recusal, upholding the judge’s right to decide on recusal

## **6. Ascertaining the Testator's True Intent:**

In the case of **Navneet Lal v. Gokul**, the Court held that the primary duty of the court is to ascertain the intention of the Testator from the words used in the Will. The language used in a Will can sometimes be ambiguous leading to disputes over the testator's true intentions. The Supreme Court has developed a nuanced approach to interpreting Wills, prioritising the Testator's wishes over strict literal interpretations. The Will must be read as a whole, and effect must be given to every part of it, if possible. Where there are conflicting clauses, later clauses generally prevail over earlier ones, but only if an attempt to reconcile them fails. This case concerned the interpretation of a Will executed by one Bhola Chaubey, who was childless and governed by Mitakshara School of Hindu Law. Bhola Chaubey had a strained relationship with his brother and nephew. His Will stipulated that his wife Smt. Jarian, would be in possession and enjoyment of his property during her lifetime. Crucially, it also stated that after his wife's death, his sister's son, Gokul, would become the "Malik Kamil" (absolute owner) with full proprietary and transfer powers, and would perform his obsequies. After Bhola Chaubey's death, Smt. Jarian and Gokul initially lived cordially, but later their relationship soured. Smt. Jarian subsequently executed a gift deed and a Will of some properties in favour of Navneet Lal (the appellant). This led Gokul to file a suit claiming his rights under Bhola Chaubey's Will, which Navneet Lal contested, arguing that Smt. Jarian had received an absolute estate and thus had the right to alienate the property.

The court was called upon to decide whether the Will of Bhola Chaubey confer an absolute estate or merely a life estate upon his wife, Smt. Jarian? What is the correct interpretation of the term "malik" (owner) when used in a Will, particularly when there are subsequent provisions giving absolute ownership to another person?

*The Judgment:* The Supreme Court of India, in its judgment delivered on December 9, 1975, upheld the decision of the Allahabad High Court, ruling in favour of Gokul. The Court held that the Will, when read as a whole and considering the surrounding circumstances (like the Testator's strained relations with his brother's family and his desire for Gokul to perform obsequies), clearly indicated an intention to grant only a life estate to Smt. Jarian and an absolute estate to Gokul after the former's death. The court emphasised that while "malik" generally denotes absolute ownership, its meaning can be restricted by the context of the entire document. Interpret the Will as granting an absolute estate to the widow would create repugnancy with the subsequent clear bequest of absolute ownership to Gokul and would also

lead to the property eventually passing to the very relatives the Testator sought to exclude. The Supreme Court reinforced the principle that the cardinal rule in construing a Will is to ascertain the Testator's intention from the entire document, avoiding interpretations that render any part inoperative or contradict the overall scheme of the Will. Therefore, Smt. Jarian's gift deed and Will in favour of Navneet Lal were held invalid.

## **7. The Importance of Satisfying the Conscience of the Court:**

The Bombay High Court in *Lilian Coelho & Ors v. Maria Philomena Coalho* delivered the verdict in this case just 3 days ago. It was a case that had been remanded to it by the Supreme Court. The case concerns the estate of Mrs. Maria Francisca Coelho, who died in 1985, leaving a Will dated 7 July 1982 purporting to bequeath her movable and immovable properties equally to three children, including the appellant, effectively excluding two sons. Maria sought Letters of Administration with the Will annexed. The widow and children of an excluded son in a caveat alleged forgery, undue influence and suspicious circumstances around the Will. The Single Judge held that the Will was duly executed and attested, that the testatrix had testamentary capacity, and that forgery, coercion or undue influence were not proved, but still refused probate it because of multiple suspicious circumstances. The Division Bench initially reversed that decision, treating valid execution was enough; the Supreme Court set aside this judgment and remanded it back to the Bombay High Court, clarifying that valid execution and genuineness are distinct and suspicious circumstances must be independently evaluated. The Will used a cryptic formula like "all my property movable and immovable" without specifying the properties even though an advocate drafted it and the mother only had a life interest in the key Bandra property under her husband's earlier probated Will; the Court treated this as patent uncertainty attracting Section 89 of the Indian Succession Act and not curable by extrinsic evidence in view of Section 81. The appellant played a prominent role in the Will's execution but did not step into the witness box herself; the Bench drew an adverse inference, rejecting a medical excuse because the records that pre dated the trial by several years and saw no convincing explanation for the exclusion of two natural heirs when read cumulatively with other facts. On reconsideration after the remand, the Division Bench held that although formal proof of execution and capacity stood, the propounder had failed to dispel the serious suspicious circumstances to the satisfaction of the court's conscience

*The Judgment:* The appeal was dismissed; refusal of Letters of Administration with the Will annexed was affirmed, effectively denying probate to the 1982 Will and leaving devolution governed by the earlier probated Will of the husband

or applicable intestacy rules for the estate. The judge also observed in the judgment that 'valid execution of the Will and its genuineness are different and distinct and surrounding suspicious circumstances must be independently evaluated'. The Court presciently observed thus while delivering the judgment: "In contemporary times, we often hear the famous phrase "Vasudhaiva Kutumbakam," meaning that the world is one family. However, cases such as the present one are classic examples of stark differences: disputes within families over property that show no end in sight and ultimately result in delayed litigation. This is a tendency that ought to be curtailed in larger societal interest. We conclude with this solemn and optimistic hope".

### **8. Alteration & Revocation of Wills:**

In the case of **Badri Lal vs Sursh & Others** the Supreme Court held that a Will cannot be revoked by a subsequent agreement between beneficiaries or parties; revocation must occur only in the modes prescribed by Section 70 of the Indian Succession Act, 1925. The Court analysed Section 70 in detail and clarified that a Will or codicil can be revoked only:

By marriage (subject to the statutory exceptions),

By another Will or Codicil,

By a written Declaration of an intention to revoke, executed with the same formalities as a Will, or

By burning, tearing or otherwise destroying the Will with *animus revocandi* (intention to revoke).

*The Judgment:* The apex court in this case held that compromise deeds, family arrangements or agreements between heirs do not, by themselves, amount to revocation. Any argument that a Will stood "impliedly revoked" by subsequent conduct must still fit within the statutory modes of Section 70. As a matter of principle, Wills are ambulatory and remain revocable during the testator's lifetime, but only in the ways prescribed by the Act. However, marriage as an automatic ground of revocation is not universal; for certain classes (e.g., Hindus covered by Section 57), courts have read Section 69 in a limited way so that marriage does not revoke the Will. In another case **Kalyan Kumar Nag vs Dina Guha**, the Supreme Court had considered Sections 69 and 70 together, examining how marriage affects an existing will. These decisions recognise the general Rule under Section 69 that marriage revokes a prior Will but also highlights that this operates subject to the special scheme of Sections 57 - 58 and the Schedule for Hindus, Buddhists, Sikhs and Jains.

### **Conclusions:**

The Supreme Court of India, through its numerous pronouncements, has meticulously built a robust legal framework around Wills. . These landmark judgments serve as guiding principles, ensuring that the last wishes of a Testator

are respected while upholding the sanctity of legal processes and preventing fraud or undue influence. The emphasis on proof of due execution, the removal of suspicious circumstances and the paramount importance of ascertaining the Testator's true intent form the bedrock of testamentary law in India. While each case presents unique facts, the principles established by these judgments provide clarity and consistency empowering individuals to plan their legacy with confidence and ensuring a fair and equitable distribution of their assets

**While** on the subject, here is some breaking news to cheer about. The Indian government has effectively abolished the mandatory requirement for probating Wills through the Repealing and Amending Act, 2025, which omits Section 213 of the Indian Succession Act, 1925. This reform eliminates the previous religion- and geography-based distinctions - requiring probate for Hindus, Buddhists, Sikhs, Jains, and Parsis in Mumbai, Chennai, and Kolkata (former Presidency towns) - making probate optional nationwide to simplify estate administration, reduce costs, and promote uniformity. While voluntary probate remains available for added legal certainty in disputed cases, executors and beneficiaries can now directly approach banks, registries and authorities with the Will itself. That is some good news to cheer about.

**Thank you.**  
**Venkat R Venkitachalam**



# Expectations from Budget 2026-27

CMA Ashok Nawal, Founder, Bizsolindia Services Pvt Ltd

Hon'ble Prime Minister Shri Narendra Modi convened a pre-Budget consultation meeting with eminent economists and sectoral experts, including individuals with policy and industry experience. The meeting, attended by senior government officials, policy ecosystem experts, and NITI Aayog representatives, focused on seeking inputs and suggestions on "mission-mode reforms" across sectors to boost growth and efficiency.

Hon'ble Finance Minister has already begun pre-Budget consultations with various stakeholders. The Union Budget is expected to be presented on 1 February 2026 or 2 February 2026, as 1 February 2026 falls on a Sunday. In any case, the Budget will be presented within the overall framework and objective of achieving "**Viksit Bharat 2047**".

This Budget is expected to focus on capital outlay, with special emphasis on policies for emerging growth areas such as:

- Data Centres
- Artificial Intelligence (AI)
- Robotics

It is also expected that policies will be framed to promote technology-led growth in areas where young professionals can be employed, thereby creating new employment opportunities.

Further, in view of tariff barriers imposed by the US, policies may be designed to strengthen the manufacturing sector, promote MSMEs, and diversify exports to reduce dependence on limited markets and improve trade resilience. Therefore, the Government may introduce measures aligned with technology-led growth, investment-led reforms, stronger global competitiveness, and sector-specific, mission-mode execution—not just broad allocations.

- Technology-led growth
- Investment-led reforms
- Stronger global competitiveness
- Sector-specific, mission-mode execution—not just broad allocations

Further, the Government is expected to focus on capital infrastructure coupled with next-generation priorities such as advanced manufacturing, AI/digital public infrastructure, logistics efficiency, and tech and innovation ecosystems. These priorities may be reflected in railways, roads, ports, warehousing, etc.

One expectation from this Budget is that it will reinforce the credibility of deficit numbers, particularly against the backdrop of the FY26 fiscal deficit running at 62.3% of the annual target by November (as per government data reported by Reuters).

Now, we focus on Direct Tax and Indirect Tax:

### **Direct Tax:**

Since the Income Tax Act, 2025 is expected to come into effect from 1 April 2026, no major changes are anticipated in the new Act. However, to stimulate consumption, it is expected that the standard deduction for salaried employees may be increased and tax slabs/rates under the new simplified regime may be rationalised.

It is also expected that provisions relating to long-term capital gains will be simplified and tax relief may be provided through a reduction in the applicable tax rate.

Many taxpayers have received notices/letters relating to investigations and faceless assessment schemes. It is expected that the process will become more transparent and that mechanical notices and replies will be avoided. Instead, assessments should involve genuine application of mind, including granting personal hearings through video conference or electronic mode. Ease of doing business and reduction in litigation should be key focus areas.

### **Indirect Tax:**

#### **• Customs:**

The Customs Act was enacted in 1962. Although amendments are made every year, there have not been many substantive changes. Self-assessment was introduced, but there has not been a substantial reduction in clearance time for import/export cargo. It is expected that export and import clearances should be enabled at Customs ports and completed within a maximum of 24 hours. However, despite the ICEGATE portal, importers and exporters still face procedural delays and higher transaction costs.

It is expected in this Budget that there will be no need to rely on Customs House Brokers and that all export and import documents should be filed directly from the desktop through a simplified e-system. Accordingly, there is a need to revamp the existing ICEGATE portal and procedures to enable a simpler and more user-friendly mechanism for filing import and export documents.

At present, even after the introduction of self-assessment, interaction with Customs through CHBs remains common. This is seen as a root cause of corruption and red tape. There are also more than 70 rules and regulations. It is

time to substantially reduce and rationalise these rules, simplify the mechanism, and limit compliance requirements so that importers and exporters can follow them more easily.

Further, in light of Supreme Court and High Court judgments under the self-assessment framework, there is a need to revisit demand notices issued under Section 28 (as against filing appeals against such Bills of Entry). Suitable amendments may be required to provisions relating to appeals and demands.

It is important to rationalise the Customs tariff by giving effect to Free Trade Agreements (FTAs) and making available a separate compendium (HSN-wise) of applicable rates under different FTAs. While such information is available on [www.trade.gov.in](http://www.trade.gov.in), it should be updated promptly and a mechanism should be introduced to maintain a regularly updated compendium.

Preferential tariff notifications under FTAs should be updated and the relevant notification references should be clearly mentioned.

To conclude, there is a need to rationalise the provisions of the Customs Act to avoid litigation and achieve the objective of ease of doing business, while reducing transaction costs and time. The focus should be on eliminating the mandatory dependence on Customs House Brokers and limiting their role to coordination with freight forwarders and logistics (loading/unloading and transportation). Reducing their role in the compliance chain could help curb corruption and improve efficiency.

- **GST:**

We have experienced buoyancy in the economy, market growth, an increase in GDP, and higher tax collections even after the 56th GST Council recommended reductions in tax slabs, including changes involving the 12% and 28% rates.

Despite the imposition of US tariffs, the economy has remained resilient and expected GDP growth is around 6.8%. Trade and industry have consistently responded positively whenever simplification measures were introduced with the objective of improving ease of doing business. They have reciprocated this with trust and transparency.

It was expected that “One Nation, One Tax” would achieve the objective of ease of doing business and, except for initial teething problems along with GSTN glitches and delays in implementation, trade and industry at large have accepted GST as a good and simple tax.

However, industries have faced significant litigation due to issues in GSTN implementation, including issuance of numerous show cause notices and adjudications arising from mismatch provisions. There is an urgent need to amend provisions relating to input tax credit (ITC) availment and avoid litigation where recipients are forced to reverse ITC due to supplier defaults. Authorities should focus on collecting tax from errant suppliers rather than disallowing ITC to recipients.

The Government introduced the IMS system, but concerns remain that if a credit note is rejected by the recipient, the taxpayer's liability may unnecessarily increase. Therefore, acceptance of credit notes through IMS should be reconsidered and the proviso to Section 34(2) of the CGST Act should be implemented in its true spirit. Refund provisions should be simplified, especially refunds arising from inverted duty structures, as accumulation of ITC in certain sectors is causing liquidity issues.

It is also high time to include petroleum products and immovable property within the GST framework. Provisions relating to blocked credit should be reviewed and withdrawn to the extent possible, since the principle of avoiding cascading taxes cannot be fully achieved otherwise. Trade and industry are eagerly awaiting this Budget and expect renewed momentum for growth across all sectors to achieve the dream of "Viksit Bharat 2047".

**Thank you.**  
**Ashok Nawal**



## Maharashtra Industries, Investment & Services Policy 2025

### Key Highlights and Incentive Framework...

Pravin Arote, Director & CEO, Bizsolindia Services Pvt Ltd

The Government of Maharashtra has, vide **Government Resolution (GR)** No. M/Ind-2023/P.No.187/Udyog-2 dated 31st December 2025, announced the **Maharashtra Industries, Investment & Services Policy 2025**. The policy marks an important milestone in the State's industrial and economic roadmap by expanding the focus from **manufacturing-led growth to a comprehensive manufacturing, services and innovation-oriented development framework**.

For several years, Maharashtra's incentive regime has been anchored in the **Package Scheme of Incentives (PSI)**, with PSI 2019 serving as the principal operational policy governing fiscal incentives for industrial units. The newly announced policy is a **broader strategic, institutional and governance framework**, within which incentive schemes and implementation mechanisms will continue to operate.

- **Key Objectives of Maharashtra Industries, Investment & Services Policy 2025**

The policy aims to strengthen Maharashtra's position as a preferred investment destination by:

- Attracting large-scale domestic and foreign investments
- Creating substantial employment across manufacturing and services
- Promoting innovation, R&D and technology-led growth
- Encouraging green and sustainable industrial development
- Strengthening institutional capacity and governance
- Ensuring balanced regional and corridor-based development

- **Policy Validity**

The policy will remain in effect for five years from the date of notification i.e. 31st Dec 2025 or until the next policy comes into effect.

- **Major Pillars of the Policy**

1. **Expansion from Manufacturing to Services-Led Growth**

A defining shift under the policy is the formal recognition of the services sector as a core pillar of economic growth, covering:

- IT and ITeS
  - Global Capability Centres (GCCs)
  - Logistics and warehousing
  - R&D and design centres
  - Knowledge-based and innovation-driven services

This represents a structural broadening beyond the manufacturing-centric approach of earlier policies.

## 2. Strengthened Investment Facilitation and Governance Framework

The policy emphasizes improved ease of doing business through:

- Establishment of a unified “Invest Maharashtra” facilitation mechanism
- Strengthened single-window and digital approval systems
- Enhanced inter-departmental coordination
- Time-bound approvals and investor handholding

This marks a shift from incentive-centric governance to a **facilitation- and execution-driven model**.

- **Institutional Reform: Transition from Directorate of Industries (DOI) to Commissionerate of Industries:**

As an important governance reform aligned with the objectives of the policy, the Government of Maharashtra has announced a structural transformation of the **Directorate of Industries (DOI)** into a **Commissionerate of Industries**.

This institutional upgradation reflects the growing scale and complexity of industrial and investment administration in the State and is intended to:

- Strengthen decision-making authority and administrative efficiency
- Enable faster processing of approvals, incentives and investor grievances
- Improve coordination with other departments and investment facilitation agencies
- Support implementation of large and complex investment proposals
- Enhance accountability and responsiveness in industrial administration

The transition from a Directorate to a Commissionerate signifies Maharashtra's intent to modernize governance structures in line with global best practices and to support the expanded mandate under the policy framework.

- **Focus on Innovation, R&D and Technology Development:**

The policy places strong emphasis on innovation-led growth through:

- Dedicated support mechanisms for manufacturing R&D
- Separate focus on services-sector R&D and innovation
- Encouragement for product development, design and advanced technologies
- Support for future-ready and high-value sectors

This represents a major step forward compared to earlier policy frameworks, where R&D support was limited in scope.

- **Green, Sustainable and Smart Industrial Development**

Sustainability is a core theme of the policy, with emphasis on:

- Promotion of green manufacturing practices
- Environmentally friendly and energy-efficient industrial processes
- Development of smart industrial parks
- Alignment with ESG and climate-resilient growth objectives

- **Regional and Corridor-Based Development Strategy**

While the policy relied on district- and area-based classifications to promote industrial dispersal, strengthens this approach by introducing:

- Industrial and logistics corridors
- Integrated industrial parks
- Targeted interventions for underdeveloped and aspirational regions
- Infrastructure-led regional development planning

This enables balanced growth while supporting large-scale investments.

- **Priority Sector and Thrust Sectors (within manufacturing):**

**A) Priority Sectors**

1. Advanced Materials
2. Aerospace, Defence, Space Tech, Nuclear Tech and Shipbuilding
3. Agro & Food Processing (Secondary & Tertiary Processing Units, including Meat Processing)
4. Automotive and Auto Components (for EV, Hybrid, and Hydrogen Fuel Vehicles)
5. Battery and Energy Storage (including Data Centers and Hydrogen Fuel Cells)
6. Chemicals and Petrochemicals (including Coal Gasification Initiatives)
7. Footwear and Leather Products
8. Gems & Jewelry (including Lab-Grown Diamonds)
9. Machinery & Equipment Manufacturing (including renewables and telecom)
10. Mineral-Based Industries
11. Pharmaceuticals, Biotechnology, Med-Tech & Lifesciences
12. Semi-Conductors Fabrication (FAB), including Display Fab and Electronics System Design and Manufacturing (ESDM)
13. Smart Manufacturing (Industry 4.0 & 5.0)
14. Sustainable Manufacturing and Circular Economy (including Recycling)
15. Textile & Apparel (including Technical Textile, Sustainable Fabrics)
16. Solar Wafers, Green Hydrogen and Green Ammonia

**B) Thrust Sectors**

1. Semiconductor, Display for LCD & LED, Mobile display & related glass manufacturing etc.
2. Hydrogen Fuel cell manufacturing etc.
3. Laptop, Computer & Servers etc.
4. Lithium battery & Cell manufacturing etc.
5. Solar Panel, Module & Cell Manufacturing etc.
6. Pharmaceutical, Chemicals, Polymers & other related products etc.
7. Aerospace & Defence
8. Coal gasification and downstream derivatives as well as green steel production

**C) Service as an Industry & Priority Sectors**

1. IT & Computer Services
2. Professional, Scientific & Business Services:
3. Insurance & Pension Services
4. Trade & Repair:
5. Educational Services:
6. Financial Services:
7. Travel & Tourism:
8. Health Services:
9. Personal, Cultural & Recreational Services:
10. Transport & Logistics
11. Audio-Visual Services:
12. Telecommunications:

**D) Priority Services Sectors**

1. Information Technology & Information Technology Services (IT & ITeS)
2. Tourism and Hospitality Services
3. Medical Value Travel
4. Transport and Logistics Services
5. Accounting and Finance Services
6. Audio Visual Services
7. Legal Services
8. Communication Services
9. Construction and Related Engineering Services
10. Environmental Services
11. Financial Services

- **Taluka / Area Classification and Incentive Framework (Indicative)**

### **Eligibility Criteria for MSME**

Sr.No	Taluka / Area Classification	Maximum Permissible Fixed Capital Investment (INR)	Maximum Ceiling as % of FCI	Incentive period in years
1	A	Rs. 125 Cr	30%	5
2	B		40%	7
3	C		50%	7
4	D		60%	10
5	D+		70%	10
6	Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon & Dhule		80%	10
7	No Industry Districts, Naxalism Affected Areas* and Aspirational Districts**		100%	10

\* As per notified list under applicable Government resolutions.

\*\* As per NITI Aayog/State notified aspirational districts list.

- **Fiscal Incentives for MSMEs.**

1. Industrial Promotion Subsidy (Gross SGST Payable)
2. Capital Subsidy
3. Interest Subsidy
4. Stamp Duty Exemption
5. Power Tariff Subsidy
6. Exemption from Electricity Duty
7. Employment Linked Subsidy
8. Production Linked Incentive (PLI)
9. Other Performance Linked Additional Incentives

- **Taluka / Area Classification and Incentive Framework (Indicative)**

### Eligibility Criteria for Special LSI

Sr.No	Taluka / Area Classification	Qualifying Capital Minimum Investment (INR Crore)	Minimum Direct Employment (number of people)	Maximum Ceiling as % of FCI	Incentive period in years
1	A & B	750	1000	40%	7
2	C	500	750	50%	7
3	D	350	500	60%	7
4	D+	250	200	80%	7
5	Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon & Dhule	200	150	90%	9
6	No Industry Districts, Naxalism Affected Areas* and Aspirational Districts**	150	125	100%	9

- **Fiscal Incentives for Large Scale Industries (LSI) and Special Large-Scale Industries**

1. Industrial Promotiona Subsidy
2. Stamp Duty Exemption
3. Power Tariff Subsidy – Applicable only Eligible new units in Group D, D+ and below
4. Electricity Duty Exemption - Applicable only Eligible new units in Group D, D+ and below.
5. Employment Linked Subsidy

- **Fiscal Incentives for Mega Projects and Ultra Mega Projects**

### Eligibility Criteria for Mega and Ultra Mega Units

Sr.No	Taluka / Area Classification	MEGA Units		Ultra MEGA Units	
		Qualifying Capital Minimum Investment (INR Crore)	Minimum Direct Employment (number of people)	Qualifying Capital Minimum Investment (INR Crore)	Minimum Direct Employment (number of people)
1	A & B	1500	2000	4000	4000
2	C	1000	1500	3000	3000
3	D	750	1000	1500	2000
4	D+	500	750	1250	1500
5	Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon & Dhule	350	500	1000	1000
6	No Industry Districts, Naxalism Affected Areas* & Aspirational Districts**	200	350	750	750

**Mega & Ultra Mega Projects** will be provided with **customized incentives**. The Cabinet Sub-Committee under the chairmanship of the Chief Minister of Maharashtra will have the powers to sanction customized package of incentives for Mega & Ultra Mega Projects. The committee can offer special / extra incentives for strategic Mega & Ultra Mega Projects, on a case-to-case basis on the recommendation of High-Power Committee

## Eligibility Criteria for Service Sector Units

Taluka / Area Classification	MSME (Minimum Employment)	Large (Minimum Employment)	Mega (Minimum Employment)	Ultra-Mega (Minimum Employment)
A & B	350	750	1500	3000
C	250	500	1000	2000
D	150	350	750	1500
D+	125	200	500	1000
Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon & Dhule	100	150	350	400
No Industry Districts, Naxalism Affected Areas and Aspirational Districts	50	125	250	350

- **Fiscal Incentives for Service Sector Units**

1. EPF Reimbursement
2. Rental Lease Subsidy
3. Stamp Duty Exemption
4. Electricity Duty Exemption
5. Skilling Subsidy
6. R&D and Innovation Subsidy

- **For Women and SC/ST categories, an additional incentive of 5% to 20% will be provided, depending on the location.**
- **Under the Policy, benefits are extended to A Zone location; however, such benefits were not available under earlier policies.**

- **Practical Implications for Applicant's**

While the policy sets the strategic direction, actual eligibility, quantum and release of incentives will continue to depend on detailed implementing Government Resolutions and scheme-specific guidelines. Investors must carefully assess:

- Sector and activity eligibility
- Location-based classification
- Investment size and employment commitments
- Project timelines and compliance milestones
- Documentation and monitoring requirements

Early planning and structured advisory support remain critical to maximizing benefits

- **Conclusion & Bizsolindia Advisory Support**

The **Maharashtra Industries, Investment & Services Policy 2025** represents a decisive evolution in the State's industrial policy framework. By integrating manufacturing, services, innovation, sustainability and institutional reform, the policy provides a forward-looking roadmap for long-term economic growth. When read together with PSI 2019, it offers both continuity in incentives and clarity in strategic direction.

However, converting policy intent into real financial and operational gains requires careful interpretation of Government Resolutions and strict procedural compliance.

- **Bizsolindia – Your Partner in Strategy for Policy Advisory and Incentive Facilitation:**

Bizsolindia offers comprehensive advisory & implementation support for businesses seeking to avail benefits under Maharashtra's industrial & investment policies, including:

- Eligibility assessment under the policy
- Comparative incentive analysis and project structuring
- Application filing and representation before authorities
- Liaison and coordination with implementing departments
- Post-approval compliance and incentive realisation

With strong domain expertise & hands-on experience in the policy implementation, Bizsolindia supports enterprises in converting policy provisions into tangible business value.

**For professional assistance, please contact: [corporate@bizsolindia.com](mailto:corporate@bizsolindia.com)**

**Thank you.**

**Pravin Arote**



## Section 18A on ICEGATE 2.0: Understanding the Digital Process for Voluntary Post-Clearance Revision of Bills of Entry

CA Manoj Malpani, Director, Bizsolindia Services Pvt Ltd

### Introduction

With the legal framework for Section 18A of the Customs Act, 1962 already in place, the CBIC has further clarified the scope and intent of voluntary post-clearance revisions through a detailed circular (Circular No. 26/2025- Customs | Dated: 31st October 2025) laying down administrative guidelines for implementation of Section 18A. This circular, read with the Customs (Voluntary Revision of Entries Post Clearance) Regulations, 2025, and the launch of the Section 18A Webform on ICEGATE 2.0, marks the transition from legislative intent to operational reality.

The ICEGATE User Manual (Version 1.03 dated 15 December 2025) sets out the end-to-end electronic workflow for voluntary post-clearance revision of Bills of Entry. This article focuses on the workflow, and practical implications of implementing Section 18A through ICEGATE

### **1. Architecture of the ICEGATE Section 18A System**

The Section 18A functionality is designed as a self-contained digital workflow within ICEGATE 2.0. It enables IEC holders and authorised customs brokers to initiate voluntary revisions through a structured webform. Key features include complete electronic filing, mandatory pre-payment of prescribed fees, self-assessment driven revision, and post-submission tracking through a system-generated reference.

### **2. Entry Point and Mandatory Pre-Payment**

Before filing the Section 18A Webform, the importer has to make the payment of the prescribed fee. Users must log into ICEGATE, generate a voluntary payment challan under the E-Payment module, and select the purpose as fees towards ICES BE revision under Section 18A. Only after successful payment validation does the system permit access to the revision webform.

### **3. Selection of Revision Type**

At the webform stage, the applicant must select the nature of revision—either Revision (without refund) or Revision with Refund. This selection determines whether refund-related workflows under Section 27 of the Customs Act, 1962 are triggered and whether enhanced scrutiny may follow.

## 4. Amendment Message Types

The ICEGATE system categorises amendments into three message types:

- Amendment (A) for correcting existing data,
- Supplement (S) for adding omitted information, and
- Deletion (D) for removing incorrect or redundant entries.

This structured classification ensures data integrity and audit traceability.

## 5. Scope of Amendments

Revisions may be carried out at the Bill of Entry level, invoice level, or item level. The system supports modification of commercial details, classification, valuation, exemption notification claims, and supporting documents. For regulated goods such as plants or drugs, additional statutory declarations and control details are dynamically enabled.

## 6. System Validations and Controls

Before submission, the system validates Bill of Entry details and confirms successful payment. If a Bill of Entry is already under revision, parallel filings will not be allowed. These validations ensure procedural discipline and prevent misuse of the voluntary revision facility.

## 7. Declaration, Submission, and Tracking

Applicants must accept a mandatory declaration confirming the accuracy and voluntary nature of the revision. Upon submission, ICEGATE generates a unique Tracking ID, enabling post-submission enquiry and audit trail. Facilities such as save-as-draft, preview, offline utilities, and enquiry modules enhance user convenience while maintaining regulatory oversight.

## Conclusion

The Section 18A Webform on ICEGATE 2.0 completes the shift towards a trust-based, digitally governed post-clearance compliance regime. While it simplifies voluntary corrections, it also places a higher onus on importers to ensure accuracy, documentation, and accountability. Section 18A, as operationalised through ICEGATE, is therefore not a relaxation—but a structured self-compliance mechanism aligned with modern customs administration.

**Thank you.**

**Manoj Malpani**



## Maharashtra Global Capability Centre (GCC) Policy 2025: The Most Competitive GCC Destination in India Today

CA Abhishek Malpani, Head Operations, Bizsolindia Services Pvt Ltd

### 1. Introduction: A Watershed Moment for India's GCC Ecosystem

On 3rd November 2025, the Government of Maharashtra launched the **Maharashtra Global Capability Centre (GCC) Policy 2025** — the most ambitious, investor-friendly and execution-focused GCC policy ever introduced by any Indian state.

With clear targets of attracting 400 new GCCs and creating 4 lakh high-skilled jobs in five years, Maharashtra has decisively positioned itself as the undisputed leader in India's GCC growth story. As a Chartered Accountant who has structured incentives multiple captive centres in the last decade, I believe this policy marks a watershed moment for Maharashtra's industrial landscape and offers unprecedented opportunities for multinational corporations, domestic conglomerates, and emerging technology players alike. The policy's sophistication, comprehensiveness, and forward-looking provisions set a new benchmark for state-level industrial policies in India's competitive federalism landscape.

### 2. The Current Status of GCCs in India and Maharashtra's Dominant Position

India's GCC landscape has exploded from ~1,200 centres in FY21 to over 1,900 centres employing nearly 1.9 million professionals by FY25. More than 400 new centres and 1,100 additional units were added in just four years.

These are no longer back offices. Today's GCCs are global innovation hubs driving AI, chip design, drug discovery, autonomous vehicles, blockchain, and financial engineering. Average salaries now exceed ₹18–20 lakh per annum.

Maharashtra already hosts the largest share, particularly in the Mumbai-Pune corridor. The new policy builds on this strength while aggressively expanding into Tier-2/3 cities such as Nashik, Nagpur, and Chhatrapati Sambhajinagar.

### 3. Vision, Objectives and Eligibility Criteria:

The policy articulates an ambitious yet achievable vision: to establish Maharashtra as the leading hub for GCCs in India by leveraging its diverse industrial base, financial leadership, and technological expertise. Maharashtra already enjoys several inherent advantages—it houses India's financial capital Mumbai, the technology and manufacturing hub Pune, and increasingly dynamic Tier-2 cities like Nashik, Nagpur, and Aurangabad (Chhatrapati Sambhajinagar). The state contributes over 13%

to India's GDP and has consistently attracted the highest Foreign Direct Investment among Indian states.

The policy aims to foster deep industry-academia partnerships while creating future-ready talent pipelines, positioning Maharashtra as the preferred destination for high-value innovation, advanced R&D, and digital transformation across industries. This vision recognizes that the GCC opportunity extends far beyond traditional IT/ITeS services into advanced manufacturing, pharmaceutical research, financial technology, and emerging areas like climate technology and legal technology.

The policy is fully aligned with *Viksit Bharat @2047* and aims to make Maharashtra the preferred global destination for high-value R&D and digital transformation.

### **The headline objectives are nothing short of transformational:**

1. Attract 400 new GCCs to Maharashtra over the policy's five-year tenure—representing approximately 20% of India's existing GCC base and potentially adding over 100 billion dollars in economic value
2. Create 4 lakh high-skilled jobs through industry-driven curricula and advanced skill development—addressing both employment generation and human capital upgrading simultaneously
3. Promote GCC-led research and foster multinational collaborations—positioning Maharashtra as not just an execution centre but an innovation hub
4. Develop world-class business districts with robust digital infrastructure—creating physical ecosystems conducive to knowledge work and collaboration
5. Propel Tier-2 and Tier-3 cities like Nashik, Nagpur, and Chhatrapati Sambhajinagar into the global GCC landscape—ensuring balanced regional development and decongesting metropolitan centres

What sets this policy apart is its holistic approach—combining fiscal incentives, infrastructure development, talent creation, and sustainability measures into a coherent strategic framework. Unlike traditional industrial policies that focus primarily on capital subsidies and tax breaks, this policy recognizes that GCC success requires addressing multiple interconnected factors including talent availability, quality of life, sustainability credentials, and innovation ecosystems.

### **Defining the Eligible Universe: Who Can Benefit?**

The policy defines an “eligible unit” as any industrial enterprise or business constituted as a company (including private, public, cooperative, trust, LLP, or joint undertaking) setting up a Global Capability Centre, Global In-house Centre, or Offshoring Unit that operates in Maharashtra while servicing its parent organization or global affiliates.

This definition is deliberately broad enough to encompass diverse organizational structures while maintaining focus on captive centres that serve parent organizations rather than third-party clients. It covers traditional GCCs providing IT services, engineering services, and business process services to their global parents, as well as newer models like shared services centres and centres of excellence focused on specific technologies or business functions.

#### **Critical exclusions include:**

- Business Process Outsourcing (BPO) units serving third-party clients
- Call centres serving self or third-party clients
- Pure-play sales entities engaged in marketing, distribution, or product sales in India or neighboring regions

This deliberate exclusion ensures the policy focuses on high-value, knowledge-intensive operations rather than transactional services, thereby elevating Maharashtra's positioning in the global value chain. The exclusion of BPO and call centres reflects a strategic choice to move up the value curve—while these operations provide employment, they typically involve lower skill levels, higher attrition, and limited value creation compared to GCCs focused on product development, research, analytics, and strategic functions.

The policy remains valid for five years (until FY 2029-30) or until superseded by a new policy, with provisions for mid-term modifications based on regulatory changes or effectiveness assessments. This five-year horizon provides sufficient certainty for long-term investment planning while retaining flexibility to adapt to rapidly evolving market conditions and technological disruptions.

## **4. Priority Sectors and Next-Gen Technology Focus**

Rather than adopting a sector-agnostic approach, the policy identifies ten priority sectors for specialized GCC cluster development:

- Aerospace & Defence: Leveraging Maharashtra's existing aerospace manufacturing capabilities and defense establishments
- Agro & Food Processing: Capitalizing on the state's agricultural diversity and food processing industry
- Gems & Jewellery: Building on Mumbai's position as India's gems and jewellery hub
- Logistics: Exploiting Maharashtra's strategic location and port infrastructure
- Metals & Mining: Supporting the state's significant metals and mining industry
- Pharmaceuticals & Chemicals: Strengthening Pune and Mumbai's pharmaceutical clusters
- Renewable & Green Energy: Positioning for the global energy transition
- Textiles & Apparel: Modernizing traditional textile centres through technology
- IT/ITES: Expanding the already robust technology services sector
- Automotive: Supporting India's automotive capital with advanced engineering

At the same time, it fast-tracks emerging domains through dedicated innovation ecosystems in AI, FinTech, MedTech, Legal Tech, Climate Tech, Blockchain, Cybersecurity, and Digital Gaming. Flagship projects include Innovation City and Maharashtra Global MedTech Zone (MGMTZ).

## 5. Infrastructure Development: From Promise to Delivery

- Dedicated GCC Parks via PPP model — self-sustaining, mixed-use districts
- Common Facility Centres (CFCs) — plug-and-play offices and incubation hubs
- Green Business Districts with walk-to-work design and EV infrastructure
- Minimum 10% land reservation in every new MIDC estate exclusively for GCCs with priority allotment (super-priority for women/SC/ST/PwD-promoted units)

## 6. Talent Development and Sustainability Initiatives

A comprehensive workforce strategy includes industry-academia curriculum co-creation, a GCC Talent Council, and upskilling programmes.

The Green GCC Strategy is a first-of-its-kind initiative offering formal Green GCC Status and free technical support for LEED/IGBC/GRIHA certification — a powerful ESG branding tool.

## 7. Fiscal Incentives under the GCC Policy 2025: The Game-Changers:

### GCC Classification Based on Investment and Employment

The policy establishes a tiered classification system balancing investment commitments with employment generation—recognizing that both capital deployment and job creation matter for economic development:

Category	Investment (₹ Crores)	Employees
Small	50-100	100-250
Medium	100-250	250-500
Large	250-500	500-750
Mega	500-750	750-1000
Ultra Mega	>750	>1000

This classification creates clear qualification criteria while ensuring incentives scale with project size and impact. The dual criteria—investment AND employment—prevents gaming where companies deploy capital without corresponding job creation or vice versa.

## 7.1 Capital Subsidy (20% on Plant & Machinery only)

GCC units receive 20% capital subsidy on fixed capital investment (Plant & Machinery only), with caps ranging from ₹10 crore for Small GCCs to ₹100 crore for Mega GCCs. Units must choose either Capital Subsidy or Rental Assistance

## 7.2 Rental Assistance (up to 5 years):

Zone	Subsidy Rate	Small	Medium	Large	Mega & Ultra Mega
Zone I (MMR + PMR)	10% of actual rent / ready-reckoner rate	₹1 cr	₹2 cr	₹3 cr	₹4 cr
Zone II (Rest of MH)	20%	₹1 cr	₹2 cr	₹3 cr	₹4 cr

### Strategic considerations:

- Rental assistance suits companies preferring operational flexibility over asset ownership
- The 5-year tenure aligns with typical initial lease terms
- Choosing rental assistance preserves capital for core business investments
- Companies should model total 5-year benefit against capital subsidy alternatives
- Rental assistance based on actual rent paid, subject to ready reckoner rate ceiling—preventing artificial inflation

The geographic differential—10% vs 20%—creates meaningful incentive for locating in Tier-2 cities, potentially offsetting perceived disadvantages in talent availability or quality of life. From a state planning perspective, this encourages geographic diversification and prevents over-concentration in already congested Mumbai-Pune corridor.

## 7.3 Payroll Subsidy — The Crown Jewel:

### For Indian on-roll employees earning > ₹1 lakh/month:

- Zone I: 40% of salary above ₹1 lakh (max ₹50,000/employee/month) for 3 years
- Zone II: 50% (max ₹50,000/employee/month) for 3 years
- Limited to 100 employees/unit/year; overall cap ₹5 crore/unit/year

**Diversity Incentive:** An additional 10% payroll subsidy (increasing the cap to ₹60,000 per employee monthly) for GCCs employing at least 50% diversity hiring, including women and persons with disabilities—a progressive measure addressing workplace inclusion while providing meaningful financial incentive.

## Implementation considerations:

- Only Indian on-roll employees qualify—excluding contractors and offshore employees
- Salary threshold of ₹1,00,000 monthly (₹12 lakh annually) targets skilled professionals
- 100-employee annual cap focuses benefits on significant employers
- Documentation requirements: employee contracts, payroll records, tax deduction certificates
- Reimbursement likely quarterly or annually based on actuals

This incentive directly reduces the cost of high-skilled talent—Maharashtra's single largest competitive disadvantage compared to Tier-2 cities. By subsidizing expensive talent, the state levels the playing field while encouraging quality employment creation.

## 7.4 R&D Grant:

GCCs allocating minimum 2% of Fixed Capital Investment to R&D activities receive **25% reimbursement** for R&D expenses, up to ₹50 lakh annually for 4 years (capped at ₹2 crore total per GCC throughout the policy period).

An additional **10% subsidy** (effectively 35% total reimbursement) is available for collaborations with Maharashtra-based universities— incentivizing knowledge transfer between industry and academia while strengthening local research institutions.

## Eligible R&D expenses typically include:

- Research personnel salaries
- Laboratory equipment and materials
- Prototype development costs
- Testing and validation expenses
- Patent filing and IP protection costs
- Collaborative research payments to universities

## Strategic implications:

- The 2% FCI threshold ensures meaningful R&D commitment before subsidy access
- 4-year horizon supports sustained research programs rather than one-time initiatives
- University collaboration bonus encourages academia-industry linkages
- R&D incentives attract innovation-focused GCCs doing cutting-edge work rather than routine services

For companies already investing in R&D, this represents pure cost reduction. For others, it may tip the economics toward establishing R&D functions in Maharashtra rather than keeping them at headquarters—exactly the policy's intent.

## 7.5 Internship Support:

Under the Mukhya Mantri Yuva Prashikshan Yojana (CMYKPY), GCCs receive up to ₹10,000 per month per intern, capped at 100 interns per GCC (maximum 10% of total workforce)—creating pathways for youth employment while building talent pipelines.

This support serves multiple objectives:

- Reduces GCC costs for intern programs
- Provides financial support to students/recent graduates
- Creates trial periods for potential permanent hiring
- Exposes students to corporate work environments
- Builds relationships between GCCs and educational institutions

The 10% workforce cap ensures internships remain developmental rather than becoming a way to access subsidized labor for regular work.

## 7.6 Carry-forward Incentives from Maharashtra IT & ITeS Policy 2023:

Critically, GCC units also qualify for incentives under Maharashtra's IT & ITeS Policy 2023, including:

- Stamp duty exemption on property transactions—significant savings on land/building purchases
- Additional Floor Space Index (FSI)—permitting higher density development and better space utilization
- Open access for power—flexibility to source electricity from most competitive suppliers
- Property tax provisions—potential exemptions or reductions on local property taxes
- Right of way benefits—facilitating infrastructure connections
- Critical infrastructure fund access—support for last-mile connectivity

This policy convergence creates a comprehensive incentive package far exceeding any single policy's benefits. Sophisticated financial modeling should account for all applicable incentives across policies to determine true after-incentive costs.

## 8. Non-Fiscal Incentives: Operational Advantages That Matter:

Beyond financial incentives, the policy provides crucial operational advantages addressing practical challenges in GCC operations:

### a. Industry Status and 24x7x365 Operations

GCCs receive industry status and permission for round-the-clock operations including three shifts daily and employment of women in night shifts (subject to safety and security measures). This addresses a critical need—GCCs serving global time zones require operational flexibility impossible under standard labor regulations.

The specific authorization for women's night shift employment recognizes that knowledge work differs from traditional manufacturing, while safety provisions address legitimate concerns. This flexibility matters enormously for GCCs managing follow-the-sun models or supporting US/European time zones.

### **b. Reserved MIDC Land**

In new MIDC industrial estates, minimum 10% of area will be designated for GCC Parks/Units—ensuring land availability in planned industrial zones rather than forcing GCCs into commercial real estate markets with limited suitable inventory.

### **c. Priority Land Allotment**

GCCs receive priority allotment irrespective of investment size, with additional priority for Women, SC/ST, and Disabled-promoted units. This fast-tracks site selection—often a months-long bottleneck in project timelines.

### **d. Single Window Clearance through MAITRI**

A dedicated GCC Facilitation Cell (GFC) within Maharashtra Industry Trade & Investment Facilitation Cell (MAITRI) provides handholding support, helping navigate:

- Environmental clearances
- Construction permits
- Utility connections
- Labor law compliances
- Industry registrations

Single-window mechanisms dramatically reduce setup timelines by providing a single point of contact rather than forcing companies to navigate multiple departments independently.

### **e. Digital Data Repository**

A live database on the MAITRI portal provides comprehensive information on:

- Existing GCC units and their characteristics
- Upcoming infrastructure developments
- Reserved spaces in GCC Parks
- Available commercial spaces across Maharashtra
- Talent pool assessments by location
- Utility infrastructure status

This transparency facilitates informed location decisions and reduces information asymmetries that disadvantage new entrants unfamiliar with local conditions

## f. Assured Utilities

- Power: Exemption from load shedding with continuous 24x7x365 supply—critical for data centers and operations requiring high reliability
- Water: In MIDC areas, 24x7 uninterrupted water supply—addressing a frequent pain point in Indian cities

These utility assurances provide operational certainty difficult to obtain through private arrangements.

## g. Flexible Employment Conditions

Beyond 24x7 operations, the policy relaxes various labor regulations (within legal frameworks) to provide operational flexibility essential for GCC models. This includes flexibility in shift patterns, work-from-home arrangements, and contractor engagement—recognizing that knowledge work differs fundamentally from traditional manufacturing labor patterns.

## 9. Institutional Mechanism: Ensuring Smooth Execution

- Maharashtra GCC Growth Council — CEO-level body for global marketing and talent development
- Policy Monitoring Unit (PMU) — Dedicated annual budget of up to ₹10 crore for promotion and monitoring

## 10. Comparative Analysis: Maharashtra vs Other States (Nov 2025)

Parameter	Maharashtra	Karnataka	Tamil Nadu	Telangana	Gujarat
<b>Payroll subsidy (Tier-1)</b>	40% × 3 yrs	25–30%	25%	30%	25%
<b>Payroll subsidy (Tier-2/3)</b>	50% × 3 yrs	30–40%	30–40%	40%	30–40%
<b>Diversity top-up</b>	10%	None	None	None	None
<b>Max capital subsidy (Mega)</b>	₹100 cr	₹30–50 cr	₹50 cr	₹50 cr	₹75 cr
<b>Dedicated GCC parks</b>	Yes	Partial	Planned	Partial	No

Maharashtra leads on depth, duration, and differentiation.

## **11. The Way Forward: Strategic Recommendations for MNCs**

1. Act within 12–18 months — Payroll subsidy caps will be exhausted quickly
2. Seriously evaluate Tier-2/3 cities — 50% payroll + 20% rental subsidy + lower real estate = 35–40% cost advantage
3. Make diversity hiring profitable — 50% women/PwD is now a revenue centre
4. Model total savings realistically — A ₹600 cr, 800-employee GCC in Nagpur can save ₹160–200 crore over 5–7 years
5. Engage immediately with the GCC Facilitation Cell for priority land and approvals

## **12. Conclusion: The Opportunity of a Decade:**

The Maharashtra Global Capability Centre Policy 2025 represents a comprehensive, well-architected framework that addresses the multifaceted requirements of establishing and scaling GCC operations. Its combination of generous fiscal incentives, world-class infrastructure development, talent creation mechanisms, sustainability focus, and operational flexibilities creates a compelling value proposition for multinational corporations and domestic enterprises alike.

The devil, as always, will be in implementation details—disbursement procedures, documentation requirements, approval timelines, and bureaucratic responsiveness. Past experience with state incentive policies suggests that while frameworks may be excellent on paper, realization often depends on administrative efficiency and political commitment. Companies should engage early with the MAITRI single-window system and GCC Facilitation Cell to understand practical procedures.

For corporations considering GCC expansion in India, Maharashtra has clearly positioned itself as the destination of choice—offering not just incentives, but a holistic ecosystem designed for long-term success in the knowledge economy. The policy signals Maharashtra's determination to maintain and extend its leadership in India's economic landscape as the country transitions from a developing to a developed nation.

The race to capture India's GCC opportunity has intensified, and Maharashtra has placed its most compelling bet yet. The next five years will determine whether this ambitious vision translates into reality—transforming Maharashtra's economy while providing global corporations with strategic capabilities that drive their worldwide operations.

**Thank you.**  
**Abhishek Malpani**

# WHAT'S NEW?

## GST



### Notification:

- CBIC notified following goods, on which retail sale price is declared, under section 15(5) of CGST Act 2017 and shall be effective from 01.02.2026
  1. Supply Pan masala,
  2. Unmanufactured tobacco; tobacco refuse [other than tobacco leaves],
  3. Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
  4. Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences (other than biris)
  5. Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion
  6. Products containing tobacco or nicotine substitutes and intended for inhalation without combustion

**[Notification 19/2025 - Central Tax dated 31.12.2025]**

- New Rule 31D has been inserted to determine the Value of supply of goods on basis of retail sale price. For such specified goods (specified in Notification No 19/2025 CT dated 31.12.2025) valuation shall be deemed to be the retail sale price declared on such goods, less the amount of tax as applicable

**[Notification 20/2025 - Central Tax dated 31.12.2025]**

- GST Rates of tobacco products (specified in Notification No 19/2025 CT dated 31.12.2025) has been prescribed.

**[Notification 19/2025 - Central Tax Rate dated 31.12.2025 / IGST Rate dated 31.12.2025 and Union Territory Tax dated 31.12.2025 and**

**Notification No 03/2025 – Compensation Cess Rate dated 31.12.2025]**

## **Advisory:**

- Additional FAQ dated 04.12.2025 has been issued by Team GSTN clarifying following points for reporting in GSTR-9 of FY 2024-25:
  - a. ITC claimed for FY 23-24 in FY 24-25 needs to be reported in table 6A1 of GSTR-9.
  - b. ITC reversal of FY 23-24, reported in GSTR 3B for FY 24-25, need not to report in the Table 7 of GSTR-9 of FY 224-25
  - c. Table 6B to table 6H and Table 7A to table 7H will contain the details of ITC for the current year only (2024-25)
  - d. There will be difference in NET ITC that will appear in GSTR-9 (Table 7J) v/s actual NET availed in GSTR-3B of FY 24-25 due to the reason that ITC of 23-24 was reported and availed in GSTR-3B of FY 24-25

### **[Advisory dated 04.12.2025]**

- From November-2025 tax period onwards, value of supplies auto-populated in Table 3.2 of GSTR-3B from the returns, shall be made non-editable. The GSTR-3B shall be filed with the system generated auto-populated values only in table 3.2. (Table 3.2 of GSTR-3B captures the inter-state supplies made to unregistered persons, composition taxpayers, and UIN holders out of the total supplies declared in Table 3.1 & 3.1.1 of GSTR-3B)

### **[Advisory dated 05.12.2025]**

- Now portal will Automatically suspend GST Registration if Bank Account Details are not furnished as per Rule 10A.

### **[Advisory dated 05.12.2025]**

- GSTN has published a series of Frequently Asked Questions (FAQs) dated 16.10.2025 and 04.12.2025 to assist taxpayers in the filing of GSTR-9 and GSTR-9C. For ease of reference and better understanding, taxpayers may access the Consolidated FAQs compiled by GSTN, which cover key aspects, clarifications, and common issues related to the preparation and filing of GSTR-9 and GSTR-9C.

### **[Advisory dated 17.12.2025]**

# CUSTOMS

## Tariff:

- Tables I and II of Notification No. 62/2022–Customs dated 26.12.2022, which grant exemption from specified Customs Duty on specified goods, have been substituted to give effect to the fifth tranche of tariff concessions under the India–Australia ECTA.

**[Notification No. 50/2025–Customs dated 30.12.2025]**

- Tables I and II of Notification No. 41/2025–Customs dated 30.09.2025, which grant exemption from specified Customs Duty on specified goods, have been substituted to give effect to the second tranche of tariff concessions under India-EFTA (Switzerland).

**[Notification No. 51/2025–Customs dated 30.12.2025]**

- Tables of Notification No. 42/2025–Customs dated 30.09.2025, which grant exemption from specified Customs Duty on specified goods, have been substituted to give effect to the second tranche of tariff concessions under India-EFTA (Norway).

**[Notification No. 52/2025–Customs dated 30.12.2025]**

- Tables of Notification No. 43/2025–Customs dated 30.09.2025, which grant exemption from specified Customs Duty on specified goods, have been substituted to give effect to the second tranche of tariff concessions under India-EFTA (Iceland).

**[Notification No. 53/2025–Customs dated 30.12.2025]**

## Non Tariff:

- CBIC has issued a notification for fixation of Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver.

**[Notification No. 75/2025–Customs (NT) dated 28.11.2025]**

- CBIC has issued a notification for fixation of Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver.

**[Notification No. 76/2025–Customs (NT) dated 11.12.2025]**

- CBIC has issued a notification for fixation of Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver.

**[Notification No. 77/2025–Customs (NT) dated 15.12.2025]**

- The Sea Cargo Manifest and Transshipment (Fifth Amendment) Regulations, 2025 has been amended to make date change in form XII.  
**[Notification No. 79/2025-Customs (NT) dated 31.12.2025]**
- CBIC has issued a notification for fixation of Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver.  
**[Notification No. 80/2025-Customs (NT) dated 31.12.2025]**

## **Anti Dumping Duty (ADD):**

- Anti-dumping duty on ‘Faced Glass Wool in Rolls’ originating in or exported from People’s Republic of China, is extended up to 17.06.2026  
**[Notification No. 34/2025-Customs (ADD) dated 15.12.2025]**
- Anti-dumping duty imposed on Cold Rolled Non Oriented Electrical Steel (falling under HSN 7210, 7225 or 7226) originating in or exported from China for a period of 5 years.  
**[Notification No. 35/2025-Customs (ADD) dated 18.12.2025]**
- Anti-dumping duty imposed on imports of “1,1,1,2- Tetrafluoroethane or R-134a ” (falling under HSN 2903 4500) originating in or exported from China for a period of 5 years.  
**[Notification No. 36/2025-Customs (ADD) dated 24.12.2025]**
- Anti-dumping duty imposed on imports of “Calcium Carbonate Filler Masterbatch ” (falling under HSN 3824 9900) originating in or exported from Vietnam for a period of 5 years.  
**[Notification No. 37/2025-Customs (ADD) dated 24.12.2025]**
- Anti-dumping duty on imports of “2-Ethyl Hexanol” falling under tariff item 2905 16 20, originating in or exported from European Union, Indonesia, Korea RP, Malaysia, Taiwan and United States of America, is extended till 26.06.2026.  
**[Notification No. 38/2025-Customs (ADD) dated 25.12.2025]**
- Anti-dumping duty on imports of “Polyethylene Terephthalate resin having an intrinsic viscosity of 0.72 decilitres per gram or higher” falling under tariff items 3907 61 90 and 3907 69 90, originating in or exported from China PR, is extended till 26.06.2026.  
**[Notification No. 39/2025-Customs (ADD) dated 26.12.2025]**

- Anti-dumping duty on Hot-rolled flat products of alloy or non alloy steel originating in or exported from Vietnam imposed vide Notification No 32/2025-Customs (ADD) dated 12.11.2025 has been amended to give effect of Safeguard duty has been imposed on the subject goods vide Notification No. 02/2025-Customs (SG) dated 30.12.2025. Therefore, anti-dumping duty equal to the anti-dumping duty mentioned in column no. (7) of the Table above, minus the safeguard duty payable, if any, shall be imposed.

**[Notification No. 40/2025-Customs (ADD) dated 30.12.2025]**

- Provisional anti dumping duty has been imposed on imports of “Low Ash Metallurgical Coke” (falling under HSN 2704 00 10, 2704 00 20, 2704 00 30 and 2704 00 90) originating in or exported from Australia, China PR, Colombia, Indonesia, Japan and Russia for a period of 6 months.

**[Notification No. 41/2025-Customs (ADD) dated 31.12.2025]**

### **Countervailing Duty (CVD) :**

- Levy of countervailing duty on ‘Textured Tempered Glass’ originating in or exported from Malaysia, is extended up to 08.06.2026

**[Notification No. 07/2025-Customs (CVD) dated 07.12.2025]**

### **Safeguard Duty (SG) :**

- Safeguard duty has been imposed on “Non-alloy and alloy steel flat products” ( falling under tariff headings 7208, 7209, 7210, 7211, 7212, 7225 or 7226) on such goods imported in India.

**[Notification No. 02/2025-Customs (SG) dated 30.12.2025]**

## Notification:

- Import under Diamond Imprest Authorisation (DIA) shall also be exempted from payment of the Integrated Tax and Compensation Cess  
**[Notification No. 49/ 2025-26 dated 09.12.2025]**
- Import of diluted Potassium Clavulanate, Potassium Clavulanate (KGA), and specified intermediates is subject to Policy Condition No. 7 of Chapter 29 of the ITC (HS), 2022, Schedule-I (Import Policy) with immediate effect, till 30.11.2026  
**[Notification No. 50/ 2025-26 dated 18.12.2025]**
- Export of organic sugar under HS codes 17011490 is allowed subject to an overall ceiling limit of 50,000 MT per financial year as per the procedure prescribed in terms of FTP, 2023 from time to time and as per the modalities prescribed by APEDA separately  
**[Notification No. 51/ 2025-26 dated 29.12.2025]**
- Minimum Export Price (MEP) on Natural Honey (exported under HSN 04090000) shall remain at USD 1400 FOB per MT till 31.03.2026, with immediate effect.  
**[Notification No. 52/ 2025-26 dated 31.12.2025]**
- Import of Low Ash Metallurgical Coke (having ash content below 18%), including coke fines/coke breeze and ultra-low phosphorous metallurgical coke, falling under ITC (HS) Codes 27040020, 27040030, 27040040 and 27040090, is “Restricted” from 01.01.2026 till 30.06.2026 and shall be permitted only in accordance with Policy Condition No. 08 of Chapter 27, while imports of metallurgical coke with ash content above 18% and other imports under the said ITC (HS) codes shall continue to remain “Free”.  
**[Notification No. 53/ 2025-26 dated 31.12.2025]**

## Public Notice:

- Import and export of gems and jewellery parcels for personal carriage are now also permitted through Ahmedabad Airport.  
**[Public Notice No. 33/ 2025-26 dated 01.12.2025]**

- Paragraph 6.34 of Chapter 6 of the Handbook of Procedure (HBP) 2023 under the Foreign Trade Policy has been amended to provide greater clarity and to streamline the administrative processes relating to extension of LOP/L01 for EOU/BTP/EHTP/STPs. Under the revised framework, once a unit commences production, the validity of its LOP/LOI may be extended for up to five years at a time as per Para 6.01(c) of the HBP. Additionally, the initial two-year validity period may be extended by one more year for justified reasons, except where specific restrictions apply, such as for oil refinery projects.

**[Public Notice No. 34/ 2025-26 dated 01.12.2025]**

- Amendments have been made under Chapter 7 of Handbook of Procedure 2023 and ANF 7A under the Foreign Trade Policy (FTP) 2023. The changes clarify the procedures and jurisdiction for claiming deemed export benefits. Suppliers and recipients of goods are now required to submit online applications in ANF 7A to the jurisdictional Regional Authority (RA) or Development Commissioner of SEZ/EOU, as applicable along with the prescribed documents to be uploaded while making application. ANF 7A also has been revised.

**[Public Notice No. 35/ 2025-26 dated 10.12.2025]**

- This Public Notice revises the format of Appendix-2G and consolidates all approvals and updates relating to the enlistment and operation of Pre-Shipment Inspection Agencies (PSIAs) under Appendix-2G of FTP, 2023. It incorporates the approvals granted in the 27th Inter-Ministerial Committee (IMC) Meeting held on 25.06.2025, including 2 new enlistments, 11 approvals for addition of instruments, and 1 change in head office address. The directions of the Hon'ble Courts in the related writ and contempt proceedings have also been duly complied with

**[Public Notice No. 36/ 2025-26 dated 10.12.2025]**

- The Unit of Measurement (UOM) for the import items under SION A-290 stands amended with immediate effect.

**[Public Notice No. 37/ 2025-26 dated 11.12.2025]**

- Standard Input Output Norms (SIONs) for Chemical & Allied Products and General Note for All Export Product Groups stands amended with immediate effect.

**[Public Notice No. 38/ 2025-26 dated 17.12.2025]**

- DGFT has notified the procedure for the first round of Allocation of Tariff Rate Quota (TRQ) for imports of Gold under tariff head 7108 under India-UAE CEPA for FY 2025-26.

**[Public Notice No. 39/ 2025-26 dated 17.12.2025]**

- The name of SBER Bank has been included in the list of banks authorized to import only gold applicable w.e.f. 25.06.2025 till 31.03.2026 under Part B of Appendix 48 of Handbook of Procedures,2023.

**[Public Notice No. 40/ 2025-26 dated 19.12.2025]**

- The formats of various letters / permissions to EOU are specified in Appendices 6N vide NEW para 6.41 in HBoP 2023. This new provisions have been introduced to standardize formats of various letters/permissions issued by Development Commissioner for Export Oriented Units (EOUs) and to ensure the smooth and effective administration of the scheme.

**[Public Notice No. 41/ 2025-26 dated 31.12.2025]**

### **Policy Circular:**

- DGFT has defined the procedure for implementation of Import Management System for import of restricted IT Hardware (viz. Laptops, Tablets, All-in-one Personal Computers, Ultra small form factor computers and Servers under HSN 8471) for the calendar year 2026.

**[Policy Circular No. 08/ 2025-26 dated 17.12.2025]**

### **Trade Notice:**

- The Market Access Support (MAS) Intervention under the EXPORT PROMOTION MISSION (EPM) - NIRYAT DISHA is launched with immediate effect, with a view to strengthening India's export market access through structured support for activities such as Buyer-Seller Meets (BSMS), Reverse Buyer-Seller Meets (RBSMS), trade fairs, exhibitions, and related market access initiatives. The detailed Guidelines for implementation of MAS is issued by DGFT.

**[Policy Circular No. 19/ 2025-26 dated 31.12.2025]**

# COMPANIES ACT

- Revised Definition of Small Company Under Companies Act, 2013 has been notified. As per the updated Rule 2(1)(t), a company shall be considered a small company if:
  - Paid-up share capital does not exceed Rs. 10 crores, and
  - Turnover does not exceed Rs. 100 crores

**[Notification No G.S.R. 880 ( E) dated 01.12.2025]**

# INCOME TAX

- "Shree Balakrishna Lalji & other deities temple" located in Bhuleshwar, Mumbai, and managed by Mota Mandir Trust, as a place of historic importance and public worship renowned across Maharashtra and Gujarat under Section 80G(2)(b) of the Income-tax Act, 1961.

This Notification is valid only for the renovation or repair to the extent of Rs. 50,00,00,000/- and will cease to be effective after the said amount has been collected or on 31.03.2030, whichever is earlier.

**[Notification No.166/2025 dated 02.12.2025]**

- Tax exemption under Section 10(46A) of the Income-tax Act has been granted to the Jalandhar Development Authority.

The exemption is available from Assessment Year 2024-25 onwards, subject to the condition that the authority continues to operate under the Punjab Regional and Town Planning and Development Act, 1995, and fulfils one or more of the specified purposes under Section 10(46A)(a).

**[Notification No.167/2025 dated 04.12.2025]**

- Ajmer Development Authority has been notified as an eligible authority under Section 10(46A)(b) of the Income-tax Act, granting it specified income-tax exemption benefits. The notification is effective retrospectively from Assessment Year 2024-25, provided the authority continues to function under the Ajmer Development Authority Act, 2013 and pursues one or more purposes listed under Section 10(46A)(a).

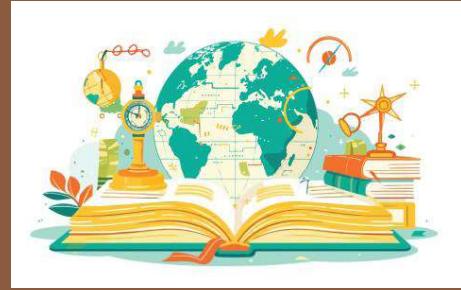
**[Notification No.168/2025 dated 04.12.2025]**

- Tax exemption under Section 10(46A) of the Income-tax Act has been granted to the Tamil Nadu Pollution Control Board (TNPCB). This notification shall be effective from the assessment year 2024-25, subject to the conditions specified in the notification.

**[Notification No.169/2025 dated 04.12.2025]**

- Tax exemption under Section 10(46) of the Income-tax Act has been granted to the statutory industrial development authority in respect of specified categories of income. The exempt income includes grants from the State Government, receipts from disposal and renting of land and buildings, interest and dividend income, and fees, tolls, and charges collected under the governing State industrial development law.  
**[Notification No.171/2025 dated 15.12.2025]**
- Tax exemption under Section 10(46A) of the Income-tax Act has been granted to an urban planning authority constituted under a State town planning law. The exemption is available from Assessment Year 2024-25 onwards, subject to the condition that the authority continues to function under the relevant State legislation and pursues one or more specified statutory purposes under section 10(46A)(a).  
**[Notification No.172/2025 dated 15.12.2025]**
- The Christian Medical College Vellore Association, Tamil Nadu, has been approved as an eligible institution for “Scientific Research” under section 35(1)(ii) of the Income-tax Act, 1961, read with Rules 5C and 5E of the Income-tax Rules, 1962. The approval is granted under the category of “University, college or other institution” and is effective from the date of publication in the Official Gazette. Consequently, the notification applies for Assessment Years 2026–2027 to 2030–2031  
**[Notification No.173/2025 dated 29.12.2025]**
- Indian Institute of Science Education and Research, (PAN: AAAAI1546E), Pune has been approved for ‘Scientific Research’ under the category of ‘University, college or other institution’ for the purposes of scientific research under Section 35(1)(ii) of the Income-tax Act, 1961, read with Rules 5C and 5E of the Income-tax Rules, 1962. The approval is granted under the category of “University, college or other institution,” enabling eligible donors to claim tax deductions for contributions made towards scientific research. The notification is applicable for Assessment Years 2026–2027 to 2030–2031  
**[Notification No.174/2025 dated 29.12.2025]**

# Beyond The Obvious



## GST

- Registered supplier's consignment with proper invoice, e-way bill, and goods receipt was intercepted merely due to a PIN code error in the 'ship to' address. All other details matched and the documents were valid. Since CBIC Circular No. 64/38/2018-GST, dated 14-09-2018, clarifies that no action is warranted under section 129 for such errors, the detention order was unsustainable.  
**{[2025] 181 taxmann.com 836 (Allahabad)}**
- Registered traders and manufacturers faced search, seizure, and summons regarding purchase and supply of goods. Issuance of summons for information gathering did not amount to commencement of proceedings, and therefore the writ petitions challenging these actions were premature.  
**{[2025] 181 taxmann.com 696 (Delhi)}**
- Proprietor died prior to initiation of demand proceedings, and the determination order and notice were issued in the name of the deceased without issuing notice to the legal representative. Such determination against a dead person was unsustainable, as the liability provisions require notice to the legal representative.  
**{ [2025] 181 taxmann.com 823 (Allahabad) }.**
- In reply to the show cause notice issued for cancellation of registration, the petitioner had provided all details, including rent agreements and returns for the last three months. However, the registration was cancelled without considering the same, and therefore the order was liable to be quashed.  
**{ [2025] 181 taxmann.com 439 (Delhi) }**
- Pre-show cause notice consultation is not mandatory for issuance of a show cause notice after the amendment introduced by  
Notification No. 79/2022-Central Tax, dated 15.10.2022.  
**{[2025] 181 taxmann.com 440 (Delhi)}**

- SCN was issued alleging violation of rule 96(10), which was subsequently omitted without making any provision for saving pending proceedings. Accordingly, the matter was to be remanded to the adjudicating authority to decide the petitioner's refund application afresh.

**{[2025] 181 taxmann.com 723 (Bombay)}**

- In the adjudication order, the demand was created far in excess of the demand proposed in the show cause notice. Further, no opportunity of hearing was provided to the assessee and the adverse material was not confronted to him. Accordingly, the impugned adjudication order was liable to be set aside.

**{[2025] 181 taxmann.com 748 (Allahabad)}**

- For the assessment year 2019–20, the respondent confirmed demand for excess claim of input tax credit along with penalty and interest. However, for the same period, the demand was subsequently dropped by the State Tax Officer by another assessment order. Since there was an overlap in demands, the matter was required to be readjudicated.

**{[2025] 181 taxmann.com 725 (Madras)}**

- Retrospective cancellation of registration was not sustainable when show cause notice did not mention about proposed retrospective cancellation and order of cancellation was silent on reasons for retrospective cancellation.

**{[2025] 181 taxmann.com 732 (Delhi)}**

- The assessee had participated in the reassessment proceedings and the objections to reopening were disposed of by the Assessing Officer by a speaking order. A writ petition challenging the notice under section 148, without assailing the order rejecting the objections, was therefore not maintainable

**{[2025] 181 taxmann.com 176 (Madras)}**

- In reply to the show cause notice issued for cancellation of registration, the petitioner had provided all details, including rent agreements and returns for the last three months. However, the registration was cancelled without considering the same, and therefore the order was liable to be quashed.

**{[2025] 181 taxmann.com 439 (Delhi)}**

- For the assessment year 2019–20, the respondent confirmed demand for excess claim of input tax credit along with penalty and interest. However, for the same period, the demand was subsequently dropped by the State Tax Officer by a later assessment order. Since there was an overlap in demands, the matter was required to be re-adjudicated.

**{[2025] 181 taxmann.com 725 (Madras)}**

- Petitioner's registration was cancelled for non-filing of returns due to adversity. Since the petitioner agreed to file all pending returns and pay the costs, restoration of registration was to be permitted, subject to compliance with the pending statutory requirements.

**{[2025] 181 taxmann.com 602 (Madhya Pradesh)}**

- Place of supply of goods is to be determined by considering place where movement of goods terminates for delivery to recipient and not at place where movement of goods originates; show cause notice demanding CGST and SGST in addition to IGST already paid was to be quashed

**{[2025] 181 taxmann.com 691 (Karnataka)}**

- The petitioner was accused of creating bogus firms and facilitating fake e-way bills. In view of the fact that the allegations primarily rested on digital evidence already in the custody of the department, and the petitioner did not pose any risk of absconding or tampering with evidence, anticipatory bail was to be granted to the petitioner.

**{[2025] 181 taxmann.com 608 (Chhattisgarh)}**

- The Appellate Authority directed the refund of an amount along with interest to the petitioner. In the absence of any stay, the competent authority could not refuse to comply with the direction merely on the ground that an appeal against the Appellate Authority's order was contemplated.

**{[2025] 181 taxmann.com 724 (Bombay)}**

- GST law requires period-specific assessment, returns, ITC utilisation, limitation and determinations per financial year, such composite notice covering unrelated years was held illegal, without jurisdiction, and unsustainable, irrespective of departmental circulars or subsequent statutory clarifications.

**{[2025] 181 taxmann.com 541 (Karnataka)}**

# CUSTOMS

- In Customs Appeal No. 51455 of 2022, the Tribunal heard an appeal by M/s ABC Overseas against the Customs duty and penalty demand confirmed by the Principal Commissioner of Customs, ICD Tughlakabad, New Delhi. The matter was adjudicated on 19 December 2025.

**{Exact order details available in official CESTAT record} { Final Order No.51914/2025}**

- The Tribunal disposed of a batch of consolidated Customs appeals arising from orders of the Kolkata Airport and Port authorities, holding that the impugned orders suffered from procedural and adjudicatory lapses, including lack of proper reasoning and non-compliance with principles of natural justice. Emphasizing that adjudication under the Customs Act is a quasi-judicial function, the Tribunal set aside or remanded the matters for fresh consideration in accordance with law after granting due opportunity of hearing.

**{ (Customs Appeal Nos. 76501, 76502, 76512, 76513 & 76514 of 2025)}**

- In a significant ruling, CESTAT held that a customs broker cannot be penalised or have its licence revoked solely due to an exporter's mis declaration the broker must be shown to have breached its own licensing obligations to justify such action. The Tribunal set aside the revocation and related penalties give citation **{ Final Order dated 12.12.2025, CESTAT, Principal Bench, New Delhi}**

# CENTRAL EXCISE

- The Supreme Court quashed the CESTAT's order and upheld the original excise demand, holding that the entire series of integrated manufacturing processes must be treated as one continuous process. Therefore, an exemption for processing "without the aid of power" was not available merely because individual stages occurred in separate legally distinct units. The Court emphasized that if any integral stage uses power, the whole process is treated as involving power, disqualifying the exemption

**{ Civil Appeal Nos. 3405 3407 of 2012 (2025 INSC 1374)}**

- The High Court remanded the excise appeal back to CESTAT to consider the impact of the NCLT approved resolution plan passed after the CESTAT order, allowing the appellant the opportunity to place additional facts before the Tribunal and address the effect of corporate insolvency proceedings on past excise liabilities

**{ 2025 34 Centax 3 (Bom.) | Dec 4 2025}**

# SERVICE TAX

- The Delhi High Court held that pre-deposit for appeals before CESTAT is not a separate category but part of the tax/penalty demand, and allowed utilisation of transitional CENVAT credit for pre-deposit under the legacy Service Tax regime **{2025 LiveLaw (Del) 1793}**
- Tribunal held that service tax demands based solely on Form 26AS entries cannot be sustained without proper verification and opportunity of rebuttal. Accordingly, the matter was remanded for fresh adjudication with strict timelines, directing the adjudicating authority to examine the assessee's explanations and supporting documents, thereby reinforcing procedural fairness and principles of natural justice.  
**{2025 TAXSCAN (CESTAT) 1380}**
- Tribunal held that service tax is not leviable on construction of railway sidings for public sector undertakings or corporations, as such activities did not fall within the scope of taxable "works contract services" under the prevailing Service Tax law. The decision distinguished these projects from commercial works contracts, clarifying that construction for government or PSU purposes is outside the ambit of taxable services  
**{ 2025 SCC OnLine CESTAT 3991}**

# INCOME TAX

- Assessee had participated in the reassessment proceedings and the objections to reopening were disposed of by the Assessing Officer by a speaking order however, since the writ petition challenged the notice issued under section 148 without assailing the order rejecting the objections, the writ petition was not maintainable  
**{ [2025] 181 taxmann.com 176 (Madras)}**
- For assessment year 2015–16, the notice under section 148 was required to be issued on or before 31.03.2019 however, since the Assessing Officer issued the notice after 01.04.2021, the same was invalid and, consequently, the assessment order based thereon was liable to be quashed.  
**{ [2025] 181 taxmann.com 411 (Rajkot - Trib.)}**

- Assessee claimed a certain amount as consultancy charges, which the Assessing Officer disallowed on the ground that no details were filed. Since the assessee produced certain invoices before the Commissioner (Appeals), but the invoices did not mention any GST number and no TDS had been deducted on the consultancy charges, the matter was required to be remanded back to the Assessing Officer for de novo adjudication.

**{ [2025] 181 taxmann.com 383 (Pune - Trib.)}**

- Assessee, a salaried employee, opted for a VRS and initially declared the entire amount received from the company, which matched the Form 24Q filed by the employer. Subsequently, the assessee revised the return under the bona fide belief that VRS benefits were exempt from tax. Since there was no intention to under-report or misreport income and there was no loss to the revenue, the penalty levied under section 270A was liable to be deleted.

**{ [2025] 181 taxmann.com 228 (Delhi - Trib.)}**

## COMPANY LAW & SEBI LAWS

- Striking off was held to be justified as the company had no active business operations and was only earning rental income from its sole asset. Mere ownership of an asset and receipt of rent did not amount to carrying on business. Hence, the NCLT upheld the striking off of the company's name.

**{[2025] 181 taxmann.com 309 (NCLT - CUTTACK)}**

- The Bombay High Court held that Kotak Securities could not retain profits arising from an erroneous margin credit caused by a system glitch and failure of internal risk protocols. The Court observed that gains made due to such technical and control failures were unjust enrichment and directed restitution to the affected party.

**{ [2025] 181 taxmann.com 320 (Bombay)}**

# BIZSOL CORNER



**Training session on “Creative Thinking” by  
Trainer Ms. Shikha Rathi on 6-Dec-2025**



# BIZSOL CORNER



**Training session on “MS Excel”  
by Mrs. Shailaja Sarwade on 6-Dec-2025**



**Event:- Blood Donation Camp is being organized on 12-Dec-2025  
at Bizzsol office in collaboration with MVPM**



# BIZSOL CORNER



**As a part of Onboarding Initiatives, we have organized  
“Coffee with Founder and Director”**



**Event:- December Birthday Celebration**



# BIZSOL CORNER



**Event:- Saturday Game Name -  
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AND GUESS THE WORD FROM ONE LETTER**





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Adjudication matters up to CESTAT & VAT Audit.

MPAS & Associates  
(Formerly Behede Joshi & Associates),  
Chartered Accountant

Practicing Chartered Accountants, Statutory  
& Tax Audit VAT Audit & Transfer Pricing

R. Venkitachalam,  
Company Secretary

Practicing Company Secretary.

Nawal Barde Devdhe & Associates,  
Cost Accountants

Practicing Cost Accountants & Cost Audit

**Bizsolindia Services Pvt. Ltd.**

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