Update
April 2026

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THE CORPORATE LAWS AMENDMENT BILL, 2026

A NEW PLAYBOOK IN THE MAKING

In This Update

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#Digital Updates

We Believe In

"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 - APRIL 2026

Date	Law	Particular
06-04-2026	Excise	Excise E-Payment for March 2026
07-04-2026	Income Tax	Due date for deposit of TDS/TCS for the month of March 2026
07-04-2026	Wages Act	Payment of Salary / Wages (if employees < 1000)
10-04-2026	GST	GSTR-8 (E-Commerce Operator) for March 2026
10-04-2026	GST	GSTR-7 (GST TDS) for March 2026
10-04-2026	Wages Act	Payment of Salary / Wages (if employees > 1000)
10-04-2026	Excise	ER-1 / ER-2 Returns (for products not covered under GST)
11-04-2026	GST	Filing of GSTR-1 (Monthly filers) for March 2026
13-04-2026	GST	Invoice Furnishing Facility (IFF) for QRMP taxpayers (March 2026)
13-04-2026	GST	GSTR-5 (Non-Resident) & GSTR-6 (ISD) for March 2026
14-04-2026	Income Tax	Issue TDS Certificate for Sec 194-IA, 194-IB, 194M, 194S (for February 2026)
15-04-2026	Labour Law	PF Contribution (ECR) for March 2026
15-04-2026	Labour Law	ESIC Payment for March 2026
18-04-2026	GST	Filing of CMP-08 for Jan to March 2026
20-04-2026	GST	Filing of GSTR-3B for March 2026 (Monthly filers)
20-04-2026	GST	GSTR-5A (OIDAR) for March 2026
25-04-2026	GST	GST Challan (PMT-06) for QRMP taxpayers for March 2026
30-04-2026	GST	GSTR-11 (UIN Holders) for March 2026
30-04-2026	GST	Annual Return GSTR-4 for Composition Taxpayers
30-04-2026	Income Tax	Furnishing of Form 24G (Govt. office) for March 2026
30-04-2026	Income Tax	Challan-cum-statement for Sec 194-IA, 194-IB, 194M, 194S (for March 2026)

From The Desk Of The Chairman

CS Venkat R Venkitachalam
Chairman, Bizsolindia Services Pvt Ltd

It is generally believed and rightly so, that the shareholders of a joint stock company are the ultimate authority on all matters pertaining to the company in which they are members. It turns out that it is not so, for one particular reason as per the Supreme Court of India. In a recent landmark judgment, the Supreme Court in the case of Terrascope Ventures Ltd., illegally diverted the company funds without the authorisation of the company's shareholders. SEBI investigated this transgression and slapped the company with a penalty of Rupees one Crore besides a fine of ₹25 Lakhs on its Managing Director and other Directors in addition to a fine of ₹25 lakh each. It was a pretty standard enforcement action from the regulator. So, it looked. But it was not so, as the subsequent developments proved. The company tried a clever manoeuvre, seemingly routine. It held a shareholder's meeting and got a resolution passed to "ratify" the illegal fund diversion, after the fact. They then argued to the SAT that since the shareholders - the owners of the company - had approved the action, the regulatory breach was cured. Surprisingly, the SAT also agreed with this stand. Here is when the case became curiouser. SEBI took the case to the Supreme Court. The latter held that violations of SEBI regulations - particularly diversion of preferential proceeds cannot be cured or legitimised post facto through a subsequent shareholder ratification. The Court clearly emphasised that SEBI's disclosure and fairness requirements are meant to protect public interest, not just private rights and, therefore, such breaches must face regulatory consequences. In essence, the Supreme Court underscored that SEBI's regulatory framework is designed to protect the integrity of the securities market and that such violations cannot be legitimised through shareholder approvals. This ruling strengthens the accountability of listed companies and reinforces investor trust. This judgment held out a number of subtle but prescient legal norms in corporate law. For companies, it reinforces strict compliance with SEBI regulations; creative interpretations or post-facto approvals will not shield a misconduct already committed. As far as investors are concerned it strengthens their protection by ensuring that disclosures made are truthful and enforceable. For regulators it affirms SEBI's authority to penalise breaches even if shareholders appear to be forgiving. From a corporate governance standpoint, it establishes that fiduciary duties to shareholders are subordinate to statutory duties to the market and public interest. In essence, the Supreme Court underscored SEBI's regulatory framework is designed to protect the integrity of the securities market and such violations cannot be legitimised subsequently by approval by shareholders. This ruling would strengthen the accountability of listed companies and reinforce investor trust. The Supreme Court has thus drawn a distinct bright red line.A shareholder's vote cannot

be used as a get-out-of-jail-free card for regulatory violations. Compliance is not a simple and harmless democratic process; it is a legal command, and corporate leadership is personally accountable for any transgressions here.

The recent passive euthanasia case of Harish Rana marked a historic moment in Indian law and medical ethics. In March 2026, the Supreme Court allowed the withdrawal of life-sustaining treatment for a 32-year-old man who had remained in a permanent vegetative state for over a decade after a serious head injury. It was the first time India's highest court had directly sanctioned passive euthanasia for an individual under legal framework it had earlier recognized. What made the case so emotionally powerful was its long silence. Harish Rana had lived for years with no meaningful recovery, dependent on artificial nutrition and round-the-clock care. His parents' plea was not framed as surrender, but as mercy — a painful request to end prolonged suffering and allow dignity at the end of life. The court's decision reflected the difficult balance between preserving life and recognizing when treatment has become futile. For many observers, the case was not only a legal precedent but a deeply human one. It forced the country to confront the truth that medicine often delays, and law often hesitates to answer: when does care become prolongation and when does compassion mean letting go? Harish Rana's death after the order gave the case an even heavier emotional weight, turning it into a public meditation on dignity, autonomy, and the limits of medical intervention. May Rana's soul live in eternal peace!

In the February 26 issue of Bizsol Update we had done an article on "Treaty Shopping by Companies" consequent to the landmark judgment of the Supreme Court in the case of Authority for Advance Rulings v. Tiger Global International Holdings. Consequent to this judgment everyone was waiting with bated breath on the ramifications of this judgment and the government's response. After the infamous Vodafone case that haunts the tax authorities even today, the dilemma before the Central Board of Direct Taxes' (CBDT) was only to be expected. However, CBDT on its part, appears to have learnt its lessons well on the subject of retrospective amendments even before the judgment in Tiger Global arrived by fine tuning the retrospective nature of the judgment. Simply put, it made a decisive pivot by making a policy change to counter the uncertainty created by the Supreme Court's January 2026 judgment in the Tiger Global case. In that ruling, the Supreme Court upheld the invocation of GAAR on Tiger Global's 2018 exit from Flipkart, despite the underlying investments having been made prior to 1st April 2017, the formal commencement date of GAAR. The judgment significantly unsettled investor confidence by suggesting that GAAR could override statutory and treaty based grandfathering when tax benefits materialise post 2017. The Court's reasoning hinged on the view that GAAR applies with reference to the timing of the tax benefit rather than the timing of the investment and that grandfathering was not absolute where an arrangement lacked the much-needed commercial substance. This interpretation raised fears of retrospective application and heightened scrutiny of legacy private equity and venture capital structures, particularly

those routed through Mauritius and Singapore. Market participants were concerned that the exits from long held investments could be reopened to GAAR, fundamentally altering India's attempt at tax stability. Responding swiftly, the CBDT amended the Income tax Rules on 31st March 2026 to explicitly provide that GAAR shall not apply to income arising from the transfer of investments made on or before 1st April 2017, irrespective of when the exit occurs. The amendment effectively ring fences capital gains from legacy investments and reasserts the original legislative intent behind GAAR grandfathering when the regime was operationalised in 2017. From a legal standpoint, the CBDT's clarification significantly narrows the precedential reach of the Tiger Global judgment on the specific issue of grandfathering. While the Supreme Court ruling remains authoritative on broader principles such as the primacy of substance over form, the non conclusive nature of tax residency certificates and the ability of GAAR to override treaty benefits in cases of abuse. Its capacity to unsettle pre 2017 investments have now been curtailed by executive rule making. In effect, the amendment neutralises the most commercially disruptive aspect of the judgment without undermining its anti avoidance core. Policy wise, the move represents a pragmatic balancing act. It preserves India's tightening stance against aggressive tax avoidance for post 2017 structures while restoring certainty for long term capital already deployed under an earlier legal framework. For foreign investors, especially those planning exits from legacy holdings, the amendment provides a much needed clarity and reduces the risk of protracted tax disputes. At the same time the Tiger Global doctrine continues to serve as a cautionary signal that future structures must demonstrate genuine economic substance and commercial rationale and withstand GAAR scrutiny.

The SEZ model promoted by the government is today struggling due to policy uncertainty, weak infrastructure and misuse of incentives. The government does not appear to be in a mood to give up its promotion of SEZs. It is now trying to revive them by allowing limited domestic sales at concessional duty rates and introducing safeguards to protect local industry. Frequent changes in tax incentives and rules have discouraged long-term investments. Many SEZs were set up in areas with poor connectivity for political reasons leading to underutilisation. Site selection and approvals often favoured vested interests rather than genuine industrial potential of areas identified. Productivity has stagnated in government-run SEZs while privately managed ones have performed better highlighting the inefficiencies in public administration. India's SEZs were designed for export-led growth but rising protectionism and competition from other countries have reduced their effectiveness. Now let us look at why they have not developed as expected. India tried to replicate China's SEZ success but lacked the same scale, infrastructure and policy consistency. SEZ firms often remained isolated rather than becoming hubs for large-scale manufacturing. Withdrawal of certain exemptions (like MAT and DDT) reduced SEZs' attractiveness. Many SEZs exist only on paper or operate far below potential due to lack of demand and cumbersome compliance requirements. The good news is that the government has come out now with new initiatives to speed up the processes. SEZ units can now sell a portion of their output in the Domestic

Tariff Area (DTA) at concessional duty rates (5%–12.5%), from the financial year 2026 -2027. A three-tier framework with caps and value-add norms ensures SEZ goods do not undercut domestic manufacturers. The recent Budget has also come out with a slew of measures to provide additional incentives like one-time concessional duty sales linked to export performance and focus on strengthening SEZs as "pillars of India's trade ecosystem." Recognition of 368 notified SEZs with exports crossing ₹11.7 lakh crore in 2025–26 (a 32% rise over the previous year). While some SEZ units welcome the relief, others criticise these concessions as minimal and these are also burdened with onerous compliance requirements. It remains to be seen whether structural weaknesses (land, infrastructure, policy inconsistency) continue to remain the as hurdles. All that the units can say is that we have faced more difficult situations in the past.

It is increasingly becoming apparent that the US war against Iran is a reckless and costly escalation that lacks clear congressional authorisation and has already imposed major economic and strategic costs all around. Trump's war on Iran is increasingly being seen not as a demonstration of strength but as a case study in strategic overreach. What was sold as a swift display of resolve has, instead, become a widening conflict with heavy financial, diplomatic and human costs. Reports now place the daily burden on the United States at up to $2 billion, with analysts warning that the longer the war drags on, the more it deepens the national debt and drains public resources. The deeper criticism is not only about the cost of the war, but about its logic. Iran was not a weak target that could be struck without consequence; it was always known that it was likely to respond asymmetrically, using missiles, drones, maritime pressure and regional proxies to widen the battlefield. That is exactly what has happened, with attacks hitting Gulf states, shipping routes, and sensitive energy corridors, turning what was framed as a controlled campaign into a volatile regional crisis. The moral case against the war is equally forceful. Conflict rests on the familiar illusion that force can substitute strategy. Yet military action without a credible political endgame is not policy; it is plain drift. The campaign has raised fears of civilian harm, and broader instability in a region where escalation can quickly become irreversible. Perhaps the sharpest criticism is aimed at the built-in safeguards that were supposed to prevent such adventurism. In theory, the U.S. national-security system is designed to force debates, legal reviews, congressional oversight and interagency restraint. However, in practice, those checks appear to have been too weak to stop a conflict launched without clear congressional authorisation and prosecuted largely through military power alone. The result is a system that looks robust on paper but brittle under a determined executive. The war's cost, then, is not only measured in dollars or destruction. It is also measured in the erosion of trust - in institutions, in judgment and in the idea that great powers can use force without paying the price.

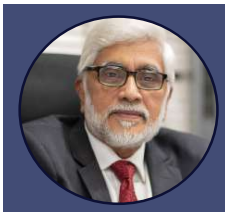
Recently, there was an extremely important case that got decided in a US court. California Civil Verdict against YouTube and Meta, where a jury found that the platforms were negligent in designing addictive products and failing to warn users about the risks, especially for young people. This decision is a landmark one with potentially wide social This verdict against YouTube and Meta marks a turning point in the debate over

digital responsibility. A California jury concluded that the companies designed platforms with features that were knowingly addictive and that these design choices contributed to harm for a young user. The case was especially significant because it focused not on the content users saw, but on the architecture of the platforms themselves - endless scroll, algorithmic recommendations, autoplay and other engagement tools built-in to keep people online longer. Its broader social impact is profound. For years, social media companies have defended themselves by arguing that they merely host content and that users choose how to engage. This verdict pushes back against that defense by suggesting that design can be a form of behaviour-shaping power, especially over children and teenagers. In practical terms, it strengthens the argument that platforms may owe a duty of care to users, particularly the young and vulnerable. The case also reflects a changing social mood. Parents, schools, doctors and lawmakers have increasingly worried that digital platforms are not neutral tools but 'attention' machines. The emotional force of the trial came from the plaintiff's story of early exposure, compulsive use and mental health distress which made the legal argument feel like a public reckoning with an everyday habit many families know only too well. That is why the verdict matters beyond the courtroom in the US - it gives legal voice to a social anxiety that has been building for years around the world. For society, the message is both cautionary and corrective. It suggests that innovation without restraint can become exploitation, and that profit-driven design may eventually face accountability when it affects mental well-being. Whether appeals change the outcome or not, the case has already shifted the conversation from "How do we use these platforms?" to "How these platforms were built to use us?" One feels a bit surprised that this issue took so long to reach the courtroom. What is more surprising is that this exercise was developed consciously by You Tube and Meta.

On third January 26 the United States kidnapped Nicolas Maduro, the President of Venezuela. It was a daring (though morally questionable) act of kidnapping, it was also a daring coup de tat of the country's freely elected (again, questionable) leader. Ironies notwithstanding, the people of that country must have been hurting and feeling humiliated just because they could not protect their own President, however bad he was. Notwithstanding any other consideration, this act by a foreign nation (read the US) must have dealt a severe blow to the collective sovereign pride of that country's subjects. Even if the President of that country had inflicted unspeakable suffering to his own countrymen, no Venezuelan still would have been able accept this humiliation.
Providentially, however, Venezuela got a rare opportunity to do just that. As luck would have it, both the countries reached the finals of the World Baseball Classic! What is more, Venezuela scored a 3-2 spectacular victory over the US. This match was more than a sporting upset. It was a rare moment of catharsis for the Venezuelan! For Venezuela, a nation long accustomed to economic strain and political uncertainty, the win offered a collective release - a brief restoration of pride, dignity, and emotional energy that transcended the scoreboard. The psychological irony of the match was unmistakable. The United States, with its superior resources and deeper sporting infrastructure, entered the tournament as the expected winner. Venezuela, by contrast brought the emotional intensity of an underdog carrying the nation's hopes on their

shoulders. Yet, it was Venezuela that appeared mentally freer, more urgent and more united. In a high-pressure competition, expectation can weigh heavily, while adversity can sharpen resolve. For the players, the game became a test of composure under symbolic pressure. The Venezuelan team was not only chasing a title; it was embodying the aspirations of millions seeking a moment of triumph and a collective relief. For the Americans, the loss served as a reminder that talent and pedigree do not guarantee any psychological edge. Discipline, belief and timing often decide outcomes when the margins are tight. For the people of both countries, the match carried meanings beyond sports. In Venezuela, it was catharsis in its purest form - an emotional high that briefly cut through hardships. For the United States, it was a quiet lesson in humility: dominance is never permanent, and confidence without urgency can be costly. The result was a vivid reminder that in sport, as in business, resilience and focus can outweigh size, reputation and expectation. I know where in the world map Venezuela is. I know Nicolas Maduro is a tyrant and has done more damage to Venezuela than good. But when I read this real-life story, I could not resist the temptation of standing up and clap. Long live Venezuela and long live the Venezuelan!

Thank you.
Venkat R Venkitachalam



THE CORPORATE LAWS AMENDMENT BILL, 2026
A NEW PLAYBOOK IN THE MAKING

CS Venkat R Venkitachalam, Chairman, Bizsolindia Services Pvt Ltd

Amendments to the Companies Act, 2013 – Journey So Far

YEAR	Nature of Amendments
2013	Enactment of the Revised Companies Act
2015	First set of Amendments – Minor Corrections
2017	Decriminalisation of Minor Offences, Governance Reforms
2019	NCLT Related Amendments
2020	Covid Era Reforms – Digital Meetings, Ease of Compliance
2026	Now in Proposal Stage – Comprehensive New Age Reforms Bill No. 2026

The New Age Reforms:

The Corporate Laws (Amendment) Bill 2026, introduced in the Lok Sabha on 23rd March 2026 represents the most significant recalibration of India's corporate regulatory framework since this 2013 Act was originally enacted. Designed to harmonise the legal landscape, the Bill proposes 107 amendments that bridge the gap between traditional compliance and modern digital-first business practices. At its core, the 2026 Bill is a testament to the government's shift towards trust-based governance. By doubling the thresholds for small com it also has generated an intense debate over whether the proposed legislation suffers from "excessive delegation" of powers – from the legislature to the executive. Another area of concern is the potential dilution of Corporate Social Responsibility (CSR) and audit accountability through these amendments. For the professional community, any new Bill is not just a regulatory update; it is a structural transformation. panies, institutionalising hybrid meetings and shifting dozens of criminal offences to an administrative penalty regime, the legislation seeks to promote a culture of facilitation – a far cry from being a punitive one that it had become. As the Bill moves to a 31-member Joint Parliamentary Committee (JPC) for detailed scrutiny, it also has generated an intense debate over whether the proposed legislation suffers from "excessive delegation" of powers – from the legislature to the executive. Another area of concern is the potential dilution of Corporate Social Responsibility (CSR) and audit accountability through these amendments. For the professional community, any new Bill is not just a regulatory update; it is a structural transformation.

The Bill introduces novel initiatives and flexible capital instruments. This includes:

- **a.** Decriminalisation - shifting over twenty technical lapses from criminal courts to an In-House Adjudication Mechanism (IAM).
- **b.** MSME Empowerment - doubling "Small Company" limits to a ₹20 crore capital and ₹200 crore turnover threshold.
- **c.** Digital Transformation - making virtual AGMs and electronic services of documents a permanent statutory feature.
- **d.** Regulatory Rigour - strengthening the National Financial Reporting Authority (NFRA) and introducing "fit and proper" criteria for directors for the first time.

This article explores these pivotal changes in the offing while examining whether the 2026 Bill strikes the right balance between ease of doing business and the necessary oversight required to protect India's evolving economic ecosystem. As the government's intention is to substantially change some of the provisions of the extant Act, here are some important inputs that are required to be kept in mind when the stakeholders sit down to refine the statute further. We offer our comments on some of the important provisions that needs to be prescribed and some that needs to be proscribed along with our own set of recommendations. What follows are some of the important provisions that the law makers intend to change and our views on them. This is just a primer focusing on the context, need, improvements and significance along with a critical assessment of some areas of missed opportunities to reform the statute. Let us dive into the subject to understand the salient features of the Bill. This Bill proposes 107 amendments that bridge the gap between traditional compliance and modern digital-first business practices. . At its core, the 2026 Bill is a testament to the government's shift toward "trust-based governance." By doubling the thresholds for small companies, institutionalising hybrid meetings, and shifting dozens of criminal offences to an administrative penalty regime, the legislation seeks to replace the "Inspector Raj" with a culture of facilitation. For the professional community, from Company Secretaries and Accountants to Founders and Board of Directors, a statutory Bill is not just a regulatory update; it is an integral part of an ongoing structural transformation. Below are some of the important amendments proposed. Please keep in mind that these are still proposals till such time they are cleared by the JPC after their debates and discussions. Right now, the stakeholders have a window available to present their views to the JPC on the draft amendments. Here are our views on the proposed Bill with our suggestions and the rationale behind them. Our views are given below on both the Companies Act 2013 and the Limited Liability Partnership Act 2008. We also tried to imagine what could be some of the reservations of the JPC while implementing them.

A. Amendments to The Companies Act 2013:

Section 2(85): The Bill seeks to change the definition of a "Small Company" by doubling the ceiling limits in the definition. In the present limit prescribed, to be qualified as a Small Company is that the paid-up capital of the company should be less than or equal to

₹10 Crores. The Bill seeks to amend this limit to ₹20 Crores. Similarly, the present threshold for turnover of Small Companies is ₹100 Crores. The Bill seeks to raise it to ₹200 Crore.

Comments: This would fundamentally change the way we as a society do business. A large number of corporate entities would heave a sigh of relief and rightly so. For a small company having to go after compliance requirements is always at the cost of the unit's prime purpose of attaining sustainable turnover. In one stroke this measure would go a long way to free up enormous amount of time and energy at the disposal of the entrepreneur for productive purposes.

Reservations: The main concern is likely to be the sudden jump in the amounts up to which the companies in the mid-sized category may get lighter rules than they do now. Whatever the reality is, the perception is likely to be a skeptical response. The JPC may test whether the new limits are too generous and whether these limits should be made applicable in a step-by-step approach.

Section 21: Certain declarations forming part of filing applications have to be authenticated by key managerial personnel and sometimes requiring Board resolutions too. As part of the simplification process, some of these applications can be allowed to be authenticated though self-declarations.

Comments: Some of these are routine declarations, still requiring elaborate authentication process. This is sought to be done away with through self authorisations. This is a standard deregulation move. It cuts paperwork and speeds up filings especially in routine compliance matters.

Reservations: Going forward, it could be a debatable issue despite being a routine procedure. Self-declarations can be misused if enforcement turns out to be weak. The JPC may seek higher penalties for false-declarations and seek verification safeguards.

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Reservations: Going forward, it could be a debatable issue despite being a routine procedure. Self-declarations can be misused if enforcement turns out to be weak. The JPC may seek higher penalties for false-declarations and seek verification safeguards.

Reservations: It is unlikely to meet heavy objections from the JPC as no additional liability for the company is sought to be created and what is more it also gives the impression that we are following global compensation packages.

Section 68: Buyback provisions are sought to be made more flexible for specified class of companies. Companies can now undertake two buy-back offers per year (up from one) provided there is a six-month gap between the closure of the first and the opening of the second.

Comments: This provision increases capital-management flexibility and may help companies with surplus cash, especially in mature businesses. It also provides flexibility in structuring capital.

Reservations: The concern for the JPC may arise from the fact that buy-backs can be used to favour certain shareholders or manipulate the existing capital structure. The JPC, therefore, could ask for tighter limits, disclosures and class-based safeguards. Section 96: Greater allowance for digital/hybrid AGMs and electronic participation, while preserving periodic physical meetings.

Comments: This step seeks to modernise corporate governance and reduces logistical friction, especially for shareholders located in dispersed locations.

Reservations: Some may worry that too much reliance on virtual meetings weakens real shareholder engagement and oversight. The JPC could enquire whether hybrid meetings are sufficient for minority shareholder participation.

Sections 117, 118 & 124: Several technical faults would now have civil penalty/e-adjudication. They are thus sought to be shifted from criminal prosecution basket.

Comments: This provision is central to the Bill's basic philosophy. It reduces fear of criminal liability for mundane procedural mistakes and also makes enforcement more proportionate to the transgressions noticed.

Reservations: Critics might point out that this dilution of penalties would soften deterrence and encourage compliance-complacency. The JPC, therefore, could seek a sharper line between genuine technical lapses and repeat or intentional defaults.

Sections 132, 140,141,143 and 147: These are Sections dealing with audit, auditor and above all the need for transparency. In the amended sections the power of NFRA have been enhanced. The current provisions regulate auditors to a limited extent. This is set to change in the proposed Bill which expands the powers of NFRA to include investigation of misconduct, higher penalties and mandatory continuous reporting.

Comments: The amended Sections have much sharper teeth. An auditor must file detailed reasons with NFRA if he resigns before his term is completed. New provisions permit firms to have multidisciplinary qualifications. The Bill introduces new audit-related provisions by strengthening NFRA's role in tightening auditor eligibility, expanding reporting duties and creating a framework for IFSC auditors.

Reservations: The JPC is expected to endorse stronger oversight but will likely probe costs, overlaps and enforcement capacity before clearing these changes.

Sections 141,148,204:Formation of Multi-Disciplinary Partnerships: This demand from professional bodies like Chartered Accountants and Company Secretaries had been in the offing for some time.

Comments: A firm can be appointed as Chartered Accountant, Cost Auditor or Secretarial Auditor in its firm's name if the majority of practicing partners are qualified. Strict guardrails have to be put in place.

Reservations: JPC is expected to clear this proposal as it was in discussion for a long time on this and is generally perceived to be a big support to industrial growth.

Sections 164, 165 & 167: Strengthening Corporate Governance being one of the prime objectives of the statute these Sections assume supreme importance. Penalisation under Sec 188 now triggers disqualification of Directors. Acting as auditor, valuer or insolvency professional in the preceding three financial years or current financial year disqualifies a person from directorship. A new provision of a person being found "fit and proper" has been initiated. The government is empowered to specify lower directorship limits for specific classes.

Comments: Under these Sections the Act provides sufficient freedom to the Board to decide on the acceptability of a person as a Director. In fact, disqualification under Section 164 (2) forces the vacation of office across all companies after six months. This Section is critical from a corporate governance point of view.

Reservations: It is extremely unlikely that the JPC would relent on any of the guardrails provided in them. In fact, from a governance point of view, additional conditions can come from JPC.

Section 134: This Section mandates that the Auditor must explain/comment on every audit remark regarding financial transactions, adverse observations and account maintenance. This Section also mandates that the audit committee should explicitly state reasons for any Audit Committee recommendation getting rejected.

Reservations: It is extremely unlikely that the JPC will have a different view on this all important provision on corporate governance.

Section 149: With every introduction of amendments, the onerous responsibility on the independent Director is getting stricter for obvious reasons. These sets of amendments goes to increase their responsibility. ID or his relatives cannot be KMP/employee in preceding three financial years. Eligibility criteria must be actively maintained.

Comments: These Sections seek to bring strict and desirable corporate governance practices and is in line with the intention of the government in strictly adhering to the best governance practices.

Reservations: The role of Independent Director being what it is, in the new governance structure in the corporate world provisions of this nature are more normal than otherwise.

Section 185: A company cannot directly or indirectly advance loans to its directors or to entities in which directors are interested. This prevents misuse of corporate funds and conflicts of interest.

Comments: In line with broad underlying principles of the new enactment, this is a natural corollary.

Reservations: This would pass the muster with the JPC as it is totally in line with the overall tenor of the new legislation.

Section 186: A company cannot make loans, investments or provide guarantees/security exceeding 60% of paid-up share capital, free reserves and securities premium or 100% of free reserves and securities premium, whichever is higher, without shareholder approval.

Comments: This provision is broadly in line with the overall corporate governance principle underlying this legislation.

Reservation: This provision is also expected to be passed sans discussion with the JPC.

Sections 230, 231 & 232: Shareholder and creditor approval thresholds in specified merger/amalgamation cases are reduced from 90% to 75%.

Comments: This makes restructurings quicker and more commercially workable. It is especially useful for group simplification and internal reorganisations

Reservations: Here, minority protection is an obvious concern. The JPC could legitimately ask whether 75% is enough in related-party or 'squeeze-out' situations where majority shareholders (usually 90–95%+) force minority shareholders to sell their stakes, effectively taking full control of the company and whether provisions for dissenting stakeholders could expect to get better safeguards.

Sections 206 to 229: Provisions relating to Inspection, Inquiry and Investigation as contained in Chapter XIV stand expanded including powers on investigation procedure and advisory/censure/warning directions.

Comments: This is the counterbalance to decriminalisation. The government is easing routine compliance while strengthening high-level audit and accounting oversight.

Reservations: Some may question whether expanded NFRA powers overlap with existing regulators or create procedural ambiguity. The JPC may also ask for clearer standards on NFRA actions and how they would avoid regulatory encroachment.

Sections 132: The National Financial Reporting Authority (NFRA) was created under Section 132 of the Companies Act, 2013. Though the Bill retains the section, it adds Sections 132A to 132K to build a much larger NFRA framework with commensurate responsibilities cast on NFRA. The existing provisions allow NFRA to mainly oversee audit quality, accounting standards and professional misconduct in prescribed classes of companies and auditors.

Comments: It is clear from the Bill that the proposed provisions are not merely tweaking of NFRA - it is structurally redesigning the architecture of the regulator itself. With this NFRA becomes a more active regulator with expanded supervision, reporting, inquiry, penalty and direction powers. The shift is from a largely supervisory body to a stronger enforcement regulator.

Reservations: The JPC is likely to focus on the following four dimensions:

i. whether Sections 132C, 132J and 132K would give too wide a spectrum of discretionary powers to NFRA.
ii. whether inquiry and penalty powers are balanced with adequate hearing and appeal safeguards.
iii. whether the new regime will create tension with ICAI and existing disciplinary structures.
iv. whether the government's power to issue directions or supersede NFRA would weaken its true regulatory independence

The Bill allows NFRA to function with greater institutional strength but also keeps the Central Government's policy-direction role in the background. Consequently, the design is not total independence; it is stronger operational power with the ultimate governmental oversight

Section 455: Dormant companies will now be required to file returns exclusively through digital platforms ensuring transparency and reducing paperwork. With this the Registrar of Companies (RoC) will have greater powers to review and revoke dormant status if misuse is detected (e.g., shell company activity).

Comments: With the number of companies increasing, more number would get entered in the records of MCA including those which may not survive for long.

Reservations: Though it is difficult foresee what could be the stand of JPC on this issue. While the Bill is a massive leap toward in ease of doing business, it has faced some pushback on the issue of "excessive delegation" of powers to the executive (the "as may be prescribed" clauses). The JPC's report, expected by the Monsoon Session, will be crucial in determining how these powers are balanced with adequate parliamentary oversight.

B. The Limited Liability Partnership Act 2008:

The Corporate Laws (Amendment) Bill, 2026, represents a significant leap in the evolution of the Limited Liability Partnership (LLP) framework in India along with that of the Companies Act. The Amendment Bill fundamentally shifts the Limited Liability Partnership (LLP) Act, 2008, toward a "digital-first" and "global-centric" model. While the 2021 amendments focused on decriminalisation, the 2026 proposals seek to introduce structural changes intended to align LLPs with modern investment needs. This is important in today's better integrated world. The following are the salient features in the Bill

Section 2 (1): There was no separate statutory subcategory for IFSC based LLPs in the existing Act.

Comments: The Bill adds definitions for "International Financial Services Centre (IFSC)," "International Financial Services Centres Authority (IFSCA)," and "permitted foreign currency."

Reservations: It remains to be seen if there a risk of regulatory overlap between IFSC Authority and MCA. Clarity should be forthcoming on this issue of jurisdiction sooner than later.

Section 11: Simplified incorporation procedures with reduced documentation burden under the Registrar of Companies are envisaged.

Comments: The Bill enables incorporation of IFSC LLPs under IFSCA, with flexibility for handling foreign currency contributions. To make India a global financial hub, LLPs and companies operating in International Financial Services Centres (IFSCs) will be permitted to maintain their share capital and accounts in permitted foreign currencies. Additionally, a new framework allows specified trusts (like AIFs) to convert seamlessly into LLPs.

Reservations: Once the concept is accepted, these modalities may not create problems before the JPC.

Section 13: LLPs must maintain their registered offices in India.

Comments: IFSC LLPs may maintain their registered offices within IFSC the jurisdiction thereby easing cross-border operations.

Reservations: Once the concept is accepted, these modalities may not create problems before the JPC.

Section 74: Procedural defaults like late filings and random omissions would be treated as simple offences.

Comments: Decriminalisation of minor defaults attract civil penalties instead of criminal liability in line with the government philosophy.

Reservations: Once the concept is accepted, these modalities may not create problems before the JPC.

Section 76: The Registrar of Companies would have an oversight of these provisions.

Comments: IFSC LLPs regulated by IFSCA under RoC should get the jurisdictional issues.

Reservations: Once the concept is accepted, these modalities may not create roadblocks before the JPC.

With these streamlining steps multiple filings and required timelines can be adhered to by the LLPs. Streamlined filings would also reduce the burden for startups and small LLPs. Overall, these provisions are unlikely to be objected to by the JPC primarily because of ease of doing business and decriminalisation and reduced compliances especially benefiting startups and SMEs. IFSC LLP provisions would be seen as a progressive step to attract international investors and position India as a financial hub. However, JPC may question whether IFSCA has adequate resources and expertise to regulate IFSC LLPs effectively. JPC also may insist on tighter safeguards in monitoring compliance with FEMA and RBI norms. One can expect a spirited debate on the issue of decriminalisation on the premise that it could weaken deterrence against habitual defaulters. In the end, the important takeaways would be three-fold:

1. Startups and small businesses will benefit from reduced compliance costs and faster incorporation.
2. The Regulators will need to strengthen IFSCA's capacity to oversee IFSC LLPs effectively.
3. In the final reckoning, balance between ease of doing business and safeguarding governance standards will be the central focus for the law makers.

Regulations Redefined for the Future:

The above Bills, no doubt, comes with a lot of goodies; but it still leaves much to be desired. Those who were looking for the proverbial silver bullets are sure to be disappointed.

1. First and foremost is the glaring absence of reforms when it comes to a comprehensive group and holding company structures. The Bill still does not adequately address group insolvency, cross border holdings and pyramid structures. These are issues that routinely arise in modern conglomerates. A more coherent group level governance framework should be put in place when we try to future-proof any legislation.

2. The liability architecture of Independent Directors could have been properly laid out. While penalties are reduced, the conceptual uncertainty around independent director's liability remains unresolved. Clearer statutory safe harbours beyond case laws could have strengthened confidence level across the board.

3. Another critical area where more forward-looking provisions would have made an impact is in the area of impact assessment of CSR initiatives. The Bill adjusts CSR thresholds but does not introduce outcome based or impact linked CSR reporting thereby missing an opportunity to move CSR from routine expenditure tracking to more important social performance.

4. Excessive delegation to the Executive is fraught with enormous danger. A significant portion of the reform's impact is deferred to subordinate legislation (rules and notifications). Overly prescriptive rules that would follow could dilute the intended legislative liberalisation.

5. While the Bill proposes jurisdictional streamlining, there is no structural reform on how the NCLT working could be better administered. One of the weakest links in corporate dispute resolution is in the area of capacity, appointments and timelines of NCLT.

The proposed amendments reflect a maturing phase of Indian corporate laws, where the emphasis is increasingly on trust based regulations, proportionality when it comes transgressions and economic realism rather than dependence on prescribing unrealistic deterrence through criminal laws. However, the success of this reform will depend not merely on statutory text, but on rule making discipline, regulatory restraint, and institutional capacity, areas where India's corporate ecosystem still continue to face challenges. If the JPC addresses some of the structural gaps noted here, the amendments could mark a transformative step in aligning India's Companies Act with 21st century corporate realities. A caveat is due here. While the proposed legal amendments have generated considerable discussions, a full and substantive debate will only be possible once the Bill is passed by the Parliament and enacted into law."

Thank you.
Venkat R Venkitachalam

Post-Clearance Revision of Customs Entries

India's New Era of Voluntary Compliance under Section 18A

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Let's be honest — anyone who has dealt with Indian Customs knows the sinking feeling of spotting an error in a Bill of Entry after the goods have already been cleared. Maybe it was a wrong HS code. Maybe an exemption notification was applied incorrectly. Maybe royalties weren't factored into the assessable value. Whatever the mistake, the path to fixing it was anything but clear. Until now.

The Problem Nobody Talked About Enough

For decades, importers and exporters in India found themselves in an awkward position when they discovered post-clearance errors. There was no rulebook, no designated window, no official process. What did businesses actually do? They sent emails that often went unanswered. They made personal visits to the Customs House. They leaned on contacts. Some even filed appeals under Section 128 — not because there was a genuine dispute, but simply because they had no other formal option.

The outcome was deeply flawed. Genuine compliance corrections became a game of officer discretion. Results were inconsistent from port to port and case to case. Worse, many businesses chose to stay silent about errors they'd spotted, fearing that voluntary disclosure might invite investigations or audits. So the errors stayed buried, compliance suffered, and trust between trade and the department eroded quietly over time.

That era is now behind us.

What Section 18A Actually Changes

With the operationalization of Section 18A of the Customs Act, 1962, India has done something genuinely significant — it has created a formal, legally recognised mechanism for importers and exporters to voluntarily apply for post-clearance revision of customs entries. For the first time, businesses have a structured, transparent, and accountable way to correct inadvertent errors, even after goods have left the port.

This isn't just a procedural tweak. It's a philosophical shift. India is signalling — clearly and formally — that businesses should be able to own and correct their mistakes without fear, as long as the intent is honest and transparent. This brings India in line with mature global customs frameworks where self-correction and voluntary disclosure are actively encouraged.

To give Section 18A teeth, the Central Board of Indirect Taxes and Customs (CBIC) has issued four coordinated notifications and a master circular, each addressing a distinct piece of the puzzle. Together, they remove ambiguity, reduce dependence on officer discretion, and create a uniform process across all Customs formations.

Breaking Down the Regulatory Framework

Think of the four notifications as four pillars holding up the new framework:

Notification No. 70/2025-Cus. (N.T.) dated 30 October 2025 introduces the Customs (Voluntary Revision of Entries Post Clearance) Regulations, 2025 — the backbone of the entire mechanism. It defines how a revision is filed, what documentation is needed, what conditions apply, and what format must be used. This is the notification that creates the first official legal pathway for correcting past entries. No more informal follow-ups, no more relying on someone's goodwill.

Notification No. 68/2025-Cus. (N.T.) dated 30 October 2025 tells you exactly who to approach — the Deputy Commissioner or Assistant Commissioner of the jurisdictional Customs Commissionerate is designated as the "proper officer" for handling revision requests. This matters because it creates accountability. There's now a defined person responsible, not a vague "Customs office."

Notification No. 71/2025-Cus. (N.T.) dated 30 October 2025 draws the boundaries — it spells out when revision applications cannot be made. Understanding these restrictions before filing is critical, especially since you'd be paying a fee to apply.

Notification No. 69/2025-Cus. (N.T.) dated 30 October 2025 prescribes the application fee: ₹1,000 per revision request. It's a modest amount, but deliberate — it filters out frivolous filings and ensures that only businesses with genuine, well-considered corrections come forward.

All four notifications came into effect on **1 November 2025.**

To support field formations and ensure consistent implementation, the Board also released **Circular No. 26/2025-Cus. dated 31 October 2025** — essentially an operating manual for Customs officers, bridging the gap between what the law says and how it gets executed on the ground.

What Businesses Actually Need to Know

1. A Legal Right — Not a Favour

Before Section 18A, getting a post-clearance correction done meant persuading someone. Now, it means filing a proper application. The difference is enormous. You're no longer seeking a favour from a sympathetic officer — you're exercising a codified legal

entitlement, backed by rules, timelines, forms, and a designated authority. The process has a paper trail. It can be tracked. It can be challenged if wrongly rejected. That's what a right looks like — and India's customs framework finally has one for post-clearance corrections.

2. Eligibility Has Clear Limits — Know Them Before You Apply

Section 18A is a voluntary compliance tool, and it comes with guardrails. Not every error qualifies for revision under this route. The following situations are explicitly excluded:

Cases involving benefit reversals with existing procedures — If a benefit was claimed under Foreign Trade Policy schemes (like MEIS, RODTEP, Advance Authorization, or EPCG), under an exemption notification under Section 25, or under the Customs Tariff Act, and that benefit now needs to be reversed, but a separate procedure already exists for that reversal — Section 18A doesn't apply. You follow the existing reversal process instead.

Cases already under audit, investigation, or scrutiny — If the department has already initiated action — whether through a DRI/SIIB investigation, an ongoing audit, or even a query taken up by Customs — the voluntary revision window is closed. The circular is clear: this facility is for self-identified errors, not a way to get ahead of a department that has already spotted the issue.

Cases where a Show Cause Notice has been issued or an appeal filed — Once the matter has entered quasi-judicial territory, Section 18A cannot be invoked. The adjudication or appellate route must be followed.

Cases requiring complex legal or valuation determination — If the correction involves related-party valuation, transfer pricing, royalties, or IP payments — anything that would need a detailed investigation rather than a straightforward amendment — the regular assessment/adjudication process applies, not voluntary revision.

The bottom line: Section 18A is designed for bona fide, self-identified clerical or interpretational errors. It is not a dispute resolution tool or a way to pre-empt departmental action.

3. Accountability Is Built In

One of the most quietly significant aspects of this framework is what it does to oversight. By designating a specific officer (Deputy/Assistant Commissioner) as the proper officer, the government has created a single point of accountability. Decisions are made by a named, responsible authority — not diffused across desks or dependent on who you happen to get on a given day.

Circular No. 26/2025-Cus. goes further, laying down exactly how applications must be scrutinised, what documents must be verified, when decisions should be delivered, and how officers should seek additional information if needed. This prevents the kind of inconsistency that plagued the old informal route — where the same error might be fixed quickly at one port and drag on for months at another.

4. AEO Advantage

For businesses working toward or maintaining **Authorized Economic Operator (AEO)** certification, Section 18A is a strategic tool, not just an administrative one.

AEO guidelines specifically look for evidence that businesses identify and voluntarily correct errors — rather than waiting for audits to uncover them. By proactively using Section 18A to detect and correct classification errors, valuation discrepancies, or documentation mismatches, businesses build a documented track record of compliance ownership. That track record speaks for itself during AEO verification — it shows Customs that your compliance culture is real, not just on paper.

What Should Businesses Do Now?

The framework is live. The notifications are in effect. The question isn't whether to pay attention to Section 18A — it's how quickly businesses can integrate it into their compliance systems.

Here's where to start:

Audit your past entries. Conduct a structured post-clearance review of recent Bills of Entry and Shipping Bills. Look specifically for HS code misclassifications, incorrect exemption claims, valuation errors, and documentation mismatches. Errors you find now can potentially be corrected proactively.

Map your eligibility before filing. Use Notification No. 71/2025 and Circular No. 26/2025 as a checklist. Before spending the application fee or investing compliance team time, confirm that the specific entry and error fall within Section 18A's scope — not in one of the excluded categories.

Update your SOPs. Section 18A should become part of your standard trade compliance playbook — not something your team scrambles to figure out when an error surfaces. Build internal procedures for identifying revisable errors, documenting justifications, and preparing the application.

Document everything. Whether or not an application is ultimately filed, document the review process, the decision rationale, and the outcome. This paper trail is exactly what builds credibility during future audits or AEO assessments.

Closing Thought

India's customs ecosystem has long needed a mechanism that treats honest errors as a compliance matter rather than a quasi-criminal one. Section 18A and the regulations built around it are precisely that mechanism.

For businesses, this is both an opportunity and a responsibility. The opportunity is to clean up historical entries, strengthen internal controls, and build a demonstrable culture of self-correction. The responsibility is to use this tool seriously — with proper documentation, honest intent, and a clear understanding of its limits.

Voluntary compliance is no longer just a value — it's now a formal, regulated right. Section 18A gives businesses the ability to own their customs accuracy strategically and proactively. The question is simply whether they'll seize it.

Thank you.
Abhishek Malpani

Concessional BCD on Supplies from SEZ to DTA – A Strategic Relief with Compliance Conditions

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A. Introduction

In pursuance of the Union Budget 2026-27 announcement to address the concerns faced by the manufacturing units in the Special Economic Zones (SEZ) due to ongoing global trade disruptions, the Central Board of Indirect Taxes and Customs (CBIC) introduced a special one-time relief measure to facilitate sales by eligible manufacturing units in SEZs to the Domestic Tariff Area (DTA) at concessional rates of duty. The Union Budget announcement is being implemented through an exemption notification No. 11/2026-Customs dated 31 March 2026, granting conditional exemption from Basic Customs Duty (BCD) on specified goods supplied to the Domestic Tariff Area (DTA).

This move marks a shift towards facilitating domestic clearances by SEZ units while maintaining a structured compliance framework.

B. Background

Supplies from SEZ to DTA have historically been treated as imports into India, thereby attracting full customs duties, including BCD and IGST, as applicable to foreign imports.

The present notification introduces a partial exemption mechanism, wherein BCD in excess of prescribed rates is exempted for notified goods. However, this benefit is subject to specific eligibility conditions, including that the SEZ unit must have commenced production on or before 31 March 2025.

C. Key Conditions for Availing the Exemption

The exemption is conditional and requires strict adherence to the following:

Sr. No.	Condition	Requirement	Action Points
1	Filing of Bill of Entry	BOE for home consumption to be filed on common portal	Same will be assessed by customs officer
2	Manufacture and Value Addition	Goods must be manufactured within the SEZ unit and a minimum value addition of 20% is mandatory	Value addition is calculated by reducing value of imports and local inputs used in such supplies from Assessable value of sale in DTA. Further date of manufacturing and tracking thereof is essential and also to appear on Invoice, packing list and BOE.
3	DTA Clearance Restriction	DTA clearances must not exceed 30% of the highest annual FOB value of exports of manufactured goods in any one of the preceding three financial years.	Product wise exports for preceding 3 years to be ascertained and DTA sale limit has to be set maximum up to 30% of highest annual value of the exports of such manufactured goods. It is advisable to get it certified from Chartered Accountant A / Cost Accountants.
4	Restriction on Export Benefits	SEZ unit should not have availed duty drawback or any export incentive under the Foreign Trade Policy on inputs used in such goods	Any export against which Bill of export is filed will not be counted for the purpose of calculation of DTA sale
5	Documentation and Undertakings	Certificate from Development Commissioner stating • Date of commencement of production • Export performance (FOB value for preceding three years) • Achievement of minimum 20% value addition	Since this is practically challenging to have the same before clearance of goods in DTA, it is advisable to calculate value addition and DTA sale limit as mentioned in above para which is advisable to get certified from Chartered Accountant A / Cost Accountants and thereafter approach Development Commissioner for yearly permission rather than for certificate for each clearance of DTA sale
		Declaration / Undertaking • An undertaking must be provided to pay the duty foregone in case of non-fulfilment of conditions	

Concessional Rates

Under this relief window, concessional rates of customs duty have been prescribed for notified goods for each HSN which ranges as per the details below:

Sr. No.	Present customs duties	Concessional rate for eligible SEZ units under the relief window	Concession %
1	7.50%	6.50%	13.33%
2	10%	9%	10.00%
3	12.5%, 15%	10%	40 % / 33.33%
4	20%	12.50%	37.50%
5	Between 20% and 30%	15%	25% / 50%
6	Between 30% and 40%	20%	33.33% / 50%

D. Clarifications by CBIC

Further clarity has been provided through Circular No. 18/2026-Customs dated 01 April 2026, which states that:

- Valuation and assessment shall be governed by the Customs Act and valuation rules
- Bills of Entry will be processed under faceless assessment
- Transactions will be routed through the Risk Management System (RMS)

E. Practical Implications

This notification is a welcome policy intervention with the following implications:

Positive Impact

- Encourages domestic market participation by SEZ units
- Reduces cost burden for DTA buyers through lower BCD incidence
- Very temporary relief to liquidate the stock

Compliance Challenges

- Accurate value addition computation (20%)
- Continuous monitoring of DTA clearance thresholds (30%)
- Timely procurement of Development Commissioner certification
- Ensuring non-availment of export incentives on inputs
- Considering domestic inputs for calculation of value addition

Audit and Compliance Oversight

Units availing this exemption will be subject to audit under Rule 79 of the SEZ Rules, 2006, thereby necessitating robust documentation and internal controls.

F. Conclusion

The introduction of concessional BCD on SEZ-to-DTA supplies reflects as a fulfilment of commitment made in budget speech by H'ble Finance Minister Mrs. Nirmala Sitaraman who has stated in her budget speech

"To address the concerns arising about utilization of capacities by manufacturing units in the Special Economic Zones due to global trade disruptions, I propose, as a special one-time measure, to facilitate sales by eligible manufacturing units in SEZs to the Domestic Tariff Area (DTA) at concessional rates of duty. The quantity of such sales will be limited to a prescribed proportion of their exports. Necessary regulatory changes will be undertaken to operationalise these measures while ensuring level-playing field for the units working in the DTA"

As a matter of fact in the earlier DESH bill, which was never been produced again after withdrawal, which was proposing the duty payment equal to the duty forgone on imported goods used in the manufacture of goods cleared goods in DTA and hence it is only for time being relief on account of international volatile situation or different ground.

The introduction of concessional BCD on SEZ-to-DTA supplies reflects a balanced approach between trade facilitation and regulatory control. While it provides a cost advantage and operational flexibility, the conditions attached make it compliance-intensive.

SEZ units intending to avail this benefit must implement strong monitoring systems, documentation practices, and periodic reviews to ensure adherence to prescribed conditions and avoid future disputes.

Thank you.

Vinay Jain


Intermediary Services under GST: Impact of amendment on Cross-Border Transactions and Transitional Challenges

CA Siddhi Baheti and CA Anuj Gandhi,Bizsolindia Services Pvt Ltd

INTRODUCTION

A long-standing provision in GST has finally been revisited with the omission of Section 13(8)(b) of the IGST Act through the Finance Act, 2026. This provision had, for years, denied export status to intermediary services by deeming the place of supply to be in India, even where services were rendered to overseas clients.

With its removal, intermediary services are now aligned with the general place of supply rule, enabling such services to qualify as exports subject to prescribed conditions. This marks a significant shift in the tax position for cross-border service providers.

Intermediary services finally unlock export benefits from 30th March 2026. While exporters stand to gain from this shift, importers may now face increased exposure under reverse charge, leading to a higher compliance burden. This reform provides a level playing field to Indian intermediaries competing in the global market

This article critically evaluates the legal amendment, its practical implications, and the transitional challenges arising from its implementation.

Legal Amendment and Effective Date

Clause 157 of the Finance Act, 2026 omits Section 13(8)(b) of the IGST Act, 2017, thereby eliminating the long-standing anomaly in determining the place of supply for intermediary services.

In the absence of a specifically notified effective date, ambiguity initially arose regarding the applicability of the amendment. However, Section 5 of the General Clauses Act, 1897 provides clarity—where no commencement date is specified, the law becomes effective on the date of Presidential assent.

Accordingly, since Presidential assent was granted on 30 March 2026, the amendment is effective from the same date.

What are Intermediary Services?

According to Section 2(13) of the Integrated Goods and Services Tax (IGST) Act 2017, an intermediary is defined as under:

"Intermediary means a broker, an agent, or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services, or both, or securities on his own account."

In essence, intermediaries act as a conduit for transactions between a supplier and a recipient but do not themselves take possession or ownership of the goods or services involved.

For example, a person who connects buyers and sellers of products without handling of the goods or services, like an online marketplace or travel agency or an agent, is considered an intermediary. The role of the intermediary is limited to facilitating another supply of goods or services between the parties involved.

What Has Changed?

The amendment fundamentally alters the place of supply framework for intermediary services:

Earlier Position: Place of supply deemed to be the supplier's location (India), making such services taxable even when provided to foreign clients.

Revised Position: Place of supply determined under Section 13(2), i.e., the location of the recipient.

This shift ensures that intermediary services provided to overseas clients can now qualify as exports, subject to fulfillment of export of service conditions

Impact Analysis

Changes for Service Providers:

Earlier, despite satisfying all other conditions for export of services, intermediary services did not qualify as exports due to the place of supply being deemed in India under Section 13(8)(b) of the IGST Act, 2017. Consequently, such services provided to foreign recipients were subject to GST, resulting in an additional cost burden for Indian service providers. The omission of this provision is therefore a welcome move, bringing much-needed relief and enhancing their global competitiveness.

Now that this section has been omitted, this enables Indian service providers to qualify as export of services, subject to receipt of consideration in foreign currency and fulfilment of prescribed export of service conditions. Sectors such as IT & ITes, consulting, BPO, and technology support services, including Global Capability Centres (GCCs), will now be positioned to qualify as exporters.

This amendment addresses a legacy issue persisting since the service tax regime and is expected to enhance India's competitiveness by making exports more cost-efficient.

Changes for Service Recipients:

While the amendment provides relief to exporters, it may have adverse implications for importers.

Post amendment, a service recipient in India may be required to discharge GST under reverse charge on services received from overseas intermediary service providers. This could significantly impact sectors where input tax credit is restricted, such as hospitality, travel, airlines, and petroleum.

Points to Pause & Reflect

Given that the amendment is prospective in nature, only invoices raised on or after 30th March 2026 will be eligible for zero-rated treatment of intermediary services.

A question may arise regarding the applicability of Section 14 of the CGST Act, 2017, which governs the time of supply in cases involving a change in the rate of tax. However, it is important to note that the tax rate applicable to intermediary services remains unchanged. The amendment impacts only the nature of supply—resulting in such services qualifying as zero-rated supplies—rather than altering the rate of tax itself. Accordingly, the provisions of Section 14 would not be applicable in this context.

This necessitates a detailed evaluation of the time of supply provisions under Section 13 read with Section 31 of the CGST Act, 2017, as the tax liability is triggered based on the time of supply determined under these provisions.

Invoices for general (one time) services provided from 02nd March 2026 for which advances have not been received

Where invoices are issued within 30 days from the date of provision of service, the time of supply shall be the date of invoice or date of payment whichever is earlier. However, if invoices are not issued within 30 days from the date of provision of service the time of supply shall be the date of provision of service or date of payment whichever is earlier.

Taxpayers who have raised invoices on or after 30th March 2026 will be eligible for export of service even though the services are rendered prior to amendment.

Continuous supply of services (e.g. quarterly, semi-annually and annually)

For intermediary services provided on a continuous basis the time of supply shall be the **date of issue of invoice under Section 31(5) of the CGST Act or date of payment whichever is earlier.**

The provision for date of issuance of invoice under section 31(5) of CGST Act,2017 under various circumstances are analyzed below

- **Contractual Payment Due Dates:** When a contract specifies a due date for payment, the invoice must be issued on or before the due date of payment. If due date falls on or after 30th March 2026 the taxpayer ca\n avail zero rate benefits subject to receipt of payment. If due date falls before 30th March but the invoices is raised after 30th March, the services will be taxable.
- **Due date of payment is not ascertainable from contract:** In such cases the invoice must be issued on or before the date payment is received. Therefore, if payment is received on or after 30th March 2026, the taxpayer can avail zero rate benefits.
- **Payment linked to completion of event:** In such cases the invoice must be issued on or before the completion date of such event. If the event is completed on or after 30th March 2026, the taxpayer can avail zero rate benefits subject to receipt of payment.

Advance received before 30th March 2026

Under GST law, the receipt of an advance payment immediately triggers the Time of Supply for services.

- In any case, if any advance consideration was received prior to 30th March 2026, the Time of Supply for that specific monetary value is permanently crystallized in the pre-amendment era.
- Consequently, the export of service will not be applicable for that advance portion. It remains taxable under the old Section 13(8)(b) provisions, regardless of whether the actual service is completed or the final invoice is raised in April 2026 or beyond.

Sr. No	Scenario	Key Dates / Facts	Time of Supply	Applicable Law	Tax Treatment
1	Invoice Due Date after amendment	Due Date: 05 Apr 2026 Invoice: 05 Apr 2026	05 Apr 2026	Post-amend-ment	Export (Ze-ro-rated)
2	Invoice Due Date before amend-ment	Due Date: 28 Mar 2026 Invoice: 28 Mar 2026	28 Mar 2026	Pre-amend-ment	Taxable
3	Invoice delayed beyond due date	Due Date: 25 Mar 2026 Invoice: 31 Mar 2026	25 Mar 2026 (or service date)	Pre-amend-ment	Taxable + Risk
4	Monthly retainer	Due Date: 31 Mar 2026 Invoice: 31 Mar 2026	31 Mar 2026	Post-amend-ment	Export
5	Quarterly con-tract	Due Date: 31 Mar 2026 Invoice: 31 Mar 2026	31 Mar 2026	Post-amend-ment	Export
5A	Quarterly (alter-nate case)	Due Date: 25 Mar 2026 Invoice: 31 Mar 2026	25 Mar 2026	Pre-amend-ment	Taxable
6	No due date in contract	Invoice: 02 Apr 2026 Payment: April 2026	02 Apr 2026	Post-amend-ment	Export
7	Payment before due date	Payment: 20 Mar 2026 Invoice: 31 Mar 2026	20 Mar 2026	Pre-amend-ment	Taxable

8	Partial payments	₹4L: 20 Mar 2026 ₹6L: 05 Apr 2026	Split basis	Mixed	₹4L: Taxable ₹6L: Export
9	Milestone contract	M1: 20 Mar 2026 M2: 10 Apr 2026	Respective dates	Mixed	M1: Taxable M2: Export
10	Advance received before amendment	Advance: 20 Mar 2026 Invoice: April 2026 Service: April 2026	20 Mar 2026	Pre-amendment	Pre-amendment
11	Advance received after amendment	Advance: 02 Apr 2026 Invoice: April 2026 Service: April 2026	02 Apr 2026	Post-amendment	Export
12	Advance + balance payment	Advance: 20 Mar 2026 (10%) Balance: 05 Apr 2026 (90%)	Split basis	Mixed	Advance (10%): Taxable Balance (90%): Export

Import of Service (RCM) Implications

The amendment also raises considerations regarding reverse charge liability for service recipients.

The time of supply in such cases is determined as the earlier of:

- Date of payment to supplier, or
- Date of issuance of self-invoice (within 30 days from receipt of service)

Accordingly:

- If these events occur on or after 30th March 2026, reverse charge liability may arise
- If they occur prior to 30th March 2026, the earlier tax position will continue to apply & no GST applicable

Illustrations:

Sr. No.	Scenario	Key Dates / Facts	Time of Supply	Applicable Law	Tax Treatment
1	Payment after amendment	Payment: 05 Apr 2026 Self-invoice: 10 Apr 2026	05 Apr 2026	Post-amendment	Post-amendment
2	Payment before amendment	Payment: 25 Mar 2026	25 Mar 2026	Pre-amendment	No GST applicable
3	No self-invoice (30-day rule)	Service: 01 Mar 2026 Payment: 10 May 2026 No self-invoice	31 Mar 2026	Post-amendment	RCM applicable
4	No self-invoice (30-day rule)	No self-invoice (30-day rule)	25 Mar 2026	Pre-amendment	No GST applicable

What Should Be Done Next

- Undertake a detailed assessment of time of supply provisions, with specific focus on transactions spanning March 2026 to ensure correct tax positioning.
- File LUT for FY 2026–27 in cases where services are exported without payment of tax.
- Revisit and realign agreements and contractual arrangements to reflect the revised tax treatment.
- Update ERP systems and tax configurations to ensure alignment with the amended provisions and reporting requirements.
- Reclassify transactions from B2CS to export of services for eligible cases and ensure e-invoicing compliance wherever applicable.
- Evaluate RCM exposure for service recipients, ensure timely discharge of tax liability, and comply with self-invoicing requirements.
- Initiate refund claims for eligible export transactions within the prescribed timelines to optimize cash flows.

Conclusion

This reform marks a pivotal milestone in India's GST framework by enabling export benefits for intermediary services through alignment of place of supply with the recipient's location. It addresses structural inefficiencies, enhances global competitiveness, and reduces long-standing disputes.

At the same time, it reshapes the tax position for importers and introduces critical timing considerations.

Overall, the amendment creates a more balanced ecosystem for cross-border services while reinforcing India's position as a reliable and competitive global service hub.

Thank you.

Siddhi Baheti and Anuj Gandhi

WHAT'S NEW?

GST

- **Advisory on the Payment of pre-deposit while filing of appeal before First Appellate authority**:
  Taxpayers sometimes pay amounts during investigation through Form GST DRC-03. However, such payments are not automatically linked to the Demand ID created after a demand order (e.g., DRC-07). When filing an appeal, the GST portal checks payments only against the Demand ID in the Electronic Liability Register to calculate the required admitted amount and pre-deposit.

  Since DRC-03 payments are not linked to the Demand ID, they are not considered for pre-deposit calculation. Therefore, taxpayers must file Form GST DRC-03A to link the earlier DRC-03 payment with the relevant Demand ID. Once linked, the system will recognize the payment, and no additional pre-deposit will be required while filing the appeal.
  [GST Advisory dated 14th Mar 2026]

- **Advisory regarding confirmation of "Tax Liability Breakup, As Applicable" in GSTR-3B from Feb 2026:**

  In terms of the provisions of Section 50 of the Central Goods and Services Tax (CGST) Act, 2017, interest is payable where the tax liability pertaining to a previous tax period is discharged in a subsequent tax period. Accordingly, the tab "Tax Liability Breakup, As Applicable" in Form GSTR-3B is meant to capture the tax liability relating to supplies of previous tax periods which are being reported and discharged in the current tax period. From February 2026 tax period onwards, the GST Portal auto-populates the "Tax Liability Breakup, As Applicable" in GSTR-3B on the basis of the document dates of supplies reported in GSTR-1 / GSTR-1A / IFF, where such supplies pertain to any previous tax period but the corresponding tax liability is being discharged in the current period's GSTR-3B.

  Accordingly, from the February 2026 tax period, after offsetting the liability in GSTR-3B, taxpayers are required to click on the "Tax Liability Breakup, As Applicable" tab available on the payment page and confirm the breakup of tax liability by clicking the "SAVE" button or edit the same, if required. Once the breakup of tax liability is confirmed and saved, the taxpayer will be able to proceed with filing Form GSTR-3B using EVC or DSC.

Ideally this confirmation should be mandatory only in cases where supplies pertaining to previous tax periods have been reported in the current tax period. However, confirmation is presently required in all cases, including where liability relates only to the current tax period. The feedback is acknowledged by GSTN and the same is under resolution.

Meanwhile, all the taxpayers required to open the "Tax Liability Breakup, As Applicable" tab on the payment page and click "SAVE" within the tab for filing during the current reform cycle. Thereafter, filing of Form GSTR-3B can be completed normally. Taxpayers are requested to kindly follow the above interim procedure till the issue is resolved on the portal.
[GST Advisory dated 16th Mar 2026]

CUSTOMS

Tariff

- Amendment to the List 14 to TABLE I of notification No. 45/2025-Customs dated 24.10.2025 to bring it in congruence with updated Appendix 4B of Handbook of Procedure, 2023 with addition of "SBER Bank with effect from 25.06.2025 till 31.03.2026. Imports are allowed for domestic consumption only.
[Notification No.6/2026-Cus Dated 12th Mar 2026]

- Exemption from whole of the Additional Duty of Customs leviable on imports of **Aviation Turbine Fuel falling under chapter heading 2710** as is equivalent to the amount of Special Additional Excise Duty.
[Notification No.07/2026-Cus dated 26th Mar 2026]

- Amendments to existing Notification No.45/2017-Customs w.r.t. re-import of goods, it clarifies that the exemption from customs duty or specific procedures applies only when the goods being re-imported are identical to those originally exported. Further In cases where goods are re-imported via courier (excluding specific exceptions under the Courier Imports and Exports Regulations, 2010), a risk-based assessment framework will be applied to streamline the process while enhancing compliances of this notification.
[Notification No.08/2026-Cus dated 26th Mar 2026]

- **India-UAE CEPA tariff concessions expand customs duty changes and quota-based import treatment across specified goods.**
  Customs notification amends notification No. 22/2022-Customs to give effect to the fifth tranche of tariff concessions under the India-UAE CEPA. The amendments substitute the tariff schedules in Tables I, II and III, revising basic customs duty rates for specified tariff items, prescribing additional duty structures for certain goods, and setting tariff rate quota quantities, in-quota rates and conditions for identified product categories. The notification comes into force on 1 April 2026.
  [Notification No.9/2026-Cus dated 31st Mar 2026]

- **India-UAE CEPA tariff concessions expand customs duty changes and quota-based import treatment across specified goods.**
  Customs notification amends notification No. 22/2022-Customs to give effect to the fifth tranche of tariff concessions under the India-UAE CEPA. The amendments substitute the tariff schedules in Tables I, II and III, revising basic customs duty rates for specified tariff items, prescribing additional duty structures for certain goods, and setting tariff rate quota quantities, in-quota rates and conditions for identified product categories. The notification comes into force on 1 April 2026.
  [Notification No.9/2026-Cus dated 31st Mar 2026]

- **Customs duty relief for Special Economic Zone clearances to the Domestic Tariff Area under a one-time exemption window.**
  A special one-time customs relief window applies to goods manufactured by a Special Economic Zone unit and removed to the Domestic Tariff Area, subject to the tariff classifications and conditions in the notification. The exemption limits customs duty to the rates specified in the tables, and for the goods in Table II also extends to the Agriculture Infrastructure and Development Cess. The benefit is confined to units that commenced production on or before 31 March 2025, excludes Free Trade and Warehousing Zone units and re-imported goods, and remains subject to audit. This exemption is subject to following conditions:

  1. It is applicable from 1st April 2026 to 31st March 2027.
  2. Limit of 30% of export value on the concessional clearance in DTA
  3. Value Addition required of 20%
  4. No export benefits on inputs used in FG cleared in DTA

  [Notification No.11/2026-Cus dated 31st Mar 2026]

Non-Tariff:

- Amendments to the Customs (Electronic Cash Ledger), Regulations, 2022 so as to add the wordings of “through payment aggregator”.
  [Notification No.30/2026-CUSTOMS (N.T.) dated 24th Mar 2026]

- The Sea Cargo Manifest and Transshipment (First Amendment) Regulations, 2026, issued to amend the 2018 regulations to extend key compliance timelines. The deadline for compliance related to certain regulatory requirements, specifically mentioned in the table after Form XII (column 3), is extended to June 30, 2026. **[Notification No.31/2026-Customs (N.T.) dated 30th Mar 2026]**

- Updated tariff values for Edible oils, gold, silver, and areca nuts have been notified. Changes apply from 21st Mar 2026.

TABLE-1

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $Per Metric Tonne)
1	**2**	**3**	**4**
1	1511 10 00	Crude Palm Oil	1141
2	1511 90 10	RBD Palm Oil	1162
3	1511 90 90	Others – Palm Oil	1152
4	1511 10 00	Crude Palmolein	1167
5	1511 90 20	RBD Palmolein	1170
6	1511 90 90	Others – Palmolein	1169
7	1507 10 00	Crude Soya bean Oil	1224
8	7404 00 22	Brass Scrap (all grades)	7117

TABLE-2

Sl. No	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US $)
1	**2**	**3**	**4**
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 194 of the Notification No. 45/2025-Customs dated 24.10.2025 is availed	1450 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 195 of the Notification No. 45/2025-Customs dated 24.10.2025 is availed	2201 per kilogram
3	71	**(i)** Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92; **(ii)** Medallions and silver coins having silver content not below 99.9% or semi manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. **Explanation. -** For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	2201 per kilogram
4	71	**(i)** Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units; **(ii)** Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. **Explanation. -** For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.	1450 per 10 grams

TABLE-3

Sl. No	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Ton)
1	2	3	4
1	080280	Areca nuts	7020

[Notification No. 32/2026-CUSTOMS (N.T.) dated 30th Mar 2026]

- **Amendments to the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 detailed as under:**
  Courier import and export electronic declaration regulations are amended to revise the treatment of uncleared imported goods, expand the scope of re-export or return requests by authorised couriers, and update Form E disclosure requirements for re-import related shipping bill details. An authorised courier may request Customs to re-export or return imported goods to the sender if the goods remain uncleared after fifteen days from arrival, subject to prohibition, restriction, and enforcement safeguards. Form E is also updated to require additional particulars relating to re-import documentation and export benefit disclosure. Further the existing ₹10 lakh per consignment value limit for commercial export consignments through courier mode has been removed. This allows for higher-value shipments without requiring diversion to conventional air/sea cargo.
  [Notification No. 33/2026-CUSTOMS (N.T.) dated 31st Mar 2026]

- **Courier clearance rules revised for uncleared imports, including detention, disposal, re-export requests, and removal of a value limit.**
  The courier clearance framework is amended to revise the handling of uncleared imported goods and remove a value-based restriction. Goods not cleared after thirty days may be detained and sold or otherwise disposed of after notice, with storage and holding charges payable by the authorised courier. The authorised courier may also seek re-export or return of uncleared goods after fifteen days, subject to restrictions on prohibited or restricted goods and the absence of enforcement proceedings.
  [Notification No. 34/2026-CUSTOMS (N.T.) dated 31st Mar 2026]

Circulars

- **Clarifications issued w.r.t. Return of Export Cargo from international waters due to closure of the Strait of Hormuz:** Following procedures prescribed in order to facilitate trade and ensure expeditious handling of such cargo, where export cargo is brought back to Indian ports due to the closure of Strait of Hormuz or similar disruptions. In all such cases the vessel shall be permitted to berth only at the same India port from which it was departed except in case of transshipment. The procedures prescribed to be followed in different situations as stated below:
  1. Cargo loaded on vessel and vessel is within Indian territorial waters and EGM / SDM not filed.
  2. Cargo loaded on vessel and is within Indian territorial waters and EGM or SDM filed or Vessel is beyond Indian Territorial waters and is in international waters and returning without calling any foreign ports.
  3. Cargo loaded on vessel and is within Indian territorial waters and EGM or SDM filed or Vessel is beyond Indian Territorial waters and is in international waters and returning to India after calling any foreign port without discharge of any container.

  [Circular No.9/2026-CUSTOMS 8th mar 2026]

- Levy o**f fee for amendment or cancellation of export documents in cases of withdrawal of export consignments due to force majeure circumstances: Exporter** or authorised Customs Brokers shall submit requests to the Jurisdictional Deputy/Assistant Commissioner of Customs, supported by evidence such as airline/shipping line communications, port/airport notices or other relevant documents. The proper officer may, after being satisfied that the amendment or cancellation arises solely due to such circumstances and not on account of avoidable errors or omissions on the part of the exporter, allow the amendment or cancellation without Levying the prescribed fees. These instructions shall apply to export consignments handled at all Customs stations including seaports, air cargo complexes Inland Container Depots (lCDs) and Container Freight Stations (CFSs). **[Circular No.10/2026-CUSTOMS 10th mar 2026]**

- The Department of Animal Husbandry & Dairying (DAHD) has informed that considering the unique and extraordinary situations in war-hit Middle East countries wherein pre-export requite formalities to export of pets into India may not be fulfilled, the import of pet dogs and/or pet cats along with stranded Indians, is being facilitated as one time relaxation measures as stated in O.M. It is further clarified that this facilitation will not be considered and quoted as a precedent in future as this circular is issued for facilitating entry of pet dogs and/or pet cats belonging to stranded Indian nationals from the war zone by the Government of India. It is also mentioned that for applicable requirements of other Departments or agencies such as DGFT, Customs etc. for import of pet dogs and/or the concerned Department or agency may consider to take appropriate action in this regard.
  [Circular No.11/2026-Customs dated 16th Mar 2026]

- **Clarifications issued w.r.t. Return of Export Cargo from international waters due to closure of the Strait of Hormuz:** Procedures prescribed in order to facilitate trade and ensure expeditious handling of such cargo, where export cargo is brought back to Indian ports due to the closure of the Strait of Hormuz or similar disruptions. The following procedures are to be followed in case where the vessel has landed at an Indian port other than the original port of departure. The procedures prescribed to be followed in different situations as stated below:
  1. Vessel departed from any Indian port and landed at a different Indian port.
  2. International Transhipment.
  3. Liquid bulk/break bulk cargo.

  [Circular No.12/2026-Customs dated 17th mar 2026]

- **Ease of Customs Duty Payment - Introduction of Payment Aggregator:** To facilitate ease of customs duty payment, there is introduction of a Payment Aggregator on the ICEGATE e-payment platform, building on earlier initiatives like the Electronic Cash Ledger. The circular enables new payment modes such as credit card, debit card, and UPI (introduced for the first time) and expands internet banking access to 41 banks (from 23 earlier) through the aggregator. This system complements existing modes like internet banking via authorized banks and NEFT/RTGS, thereby providing greater flexibility, wider access, and faster, more convenient payment options, ultimately improving transparency and reducing transaction time and cost in customs processes. This option complements existing modes such as Internet Banking (authorised bank route) and NEFT/RTGS and continues to route all payments through the Electronic Cash Ledger (ECL). User manual has been made available on ICEGATE for stakeholder guidance.
  [Circular No.13/2026-Customs dated 24th mar 2026]

- **Clarification regarding validity period for self-sealing permission to exporters under Circular No. 26/2017-Customs and Circular No.36/2017-Customs:** It is clarified that the facility of self-sealing, once granted to an eligible exporter/ merchant exporter in terms of the Circular No.26/2017-Customs dated 01.07.2017, does not have any prescribed validity period. The permission shall continue to remain valid unless it is specifically withdrawn, suspended, or cancelled by the jurisdictional Customs authority due to non-compliance, misuse of the facility, or any other valid reason.
  [Circular No.14/2026-Customs dated 27th Mar 2026]

- In view of the ongoing disruption in maritime routes due to closure of the Strait of Hormuz and with a view to facilitate trade and mitigate logistical bottlenecks, it is clarified that International transshipment of both FCL and LCL cargo shall be permitted from all seaports and international airports, including cases involving transshipment through other Customs stations, subject to compliance with the provisions of the Customs Act, 1962, the rules made thereunder.
  [Circular No.15/2026-Customs dated 27th Mar 2026]

- **Implementation of the Sea Cargo Manifest and Transhipment Regulations (SCMTR):** The Board has examined the implementation status of the Sea Cargo Manifest and Transhipment Regulations (SCMTR) 2018. It is noted that SCMTR messages relating to movement of cargo between gateway ports and foreign ports, for both arrival and departure, have been successfully implemented across the country. Further, the Stuffing (SF) messages have been made operational at all sites. However, uniformity in filing SF messages is yet to be achieved. Field formations are, therefore, requested to take necessary steps to ensure its consistent adoption at all locations. Considering that certain messages are still under development and require comprehensive testing across ICDs, CFSs, SEZs and gateway ports, the transitional provisions for the SCMTR have been extended till 30th June 2026. During this extended period, all stakeholders are required to file complete and correct declarations electronically in the prescribed format.
  [Circular No.16/2026-Customs dated 30th Mar 2026]

- **Courier customs reforms ease e-commerce exports, enable return to origin, and simplify re-import of returned goods:**
  Customs reforms for courier and e-commerce consignments remove the earlier value cap of Rs. 10 lakhs on commercial export consignments through courier mode, including non-e-commerce commercial goods, to facilitate exports and ease of doing business. A simplified Return to Origin procedure is introduced for uncleared or unclaimed imported goods lying in International Courier Terminals, allowing re-export after approval where the goods are not prohibited, restricted, or intercepted and remain uncleared for more than 15 days. The process for re-import of returned and rejected goods in courier mode, including e-commerce returns and rejects, is also simplified through a risk-based approach, with a separate return module developed in the Express Cargo Clearance System.
  [Circular No.17/2026-Customs dated 31st Mar 2026]

CENTRAL EXCISE

Notification

Tariff

- Reduction of Special Additional Excise Duty on petrol and diesel for domestic consumption by substituting the duty entry for one product with Rs. 3 per litre and the other with Nil respectively.
  [Notification No.5/2026-CE dated 26th Mar 2026]

- Special Additional Excise Duty is modified for export clearances of petroleum products under the Central Excise framework. Motor spirit, commonly known as petrol, is exempted at a nil rate, while high speed diesel oil is subjected to duty at the specified reduced rate per litre Rs.12. The exemption applies only to goods cleared for export and does not extend to exports by Public Sector Oil Companies to Nepal, Bhutan, Bangladesh and Sri Lanka.
  [Notification No.6/2026-CE dated 26th Mar 2026 & 27th Mar 26]

- Special Additional Excise Duty is prescribed on Aviation Turbine Fuel by amending the Eighth Schedule to the Finance Act, 2002. The amendment inserts Aviation Turbine Fuel as a new entry and specifies the duty rate at Rs. 50 per litre.
  [Notification No.7/2026-CE dated 26th Mar 2026]

- Special Additional Excise Duty on Aviation Turbine Fuel cleared for exports is prescribed at an effective rate of Rs. 29.5 per litre.
  [Notification No.8/2026-CE dated 26th Mar 2026]

- Aviation Turbine Fuel under Heading 2710 is exempted from the whole of the Special Additional Excise Duty leviable under section 147 of the Finance Act, 2002. The exemption does not extend to goods cleared for export, except exports by Public Sector Oil Companies to Nepal, Bhutan, Bangladesh and Sri Lanka, and it takes immediate effect.
  [Notification No.9/2026-CE dated 26th Mar 2026]

- Basic excise duty and Agriculture Infrastructure and Development Cess on petrol and high-speed diesel are exempted when cleared for exports, and basic excise duty on Aviation Turbine Fuel is exempted when cleared for exports or supplied as fuel to foreign going aircraft.
  [Notification No.10/2026-CE dated 26th Mar 2026]

- Road and Infrastructure Cess is prescribed on specified excisable goods cleared for export. Petrol is charged at nil rate, while high speed diesel oil is charged at the specified rate per litre Rs.9.5 for the additional duty of excise. The exemption applies only to goods cleared for export and excludes exports by Public Sector Oil Companies to Nepal, Bhutan, Bangladesh and Sri Lanka.
  [Notification No.11/2026-CE dated 26th & 27th Mar 2026]

- Amendment to the Central Excise exemption notification 4/2019 excludes goods cleared for export from the notification's operation, except exports made by Public Sector Oil Companies to Nepal, Bhutan, Bangladesh and Sri Lanka. The change inserts a specific exclusion after the Table and takes effect immediately.
  [Notification No.12/2026-CE dated 26th Mar 2026]

- Rescinds of earlier exemption Notification No. 18/2022-Central Excise by removing the earlier exemption notification while saving prior acts and omissions.
  [Notification No.13/2026-CE dated 26th Mar 2026]

Non-Tariff

- The Central Excise (Amendment) Rules, 2026 insert an identical proviso in rule 18 and rule 19 of the Central Excise Rules, 2017. The proviso excludes motor spirit, high-speed diesel oil and aviation turbine fuel from the operation of those rules, except when exported by Public Sector Oil Companies to Nepal, Bhutan, Bangladesh and Sri Lanka. The amendment takes immediate effect and restricts rebate and duty-free export treatment for the specified petroleum products.
  [Notification No.2/2026-CE(NT) dated 26th Mar 2026]

DGFT

Notification:

- The import policy for items covered under ITC HS code 71131144 "Other Jewellery-Studded with diamonds or of heading 7104" and 71131145 "Other Jewellery-Studded with other precious & semi-precious stones" is revised from "Free" to "Restricted" for the period up to 30h June 2026 with immediate effect. **[Notification No.63/2025-26 dated 16th Mar 2026]**

- Import Policy condition No.2(iii) of Chapter 95 of ITC HS, 2022-Shedule I (Import Policy) stands deleted with immediate effect.
  [Notification No.64/2025-26 dated 18th Mar 2026]

- A time-limited RELIEF intervention under the Export Promotion Mission to be implemented through the Export Credit Guarantee Corporation of India (ECGC) is operationalized to address elevated export risks arising from geopolitical disruptions in the Gulf and West Asia maritime corridor. **[Notification No.65/2025-26 dated 19th Mar 2026]**

- RoDTEP benefits shall be available at the rates and value caps as applicable on 22nd Feb 2026 thereby withdrawing the earlier restriction of 50% as notified vide Notification No.60/2025-26 dated 23rd Feb 2026. The restored rates will apply to all eligible export products from 23 March 2026 to 31 March 2026, replacing the earlier 50% restriction notified on 23 February 2026. **[Notification No.66/2025-26 dated 19th Mar 2026]**

- The value limit per consignment of exports through courier service shall stand withdrawn w.e.f. 1st April 2026.
  [Notification No.67/2025-26 dated 27th Mar 2026]

- Import of Urea (Agricultural grade) on Government account is allowed through Indian Potash Limited (IPL) subject to Para 2.21 (imports by State Trading Enterprises) of FTP 2023 till 31st Mar 2027.
  [Notification No.68/2025-26 dated 27th Mar 2026]

- Minimum Import Price (MIP) INR 67,220 per MT on CIF value, imposed on import of Virgin Multi-Layer Paper Board (VPB) under ITC HS code 48059100, 48059200, 48059300, 48109200 and 48109900 has been extended for a period of one month i.e. up to 30th April 2026.
  [Notification No.69/2025-26 dated 31st Mar 2026]

- Import of Yellow Peas under ITC HS Code 07131010 is "Free" without the MIP condition and without Port Restriction subject to the registration under online Import Monitoring System with immediate effect for all import consignments where Bill of Lading (Shipped on Board) is issued on or before 31st Mar 2027. **[Notification No.70/2025-26 dated 31st Mar 2026]**

- The "Free" import policy for 'Urad' ITC HS Code 07133110 stands extended up to 31st Mar 2027.
  [Notification No.71/2025-26 dated 31st Mar 2026]

- The "Free" import policy for 'Tur' ITC HS Code 07136000 stands extended up to 31st Mar 2027.
  [Notification No.72/2025-26 dated 31st Mar 2026]

- Specified category of exporters of Cut and Polished diamonds will now have a total of four months (instead of earlier three months) to avail zero-duty re-import facility in Para 4.43 of FTP for shipments whose date of re-import falls within 1st Mar 2026 to 31st May 2026. This relaxation is provided to address logistical bottlenecks and transit delays arising from the current regional instability. **[Notification No.73/2025-26 dated 31st Mar 2026]**

- Eligible exports made during the period from 1st April 2026 to 30th Sept 2026 shall continue to be entitled to RoDTEP benefit at the rates and value caps as in force as on 31st Mar 2026 subject to the existing terms and conditions of the Scheme. **[Notification No.74/2025-26 dated 31st Mar 2026]**

Public Notice

- In view of prevailing geopolitical developments affecting international shipping routes and global supply chains, and with a view to facilitating exporters, the Export Obligation (EO) period/ Block-wise EO period in respect of specified Advance Authorizations and EPCG Authorizations expiring between 01.03.2026 and 31.05.2026 has been automatically extended up to 31.08.2026 without payment of composition fees. This relaxation is in addition to the EO extension facility already available under FTP/HBP upon payment of Composition fees. **[Public Notice No. 51/2025-26 dated 6th Mar 2026]**

- Amendments to the Standard Input Output Norms (SION) A 2005. The changes modify the description of the export product and revise the permissible quantity of the import item "Ethylene Oxide" under Serial No. 2. The quantity of 'Ethylene Oxide' allowed has been updated from 0.325 kg TO 0.323 kg, while the quantity for 'Phenol' remains unchanged.
  [Public Notice No. 52/2025 26 dated 20th Mar 2026]

- Extension in the validity of TRQ Authorisations for import of gold under India–UAE CEPA (CTH 7108) issued during FY 2025 26. The validity, earlier ending on 31 March 2026, has now been automatically extended up to 30 June 2026 in view of prevailing geopolitical conditions affecting global trade and logistics. No separate application, fee, or amendment is required to avail this extension. **[Public Notice No. 53/2025 26 dated 24th Mar 2026]**

- Facilitative provisions for the Gems and Jewellery sector under Chapter 4 of HBP-2023 have been incorporated in response to recent geopolitical developments in West Asia, and the export/import (as applicable) period for specific categories is being extended by 30 days without any requirement for fees or an application**.**
  [Public Notice No. 54/2025 26 dated 30th Mar 2026]

Trade Notice

- Operationalization of Inter-Ministerial Group (IMG) for supply chain resilience: IMG will monitor global developments affecting supply chains, assess sector wise export and critical import vulnerabilities, facilitate coordination among Ministries / Departments, engage with stakeholders including Export Promotion Councils and recommend appropriate mitigation measures wherever required. An internal coordination mechanism has also been established within DGFT to enable real-time tracking of issues and inter-agency coordination. **[Trade Notice No.30/2025-26 dated 3rd Mar 2026]**

- Launch of Credit Assistance for E-Commerce Exporters under Export Promotion Mission (EPM) – NIRYAT PROTSAHAN: The Credit Assistance for E-Commerce Exporters intervention under the Export Promotion Mission (EPM) – NIRYAT PROTSAHAN is implemented with prospective effect. The intervention seeks to enhance access to working capital for Micro, Small and Medium Enterprises (MSMEs) involved in international value chains through ecommerce, enabling them to manufacture goods in advance of anticipated demand and scale their participation in global markets.

  Under this Intervention, credit guarantee cover will be available to banks for credit assistance extended by them in the form of Cash Credit, Overdraft, or other Working Capital facilities to eligible beneficiary entities, in accordance with the coverage parameters. These facilities will also be supported through interest subvention, in accordance with the notified ceilings.
  [Trade Notice No.31/2025-26 dated 6th Mar 2026]

- Launch of Support for Emerging Export Opportunities under Export Promotion Mission (EPM) – NIRYAT PROTSAHAN implemented with immediate effect. The detailed Policy framework is enclosed as ANNEXURE-I. The Operational and Procedural Guidelines are enclosed at ANNEXURE-II. The governance Structure is enclosed at ANNEXURE-III with the trade notice. The intervention shall be operationalized on a pilot basis for feedback, institutional learning, and data-driven refinement. Guidelines for banks are enclosed at ANNEXURE-IV, and pilot implementation are enclosed at ANNEXURE-V.
  [Trade Notice No.32/2025-26 dated 6th Mar 2026]

- **Amendments to Guidelines for Interest Subvention Support for Pre- and Post-Shipment Export Credit under Export Promotion Mission – Niryat Protsahan:**
  1. Interest subvention shall not be admissible from the date on which the loan account is classified as a Non-Performing Asset (NPA), and no subvention benefit shall be extended with effect from such date.
  2. Interest subvention shall be admissible only in respect of Export Credit (pre-shipment and post-shipment) disbursed on or after 2 Jan 2026. Export credit (pre-shipment and post-shipment) disbursed prior to the issuance of the trade notice (i.e. before 2nd Jan 2026) shall not be eligible.
  3. If the export credit has been disbursed after 2nd Jan 2026, the interest subvention support shall apply from the date of loan disbursement, given that the UIN/SDIN has been generated and submitted the bank on the date of disbursement. This implies that the cases where loan been disbursed, but UIN has not been generated will not be considered under the scheme.
  4. Where a credit facility is renewed with a top-up, only the additional amount disbursed shall be treated as a fresh credit exposure and shall be eligible for subvention at the rate applicable on the date of export credit disbursement. The existing outstanding portion shall continue to be governed by the subvention rate applicable at the time of its original disbursement.

  [Trade Notice No.33/2025-26 dated 20th Mar 2026]

INCOME TAX

Notifications

- Amendments to Rule 114F of the Income-tax Rules, 1962.The amendment expands the definition of "Depository Account" to include accounts or notional accounts holding specified electronic money products and Central Bank Digital Currency.
  Definition of "Depository Account" expanded to include:

a. Accounts or notional accounts representing specified electronic money products are held for customers.

b. Accounts holding Central Bank Digital Currencies (CBDC) for the benefit of customers.

These changes are effective from 01-01-2026 and impact financial institutions' reporting of financial accounts.
[Notification No.19/2026 Dated 5th Mar 2026]

- The Central Government hereby approves G.S.L. Medical College and General Hospital under the aegis of G.S.L. TRUST' (PAN: AAATG3008N), Rajahmundry, Andhra Pradesh, for 'Scientific Research' under the category of 'University, college or other institution' for the purposes of clause (ii) of sub-section (1) of section 35 of the Income tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.
[Notification No.21/2026 Dated 18th Mar 2026]

- Income Tax Rules 2026 have been notified and will be effective from 1st April 2026.
[Notification No.22/2026 Dated 20th Mar 2026]

- The Central Government hereby approves 'The Ahmedabad University' (PAN: AAAJT2294D), Ahmedabad, Gujarat for 'Scientific Research' under the category of 'University, college or other institution' for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962. [
Notification No.23/2026 Dated 20th Mar 2026]

- The Central Government hereby approves 'Tea Research Association' (PAN: AAAAT3430E), Kolkata, West Bengal under the category of 'Research Association' for 'Scientific Research' for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5D of the Income-tax Rules, 1962.
[Notification No.24/2026 Dated 20th Mar 2026]

- **Tax exemption notification for Urban Improvement Trust, Sikar applies from assessment year 2026-27 subject to continuing statutory conditions.**
The Central Government notifies Urban Improvement Trust, Sikar as an entity covered by clause (46A) of section 10 of the Income-tax Act, 1961, for specified income. The notification is effective from assessment year 2026-27, subject to the condition that the assessee continues to be trust constituted under the Rajasthan Urban Improvement Act, 1959 and continues to have one or more of the purposes specified in sub-clause (a) of clause (46A).
[Notification No.25/2026 dated 24th Mar 2026]

- **Tax exemption notification for Shree Ayodhya Jee Teerth Vikas Parishad under section 10(46A) with continuing statutory conditions.**
  Tax exemption is notified for Shree Ayodhya Jee Teerth Vikas Parishad under clause (46A) of section 10 of the Income-tax Act, 1961, as a body constituted under the Uttar Pradesh Shree Ayodhya Jee Teerth Vikas Parishad Act, 2023. The notification is effective from assessment year 2025-26, subject to the condition that the entity continues to be so constituted and continues to have one or more of the purposes specified in sub-clause (a) of clause (46A).
  [Notification No.26/2026 dated 24th Mar 2026]

- **Tax exemption for legal services authority covers grants, court receipts, fees and bank interest, subject to compliance conditions.**
  Tax exemption under section 10(46) is notified for CJM cum District Legal Services Authority, Fatehabad, in respect of specified grants, donations, court-received amounts, recruitment application fees and bank interest. The exemption applies subject to conditions that the Authority does not engage in commercial activity, keeps its activities and the nature of its specified income unchanged, and files return of income under section 139(4C) (g). Non-compliance may lead to penal action and withdrawal of the exemption.
  [Notification No.27/2026 dated 24th Mar 2026]

- **Tax exemption notification for Karnataka Industrial Areas Development Board under specified income conditions and continuing statutory purposes.**
  The Central Government has notified the Karnataka Industrial Areas Development Board for the purposes of clause (46A) of section 10 of the Income-tax Act, 1961. The notification operates from assessment year 2024-25, subject to the condition that the Board continues to be constituted under the Karnataka Industrial Areas Development Act, 1966 and continues to meet one or more of the purposes specified in sub-clause (a) of clause (46A). The explanatory memorandum records retrospective effects from the year of application and states that no person is adversely affected.
  [Notification No.41/2026 dated 30th Mar 2026]

- **Income-tax return forms revised to allow two house properties in ITR-1 and update ITR-4 compliance details.**
  The Income-tax (Second Amendment) Rules, 2026 amend the Income-tax Rules, 1962 with effect from 31 March 2026 and apply to returns filed for assessment year 2026-27. Rule 12 is updated to revise the assessment-year references and to permit ITR-1 for a resident individual with income from salaries, two house properties, other sources, limited long-term capital gains under section 112A, and prescribed agricultural income, subject to stated exclusions. The rules also substitute revised ITR-1 and ITR-4 forms, expanding return particulars, regime-selection details, house-property disclosures, exempt-income reporting, tax computation, bank account information, TDS/TCS credits, presumptive income schedules, GST turnover reporting, financial particulars, and verification requirements.
  [Notification No.45/2026 dated 30th Mar 2026]

- **Income-tax return form updated with a substituted ITR-2 for individuals and HUFs, effective for Assessment Year 2026-27.**
  The Income-tax (Third Amendment) Rules, 2026 substitute the prescribed FORM ITR-2 in Appendix-II to the Income-tax Rules, 1962. The amended form applies to returns filed for Assessment Year 2026-27 and comes into force on 31 March 2026. The revised ITR-2 is for individuals and HUFs not having income from profits and gains of business or profession, and it updates the reporting, computation, schedule and verification requirements for filing the return of income.
  [Notification No.46/2026 dated 30th Mar 2026]

- **Income-tax return form update revises ITR-3 disclosure and reporting requirements for business income taxpayers.**
  The Income-tax (Fourth Amendment) Rules, 2026 amend the Income-tax Rules, 1962 by substituting FORM ITR-3 in Appendix II. The amended return form applies to individuals and HUFs having income from business or profession and reflects updated disclosures on filing status, residential status, audit information, presumptive taxation, capital gains, deductions, foreign assets, tax relief, and related reporting schedules. The amendment comes into force on 31 March 2026 and applies to returns filed for Assessment Year 2026-27.
  [Notification No.47/2026 dated 30th Mar 2026]

- **Revised ITR-5 return form introduced with expanded disclosure requirements for business, capital gains, deductions and foreign assets.**
  Income-tax (Fifth Amendment) Rules 2026 amend the Income-tax Rules, 1962 by substituting the existing Form ITR-5 in Appendix-II with a revised return form. The amended form applies to returns filed for Assessment Year 2026-27 and is prescribed for persons other than individuals, Hindu undivided families, companies and persons filing Form ITR-7. The substituted form expands disclosure requirements across filing status, business or profession particulars, capital gains, other sources, deductions, foreign assets, tax relief, GST turnover, and computation of total income and tax liability.
  [Notification No.48/2026 dated 30th Mar 2026]

- **Income-tax return filing updated with a substituted ITR-6 form applicable from Assessment Year 2026-27.**
  The Income-tax (Sixth Amendment) Rules, 2026 substitute the prescribed Form ITR-6 in Appendix II of the Income-tax Rules, 1962. The revised form comes into force on 31 March 2026 and applies to returns filed for Assessment Year 2026-27. The amendment is issued under section 139 read with section 295 of the Income-tax Act, 1961 and updates the return-filing framework for companies covered by ITR-6.
  [Notification No.49/2026 dated 30th Mar 2026]

- **Income-tax return form revision expands ITR-7 reporting for exempt entities, donations, foreign assets, and tax computation.**
  The Income-tax (Seventh Amendment) Rules, 2026 substitute FORM ITR-7 in Appendix II of the Income-tax Rules, 1962, with effect from 31 March 2026 and for Assessment Year 2026-27. The substituted form applies to persons, including companies, required to furnish returns under sections 139(4A), 139(4B), 139(4C) or 139(4D), and introduces detailed reporting on registration and approval status, project details, audit particulars, corpus and accumulation, loans and investments, voluntary and anonymous donations, foreign contributions, foreign assets, tax relief, and computation of income and tax liability.
  [Notification No.50/2026 dated 30th Mar 2026]

- **Income-tax return verification forms updated for electronic filing, acknowledgement, and time-linked furnishing consequences under the amended rules.**

  Income-tax Rules, 1962 are amended to substitute the prescribed forms in Appendix II relating to return filing verification and acknowledgement. The amendment replaces Form ITR-V for cases where return data in specified income-tax return forms has been electronically transmitted but not electronically verified and replaces Form ITR-Ack for cases where such return data has been filed and verified. The substituted ITR-V form retains the verification process, prescribed modes of verification, and the time-linked consequences for furnishing the return.

  [Notification No.51/2026 dated 30th Mar 2026]

- **Updated return filing form inserted with eligibility checks, income adjustments, tax computation, and payment disclosure requirements.**

  The Income-tax (Ninth Amendment) Rules, 2026 insert Form ITR-U in Appendix-II of the Income-tax Rules, 1962 for filing an updated return. The form applies to persons seeking to update income or reduce loss within forty-eight months from the end of the relevant assessment year, subject to eligibility conditions under section 139(8A) and rule 12AC. It prescribes disclosures on prior returns, reasons for updating income, computation of updated tax liability, related tax payments, and verification, and takes effect on the date of publication.

  [Notification No.52/2026 dated 30th Mar 2026]

- **Tax exemption for Rajasthan Electricity Regulatory Commission notified under the Income-tax Act, subject to continuing statutory conditions.**

  Tax exemption is notified for Rajasthan Electricity Regulatory Commission under clause (46A) of section 10 of the Income-tax Act, 1961. The notification applies from the assessment year 2026-27, subject to the continuing condition that the entity remains a Commission constituted under the Electricity Regulatory Commissions Act, 1998 and satisfies the specified purposes under sub-clause (a) of clause (46A).

  [Notification No.53/2026 dated 31st Mar 2026]

- **Chapter X-A scope narrowed for transfer income from pre-April 2017 investments under amended income-tax rules.**

  Rule 10U of the Income-tax Rules, 1962 is amended to exclude income from transfer of investments made before 1 April 2017 from the specified Chapter X-A framework. The revised rule also states that Chapter X-A applies to arrangements irrespective of when entered into only for tax benefits obtained on or after 1 April 2017, subject to the same exclusion for transfer income from pre-1 April 2017 investments. .

  [Notification No.54/2026 dated 31st Mar 2026]

- **Tax benefit arrangements under Chapter XI are covered regardless of date, with a carve-out for pre-2017 investment transfers.**
  The Income-tax Rules were amended to revise rule 128 from 1 April 2026. Income from transfer of investments made before 1 April 2017 is excluded, while Chapter XI applies to any arrangement, irrespective of its date, where the tax benefit is obtained on or after 1 April 2017, subject to that exception.
  [Notification No.55/2026 dated 31st Mar 2026]

Circulars

- In order to avoid genuine hardship to the eligible trust or institutions and ensure that eligible trusts or institutions are not denied the benefit of registration solely on account of delay in filing Form No. 10A, the Board, in exercise of the powers conferred under section 119(2)(b) of the Act, hereby clarifies that the **Jurisdictional Principal Commissioner of Income-tax or Commissioner of Income-tax** shall have powers to condone delay in filing Form No. 10A under sub-clause (i) of clause (ac) of sub-section (1) of section 12A of the Act for Registration.
  [Circular No.01/2026 dated 23rd Mar 2026]

- **TDS certificate timeline extended for portal-related delays, with certificates issued in the extended period treated as timely.**
  Section 119 of the Income-tax Act, 1961 extends the due date for issuance of TDS certificates under section 203 read with rule 31 for the quarter ending 31 December 2025. The extension is granted because deductors faced delays caused by technical glitches on the e-filing portal, which impeded timely generation and issue of certificates within the prescribed period. The revised due date is extended to 31 March 2026, and any TDS certificate issued within the extended period is to be treated as having been issued within the prescribed time.
  [Circular No.02/2026 dated 25th Mar 2026]

- **Sovereign wealth fund notification framework sets application and quarterly reporting requirements for investment-linked tax exemption eligibility.**
  Notification framework for Sovereign Wealth Funds under Schedule V of the Income-tax Act, 2025 provides the procedure for notification and reporting. A fresh applicant must file Form I with the designated CBDT Member, while already notified funds need not reapply. Every notified sovereign wealth fund must file a return of income with audit report and submit a quarterly electronic Form II statement within one month of each quarter end for each investment made**.**
  [Circular No.03/2026 dated 30th Mar 2026]

- CBDT has made DIN mandatory for all income-tax communications like notices and orders; exceptions allowed in specific cases with approval, improving transparency, tracking, and accountability in tax administration system.
  [Circular No. 4/2026 dated 31st Mar 2026]

SEZ

- In supersession of SEZ Instruction No. 2 dated 24.03.2006 issued w.r.t. the requirement of execution of the BLUT on non-judicial stamp paper and notarization by a Notary public is dispensed out and replaced now with online BLUT may be executed electronically as e-BLUT including through e-stamp or other digital mechanisms on ICEGATE system.
  [SEZ Instruction No.123 dated 23rd Feb 2026]

FEMA

- **NOP-INR position limits for authorised dealers tightened for onshore deliverable market compliance:** Authorised Dealers must maintain their NOP-INR positions in the onshore deliverable market within US$ 100 million at the end of each business day, with compliance required at the earliest and no later than April 10, 2026. The measure is issued as an exchange rate management direction under the Reserve Bank's power to prescribe limits for open Rupee positions and is without prejudice to permissions or approvals under other applicable laws.
  [RBI/2025-26/252 A.P. (DIR Series) Circular No. 24 dated 27th Mar 2026]

- **External Commercial Borrowing reporting updated with revised late submission fee treatment and bank filing responsibilities under FEMA.**
  Revised reporting directions govern returns relating to External Commercial Borrowing under the Foreign Exchange Management Act, 1999. ECB 1 and Revised Form ECB 1 are treated as returns that do not capture flows, and delayed submissions are to be assessed accordingly. The designated bank must forward the complete return with certification to the Reserve Bank within seven calendar days, while any applicable late submission fee is payable by NEFT or RTGS after receipt of the Reserve Bank's acknowledgment e-mail. The bank must also monitor payment of the fee in delayed cases.
  [RBI/2025-26/253 A.P. (DIR Series) Circular No. 25 dated 30th Mar 2025]

- CBDT has made DIN mandatory for all income-tax communications like notices and orders; exceptions allowed in specific cases with approval, improving transparency, tracking, and accountability in tax administration system.
  [Circular No. 4/2026 dated 31st Mar 2026]

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  [RBI/2025-26/253 A.P. (DIR Series) Circular No. 25 dated 30th Mar 2025]

SEBI

- Ease of Doing Business- Relaxation in certification requirement for Persons Associated with Research Services (PARS) – Sales and other non-core services. **[Circular No.: HO/38/12/(5)2026-MIRSD-POD/I/6703/2026 dated 11th Mar 2026]**

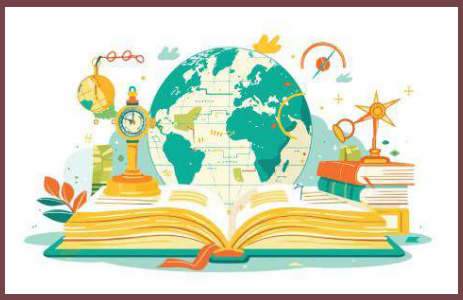
- Ease of doing business measures–Relaxations in certain reporting requirements for certain Stockbrokers and doing away with the requirement of reporting of demat account
  [Circular No.: HO/38/11/(1)2026-MIRSD-POD/I/7656/2026 dated 23rd Mar 2026]

- **Intraday borrowing guidelines for mutual funds deferred as implementation under the borrowing framework now begins on July 15, 2026.**
  Intraday borrowing guidelines for mutual funds under the borrowing framework have been deferred, and the relevant provisions in the master circular will now come into effect from July 15, 2026. The addendum addresses operational challenges raised by asset management companies and adjusts only the implementation timing, not the substantive borrowing framework. **[Circular No. HO/(92)2026-IMD-POD-2/I/7885/2026 dated 25th Mar 2026]**

- **Investment Adviser Audit eligibility clarified to include Cost Accountants for annual compliance audit and certificate requirements.**
  Clarification is issued on the eligibility of members of the Institute of Cost Accountants of India to conduct the annual audit of Investment Advisers. The amended framework recognises members of ICAI, ICSI and ICMAI as eligible to carry out the annual audit, submit the audit report and adverse findings, and support the annual certificate requirement relating to client-level segregation compliance as part of the compliance audit.
  [Circular No. HO/38/12/12(1)2026-MIRSD-SEC-FATF/I/7933/2026 dated 25th Mar 2026]

- **Research Analyst Audit eligibility expands to include cost accountants, with reporting, disclosure, and client communication obligations continuing.**
  The annual audit framework for research analysts and research entities is clarified to recognize members of the Institute of Cost Accountants of India as eligible auditors alongside members of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. The audit must cover compliance with the Research Analysts Regulations and circulars, be completed within 6 months from the end of each financial year, and the report must be submitted to RAASB or SEBI within one month of the audit report and no later than 31 October. The compliance status, adverse findings, and action taken must be published on the website and the report provided to clients.
  [Circular No. HO/38/12/12(1)2026-MIRSD-SEC-FATF/I/7934/2026 dated 25th Mar 2026]

Beyond The Obvious



GST

- Gauhati High Court held that GST registration cancellation is invalid if the Proper Officer acts under the dictation of another authority without independent reasoning. Since the notice and order lacked proper application of mind, the Court set aside the cancellation for violation of natural justice.
  {[2026] 184 taxmann.com 572 (Gauhati)}}

- Department blocked the assessee's ITC under Rule 86A which resulted in a negative balance in the Electronic Credit Ledger. The High Court held that ITC can be blocked only to the extent of credit available in the ledger, and blocking beyond the available balance creating a negative ECL is not permissible in law.
  { [2026] 184 taxmann.com 570 (Punjab & Haryana)}

- High Court held that fixing a personal hearing before the deadline for filing a reply to the show cause notice deprives the assessee of a fair opportunity of being heard and violates the principles of natural justice. Consequently, the assessment order demanding tax, interest and penalty was quashed and the matter was remanded for fresh proceedings from the SCN stage.
  {(Writ Petition (M/B) No. 166 of 2026, decided on 17-03-2026)

- Rejection of appeal for delay unsustainable as plea of late DRC-07 upload was not properly considered
  { 026] 184 taxmann.com 617 (Allahabad)}

- Madras High Court held that merely uploading the show cause notice on the GST portal without ensuring that the taxpayer is effectively informed is not sufficient service. The Court observed that the officer must adopt other prescribed modes under Section 169 to ensure proper service, failing which the assessment order was set aside for violation of principles of natural justice
  { [2026] 184 taxmann.com 620 (Madras)}

- GST registration was cancelled on the basis of a vague show cause notice alleging ITC mismatch. Since the Proper Officer acted under the dictation of the investigative wing without exercising independent quasi-judicial power and the revocation application was rejected by a non-speaking order, the cancellation order was set aside and the registration was restored. **{ [2026] 184 taxmann.com 572 (Gauhati)}**

- Assessee's ITC was blocked under Rule 86A creating negative ECL balance, blocking could be only to extent of available credit and negative blocking was not permissible
  {[2026] 184 taxmann.com 570 (Punjab & Haryana)}

- Interim stay granted on coercive actions under Notification 56/2023 as identical challenge pending before SC
  {[2026] 184 taxmann.com 553 (Bombay)}

- Duplicate GST demands for same period unsustainable; matter remitted for fresh hearing post 10% deposit
  {[2026] 184 taxmann.com 548 (Madras)}

- Supreme Court held that the statutory pre-deposit required for filing a GST appeal under Section 107 is mandatory and cannot be waived by courts. The Court observed that the appellate remedy can be availed only after complying with the prescribed pre-deposit requirement.
  {Supreme Court, SLP (C) No. 5266/2026, Order dated 20-03-2026}

- Assessee challenged the reduction of interest on delayed IGST refund. The Court held that the officer had reduced the interest without giving proper reasons, which was not permissible. Accordingly, the order was set aside and the officer was directed to recompute the interest strictly in accordance with Section 56 of the CGST Act.
  {[2026] 184 taxmann.com 350 (Bombay}

- High Court held that once the assessment order is quashed on the ground of limitation, the related seizure and prohibition orders cannot survive independently. Accordingly, the Court set aside the prohibition order as it had no legal basis after the assessment itself was invalidated. **{ [2026] 184 taxmann.com 226 (Madras HC)}**

- Telangana High Court held that re-blocking of the Electronic Credit Ledger within one year during proceedings under Section 74 is legally permissible. Since the petitioner had suppressed material facts before the Court, the writ petition was dismissed.
  { [2026] 184 taxmann.com 183 (Telangana)}

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  { [2026] 184 taxmann.com 226 (Madras HC)}

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  { [2026] 184 taxmann.com 183 (Telangana)}

- GST registration of the assessee was cancelled based on directions from the investigative wing. The High Court held that quasi-judicial powers must be exercised independently and cannot be exercised under dictation of another authority. Accordingly, the cancellation order was set aside.
  {[2026] 184 taxmann.com 122 (Gauhati)}

- Department issued a composite show cause notice covering multiple financial years under Sections 73/74 of the GST Act. The High Court held that each assessment year constitutes a separate cause of action and requires an independent show cause notice, and therefore the composite notice was unsustainable in law.
  {[2026] 184 taxmann.com 112 (Kerala)}

- The adjudication order was passed on grounds different from those mentioned in the show cause notice. The High Court held that an order cannot travel beyond the allegations contained in the SCN, as it violates principles of natural justice, and therefore the order was set aside.
  { [2026] 182 taxmann.com 658 (Calcutta High Court)}

INCOME TAX

- Initiating Officer appealed against orders of Adjudicating Authority that were based on a Supreme Court judgment later recalled and placed under review, and filed appeal after delay of over 27 months, delay in filing appeal was to be condoned as matter was not decided on merits but on basis of recalled judgment.
  {[2026] 184 taxmann.com 533 (SAFEMA - New Delhi)}

- Reassessment for AY 2012-13 barred by limitation as search in FY 2022-23 covers only ten preceding years
  { [2026] 184 taxmann.com 525 (Gujarat) }

- The Delhi High Court held that reopening of assessment based only on audit objections on already disclosed facts amounts to change of opinion. Therefore, the notice issued under Section 148 and consequent proceedings were quashed. **{ [2026] 183 taxmann.com 506 (Delhi)}**

- Delhi High Court held that where a nil-rate TDS certificate was granted in the assessee's own case in earlier years for identical transactions, the department could not arbitrarily refuse the certificate under Section 197. The Court directed the authority to issue the nil-rate withholding certificate.
  { [2026] 183 taxmann.com 692 (Delhi)}

- The Tribunal held that interest received on enhanced compensation from land acquisition is taxable as "Income from Other Sources" under Section 56(2)(viii). The assessee cannot claim exemption merely because the compensation relates to agricultural land.
  { [2026] 183 taxmann.com 572 (Chandigarh-Trib.)}

- High Court held that registration under Section 12A cannot be granted when the organization fails to demonstrate genuine charitable activities. Mere objectives in documents without supporting evidence of activities are insufficient
  {[2026] 184 taxmann.com 379 (P&H)}

CENTRAL EXCISE

- The Tribunal considered the validity of penalty imposed under Central Excise proceedings and examined whether the adjudicating authority had correctly relied on the evidence in the show cause notice. The Tribunal analysed the legality of penalties and adjudication procedure under excise law.
  { Final Order No. 70080/2026, CESTAT (Allahabad Bench}

- Assessee repacked chewing tobacco from bulk packs into retail pouches and contended that it should be classified as unmanufactured tobacco under tariff heading 2401, which attracts lower duty.
  { [2026] 182 taxmann.com 328 (Gujarat HC)}

- High Court held that GST and excise duty can both be levied on tobacco products, since tobacco remains specifically taxable under the Central Excise Act as per Entry 84 of the Union List.
  { [2022] 143 taxmann.com 72 (Karnataka HC)}

- CESTAT held that demanding service tax again on freight already included in the import value would amount to double taxation, and therefore the assessee was entitled to refund of the tax paid.
  { [2021] 132 taxmann.com 195 (New Delhi-CESTAT)}

- CESTAT held that telecom towers and their components are goods used for providing output service, and therefore CENVAT credit cannot be denied merely on the ground that they become immovable after installation **{[2022] 138 taxmann.com 527 (Mumbai-CESTAT)}**

CUSTOMS

- High Court held that Section 28 of the Customs Act can be invoked for recovery of short-levied IGST on imports. The Court further ruled that amendment of Bill of Entry under Section 149 cannot be allowed without contemporaneous documentary evidence, especially where misdeclaration of goods is established. **{[2026] 183 taxmann.com 244 (Kerala High Court)}**

- High Court held that quasi-judicial authorities must verify judicial precedents before relying on them in adjudication orders. Reliance on incorrect or AI-generated citations without verification vitiates the order, and authorities must ensure the accuracy and relevance of case laws relied upon.
{ [2026] 183 taxmann.com 743 (Gujarat High Court)}

SERVICE TAX

- Tribunal held that Service Tax demand cannot be sustained without verifying whether the tax liability was already discharged by the service recipient under the Reverse Charge Mechanism matter remanded for verification.
{ 2026 TAXSCAN (CESTAT) 346 / 347}

- Tribunal held that subsidies or grants received from BCCI for promotion of cricket cannot be treated as consideration for services and therefore Service Tax demand is not sustainable.
{ 2026 TAXSCAN (CESTAT) 322}

- CESTAT held that where suppression of facts is not specifically alleged in the show cause notice, the department cannot invoke the extended period of limitation and demand must be restricted to the normal limitation period.
{ 2026 TAXSCAN (CESTAT) 325}

- CESTAT held that full CENVAT credit on specified input services under Rule 6(5) of the CENVAT Credit Rules is admissible even if such services are used for both dutiable and exempt goods.
{ 2026 TAXSCAN (CESTAT)}

RERA

- Kerala High Court held that failure of a developer to register an ongoing project under RERA does not take away the jurisdiction of the Authority nor deprive the allottee of statutory remedies under the Act.
  { WP(C) No. 6169 of 2026}

- Karnataka High Court held that orders passed by the Real Estate Regulatory Authority must follow principles of natural justice and allow parties an adequate opportunity of hearing before confirming regulatory directions
  {NC: 2026:KHC:12897 WP No. 1303 of 2022}

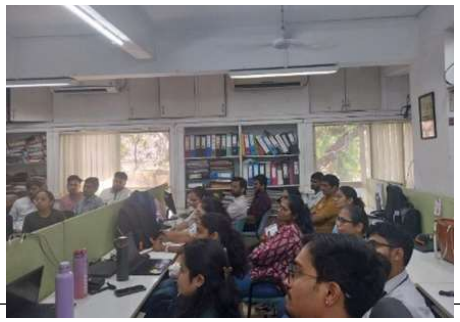
- Real Estate Appellate Tribunal held that a developer is liable to refund the amount along with interest under Section 18(1) of the Real Estate (Regulation and Development) Act, 2016 where possession of the project is delayed beyond the agreed date.
  { 2026 ibclaw.in 78 REAT}

- Tribunal held that once the allottee accepts refund of the deposited amount together with interest under Section 18(1) of the RERA Act, additional claims for compensation or further interest are not maintainable.
  { 2026 ibclaw.in REAT}

Bizsol Corner

Event -As a part of Onboarding Initiatives, we had a session of “Coffee with Founder and Directors”

Event:- Training session on MOOWR scheme conducted by CA Manoj Malpani



Bizsol Corner

Event:- “As a Part of Women’s Day Celebrations, Arranged Session on Mental Well-being and Personal Growth by Simran Shaha

Bizsol Corner

Event: - Congratulations Priya Jangid Article for the Month - For exemplary support and commendable handling of GST proceedings

Event: - Congratulations Hruthik More Bizsolite for the Month - For exceptional support, record achievement in timely obtaining of EODC's, and commendable coordination in delivering results with excellence

Bizsol Corner

Event:- March Month Birthday Celebration

Physical Verification of Stock, Fixed Assets and tagging thereof through QR Code

Periodic Stock Audit • Perpetual Stock Audit • Asset Tagging
Asset verification

Verification Of Assets and Inventory

- Review of the inventory / asset listing
- Planning of verification to ensure minimum stoppage in operations
- Use of latest technologies like QR Codes to ensure faster results
- Tagging the assets with the QR Codes
- Actual counting of Inventory / Assets - Manpower deployment
- Age-wise Analysis of stocks
- Live Reporting to ensure accuracy
- Assistance to Statutory Auditors for count
- Final report to management team / certification of stock
- Correct valuation of inventory
- Read report on opening balance of inventory to be uploaded in the ERP
- PAN INDIA presence

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OUR SERVICES

Bizsolindia Services Private Limited

Consultancy & Audit in the Area of

- Strategic Management Consultancy
- Indirect Taxation (GST, Customs)
- AEO Certification
- FEMA
- Foreign Trade Policy (Export Promotional Schemes, EPCG, Advance Authorization, DFIA, Duty Drawback, Brand Rate Fixation)
- EOU / EHTP / STP /BTP
- SEZ
- Project Consultancy (Industrial Parks, Clusters, Agro Economic Zone, Food Park, etc.)
- Direct Taxation including Domestic and International Transfer Pricing
- New Business Set up in India
- Valuation including Business Valuation
- Internal Audit
- Corporate Law & Procedures

Knowledge Process Outsourcing in the area of

- Indirect Taxation
- GST E-Way Bill
- Accounts
- Inventory management
- Fixed Assets Management
- Implementation of Company Law Matters

Bizsol Legal Services

Handling Litigations/Compliances in-

- Corporate Law/Company Law
- Consumer Laws
- Intellectual Property Law
- Competition Law
- Environmental Laws
- NCLT & NCLAT
- DRT and SARFAESI ACT
- Labour Laws
- Drafting Commercial Agreements

Bizsolindia IT Services Private Limited

Specialized IT consulting and Solutions / modules along with ERP Integration and following areas:

- Specialized Software for EOUs and SEZs
- Expert in Application programming using Java and ERP Connectivity
- Data Migration
- Offers bucket of Add On Products for EXIM related solutions for the Complete industry needs
- ERP Consulting / Implementation

Bizsolindia Financial Services Pvt. Ltd.	Financial Services dealing with: • Treasury Audit • Information Services • Advisory Services • Policy Consulting • Treasury Outsourcing • Interest Rates Advisory • Treasury Operations Training • Banking Advisory Services • International Syndication
A.B. Nawal & Associates, Cost Accountants	Practicing Cost Accountant, Cost Audit, GST 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

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