

Update

MAY 2026

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Bizsolindia Monthly Update | Issue IX | Volume XXI | MAY 2026

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Whats New?

BTO

Bizsol Corner

#Digital Updates

FORCE MAJEURE

THE LAW OF THE UNEXPECTED



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 - MAY 2026

Date	Law	Particular
07 May 2026	Wages Act	Payment of salary /wages if employees < 1000
07 May 2026	Income Tax	TDS payments for April- 2026
10 May 2026	Wages Act	Payment of salary /wages if employees > 1000, under Payment of Wages Ac
10 May 2026	GST	GSTR -8 for E-Commerce Operator for The Month of April -2026
10 May 2026	GST	GSTR-7 Registered persons who deducted TDS for the month of April - 2026
10 May 2026	Excise	ER-1 and ER-2 returns (for products not covered under GST)
11 May 2026	GST	Filing of GSTR-1 for the month of April 2026
13 May 2026	GST	GST Invoice Furnishing Facility (IFF) for QRMP taxpayers (April 2026)
13 May 2026	GST	GSTR-5 return form that must be filed by a non-resident foreign taxpayer
13 May 2026	GST	GSTR-6-ISD Return for the month of April 2026
15 May 2026	Income Tax	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M and 194S (by specified person) in the month of March 2026
15 May 2026	Income Tax	Income Tax Due date for filing of TCS Returns for Quarter-4 of FY 2025-26 in Form 27EQ
15 May 2026	Labour Law	Remittance of ESIC Contribution.
15 May 2026	Provident Fund	Due date to pay provident fund contribution of both employee and employer to be paid by the employer under ECR Cum-Return for April 2026
15 May 2026	ESIC	Due date to pay ESIC Payments for April 2026
20 May 2026	GST	Filing of GSTR-3B for the month of April 2026
20 May 2026	GST	Due date for filing GSTR-5A for the month of April 2026
25 May 2026	GST	Tax Payment Due date for QRMP for April 2026
30 May 2026	Profession Tax	Monthly Professional Tax Payment Cum Return in Form IIIB for April 26
30 May 2026	Income Tax	Due date for furnishing of challan-cum-statement in respect of tax deducted under sec on194-IA, 194-IB, 194M and 194S (by specified person) in the month of April 2026

This Month For You - MAY 2026

Date	Law	Particular
31 May 2026	Income Tax	Due date for filing of TDS Returns for Quarter-4 of FY 2025-26 in Form 24Q, 26Q and 27Q
31 May 2026	Income Tax	Due date for filing of Statement of Financial Transactions (SFT).
31 May 2026	Income Tax	Due date for filing Return of Donors in Form 10BD
31 May 2026	Corporate Law	Annual Return for LLPs

From The Desk Of The Chairman



CS Venkat R Venkitachalam
Chairman, Bizsolindia Services Pvt Ltd

India's ambitious labour law reforms, consolidated into four Labour Codes, were heralded as a landmark step toward simplifying compliance and modernising workplace regulation. By merging 29 existing laws into a freshly minted and streamlined framework, the Codes promise greater flexibility for employers, enhanced protection for workers and a more transparent system overall. Yet, despite this noble legislative intent, the rollout has been hampered by a critical gap - the Rules that operationalise these Codes are nowhere in sight. The Codes covering wages, social security, industrial relations and occupational safety were designed to reduce fragmentation and create uniformity across states. Employers anticipated clarity on hiring and retrenchment while workers looked forward to stronger safeguards and expanded benefits. However, without the Rules the Codes are little more than a skeleton. Rules provide the procedural detail - how wages are calculated, how disputes are resolved and how safety standards are enforced. Their absence leaves both employers and employees in limbo. This delay has created avoidable teething problems across industries. Companies are unsure which compliance framework to follow, leading to duplication of efforts and uncertainty in audits. Workers, meanwhile, remain bound by outdated provisions, unable to access the promised benefits of the new system. State governments tasked with drafting their own Rules in alignment with the central Codes, are struggling to keep pace, resulting in uneven progress and avoidable confusion. The lack of readiness also undermines investor confidence. Multinationals evaluating India's labour environment see reform on paper but inconsistency in practice. For domestic businesses, particularly small and medium enterprises, the uncertainty translates into higher compliance costs and hesitation in workforce expansion. Trade unions too have voiced concern that the delay erodes trust as workers are left waiting for protections that were legislated but not implemented. At its core, the problem reflects a paradox. India has legislated the reforms that are stalled on execution. The Codes were meant to symbolise a modern, business-friendly labour regime, yet the absence of Rules has created a vacuum where neither the old nor the new system fully applies. This transitional uncertainty risks diluting the very benefits the reforms were intended to deliver. The way forward requires urgency and coordination. The central government must finalise and notify the Rules while ensuring states harmonise their versions to avoid fragmentation. Clear timelines, stakeholder consultations, and transparent communications will be essential to restore confidence of industry. Only then can the Labour Codes move from promise to practice. For now, India's labour reforms story remains unfinished - an ambitious framework awaiting the fine print that will determine whether it becomes a genuine leap forward or another case of reform

delayed and forgotten.

The ongoing exchange between Infosys co-founder Nandan Nilekani and Amazon Web Services (AWS) executive Girish Dilip Patil has sparked a wider debate about India's place in the global Artificial Intelligence (AI) ecosystem. Their contrasting visions highlight a fundamental question: should India focus on scaling existing AI tools to solve pressing domestic challenges, or should it invest aggressively in frontier innovation to compete with countries like the United States and China? Nandan Nilekani, writing recently with Ravi Venkatesan, argued that India's strength lies in applying technology at scale rather than chasing frontier breakthroughs. He pointed to Aadhaar, UPI, and India Stack as examples of how India has successfully deployed digital infrastructure to transform everyday life. For Nilekani, the lesson is clear: India should harness AI to improve healthcare, education, agriculture and governance ensuring that millions benefit from accessible and affordable solutions. Competing head-to-head with global giants in building large-scale AI models, he cautions, is unrealistic given India's limited computing resources, investment capacity and research talent. Patil, however, sees this as a dangerously narrow vision. In a sharp critique, he dismissed Nilekani's stance as outdated, describing it as the mindset of a "1990s IT services salesman." According to Patil, India cannot afford to remain a passive adopter of AI technologies developed elsewhere. He insists that the country must cultivate original AI products and frontier models, citing former Infosys CEO Vishal Sikka's push for AI-driven transformation as the kind of bold leadership India needs. Without such ambitions, Patil warns, India risks being trapped in low-value IT services at a time when AI itself threatens to disrupt those very industries. The clash between Nilekani's pragmatism and Patil's ambition reflects deeper tensions in India's economic and technological strategy. On the one hand, Nilekani's approach resonates with India's tradition of solving large-scale governance challenges through digital public infrastructure. It is inclusive, practical and immediately impactful. On the other hand, Patil's vision appeals to those who fear that India will miss the next technological wave if it does not invest in frontier innovation. For them the risk of irrelevance outweighs the comfort of pragmatism. Industry reactions mirror this divide. Supporters of Nilekani argue that his model ensures AI reaches the masses, addressing real problems in education, healthcare and agriculture. They see his approach as a continuation of India's success in building scalable systems that improve lives. Patil's supporters, by contrast, emphasise the need for India to nurture AI researchers, product-builders and entrepreneurs who can create proprietary models. They argue that without such innovation, India will remain dependent on foreign technology, vulnerable to shifts in global markets, and unable to shape the future of AI. The implications of this debate are profound. Economically, Nilekani's model prioritises inclusivity and immediate returns, while Patil's suggestion demands heavy investment with uncertain but potentially transformative outcomes. Politically, Nilekani's stance aligns with India's federal balance and governance priorities, while Patil's reflects a desire to reposition India as a global innovator. Socially, the debate underscores the need to develop talent pipelines that go beyond

service-oriented skills to foster deep research and product development. Ultimately, the Nilekani–Patil exchange is not just a personal disagreement but a symbol of India at a crossroads in AI policy framework. Should the country be a “smart adopter” that scales existing tools for societal benefit or an “innovator” that builds frontier models to compete globally? The answer may lie in a hybrid approach: leveraging India’s proven ability to scale while selectively investing in innovation hubs that can push the boundaries of AI research. Such a strategy would allow India to remain inclusive while also carving out a space in the global AI landscape. This debate also captures the paradox at the heart of India’s technological journey - balancing procedural pragmatism with aspirational innovation. Whether India chooses Nilekani’s path of scaling or Patil’s call for frontier building, the decision will inevitably shape not only its AI future but also its broader economic and social trajectory.

Fareed Zakharia, the CNN host of Global Public Square had this to say quoting a legendary Chinese businessman “For us Trump’s attack on Iran is less consequential than his threat to attack Greenland. When he did that to America’s oldest allies, I knew that Europe would not follow America’s approach to China”. In this one sentence you get a clear snapshot of Trump’s cowboy diplomacy. Whether others took note of it or not, this analysis has huge implications. You cannot wish away the Chinese diplomat’s view. “Europe, according to him now will not follow America’s approach to China. Let me again quote Zakharia: “Trump’s periodic insults hurled towards Europe tend to get treated as routine tantrums, part of the reality TV show that is now the White House.” That is not all. Here is the punch line. In Europe, the accumulation of abuse has reached a tipping point according to *The Spectator*, a conservative and usually ardently pro American magazine. This magazine had this to say: “the war in Iran has forced Europe to grow a spine”. The latest one to join the chorus to criticise the US is Friedrich Merz, the German Chancellor. He minced no words when he said that the US was being humiliated by the Iranian regime. Though the Chancellor seemed to walk back on his comments a day later, the damage was already done. Trump through his megaphone called Truth Social announced the withdrawal of US troops from Germany. . A withdrawal of U.S. forces from Germany would be less a sudden military event than a political signal. It would be interpreted to mean that Washington is no longer willing to keep underwriting Europe’s security in the same way as the US used to. The likely causes are familiar - frustration over burden-sharing, Trump’s long-standing scepticism toward NATO allies and a desire to use troop levels as leverage in negotiations. The German Chancellor’s criticism was both sharp and unusually swift. The first cause is burden-sharing politics. Trump has repeatedly argued that Germany and other NATO allies do not pay enough for their collective defense and troop reductions have been used as pressure allies to spend more on defense. The second cause is Trump’s transactional diplomacy. In this view, forward-deployed troops are not just military assets but bargaining chips, useful for signalling displeasure with allies and rewarding compliance. That helps explain why announcements have often come after sharp disagreements rather than as part of a long-planned strategic review. The third cause is domestic politics in the United States.

Cutting troops abroad can play well with voters who want a more narrowly defined American role overseas, especially when framed as ending “free riding” by allies. The biggest consequence would be a strain on NATO credibility. Germany hosts key U.S. logistics, command and refuelling functions. Even a partial withdrawal would reduce America’s ability to project power quickly in Europe, in the Middle East and beyond. A second consequence would be a strategic reassurance against Russian aggression and engendering a strategic anxiety for Europe. Analysts warn that pulling troops from Germany could encourage anti-NATO sentiment, weaken deterrence and make allies wonder how reliable the U.S. security guarantee really is. That is not all. A third consequence would be political damage in the transatlantic relationship. Unilateral moves like this tend to look like humiliation from the German side which makes cooperation on sanctions, Ukraine, defense spending and crisis management harder, not easier. For NATO withdrawal from Germany would be a mistake if it is driven mainly by irritation or symbolism rather than a carefully thought-out realignment. Germany is not just another host country; it is a central node in the U.S. military posture in Europe and weakening that presence would save relatively little while risking much. For a man who gets agitated easily, personal piques carry more weight than diplomatic niceties. The old model was that America took care of American security and the Europeans spent generously on American arms. Now Europeans want more of their money to stay home to build European firms and supply chains and thus gain strategic autonomy from Washington.

In these days of endemic wars, no editorial piece would be complete without visiting the war theatre as it is continuing to cause incalculable harm to humanity. The immediate flashpoint is a renewed war like confrontation over Iran’s blockade of the Strait of Hormuz, which threatens around 20 percent of global oil and gas flows. Trump has responded with a mix of military strikes, covert sabotage of Iranian nuclear related sites, and a de facto maritime blockade, all framed as pressure points to force Iran to abandon its nuclear and missile ambitions and end its regional proxy activities. Trump’s playbook here is recognisable: maximalist demands, public theatrics on social media and overt threats of “civilisational” annihilation by way of psychological warfare. Behind this bravado, however, the American president, simultaneously impulsive and anxious rushing to escalate but then retreating from some of the most extreme threats when faced with economic costs (soaring energy prices, inflation and market volatility) not to speak of domestic political risks. The imbroglio risks turning a regional crisis into a protracted global shock. Disruption around Hormuz feeds into energy market jitters, raises oil prices and increases the probability of collateral damage to commercial shipping while also testing alliance cohesion. Many European governments have been reluctant to throw themselves in fully with Trump’s approach, given his earlier hostility toward NATO and Europe. At the same time, Iran has used cease fires and diplomatic probes to re arm and re position, suggesting that any pause may be tactical rather than a path to durable de-escalation.

In short, the “Iran imbroglio” under Trump is a case study on how a personalised, grievance driven style of foreign policy can jolt the existing order, but leave allies confused, adversaries emboldened, and global markets on edge - all without a clearly articulated end game beyond regime change and rhetorical dominance. The world deserve better.

Thank you.

Venkat R Venkitachalam



FORCE MAJEURE

The Law of the Unexpected

CS Venkat R Venkitachalam, Chairman, Bizsolindia Services Pvt Ltd

Introduction: Arguably, the most important, nay, critical phrase in international commercial contracts is this strange sounding phrase force majeure. It is seldom understood though widely used. Force Majeure is a French term translating literally to “superior force.” It is a legal concept referring to unforeseeable and irresistible events such as natural disasters, wars or pandemics that prevent a party to a contract from fulfilling his contractual obligations in an otherwise validly executed contract. So much so, no international contract is complete without these two words. These words are sine qua non in commercial contracts the world over. In peace times people may not even notice this clause in a commercial contract and at times of war, parties do not enter into contracts without this clause! What this provision in a contract does is to excuse or delay performance when extraordinary events beyond the parties’ control make such performance an impossibility or commercially impracticable. In today’s environment in the Middle East conflict and global supply chain disruptions, this “once-in-a-while” boilerplate has moved to the centre of commercial risk management domain. Having understood the significance of this phrase in the commercial contracts, particularly the international ones let us now delve a little deeper to understand it in more detail. Normally, when we notice this clause in a contract, we promptly skip it and reach for the next. The primary reason for this involuntary act is that we do not understand these jargonised words nor the significance of them in context. This clause lists certain events such as war, terrorism, natural disasters, epidemics, government embargoes, strikes or shutdowns which, if they occur, relieve parties to the contract from liability for non performance during the period of such disruptions. The common elements that should be present in a contract are that the event occurring is beyond the party’s control and also not caused because of that party’s fault. The party to a contract is ready and willingness to perform his part of commitment; but is seriously hamstrung by some external development that is preventing or seriously hindering performance of a validly executed contract even when reasonable steps to mitigate it have been taken. Model clauses as applicable to international contracts, such as the ICC Force Majeure Clause typically do three things. First, they define what counts as force majeure (often war, blockade, embargo, interruption of transport and acts of authorities). Second, they prescribe the notice requirements and mitigation measures to be undertaken. For example, prompt written notices and efforts to overcome or reduce their impact is mandatory. Third, they set out the consequences - suspension of performance, extension of time or, if the event continues beyond a stated period, termination of the contract itself without fault. In legal terms, force majeure is a contractual allocation of risk - the parties to a contract agree in advance as to who bears the loss if an exceptional external event strikes. In Indian laws the courts often treat a force majeure clause as a

species of contingent contracts under Section 32 of the Indian Contract Act, distinct from the general doctrine of frustration under Section 56 which applies when no such clause exists.

Significance of force majeure in Commercial Contracts: First, a force majeure clause is a defence to breach. If a seller cannot ship goods because a listed event (say, war affecting key shipping line) makes carriage impossible, a properly drafted and invoked force majeure clause may protect the seller from claims for damages or penalties for late delivery or non-delivery, as the case may be. It does not rewrite the contract but suspends or excuses performance for the duration of the event depending on the wordings in the contract. Secondly, it provides predictability and discipline in the process. Such a clause usually requires the affected party to send a timely notice describing the event, its impact and expected duration, often backed with required evidence (such as government notifications or port circulars). It also imposes a duty on parties to mitigate - seeking alternate routes, suppliers or methods instead of passively invoking force majeure. If the party could perform his part of the bargain by taking reasonably available measures but chose not to, its reliance on the clause could fail. Third, it is a key risk allocation tool in pricing at the time of negotiations. Parties operating in volatile regions or involved in long term projects would draft force majeure clause with particular care, including or excluding events like sanctions, export bans or specific conflicts. The breadth of the clause affects both price and insurance - broader protection may reduce a seller's need to build in large contingency margins while buyers may insist on carve outs for events that they believe the seller should absorb in the ordinary course of business. Fourthly, it interacts with termination rights and financing. Many contracts allow termination if a force majeure event continues beyond, say, sixty or ninety days to avoid indefinite suspension of performance. Lenders and investors also examine force majeure provisions to assess project risk, particularly in infrastructure, energy and shipping; a clause that clearly allocates force majeure risk can be crucial to bankability of the project itself.

Middle East War and Force Majeure: The current conflict in the Middle East has turned force majeure from fine print to a live operational tool. Missile and drone attacks, reprisals and naval tensions around the Gulf and Red Sea have disrupted shipping lanes, damaged energy infrastructure and triggered security restrictions, all of which directly affect performance of cross border contracts. For example, several Gulf energy producers have reportedly declared force majeure on oil and LNG shipments because the war and related attacks have made it impossible or unsafe to operate facilities or move cargo through the Strait of Hormuz, a chokepoint through which roughly a fifth of global seaborne oil passes. Similarly, container carriers have rerouted or paused operations around the Red Sea and Suez Canal after missile attacks on merchant vessels, explicitly invoking the force majeure clause under their carriage terms. These declarations are not merely political gestures; they are carefully calibrated legal steps to suspend delivery obligations and shield the declaring party from claims for non performance or inevitable delays in supplies. In construction and project contracts

across the region, law firms are advising clients on whether site closures, curfews, fuel shortages or blocked imports qualify as force majeure, and how to document these events. A contractor unable to import critical equipment because export routes are closed by war or sanctions may invoke force majeure to justify extension of time and relief from liquidated damages. Conversely, employers may challenge such notices, arguing that the difficulty is one of cost and inconvenience, not true impossibility or that the contractor failed to diversify his supply routes earlier. Globally, buyers and traders are facing a domino effect - when a supplier declares force majeure, downstream buyers may themselves become unable to meet commitments further along the chain prompting further “back to back” force majeure notices. Port closures or war risk surcharges impact freight rates, insurance costs and timelines, whether these impacts fall under force majeure depends heavily on the clause’s wording - does it cover “war,” “blockade,” “disruption of transport,” “acts of authority,” or only complete physical impossibility?

Practical Impact of force majeure Clause: In the wake of repeated shocks - pandemic, Ukraine war, Red Sea disruption, and now the wider Middle East conflict not to speak of a trigger-happy US President, companies are no longer (and should not be) content with a standard boilerplate. Legal and commercial teams are revisiting the force majeure clauses to:

Expand or clarify the list of events (war, cyber attacks, sanctions, export controls, closure of critical sea lanes). Distinguish between “force majeure” and “hardship,” with separate provisions where performance becomes excessively onerous but possible. Tighten notice and documentation requirements to avoid opportunistic use of the clause.

Many parties now issue early “protective” force majeure notices when a conflict or disruption arises, even before performance has fully failed to preserve their positions. This can have a stabilising effect - prompting renegotiations and contingency planning but also adds legal complexity, as counterparties also evaluate whether the claimed event truly falls within the intended eventuality.

In supply and long term offtake contracts, the first response is not termination, but commercial renegotiation. Force majeure notices become a trigger for extending delivery periods, agreeing to temporary alternative ports or other incoterms or sharing the extra costs (fuel, war risk premiums) through surcharges or temporary price adjustments.

Properly invoked, the clause can create breathing space for these discussions by suspending strict liability. At the same time, where markets move sharply e.g., a seller can obtain a much better price elsewhere or a buyer is locked into an above market price, there would be a temptation to invoke force majeure aggressively as a way out of a bad bargain. This leads to a rise in disputes in arbitration centres and courts on questions such as:

Does increased cost alone (due to war risk premiums or longer routes) amount to force majeure, or is it a mere commercial hardship? Did the declaring party take “reasonable steps” to overcome the event, such as rerouting via alternate routes or sourcing from alternate suppliers? How long must an event persist before termination rights can be exercised? Insurers and lenders closely watch how force majeure clause is invoked. Business interruption policies, war risk covers and trade credit insurance often contain their own definitions of force majeure or war risk, which may not perfectly align with the contract’s definitions leading to coverage of potential disputes. Similarly, loan covenants may treat extended force majeure based non performance as an event of default, unless carefully drafted carve outs exist.

Go Back to Your Drawing Board: For today’s commercial actors whether traders, manufacturers, infrastructure developers or lenders the force majeure clause is no longer a routine recital to be skimmed at the end of a seriously negotiated contract document. It is a strategic tool that can determine who survives a crisis and who bears the financial pain. Take a careful look at all your contracts. A sound approach whether the world is at war or in peace is to take the following simple actions:

1. Audit all your existing contracts to decipher how “war,” “hostilities,” “blockade,” “sanctions,” “port closure,” and “transport disruptions” are defined in the contract and whether mere difficulty or only absolute impossibility is covered.
2. Implement adequate internal protocols for serving prompt notices, evidence gathering (government advisories, port circulars, shipping line notices, insurance communications) and mitigation planning before invoking force majeure.
3. Initiate negotiated solutions - extensions, re routing, partial performance wherever possible using force majeure as a shield, not as a weapon of convenience.
4. Align contracts with insurance and financing documents so that an event treated as force majeure under the contract does not inadvertently trigger adverse consequences elsewhere in the business.

In essence, a force majeure clause is the contractual expression of a simple commercial truth - some risks are too large for either party to bear alone. In an era of geopolitical turbulence recognising, allocating and documenting risks with care has become a central part of doing business. Events that can come under force majeure may have looked improbable yesterday but can become inevitable tomorrow. The world we will live in will be different from the world that we have lived in!

Thank you.

Venkat R Venkitachalam



GSTAT – A New Era in GST Litigation: Implementation, Structure, Functions and Expected Relief

Adv Nidhi Nawal, Bizsolindia Services Pvt Ltd

The Goods and Services Tax (“GST”) regime was introduced in India with effect from 1st July 2017 with the objective of creating a unified indirect tax system. While GST significantly streamlined taxation, one major institutional gap persisted for several years i.e the absence of the Goods and Services Tax Appellate Tribunal (“GSTAT”).

In the absence of GSTAT, taxpayers aggrieved by appellate orders passed under Section 107 of the Central Goods and Services Tax Act, 2017 (“CGST Act”) were compelled to approach High Courts directly through writ petitions. This resulted in:

- Increased litigation burden on High Courts;
- Delay in disposal of GST disputes;
- Lack of specialized fact-finding adjudication;
- Higher litigation costs for taxpayers;
- Multiplicity of proceedings and inconsistent interpretations.

The operationalization of GSTAT is therefore considered one of the most significant developments in GST administration since the introduction of GST itself.

This article discusses the implementation of GSTAT, its legal framework, composition, benches, powers, jurisdiction, expected relief to taxpayers, practical implications and challenges.

1. Legal Framework of GSTAT

The statutory framework for GSTAT is primarily contained in Sections 109 to 121 of the CGST Act, 2017 and the GST Appellate Tribunal (Appointment and Conditions of Service of President and Members) Rules read with the notifications issued by the Central Government from time to time.

2. Why GSTAT Was Needed and is Long awaited

Under the GST law, the appeal hierarchy is broadly as follows:

1. Adjudicating Authority;
2. First Appellate Authority under Section 107;
3. GSTAT under Section 109;
4. High Court/Supreme Court.

However, since GSTAT remained non-operational for several years, taxpayers were left without an effective statutory appellate forum after the first appellate stage and were compelled to approach the High Courts directly through writ petitions. Consequently, High Courts across India witnessed a substantial rise in GST-related litigation and repeatedly observed that they were being burdened with matters which ordinarily required adjudication by a specialized appellate tribunal.

This issue became particularly significant considering that GST disputes involve highly technical and fact-intensive issues relating to classification, place of supply, valuation, input tax credit eligibility, anti-profiteering, e-way bills, refund mechanisms, cancellation of registration, detention and confiscation proceedings, transitional credit and various other complex compliance matters. In this background, the establishment of a dedicated appellate tribunal comprising judicial as well as technical members became essential to ensure specialized adjudication, consistency in interpretation, faster dispute resolution and effective administration of GST law.

3. Implementation of GSTAT

The Government initiated implementation of GSTAT through Amendments in law; Notification of tribunal rules; Approval of tribunal infrastructure; Constitution of search-cum-selection committees; Appointment process for President and Members.

The Government has gradually moved toward operationalization of Principal Bench and State Benches across India.

4. Structure and Composition of GSTAT

Principal Bench	State Benches
<p>The Principal Bench of GSTAT is to be situated at New Delhi. The Principal Bench will primarily deal with matters involving:</p> <ul style="list-style-type: none"> • Place of supply disputes; • Inter-state jurisdictional disputes; • Certain specified matters involving interpretation 	<p>Separate State Benches are announced across various States and each bench is expected to cater to taxpayers within the territorial jurisdiction of the respective State</p>

Composition of Bench

The Benches will comprise of One Judicial Member; and One Technical Member.

The Technical Members may represent:

- Centre; or
- State.

President of GSTAT

The President of GSTAT is generally a person who:

- Is or has been a Judge of the Supreme Court; or
- Is or has been Chief Justice of a High Court; or
- Is or has been a Judge of a High Court for prescribed years.

The President exercises administrative and supervisory powers over the tribunal.

5. Jurisdiction of GSTAT

GSTAT will hear all the appeals against orders passed by the First Appellate Authority under Section 107 of the CGST Act. Some matters commonly expected before GSTAT include:

(a) Input Tax Credit (ITC) Disputes

Mismatch issues, Blocked credit disputes, Supplier default cases, Fake invoice allegations, Transitional credit.

(b) Classification Disputes

Determination of applicable tax rates, Product classification, Composite and mixed supply issues.

(c) Valuation Matters

Related party transactions, Discounts, Reimbursements, Cross charge and ISD disputes.

(d) Refund Matters

Export refunds, Inverted duty refunds, Accumulated ITC, Delayed refund interest.

(e) Registration Matters

Cancellation of GST registration, Revocation disputes, Suspension matters.

(f) Demand and Penalty Cases

Section 73 proceedings, Section 74 proceedings, alleged suppression or fraud, Interest liability.

(g) Detention and Confiscation

Section 129 proceedings, Section 130 confiscation matters, E-way bill disputes.

6. Powers of GSTAT

GSTAT is vested with powers similar to a civil court for effective adjudication. The important powers include:

- Summoning persons;
- Calling for records;
- Examining evidence;
- Receiving affidavits;
- Granting adjournments;
- Passing interim orders;
- Rectifying mistakes;
- Confirming, modifying or annulling orders.

The Tribunal can:

- Remand matters;
- Set aside the demand of taxes & interest, penalties, fines and late fees;
- Grant relief to taxpayers;
- Interpret GST provisions authoritatively.

7. Appeal Procedure Before GSTAT**(a) Filing of Appeal**

An appeal is generally required to be filed within the prescribed time from receipt of the appellate order with appropriate Court fees and letter of authorisation of authorised representative.

(b) Pre-deposit Requirement

The GST law provides mandatory pre-deposit requirements before an appeal can be entertained. The pre-deposit mechanism aims to balance revenue protection and taxpayer rights.

(c) Electronic Filing

The GSTAT system is expected to operate substantially through electronic filing and digital records.

(d) Hearing and Disposal

The Tribunal may:

- Hear parties physically or virtually;
- Admit additional evidence;
- Pass interim relief orders;
- Pronounce reasoned decisions.

8. Impact on GST Litigation Landscape

The introduction of GSTAT is likely to transform GST litigation in India.

(a) Shift from Writ Jurisdiction to Statutory Appeals

High Courts have repeatedly held that writ jurisdiction should ordinarily not be exercised where alternate remedy exists. Once GSTAT becomes fully functional, taxpayers may increasingly be required to exhaust appellate remedies before approaching constitutional courts.

(b) Development of GST Jurisprudence

A large volume of tribunal rulings will gradually develop structured GST jurisprudence on matters disputing ITC, Place of supply, Valuation, Export benefits, Penalty principles.

(c) Greater Predictability

Businesses may benefit from greater predictability in tax positions and litigation risk assessment.

Explore our GSTAT appeal filing services - pre-deposit computation, appeal drafting, e-filing, stay applications, early hearing applications, and hearing representation across all 31 State Benches and the Principal Bench.

Share your queries on legal@bizsolindia.com or contact on 9860791789.

**Thank you.
Nidhi Nawal**

WHAT'S NEW?



GST

Notifications:

The CBIC has extended the due date for filing GSTR-3B for March 2026 to 21 April 2026. The extension was issued under Section 39(6) of the CGST Act, 2017 on the recommendation of the GST Council and applies to taxpayers required to file monthly returns under Rule 61(1)(i) of the CGST Rules, 2017. The notification is effective from 20 April 2026. **(Notification No. 01, dated 21.04.2026)**

Press Releases:

The GSTN has clarified that taxpayers who make payments at the SCN stage without accepting liability, they can still file appeals. If adjudication orders wrongly show “NIL” demand, the GST portal blocks appeals. Taxpayers should seek a rectification order to reflect the correct demand, after which appeals can be filed within prescribed timelines under GST law. **(Press Release No. 655, dated 03.04.2026)**

The GSTN has allowed editing of the pre-deposit percentage while filing appeals in APL-01 from 6 April 2026. Earlier fixed at 10%, taxpayers can now adjust it as per their case. However, the authority will verify the correctness during appeal processing. **(Press Releases No. 656, dated 10.04.2026)**

GSTN has issued an advisory regarding incorrect auto-populated interest in Table 5.1 of GSTR-3B for March 2026 due to a technical glitch. In some cases, the system failed to consider the available Electronic Cash Ledger balance while computing interest under Rule 88B(1) of the CGST Rules, 2017. Taxpayers can now use the “RE-COMPUTE INTEREST” facility in Table 5.1 to recalculate the correct interest amount. **(Press Releases No. 657, dated 16.04.2026)**

The GSTN introduced an Excel-based IMS Offline Tool to simplify invoice management under the GST Invoice Management System (IMS), effective from the October 2024 tax period. The tool enables taxpayers to download invoice data in JSON format, process invoices offline by accepting, rejecting, or keeping them pending, and upload the updated data back to the GST portal. It supports bulk invoice handling, follows the same validation rules as the online system, and provides error reports for corrections. **(Press Releases No. 658, dated 21.04.2026)**

INCOME TAX

Notifications:

The MOF has formally notified the Memorandum of Understanding (MoU) between India and Japan concerning assistance in the collection of taxes under Article 26A of the Double Taxation Avoidance Convention. The MoU establishes a framework for cooperation in tax recovery between the two countries. Indian authorities can now seek and aid Japan for tax recovery in eligible cases post the specified date.

[Notification No. 56/2026- Income Tax | Dated: 2nd April 2026]

CBDT issued a corrigendum to correct technical errors in Forms ITR-1 and ITR-4. In ITR-1, Schedule-IT was revised to provide a detailed format for reporting advance tax and self-assessment tax payments. In ITR-4, corrections were made to row numbering and a typographical error in the salary schedule.

[Notification No. 57/2026- Income Tax | Dated: 10th April 2026]

CBDT issued a corrigendum dated 10 April 2026 to correct clerical and formatting errors in an earlier notification dated 30 March 2026 relating to income tax schedules and forms. The amendments include correction of references, renumbering of rows and columns, removal of unnecessary shading, and rectification of typographical errors in schedules such as CG, 112A, 115AD, OS, CFL, and Part B-TI. The changes are technical and clarificatory in nature, aimed at improving accuracy, consistency, and ease of compliance.

[Notification No. 58/2026- Income Tax | Dated: 10th April 2026]

The CBDT corrected minor technical and formatting errors in ITR forms relating to Schedule CG and Schedule OS. The amendments include correction of references and formatting inconsistencies in capital gains schedules, along with removal of unnecessary grey shading in Schedule OS tables.

[Notification No. 59/2026- Income Tax | Dated: 10th April 2026]

The CBDT has corrected technical errors in ITR forms relating to Schedule CG and Schedule UD. The amendments include correction of a computation formula in Schedule CG and rectification of incorrect cross-references in Schedule UD. These changes are clarificatory and intended to improve accuracy, consistency, and ease of reporting without altering any substantive tax provisions or taxpayer liabilities.

[Notification No. 60/2026- Income Tax | Dated: 10th April 2026]

The CBDT has issued a corrigendum to correct typographical, clerical, and structural errors in various income tax return schedules and forms. The amendments cover sections such as Part A-BS, Part A-P&L, Schedule BP, Schedule CG, Schedule 112A, Schedule 115AD, Schedule UD, and Schedule MATC, including correction of references, row numbering, spellings, and insertion or deletion of certain fields.

[Notification No. 61/2026- Income Tax | Dated: 10th April 2026]

CBDT has issued a corrigendum to correct technical and formatting errors in various income-tax return schedules, including Schedule I, Schedule CG, Schedule OS, Schedule CYLA, and Part B-TI. The amendments include correction of references, insertion and deletion of rows, rectification of cell shading issues, and updates relating to pass-through income or loss reporting.

[Notification No. 62/2026- Income Tax | Dated: 10th April 2026]

The CBDT has issued a corrigendum to Notification No. 63/2026 relating to Income Tax Return Form U. The amendment corrects a formatting issue in Part A (General Information) by separately listing the phrase “Wrong heads of income chosen” to improve clarity and readability. The change is technical and clarificatory in nature, aimed at ensuring accurate reporting and smoother compliance without affecting substantive provisions.

[Notification No. 63/2026- Income Tax | Dated: 10th April 2026]

The MOF has issued a corrigendum to an earlier income tax notification dated 20 March 2026 to correct clerical, typographical, and referencing errors across various rules, notes, annexures, and verification sections. The amendments include correction of rule and section references, standardization of terminology, removal of redundant entries, and formatting improvements in forms and tables.

[Notification No. 64/2026- Income Tax | Dated: 20th April 2026]

CUSTOMS

Tariff Notification:

The MOF has granted a temporary exemption from Basic Customs Duty (BCD) on the import of 40 specified chemicals, petrochemicals, and polymer products. This exemption is effective from 2 April 2026 to 30 June 2026 to reduce costs and support industry. **(Notification No. 12/2026-Customs dated 01.04.2026)**

The MOF has removed AIDC (Agriculture Infrastructure and Development Cess) on import of ammonium nitrate. This means no AIDC will be charged on its import from 2 April 2026 to 30 June 2026, to reduce costs and support related industries. **(Notification No. 13/2026–Customs dated 01.04.2026)**

Non-Tariff Notification:

The CBIC has updated tariff values for certain imported goods like gold, silver, edible oils, brass scrap, and areca nuts through Notification. However, most values remain unchanged, such as gold at USD 1526 per 10 grams and silver at USD 2427 per kg. These values are used to calculate customs duty where transaction value is not applied.

(Notification No. 35/2026-Customs (N.T.), dated 02.04.2026)

CBIC has notified Panoli in Bharuch (Gujarat) as a new customs area. This allows the location to handle the unloading of imported goods and the loading of export goods. The amendment aims to improve trade infrastructure, enhance logistics efficiency, and promote ease of doing business in the region.

(Notification No. 36/2026 – Customs (N.T.), dated 06.04.2026)

The CBIC has revised tariff values for specified imported goods effectively from 16 April 2026. The amendment updates tariff values for edible oils such as crude and refined palm oil, palm olein, soybean oil, brass scrap, precious metals including gold and silver, and areca nuts.

(Notification No. 37/2026 – Customs (N.T.), dated 15.04.2026)

The CBIC has appointed the Principal Commissioner/Commissioner of Customs (Air Cargo), Chennai-VII Commissionerate as the Common Adjudicating Authority for adjudication of multiple show cause notices issued to Control Components India Pvt. Ltd.

(Notification No. 38/2026 – Customs (N.T.), dated 16.04.2026)

The CBIC is removing a specified customs-related entry under serial number 11 for the State of Tamil Nadu. The amendment omits item (viii) and its corresponding specification, as part of ongoing updates to customs ports, airports, inland container depots, and land customs station notifications.

(Notification No. 39/2026 – Customs (N.T.), dated 20.04.2026)

The CBIC has amended Notification No. 12/97-Customs (N.T.) by adding Village Hirnoda, Jaipur as a customs-notified location for unloading imported goods and loading export goods. The notification also makes a technical renumbering correction relating to Kishangarh in Rajasthan.

(Notification No. 40/2026 – Customs (N.T.), dated 23.04.2026)

The Central Government of India revised the All-Industry Rates (AIR) of duty drawback for specified gold and silver jewellery and articles under Chapter 71. The revised drawback rates apply to tariff items 711301, 711302, and 711401 and have been updated under the Customs and Central Excise Duties Drawback Rules, 2017.

(Notification No. 41/2026 – Customs (N.T.), dated 24.04.2026)

Additional Duty:

The Government has amended the anti-dumping notification to replace the producer's name from Bystronic (Shenzhen) Laser Technology Co., Ltd to DNE LASER (Guangdong) Co., Ltd., based on the recommendation of the Directorate General of Trade Remedies. As there is no change in ownership or structure, the amendment is only for name correction and does not affect the existing anti-dumping duty or its applicability.

(Notification No. 04/2026-Customs (ADD) | Dated: 08.04.2026)

The Ministry of Finance has amended anti-dumping duty rules to exclude "Lith grade Aluminium Coils above 1150 mm width" from duty on imports from China. This follows court directions and ensures such products are no longer subject to anti-dumping duty.

(Notification No.05/2026-Customs (ADD) | Dated: 17.04.2026)

Circular:

The CBIC has clarified that Bills of Entry filed by SEZ units for DTA clearances under concessional duty rates will be processed through the faceless assessment system. Such consignments will also be routed through the Risk Management System (RMS) for automated officer allocation, while jurisdictional SEZ officers will continue handling examination and clearance activities.

(Circular No.18/2026-Customs | Dated: 01.04.2026)

The CBIC has introduced a simplified procedure for handling SEZ export cargo affected by disruption in maritime routes due to the closure of the Strait of Hormuz. Exporters may seek cancellation of Let Export Order (LEO) or Shipping Bill at the originating SEZ, allowing gateway ports to facilitate return or re-routing of cargo without sending it back to the SEZ.

(Circular No.19/2026-Customs | Dated: 10.04.2026)

The CBIC has clarified that benefits under the Rod TEP and RoSCTL schemes can be allowed on the full FOB value without reducing agency commission and foreign bank charges, provided such deductions do not exceed 12.5% of the FOB value. Any excess deduction beyond this limit must be reduced from the FOB value. The circular also clarified that ECGC compensation for short realisation may be treated as export proceeds, and recovery of benefits will not be required where RBI permits write-off and supporting certification is furnished.

(Circular No.20/2026-Customs | Dated: 10.04.2026)

The CBIC has prescribed procedures for handling export cargo containers returned to India due to maritime disruptions caused by the closure of the Strait of Hormuz. The circular allows simplified re-entry procedures where container seals are intact, including filing of a fresh Shipping Arrival Manifest (SAM) and cancellation of Shipping Bills through the EDI system without requiring a Bill of Entry. In cases of tampered seals, full examination and re-import procedures will apply. The circular also mandates recovery of export incentives such as IGST refunds and drawback, where applicable. The temporary relaxation is valid up to 30 April 2026.

(Circular No.21/2026-Customs | Dated: 15.04.2026)

Public Notice:

Customs Issues Procedure for Returned Export Cargo Due to Strait of Hormuz Disruption
[Public Notice No. 27 /2026 dated 20 April 2026]

EXCISE DUTY

Notification:

The MOF has revised the Special Additional Excise Duty on high-speed diesel oil. The duty rate under Item No. 2 has been increased to ₹24 per litre with immediate effect. The amendment was issued under the relevant provisions of the Central Excise Act, 1944 and the Finance Act, 2002, and formally notified via G.S.R. 272(E).

[Notification No.14/2026 / Dated 11.04.2026 -Central Excise]

The MOF has revised the Road and Infrastructure Cess on high-speed diesel oil. The cess rate under Item No. 2 has been increased to ₹36 per litre with immediate effect. The amendment was issued under the relevant provisions of the Central Excise Act, 1944 and related finance legislation, and notified via G.S.R. 273(E).

[Notification No.15/2026 / Dated 11.04.2026 -Central Excise]

The MOF has revised the Special Additional Excise Duty on exports of high-speed diesel oil. The duty rate under serial number 2 has been substituted to ₹24 per liter with immediate effect. The amendment was issued in public interest under the relevant provisions of the Central Excise Act, 1944 and Finance Act, 2002, and notified via G.S.R. 274(E).

[Notification No.16/2026 / Dated 11.04.2026 -Central Excise]

The MOF has amended Special Additional Excise Duty on exports of Aviation Turbine Fuel (ATF). The duty rate under serial number 1 has been revised to ₹42 per liter with immediate effect. The amendment has been issued in public interest under the relevant provisions of the Central Excise Act, 1944 and Finance Act, 2002, and notified via G.S.R. 275(E).

[Notification No.17/2026 / Dated 11.04.2026 -Central Excise]

The MOF has revised the Road and Infrastructure Cess on exports of high-speed diesel oil. The cess rate under serial number 2 has been substituted to ₹31.5 per litre with immediate effect. The amendment was issued in public interest under the relevant provisions of the Central Excise Act, 1944 and Finance Act, 2018, and notified via G.S.R. 276(E). **[Notification No.18/2026 / Dated 11.04.2026 -Central Excise].**

DGFT

Notification:

The Government has allowed export of essential commodities like eggs, rice, sugar, onions, and sand to Maldives for FY 2026–27 under a trade agreement. These exports are exempt from restrictions, subject to quantity limits and conditions like health certificates and environmental approvals.

(Notification No. 01/2026-27-DGFT | Dated: 01.04.2026)

The Government has revised the import policy for jewellery items under CTH 7113 from “Free” to “Restricted” with immediate effect. Import license is now required, even for prior contracts. However, exemptions are allowed for SEZs, EOUs, export schemes, and certain imports under the India-UAE CEPA quota system.

(Notification No. 02/2026-27 – DGFT | Dated: 01.04.2026)

DGFT amended the import policy where several items including gold- and silver-related articles, platinum products, and precious metal goods have been shifted from “Free” to “Restricted” import status, subject to newly introduced Policy Condition No. 7. This condition exempts imports by Export Oriented Units (EOUs), Special Economic Zones (SEZs), and export-linked schemes, provided such goods are not diverted to the Domestic Tariff Area.

(Notification No. 03/2026-27-DGFT, dated, 02.04.2026)

DGFT has revised the export policy for wood pellets and briquettes from 6 April 2026, placing both items under the “Restricted” category. Exports are now allowed only with government authorization. Earlier, wood pellets were prohibited and briquettes were freely exportable, but now stricter control has been introduced to ensure better regulation.

(Notification No. 04/2026-27-DGFT, dated, 06.04.2026)

The DGFT amended FTP Para 2.62 mandating that Certificates of Origin (CoO) be issued only by authorized agencies, with matching invoice numbers in CoO and Shipping Bills. The self-certification scheme remains optional for eligible Status Holder manufacturers and will apply only when notified under specific trade agreements.

(Notification No. 05/2026-27 – DGFT ,dated: 07.04.2026)

The DGFT has amended the description of HS Code 73181500 under the RoDTEP schedule from a specific use (mobile phone screws) to a broader category covering all screws and bolts.

(Notification No. 06/2026-27-DGFT | Dated: 09.04.2026)

DGFT amended the export policy conditions for rice under HSN 1006 of Schedule-II (Export Policy), ITC(HS) 2022 which now mandates that exports of both Basmati and Non-Basmati rice to EU Member States and specified European countries—namely the United Kingdom, Iceland, Liechtenstein, Norway, and Switzerland—must be accompanied by a Certificate of Inspection issued by the Export Inspection Council (EIC) or Export Inspection Agency (EIA). However, exports to other European countries are exempt from this requirement.

(Notification No. 07/2026-27-DGFT | Dated: 10.04.2026)

DGFT amended the export policy for feathers, skins, and related products under specified ITC(HS) codes in Chapter 5 of Schedule-II of the Export Policy where the export category remains “Free,” a new Policy Condition 5 has been introduced, imposing additional compliance requirements aligned with EU/UK regulations.

(Notification No. 08/2026-27-DGFT | Dated: 10.04.2026)

The DGFT extended the Minimum Export Price (MEP) of USD 1400 per metric ton on natural honey exports. The export remains “Free” but subject to this MEP, now extended till 31 December 2026 without any change in rate.

(Notification No. 09/2026-27 – DGFT | Dated: 10.04.2026)

The DGFT revised the import policy for Gluconate and its salts. Imports remain “Free,” but if the CIF value plus anti-dumping duty is below ₹1,154 per kg, they become “Restricted.” This rule applies for six months and requires additional compliance.

(Notification No. 10/2026-27 – DGFT | Dated: 13.04.2026)

The DGFT has amended the description of HS Code 73181500 under the RoDTEP schedule from a specific use (mobile phone screws) to a broader category covering all screws and bolts.

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(Notification No. 10/2026-27 – DGFT | Dated: 13.04.2026)

DGFT has expanded the RELIEF scheme by adding Egypt and Jordan as eligible export destinations. This step aims to support exporters facing high freight, insurance costs, and logistics disruptions due to West Asia tensions, while all other provisions of the scheme remain unchanged.
(Notification No. 11/2026-27-DGFT | Dated 17.04.2026)

DGFT has revised baryte export rules, making high-grade (Grade A and B) exports restricted with licensing requirements, while low-grade (Grade CDW) remains free, ensuring better control over valuable mineral resources.
(Notification No. 12/2026-27-DGFT | Dated 17.04.2026)

DGFT, has continued the “Prohibited” export status for wheat under HS Codes 10011900 and 10019910. However, DGFT has allowed export of an additional 25 Lakh Metric Tonnes (LMT) of wheat, subject to conditions and procedures to be notified separately through a public notice. Existing conditions under Notification No. 06/2015-2020 dated 13 May 2022 remain unchanged, including exports permitted by the Government of India to meet food security requirements of other countries on request.
(Notification No. 13/2026-27-DGFT | Dated 27.04.2026)

Circular:

DGFT clarified that exporters obtaining a new Export Credit Guarantee Corporation Whole Turnover Policy on or after 16 March 2026 are eligible for benefits under Component II of the RELIEF scheme introduced under the Export Promotion Mission. The component supports credit insurance coverage for exports to affected Gulf and West Asia regions. All other provisions of the earlier notification dated 19 March 2026 remain unchanged.
(Policy Circular No. 01/2026-27-DGFT | Dated 15.04.2026)

Public Notice:

DGFT , amended Para 2.90 of HBP 2023 relating to Certificates of Origin (CoO) that all authorised agencies issue CoOs only through the DGFT-designated electronic platform, and manual issuance is prohibited.

(Public policy No. 01/2026-27-DGFT | Dated 07.04.2026)

DGFT has notified the procedure for allocation of import quotas of Calcined Petroleum Coke (CPC) for the aluminium industry and Raw Petroleum Coke (RPC) for CPC manufacturing units for FY 2026-27. The annual import limits are fixed at 0.8 million MT for CPC and 1.9 million MT for RPC as per CAQM and Supreme Court directions.

(Public policy No. 02/2026-27-DGFT | Dated 10.04.2026)

DGFT, extended the deadline for online applications for Tariff Rate Quota (TRQ) allocations for FY 2026–27 to 25 April 2026. The extension covers specified goods imported under the India–Mauritius CECTA and India–Nepal Treaty as listed in Appendix-2A of FTP 2023. The TRQs apply to products such as agricultural goods, marine products, textiles, alcoholic beverages, and industrial items. All other provisions of FTP 2023 remain unchanged.

(Public policy No. 03/2026-27-DGFT | Dated 10.04.2026)

The DGFT has amended Appendix 4B of the Handbook of Procedures, 2023 to update the list of RBI-authorized banks permitted to import gold and silver. Fifteen banks have been authorized to import both gold and silver, while two banks are authorized to import only gold, with validity from 1 April 2026 to 31 March 2029.

(Public policy No. 04/2026-27-DGFT | Dated 17.04.2026)

Trade Notice:

DGFT has extended its special drive for expedited issuance of Export Obligation Discharge Certificates (EODCs) under Advance Authorization (AA) and Export Promotion Capital Goods (EPCG) schemes until May 31, 2026.

[Trade Notice No. 34/2026-27-DGFT | Dated: April 1, 2026]

DGFT has extended interest subvention benefits under the Export Promotion Mission to 167 additional tariff lines under Chapter 72 (iron and steel products). The benefit is available only to Micro and Small Enterprises (MSEs), while Medium Enterprises are excluded. The benefit applies prospectively to export credit disbursed on or after 20 April 2026.

[Trade Notice No. 01/2026-27-DGFT | Dated: April 20, 2026]

DGFT has introduced an online module for issuance, re-issuance, and extension of validity of Post Export EPCG duty credit scrips. The system enables electronic generation and integration with ICEGATE to address issues faced in utilizing manually issued scrips. Exporters can now submit online requests for closure, revalidation, or generation of scrips, while Regional Authorities will process and transmit approved scrips electronically. **[Trade Notice No. 02/2026-27-DGFT | Dated: April 21, 2026]**

COMPANIES ACT

No fee is payable if the form is filed within the prescribed timeline, while a fee of ₹5,000 applies for delayed filings or reactivation of Director Identification Numbers (DIN). Additionally, a fee of ₹500 is levied for each subsequent filing made to update or change KYC details.

[Notification No. G.S.R. 300(E) dated 21st April 2026]

Public Notice:

The MCA, proposed to simplify company incorporation and reduce compliance burden under the Companies Act, 2013. Key proposals include consolidation of forms into simplified e-forms, rationalisation of KYC and documentation requirements, simplification of name reservation rules, withdrawal of reserved names, reduction of redundant filings, and greater use of electronic communication. The draft also introduces reforms relating to Section 8 companies, registered office verification, DIN allotment limits, and optional integration with EPFO, ESIC, and bank account registrations. Stakeholders can submit comments through the MCA e-consultation portal by 9 May 2026.

[Policy-01/2/20 25-MCA dated 8th April 2026]

RBI

The RBI is revising instructions on risk management and inter-bank dealings for Authorised Dealers by restricting Authorised Dealers from undertaking foreign exchange derivative contracts involving INR with related parties, except in limited cases. These exceptions include cancellation or rollover of existing contracts and back-to-back transactions with non-related non-resident users in accordance with the Master Direction on Risk Management and Inter-Bank Dealings dated July 05, 2016.

[RBI/2026-27/14 A.P. (DIR Series) Circular No. 07 | Dated: April 20, 2026]

Circular:

The SEBI has granted a one-time relaxation from penal provisions relating to Minimum Public Shareholding (MPS) compliance due to market volatility caused by geopolitical tensions in the Middle East. Stock exchanges and depositories have been directed not to initiate or continue penal actions, including fines or freezing of promoter shareholding, for entities whose MPS compliance deadlines fall between 1 April 2026 and 30 September 2026.

[Circular No. HO/49/14/14(13)2026-CFD-POD2/1/8772/2026 | Dated: April 7, 2026]

The SEBI has extended the compliance deadline for Debenture Trustees (DTs) to segregate non-SEBI regulated activities into separate business units under Regulation 9C of the SEBI (Debenture Trustees) Regulations. Due to operational challenges highlighted by industry participants, the compliance timeline has been extended by six months, and the revised deadline is now 27 October 2026.

[Circular/No.HO/(201)2026-DDHS-POD1/10421/2026 | Dated:28/04/2026]

Notification:

The SEBI has strengthened the “fit and proper person” framework and improve regulatory clarity. The amendment defines “days” as calendar days unless stated otherwise and replaces earlier disqualification provisions with broader event-based criteria, including convictions for economic offences or securities law violations. It introduces mandatory disclosure within 15 working days and ensures that SEBI provides a hearing before declaring any person not fit and proper.

[Notification No.F.No.SEBI/LAD/2026/300]

SEBI has issued the Infrastructure Investment Trusts (Amendment) Regulations, 2026, to simplify and enhance operational flexibility for InvITs. The amendments revise definitions of liquid assets and credit risk limits, clarify SPV classification and PPP-related exemptions, broaden eligible investment avenues, and allow more flexible fund utilization for infrastructure and permitted activities.

[Notification No.F.No.SEBI/LAD/2026/301]

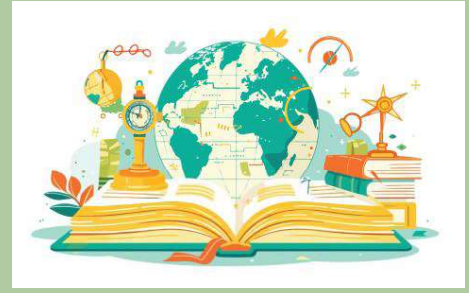
The SEBI has revised the SEBI (REIT) Regulations, 2014 to expand permissible investment norms and adjust credit risk thresholds. The minimum credit risk value has been reduced from 12 to 10, and eligibility has been broadened by including “Class B-I” instruments along with “Class A-I” in the risk classification framework.

[Notification No.F.No.SEBI/LAD/2026/302]

The SEBI has revised the SEBI (REIT) Regulations, 2014 to expand permissible investment norms and adjust credit risk thresholds. The minimum credit risk value has been reduced from 12 to 10, and eligibility has been broadened by including “Class B-I” instruments along with “Class A-I” in the risk classification framework.

[Notification No.F.No.SEBI/LAD/2026/302]

Beyond The Obvious



GST

- High Court held that where proceedings under Section 74 were initiated based on mismatch between GSTR-3B and E-way bill data and a reasoned order was passed after granting opportunity, writ petition is not maintainable and assessee must avail appellate remedy.
{[2026] 182 taxmann.com 890 (Gujarat)}
- Allahabad High Court held that where the supplier's GST registration was suspended, any invoice issued during such period is invalid and consequently the e-way bill generated on its basis is also invalid therefore, movement of goods without valid documents attracts proceedings under Section 129(1)(b) and detention along with penalty was rightly upheld.
{[2026] 184 taxmann.com 141 (Allahabad)}
- Taxpayer challenged OIO imposing tax, interest and penalty for mismatch in ITC on imports due to address differences on bills of entry, claiming prior reversal of ITC and clarifying address change arose from principal place shift and IEC amendment, non-consideration of these replies and incomplete findings on ITC mismatch and bill genuineness warranted setting aside impugned order and remand for reconsideration
{ [2026] 185 taxmann.com 553 (Karnataka) }
- Court held that where goods covered under a single invoice were transported through multiple vehicles (with multiple E-way bills), the department cannot straightaway treat it as under-declaration or duplication in GSTR-1 without examining the commercial necessity of such movement. Court observed that the authority failed to verify whether multi-lorry transportation was justified (due to volume/quantity constraints) and mechanically concluded mismatch. Accordingly, the impugned order was quashed and the matter was remanded for fresh adjudication on merits after proper verification.
{[2026] 185 taxmann.com 64 (Madras)}

- Assessee replied to SCN with reconciliation of ITC mismatch between GSTR-3B and GSTR-2A but order-in-original ignored enclosed reconciliation and denied personal hearing, breach of natural justice occurred, necessitating reconsideration of reply and annexures, as opportunity to reconcile and explain alleged ITC discrepancy must be effectively provided before demand is upheld. **{{[2026] 185 taxmann.com 566 (Karnataka)}}**
- Court held that GST registration cannot be cancelled and ITC cannot be denied merely because the supplier's registration was cancelled, especially where the assessee has produced invoices, e-way bills and ledger records. **{ [2026] 185 taxmann.com 567 (Bombay)}**
- Application seeking ruling on e-way bill generation and procedural aspects held not maintainable, as such issues fall under CGST Rules and are not covered within Section 97(2)(a) to (g). **{{[2026] 185 taxmann.com 316 (AAR - TAMILNADU)}}**
- Assessee was issued SCN under section 73 alleging excess ITC, mismatches and liability shortfalls solely on basis of CAG audit of GST Department without any audit of assessee or factual particulars and audit report was not supplied, such vague and non-specific SCN lacking statutory details was invalid and set aside, but liberty to proceed per law was reserved. **{{[2026] 185 taxmann.com 471 (Punjab & Haryana)}}**
- Penalty for expiry/non-extension of e-way bill during transit of export goods was quashed since delay of about 15 hours due to vehicle breakdown was procedural without intent to evade tax and for zero-rated supplies no tax was payable hence, detention penalty was unsustainable and refund with interest was directed **{ [2026] 184 taxmann.com 143 (Gujarat)}**
- Two separate orders for same period were passed for identical issue of mismatch between Form GSTR-2A and GSTR-3B, causing duplication and double taxation, both orders being based on same subject were unsustainable in law and set aside, with case remanded to authority for fresh consideration subject to payment of 25 percent of disputed tax and opportunity for hearing. **{ [2026] 183 taxmann.com 664 (Madras)}**
- Petitioner's registration was cancelled on grounds not set out in show-cause notice, namely circular trading and non-payment in cash, depriving opportunity to respond, such cancellation order was unsustainable as SCN must contain exact allegations forming basis for action, thus, impugned orders were to be set aside with liberty to department to initiate fresh process in accordance with law **{{[2026] 184 taxmann.com 460 (Punjab & Haryana)}}**

CUSTOMS

- Delhi High Court held that existence of alternate remedy does not bar writ jurisdiction where the challenge relates to lack of jurisdiction, limitation, or legality of proceedings. Since such issues go to the root of the matter, the writ petition was held to be maintainable
{ **W.P.(C) 4502/2026**}
- Delhi High Court held that a corrigendum issued under Section 154 is limited to correcting clerical or arithmetical errors and cannot introduce new allegations or grounds, as it would effectively amount to issuing a fresh SCN beyond limitation.
{**W.P.(C) 4502/2026**}
- The Gujarat High Court reiterated that under Section 123, once goods are seized on reasonable belief of smuggling, the burden shifts to the importer to establish lawful import, failing which confiscation and penalty are justified.
{**C/SCA/3265/2026**}

CENTRAL EXCISE

- It was held that credit distributed by Head Office (ISD) cannot be denied merely because expenditure was not reflected in branch books, if services were actually received and used.
{ **2026 (CESTAT) – ISD**}
- CESTAT Mumbai Bench held that CENVAT credit cannot be denied to the recipient when duty/service tax has been paid and accepted at the supplier's end, even if there are procedural lapses.
{ **2026-VIL-287-CESTAT-MUM-CE**}
- CESTAT Bangalore Bench held that credit distributed by Input Service Distributor (ISD) cannot be denied merely due to accounting treatment, if services are actually received and used for business.
{**2026-VIL-274-CESTAT-BLR-CE**}

SERVICE TAX

- CESTAT Mumbai Bench held that grants/subsidies received (e.g., from BCCI) for promotion of sports cannot be treated as consideration for services, in absence of quid pro quo and hence are not liable to service tax.
{2026 TAXSCAN (CESTAT) 322}
- CESTAT Bangalore Bench held that secondment of employees, where control and supervision vests with recipient, constitutes employer-employee relationship and hence falls outside the scope of taxable service.
{2026 TAXSCAN (CESTAT) 381}
- CESTAT Mumbai Bench held that service tax liability does not arise merely on receipt of advance if the service is ultimately not provided and amount is refunded.
{2026 TAXSCAN (CESTAT) 389}

INCOME TAX

- SLP dismissed against order of High Court that where assessee underwent insolvency and a resolution plan approved by NCLT extinguished all prior tax liabilities, Assessing Officer issued notices under sections 148 and 142 for a period prior to approval, since no belated claims could be raised after approval of resolution plan, such notices were to be quashed
{[2026] 185 taxmann.com 514 (SC)}
- SLP dismissed against order of High Court that where Assessing Officer issued show cause notice under section 148A(b) on ground that assessee had made bogus purchases from a fictitious entity, since said conclusion regarding said contractor being a non-existent bogus entity was never put to assessee in show cause notice, reopening notice was to be set aside
{ [2026] 185 taxmann.com 121 (SC)}
- Assessee furnished all relevant confirmations, ITRs and bank statements regarding an unsecured loan received from a party and no fresh loan was received in relevant year but only a journal entry was made, addition treating transaction as non-genuine was unjustified and warranted deletion as assessee need not prove source of source.
{[2026] 185 taxmann.com 602 (Delhi - Trib.)}

- Assessee-company disclosed net profit on contractual receipts in computation for year without routing receipts through P&L and despite contending that income pertained to preceding year, since records failed to show contractual income was reflected in accounts or return of earlier year, contractual income was rightly assessable in year in which profit was offered
{ [2026] 185 taxmann.com 783 (Ahmedabad - Trib.) }

COMPANY LAW

- Corporate guarantees executed by a corporate debtor constitute “financial debt” under Section 5(8) IBC. Non-disclosure in financial statements and stamping defects are not fatal to a creditor’s claim. NCLT & NCLAT orders set aside; SBI consortium recognised as financial creditors of Reliance Infratel.
{ 2026 INSC 423 | SC }
- Admission of a claim by a Resolution Professional is a mere administrative/clerical act it does not constitute acknowledgment of debt under Section 18 of the Limitation Act and cannot revive a time-barred Section 7 IBC petition. Limitation runs from date of NPA classification
{ 2026 INSC 429 | SC }
- A pre-existing dispute prior to the demand notice bars admission of a Section 9 IBC petition. Defective goods complaints and police complaint filed before the demand notice constituted a genuine dispute. NCLT order dismissing petition restored.
{ 026 TAXSCAN (SC) 180 | CA No. 4019/2025 | SC }

RERA

- Kerala High Court held that failure of a developer to register an ongoing project under RERA does not oust the jurisdiction of the Authority and allottees can still seek remedies under the Act.
{WP(C) No. 6169 of 2026}
- Karnataka High Court held that orders passed by RERA authorities without granting adequate opportunity of hearing violate principles of natural justice and are liable to be set aside.
{ NC: 2026:KHC:12897 }
- Maharashtra Real Estate Appellate Tribunal held that developer cannot avoid liability for delay unless it strictly proves force majeure conditions and routine approvals or market issues are not valid defenses
{2026 ibclaw.in 102 REAT}

LABOUR LAW

- State cannot bypass final judicial mandates for permanent regularization through temporary stop-gap schemes. The 2012 Gang Labourers Scheme framed by ISRO for daily-wage workers at Mahendragiri was struck down as it kept workers on temporary footing in defiance of binding CAT orders. The State as a model employer under Article 14 cannot act arbitrarily or with indifference towards long-serving workers. Regularisation directed from September 9, 2010, extended to all similarly situated workers.
{ 2026 INSC 431 | SC }
- A prior written demand on the employer is not mandatory for raising an industrial dispute, except where the statute expressly requires it, such as in public utility services. Determining whether a contract is 'sham' or 'genuine' involves disputed questions of fact. Therefore, only the Industrial Tribunal/Court can adjudicate the dispute. Writ Courts generally do not decide these disputed questions under Article 226 of the Constitution of India. Interim direction to pay wages before employer status was determined was set aside. Industrial Court directed to adjudicate on merits expeditiously. Reaffirms SAIL (2001) contract workers are not left without protection even when automatic absorption is unavailable
{026 INSC 87 | SLP (C) No. 9970/2023 | SC }

Bizzsol Corner



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



**Training :- Study and discussion on Input Tax Credit By
CA Anuj Gandhi**



Bizsol Corner



Event:- Training session on GST Basic Concept by Yasha Shah



Event:- Congratulations to Dipali Devkar on being recognized as Bizsolite of the Month.



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**Event: -Congratulations to CA Gunjan Rathi on receiving
Special Appreciation.**



**Congratulations to Adv Akansha Gupta on receiving
Special Appreciation.**



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Event:- Training session on POSH by Pournima Vaidya



**Event:- Congratulations We're delighted to share that
CA Anuj Gandhi has been promoted to Assistant Manager – Advisory & Assurance**



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Event:- Congratulations We are delighted to share that CA Siddhi Baheti has been promoted to Lead – Advisory and Assurance



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Event:- Congratulations We are delighted to share that CA Gunjan Rathi has been promoted to Lead – Legal



Event:- Congratulations We are delighted to share that Pranay Gholap has been promoted to Lead – Accounts



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Event:- Congratulations We are delighted to share that Hrutik More has been promoted to Senior Associate – EXIM



All Appraisee with Seniors

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Event:- April Month Birthday Celebration



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