Bizsol Update SEPT 2026

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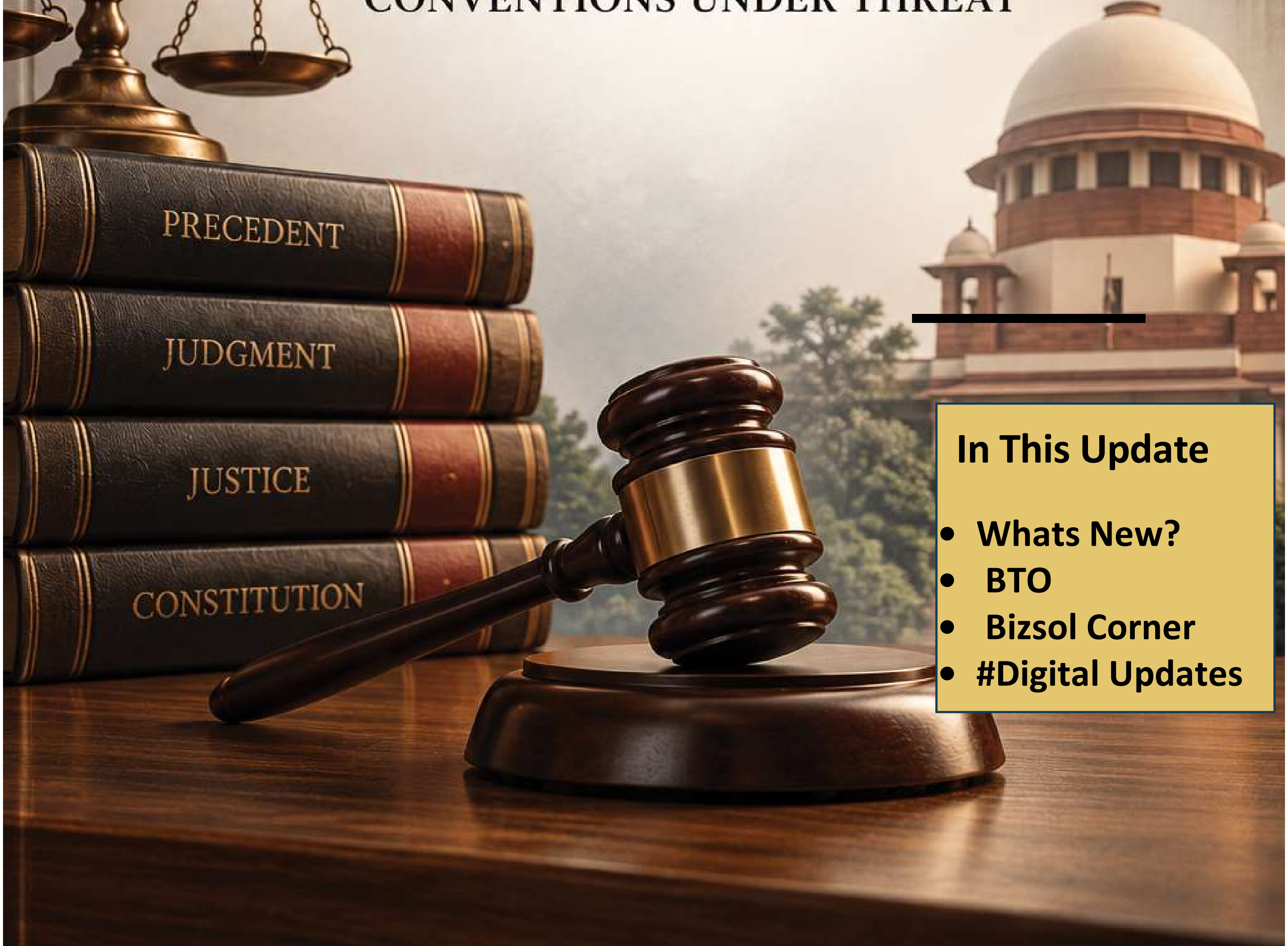
STARE DECISSIS ON TRIAL

BINDING FORCE OF JUDICIAL CONVENTIONS UNDER THREAT



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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

In This Issue

This Month For You - SEPT 2026

Date	Law	Particular
06-09-2026	Central Excise	E-payment of Central Excise for August 2026 (subject to applicable next-working-day rule, if any).
07-09-2026	Income Tax	Due date for payment of TDS/TCS for the month of August 2026.
07-09-2026	Wages Act	Payment of Salary / Wages where the number of employees is less than 1,000.
07-09-2026	Income Tax	Uploading of declarations received in Form No. 127 (Income-tax Rules, 2026) from buyers during August 2026.
10-09-2026	GST	GSTR-7 – return by persons required to deduct TDS for August 2026.
10-09-2026	GST	GSTR-8 – return by e-commerce operators required to collect TCS for August 2026.
10-09-2026	Wages Act	Payment of Salary / Wages where the number of employees is 1,000 or more.
10-09-2026	Central Excise	ER-1 / ER-2 monthly returns for August 2026, wherever applicable.
11-09-2026	GST	GSTR-1 for August 2026 – monthly filers.
13-09-2026	GST	IFF for August 2026 for taxpayers under the QRMP scheme, wherever opted/applicable.
13-09-2026	GST	GSTR-5 – monthly return by Non-Resident Taxable Person for August 2026.
13-09-2026	GST	GSTR-6 – ISD return for August 2026.
14-09-2026	Income Tax	Issue of certificate in Form No. 132 (Income-tax Rules, 2026) for tax deducted under the specified provisions of section 393(1) of the Income-tax Act, 2025 for July 2026.
15-09-2026	Provident Fund	Due date for payment of provident fund contribution for August 2026 by the employer under the ECR-cum-Return.
15-09-2026	Income Tax	Second Installment of Advance Tax
15-09-2026	ESIC	Due date for payment of ESIC contribution for August 2026.
15-09-2026	Income Tax	Certificate in Form No. 10-IJ for specified fund / Category III AIF under section 10(23FF), wherever applicable.
15-09-2026	Income Tax	Furnishing of Form No. 137 by Government offices where TDS/TCS for August 2026 has been paid without production of a challan.
15-09-2026	Income Tax	Statement in Form No. 1 by the stock exchange for August 2026 relating to transactions where client codes have been modified after registration in the system.

This Month For You - SEPT 2026

Date	Law	Particular
20-09-2026	GST	GSTR-3B for August 2026 – monthly filers (including taxpayers for whom the applicable due date is the 20th).
20-09-2026	GST	GSTR-5A for August 2026 – OIDAR service providers, wherever applicable.
20-09-2026	GST	GSTR-5 / GSTR-5A by applicable non-resident / OIDAR taxpayers for August 2026.
25-09-2026	GST	PMT-06 – payment of GST for August 2026 by taxpayers under QRMP scheme, wherever applicable.
28-09-2026	GST	GSTR-11 for August 2026 – statement by UIN holders.
30-09-2026	Income Tax	Furnishing of challan-cum-statement in Form No. 141 for tax deducted under section 393(1) of the Income-tax Act, 2025 during August 2026, where applicable.
30-09-2026	Income Tax	Tax audit report under section 44AB of the Income-tax Act, 1961 for AY 2026-27, for assessees whose return due date is October 31, 2026.
30-09-2026	Income Tax	Audit report in Form No. 10B / 10BB by eligible funds, trusts, institutions, universities, educational institutions, hospitals or medical institutions, wherever applicable.
30-09-2026	Income Tax	Form No. 29C under section 115JC for computing Adjusted Total Income and Alternate Minimum Tax, wherever applicable.
30-09-2026	Income Tax	Audit report in Form No. 66 by a tonnage tax company under section 115VW, wherever applicable.
30-09-2026	Income Tax	Audit report in Form No. 10-IL by a specified fund being the investment division of an offshore banking unit under section 10(4D), wherever applicable.
30-09-2026	Income Tax	Certificate in Form No. 10-IJ for specified fund / Category III AIF under section 10(23FF), wherever applicable.
30-09-2026	Income Tax	Audit report in Form No. 3AC for deduction under section 33AB, wherever applicable.
30-09-2026	Income Tax	Audit report in Form No. 3AE under section 35D(4), wherever applicable.
30-09-2026	Income Tax	Audit report in Form No. 3AE under section 35E(6), wherever applicable.
30-09-2026	Income Tax	Audit report in Form No. 3AD for deduction under section 33ABA, wherever applicable.
30-09-2026	Income Tax	Statement in Form No. 3AF containing particulars of expenditure under section 35D(2)(a), wherever applicable.
30-09-2026	Income Tax	Report in Form No. 10DA certifying additional employee cost under section 80JJAA for FY 2025-26, wherever applicable.
30-09-2026	Income Tax	Audit report in Form No. 10CCB for deductions under sections 80-I, 80-IA, 80-IB or 80-IC, wherever applicable.
30-09-2026	Income Tax	Application in Form No. 171 for updating details by an income-tax practitioner registered under the Income-tax Act, 1961 and holding a valid certificate as on March 31, 2026.

From The Desk Of The Chairman

CS Venkat R Venkitachalam

Chairman, Bizsolindia Services Pvt Ltd

The floods that ravaged Nepal in August 2026 were more than a natural disaster - they were a preventable tragedy, a stark indictment of how fragile progress becomes when warnings are ignored and resilience is neglected. A glacier collapse on Langtang Lirung unleashed torrents that swept away entire communities, leaving over a thousand dead and thousands missing. Children were cut off from schools, families from healthcare and villages from the outside world as bridges and roads were washed away. The human toll was immense, but what deepens the sorrow is the knowledge that the signs of instability in the Himalayan terrain had long been visible, yet little was done to prepare for disaster of this magnitude. The economic wreckage mirrored the human loss. Hydropower projects, once celebrated as engines of growth, were crippled in a matter of hours. Trade and tourism sector collapsed with the destruction of the Gyirong border crossing, severing a vital artery of commerce. For a nation already struggling with slowing growth, the floods exposed how vulnerable development remains when resilience is not built into its foundations. This was not Nepal's tragedy alone. Floodwaters and debris crossed borders once again reminding South Asia that climate-driven disasters are shared threats for humanity. Relief efforts, though swift, were overwhelmed and the gap between need and capacity was simply glaring. The lesson is clear: this was not fate, but failure - failure to heed warnings, to invest in preparedness, and to recognize the urgency of climate adaptation. Nepal's resilience will shape its recovery, but the responsibility to learn the lessons lies with the region as a whole. Stronger governance, resilient infrastructure, and regional cooperation are no longer optional - they are urgent imperatives. The floods must be remembered not only for the lives lost but as an urgent call to action, a reminder that tragedies of this scale are preventable if foresight replaces complacency. The trauma associated with tragedy is unlikely to be forgotten any time soon.

Subhash Chandra, the Founder of Zee and the Essel Group, has long been celebrated as a media pioneer. Yet his recent entanglements reveal a troubling pattern of promoter-centric decision-making that undermines the very principles of corporate governance. The Securities and Exchange Board of India (SEBI) barred him and ZEEL CEO Punit Goenka from the securities market for a year after finding that prime Hyderabad land owned by Zee Entertainment was pledged without Board approval to secure loans for promoter-linked entities. This unauthorised encumbrance, concealed from shareholders and the audit committee violated fiduciary duties and the SEBI Act amounting to a fraudulent device that prejudiced investor interests. Simultaneously with this development Chandra's personal insolvency proceedings before the National Company Law Tribunal (NCLT) had already raised eyebrows. Against admitted claims of over ₹22,000 crore - arising largely from personal guarantees he extended to Essel Group loans - his repayment plan offered just ₹6.25 crore to creditors, a recovery rate of barely 0.03%. Critics argue that this highlights the fragility of India's insolvency framework where personal guarantees blur the line between limited liability and promoter accountability. From a governance perspective, the shenanigans lie in the misuse of listed company assets to cover private debts, lack of disclosures and reliance on personal guarantees to prop up over-leveraged ventures. In one sense, the case exposes glaring gaps in the Insolvency and Bankruptcy Code (IBC) when it comes to promoter guarantees and creditor safeguards. The NCLT's split verdict and subsequent escalation to a five-member bench underscore the institutional strain caused by such high-stakes disputes. The broader lesson is clear: India's corporate governance mechanism cannot afford unhindered promoter dominance unchecked by Board oversight or fundamental regulatory discipline. Chandra's manoeuvres - whether pledging assets without sanction or offering token settlements against colossal liabilities illustrate how promoter opportunism can erode trust in capital markets. Regulators, creditors and Boards must insist on transparency, enforce fiduciary standards and treat personal guarantees not as symbolic gestures but as enforceable commitments. Subhash Chandra's controversies epitomise the collision of weak corporate governance with India's evolving legal framework - unauthorised pledging of listed company assets, opaque personal guarantees, and insolvency manoeuvres that eventually leave creditors with negligible recovery avenues. His case is now has become a touchstone for how Regulators and Tribunals must enforce fiduciary responsibility and protect shareholder interests. In short, Subhash Chandra's saga is less about one man's fall and more about the systemic need to reassert accountability in India's corporate governance architecture. It is a cautionary tale - when promoters treat listed companies as personal fiefdoms, both investors and institutions end up paying the price. I wonder if Donald Trump, the Emperor of the United States of America watching on TV what is unfolding in Nepal? Having denounced persistently the concept or reality of global warming as a hoax, what has he to tell the world about this Nepalese tragedy?

The United States' pursuit of Venezuelan oil rights is more than an energy transaction - it is a geopolitical drama that revives old anxieties about 'the empire'. Officially, Washington has framed the arrangement as pragmatic, if not altruistic - stabilising Venezuela's economy while securing reliable supplies in a turbulent global market. Yet beneath the veneer of this partnership lies a familiar asymmetry of raw power. The critical fault line is agency. . Venezuela negotiates under the weight of sanctions and diplomatic isolation, conditions that blur the line between consent and coercion. When a nation's economic survival hinges on external approvals, "agreements" risk becoming instruments of dependency rather than sovereignty. This dynamic has colonial precedents - resource rich states supplying raw materials while external powers dictate the terms of exchange. Unlike classical colonisation, there is no territorial conquest here. Instead, the U.S. leverages contracts, sanctions relief, and geopolitical pressures to secure influence - an economic colonisation that extracts value without assuming the burdens of direct rule. Sovereignty remains intact on paper but materially compromised in practice. The long term trajectory will determine whether this is cooperation or colonisation. If Venezuela channels oil revenues into domestic development and diversifies its economy, the deal may evolve into a pragmatic partnership. If not, it risks perpetuating the colonial script - extraction without empowerment and sovereignty without substance. In essence, the debate is not about oil alone but about who controls the narrative of development - Venezuela as a sovereign actor, the United States as a hegemon cloaked in a partnership. The answer will shape whether this moment is remembered as a lifeline for Venezuela or as the latest chapter in the art of subtle empire building by the United States.

On 31st of August the Ministry of Statistics and Programme Implementation put out India's real GDP growth for Q1 FY27 (April–June 2026) at 7.8%, up from 6.9% a year earlier - a headline beating estimates of leading economists. The real GDP reached ₹81.36 lakh crore and the nominal GDP rose by 10.30% to ₹88.27 lakh crore. Real GVA grew by 8.20%. The government has understandably showcased this as proof of resilience against external shocks. However, a controversy soon arose. The controversy centres on comparability of the figures with different quarters, not the headline number by itself. The dispute traces to Q1 FY26's nominal GDP being revised from ₹86.05 lakh crore (old 2011-12 series) down to ₹80 lakh crore (new 2022-23 series) - a roughly ₹6 lakh crore gap. Critics, most prominently former Finance Secretary Subhash Chandra Garg, calculated growth by directly comparing this year's nominal figure against last year's old-series figures, arriving at just 2.6% growth of GDP instead of 7.8%. MoSPI's rebuttal is essentially a methodological one: it says that the ₹86.05 lakh crore old-series estimate cannot be directly compared to the new 2022-23 series figure, and that the revision reflects updated base year, data sources and methodology rather than a deliberate downward adjustment designed to flatter this year's growth. Government sources add that the new series changed sectoral weights, coverage, estimation procedures and price treatment. Int the process the government took the stand that old-series and new-series numbers are simply apples and oranges. The State Bank of India's research arm has weighed in on the government's side but with an important nuance. It called the controversy "unnecessary" and rooted in incorrect interpretations while noting that comparing the new year figure against the new-base equivalent for last year (₹88.3 lakh crore over ₹80.4 lakh crore) yields 9.7% nominal growth rather than the officially released 10.3%. Translating that into real terms, SBI estimates Q1 FY27 real growth would come to about 7.4% rather than 7.8%. Though it still is a strong number, but a meaningful haircut from the headline. SBI also pushed back on claims that the revised inflated GDP, pointing out that it actually reduced the nominal base. They note that GDP revisions have historically moved both up and down - 25 upward and 12 downward revisions on the old base between FY22 and FY25. My reading is that the "2.6% vs 7.8%" framing of the issue is the least defensible part of the debate - mixing two different statistical series to generate a shock number is a well-known way to manufacture a misleading headline and MoSPI's objection to that specific comparison appears technically sound. But the more serious, harder-to-dismiss critique is

SBI's own reconciliation, which - using apples-to-apples new-series figures - still lands meaningfully below 7.8% (around 7.4%). That suggests part of the beat may be an artifact of base-year and deflator changes rather than pure underlying momentum, even if the government's core defense against the "2.6%" claim is correct. One has to keep two structural points - first, quarterly GDP estimates are provisional and would not be finalised for roughly 30 months or so. Today's 7.8% is itself subject to revision. Second, a base-year change of this magnitude arriving right alongside a strong headline number was always going to invite close scrutiny. It is even then less a scandalous than a predictable consequence of overhauling the series. The optics however, understandably fuel suspicion, given the political stakes around growth narratives in the country. The cardinal lesson is that GDP growth cannot be celebrated as a mere statistical triumph. It must be read as a call to action - an opportunity to strengthen resilience, broaden the base of growth, and ensure that prosperity is not confined to urban centres or cyclical rebounds. India's economy has shown it can sprint; the challenge now is to build the endurance for a marathon. All said and done the economy has proven once again capable of defying global turbulence. However, sustaining this trajectory requires deeper reforms in agriculture, infrastructure and investment climate. For businesses, the message is equally clear. India remains one of the fastest-growing major economies, but sectoral imbalances and uneven demand patterns demand caution. One way of resolving the problem of acceptance of published data is to publish both sets of data to facilitate comparison and in a highly polarised world that we live in.

In mid-2026 the Reserve Bank of India had opened special windows to encourage foreign currency inflows like concessional USD – INR swap facility for banks mobilising FCNR(B) deposits from NRIs and separate windows for External Commercial Borrowings and Overseas Foreign Currency Borrowings by public sector entities. As it turned out, these Schemes drew far more money than expected. Banks swapped most of these dollars with RBI for rupees, directly injecting rupee liquidity into the system. As a result, system liquidity surplus jumped to a record ₹9.70 Trillion, higher than post Covid peak. This is essentially a problem of plenty - too much money chasing too few short term assets in the interbank market. Simply put, this excess liquidity complicates financial stability. It pushes overnight call and repo-linked rates toward the lower end of RBI's rate corridor, more than intended. Falling short-term yields conflict with inflation control if inflation is firm when RBI is considering tighter policy or holding rates higher. Moreover, large, volatile foreign-currency inflows can also create future reversal risk and balance of payments volatility if global conditions shift. Excess liquidity thus became a problem than a matter of comfort. While high forex reserves look strong, the speed and structure of these inflows, mostly debt-like, swap-driven, and concentrated in a short window create operational and policy strain. RBI's task is to "sterilise" the rupee impact of dollar inflows without disrupting credit growth or market functioning. RBI's arsenal include:

a. Through Liquidity Absorption: Large Variable Rate Reverse Repo auctions to drain surplus liquidity. It can temporarily raise CRR that would force banks to park more funds as idle balances with RBI, directly mopping up liquidity. RBI can sell government bonds from its portfolio to absorb rupees from the market. It can issue securities under a Market Stabilisation Scheme (MSS) specifically to soak up excess liquidity, with proceeds held in a separate account.

b. Managing Closely Forex Trade: Allowing some rupee appreciation or buying fewer dollars in the spot market can reduce the pace of reserve accumulation, though RBI must balance this against export competitiveness and volatility. RBI already ended the special FCNR(B) swap window on 31 August 2026 (earlier than some had expected), signalling a shift from "mobilise at any cost" to "manage the surplus". Over time, easing norms for Indian entities to invest abroad or prepay external debt can help recycle dollars outwards, reducing one-sided accumulation.

c. Structural Considerations: RBI can use part of the reserve buffer for strategic imports, commodity hedging or sovereign wealth type vehicles to reduce the "idle stock" problem though this is more a medium-term policy choice. If government borrowing and spending patterns can be aligned to absorb some of the liquidity (e.g., timing of bond issuance, disbursements), it eases RBI's burden.

In short, the "problem of plenty" of Dollars arises because RBI successfully attracted a large, concentrated wave of dollar inflows via special schemes, which then turned into an oversized rupee liquidity surplus. The solution mix is likely to be aggressive use of VRRR/OMO/MSS/CRR to drain liquidity, careful FX management to avoid excessive reserve build-up and gradual structural steps to allow two-way capital flows.

Thank you.
Venkat R Venkitachalam

STARE DECISSIS ON TRIAL

BINDING FORCE OF JUDICIAL CONVENTIONS UNDER THREAT

CS Venkat R Venkitachalam Chairman, Bizsolindia Services Pvt Ltd

Introduction: The Supreme Court delivered an important judgment recently making a clear deviation from judicial convention in the process. This judgment was in the realm of labour laws, but the principle applied by judges here would affect scope of judgments of the apex court could get affected overall. The message emanating from the judgment goes beyond this particular case. In the annals of Indian constitutional and labour jurisprudence, few judgments have exerted as profound and enduring an influence as the Supreme Court's 1978 decision in Bangalore Water Supply and Sewerage Board v. R. Rajappa. Delivered by a seven-judge Constitution Bench and authored by Justice Krishna Iyer, this landmark ruling redefined the scope of the term "industry" under Section 2(j) of the Industrial Disputes Act, 1947, extending statutory labour protections to millions of workers employed in hospitals, educational institutions, charitable organisations, and public utility services. Its significance transcends mere statutory interpretation; it embodies a functional, welfare-oriented reading of labour rights that aligns with the Directive Principles of State Policy and the constitutional vision of social justice enshrined in Part IV of the Constitution. The Bangalore Water Supply judgment is pivotal not only for its expansive definition of "industry" but also for its articulation of a constitutional philosophy that prioritises human dignity, equitable treatment, and the socio-economic rights of workers. By laying down the celebrated "Triple Test" which holds that any systematic activity organised through employer - employee cooperation for the production or distribution of goods or rendering of material services to the community constitutes an "industry" - the Court adopted a purposive interpretation that resonates with the egalitarian ethos of the Constitution. This approach reinforced the idea that labour legislation must be interpreted in harmony with constitutional values, particularly Articles 14 (equality before law), 19 (freedom of occupation), 21 (right to life and personal liberty), and 39 (directive principles on equitable distribution of resources and protection of workers. . The judgment's relevance has only grown with time, as evidenced by the Supreme Court's recent 2026 reconsideration before a nine-judge Constitution Bench. While the Bench refined certain aspects of the "Triple Test" to address evolving economic and administrative realities, it unanimously affirmed that the "essential framework" of Bangalore Water Supply has "stood the test of time" and continues to govern all pending disputes under the Industrial Disputes Act. This reaffirmation underscores the judgment's role as a cornerstone of India's labour law architecture and its alignment with the constitutional mandate to secure just and humane conditions of work for all citizens. In essence, Bangalore Water Supply remains a touchstone for understanding how statutory interpretation can serve as a vehicle for realising the transformative promise of the Indian Constitution

Defining a Concept and Setting the Philosophy of Precedent: This judgment is among the most consequential labour-law pronouncements in recent years. In State of U.P. v. Jai Bir Singh, the Court revisited the landmark seven-judge decision in Bangalore Water Supply & Sewerage Board v. A. Rajappa (1978), a ruling that has dominated Indian labour jurisprudence for nearly half a century. By a narrow majority, the Court held that while the broad framework laid down in Bangalore Water Supply remains sound, certain aspects of its celebrated "triple test" required refinement and reformulation. At the same time, the Court directed that the revised formulation would apply prospectively, leaving pending disputes to be determined according to the principles laid down in 1978. The judgment is significant not merely because it concerns labour relations. It also raises larger questions about the longevity of judicial precedents, the capacity of the law to adapt to changing economic realities, and whether any judicial interpretation should survive indefinitely merely because it has existed for quite some time.

The Enduring Legacy of Bangalore Water Supply: To understand the importance of the recent decision, it is necessary to appreciate the influence of Bangalore Water Supply, arguably the most important judgment ever delivered on the meaning of "industry" in Indian labour law. Prior to 1978, courts struggled to develop a consistent approach to the definition. The seven-judge Bench in Bangalore Water Supply attempted to resolve this uncertainty by adopting an expansive interpretation of the term. The Court evolved what became known as the "triple test," holding broadly that an activity would qualify as an industry if it involved systematic activity, cooperation between employer and employee and the production or rendering of goods or services for the satisfaction of human wants and needs The Court also emphasised that the absence of a profit motive was not decisive. Consequently, a wide range of institutions - including hospitals, educational establishments and public service bodies - could come within the scope of labour legislations. This decision transformed industrial relations in India. Trade unions, employers, labour tribunals and governments structured their expectations around its broad interpretation. For nearly five decades, the judgment provided the foundation upon which an extensive body of labour jurisprudence got built. Yet criticism never entirely disappeared. Many jurists, administrators and economists argued that the judgment had extended the concept of industry beyond its natural limits. Others contended that the decision reflected the realities of a state-controlled and manufacturing-oriented economy which had changed dramatically since the 1970s. As India embraced liberalisation, services, technology and increasingly complex organisational structures, doubts emerged as to whether the framework remained entirely appropriate. These concerns eventually culminated in the reference decided by the Constitution Bench in Jai Bir Singh..

The Golden Middle Path: The most striking feature of the judgment is its judicial restraint. The Court resisted the temptation either to canonise Bangalore Water Supply or to discard it. Instead, the majority adopted a nuanced middle path. It held that the essential framework of the 1978 decision had "stood the test of time," but accepted that certain elements of the triple test required refinement in order to better reflect the language and purpose of Section 2(j). The Court therefore reformulated aspects of the test without abandoning its foundational philosophy. Equally noteworthy is that the Court's decision regarding its temporal operation. The majority expressly clarified that its reformulated test would apply prospectively. Matters that have attained finality remain untouched and pending cases under the Industrial Disputes Act will continue to be determined according to the original Bangalore Water Supply principles. This aspect of the decision demonstrates a practical appreciation of the role of precedent in commercial and labour relations. Employers and employees alike organise their affairs on the basis of settled legal assumptions. To alter those assumptions retrospectively after nearly fifty years would have generated substantial confusion and uncertainty. The dissenting judges, however, took a different view. They questioned the need to reopen a precedent that had governed the field for decades and warned against the uncertainty that might arise from revisiting a settled law. In their view, the issues raised could have been addressed without reconsidering the foundational ruling itself. The disagreement reflects a classic jurisprudential tension - whether courts should prioritise doctrinal correctness or legal stability when the two values appear to compete. Although the immediate impact of the judgment is moderated by its expressly stated prospective operation, its long-term significance lies in the way future labour disputes are likely to be framed and decided. Come to think of it, this would have a long term implication on the courts as this judgment engenders a new genre of court decisions – not based on the content but based on time when it is made applicable.

Implications for Future Labour Disputes: The Court has signalled that the concept of "industry" cannot be applied in a purely mechanical fashion. At the same time, it has not embraced a narrow interpretation that would substantially reduce the coverage of labour protections. The broad protective philosophy underlying Bangalore Water Supply has been preserved even as particular doctrinal elements have been refined. Future litigations are, therefore, likely to focus more closely on the precise nature of the activity undertaken by an organisation. Institutions operating in the borderland between public service, welfare activity and commercial enterprise may increasingly find themselves litigating the threshold question of whether they fall within the reformulated concept of 'industry'. Labour tribunals will inevitably face fresh interpretive challenges. Whenever a foundational test is reformulated, lower courts must gradually work out its practical implications. The result is often a new wave of litigations through which the contours of the revised doctrine become clearer. One can therefore expect considerable judicial engagement with the meaning of "industry" over the coming years. Questions relating to retrenchment, termination of service, closure of establishments, collective bargaining rights and industrial dispute mechanisms may increasingly turn on how courts apply the reformulated test. The judgment may not immediately transform the country's laws as applicable to labour, but it has undoubtedly opened an important field of interpretive debate.

What this Judgment Means for Employers? From a business perspective, the decision deserves close attention. It would be a mistake to regard the ruling as a retreat from bold labour regulations. The Court has preserved the core architecture of Bangalore Water Supply and has not adopted a restrictive definition designed to narrow worker protections. Organised activities involving employer-employee cooperation continue to attract scrutiny under labour laws. However, the judgment provides employers with a potentially more nuanced framework for assessing their obligations. Institutions such as educational bodies, healthcare organisations, charitable foundations, research establishments and government-linked entities may now be encouraged to examine more carefully whether particular activities fall within the revised understanding of 'industry'. The focus is likely to shift from organisational labels to the substantive nature of the activity undertaken. Prudent employers should view the judgment as an opportunity to review employment policies, dispute-resolution procedures, workforce structures and compliance frameworks. While the decision does not eliminate obligations under the labour-laws, it may affect how courts determine whether particular obligations apply in specific circumstances. Businesses generally value predictability, and in this respect the Court's insistence on prospective operation is especially important. By preserving existing rights and expectations while allowing future doctrinal development, the judgment avoids the disruption that a sudden retrospective change would have produced. The Court has therefore attempted to strike a balance between protecting workers, accommodating economic realities and preserving commercial certainty. Whether it succeeds will depend largely upon how consistently tribunals and future benches apply the revised principles.

Can a Judgment Remain Immortal? Perhaps the most fascinating aspect of this case has little to do with labour law at all. The controversy raises a broader question: should a judicial precedent survive indefinitely? There is much to be said in favour of long-lived judgments. Stability is one of the law's greatest virtues. Individuals and institutions organise their affairs on the assumption that legal principles will remain relatively predictable. The doctrine of stare decisis exists because consistency promotes fairness, efficiency and confidence in legal institutions. The longevity of Bangalore Water Supply itself demonstrates this point. For nearly fifty years, it provided a stable framework within which workers, employers and tribunals operated. Its endurance generated an extensive body of case laws and contributed significantly to coherence within labour jurisprudence. Yet, permanence has its inherent dangers. No court can perfectly anticipate future economic and social developments A judgment delivered in 1978 necessarily reflected the assumptions of that era. India today is a vastly different economy, characterised by digital platforms, contractual workforces private-public partnerships, knowledge industries and service-based enterprises that scarcely figured in the legal imagination of the 1970s. A precedent that remains unchanged despite profound transformations risks becoming detached from reality. Respect for precedence should not be confused with intellectual rigidity. There is also a democratic dimension to the issue. Judicial interpretations often become, for practical purposes, the law itself. If circumstances change significantly, courts must occasionally ask whether a long-standing doctrine continues to serve the purposes for which it was originally created. The answer is not to abandon precedence lightly. Afterall, legal systems depend on continuity. However, a precedent should not acquire a form of judicial immortality!

Conclusion: Continuity Without Stagnation: The Supreme Court's decision on the definition of "industry" in this case is ultimately a lesson in judicial balance. The Court neither discarded a foundational precedent nor treated it as untouchable. Instead, it acknowledged both its achievements and its limitations. In the process we may be wading into unchartered territory. By preserving the essential philosophy of Bangalore Water Supply while refining aspects of its doctrinal formulation and protecting settled expectations through prospective application, the Court has chosen evolution over revolution. For employers, the judgment offers continuity tempered by the prospect of greater conceptual clarity. For workers, it preserves the broad protective framework that has defined labour relations for decades. For lawyers and judges, it inaugurates a fresh phase of interpretive development – something novel in our jurisprudence. Most importantly, the decision offers a profound jurisprudential insight. Great judgments are not great because they survive forever. They are great because they remain capable of adaptation without losing sight of the principles that gave them authority in the first place. The Supreme Court's treatment of Bangalore Water Supply may itself become a classic example of how a mature legal system honours its past while remaining responsive to the future.

Thank you.
Venkat R Venkitachalam

Maharashtra Global Capability Centre (GCC) Policy, 2025

Operational Guidelines Issued: Eligibility, Incentives and Implementation Framework…

Mr.Pravin Arote CEO & Director Bizsolindia Services Pvt Ltd

The Government of Maharashtra has issued the Operational Guidelines for implementation of the Maharashtra Global Capability Centre (GCC) Policy, 2025 vide Government Resolution No. GCC-2025 /C.R.320 /Industries-2-Department Industries, Investment, Services & Mining Department, Government of Maharashtra Dated 19 August 2026

The Guidelines have been issued pursuant to the Maharashtra GCC Policy, 2025, notified vide Government Resolution dated 03 November 2025, and provide the detailed procedural and institutional framework for implementation of the incentives available under the Policy.

The Operational Guidelines cover, inter alia, eligibility and classification of GCC units, Letter of Intent (LOI), Registration Certificate (RC), Incentive Eligibility Letter (IEL), competent authorities, incentive claim and disbursement procedures, monitoring, recovery and appeal mechanism.

1. Who Can Qualify as a GCC

Under the Operational Guidelines, a GCC is essentially required to operate as a captive center serving its parent company, group entities or global affiliates.

Eligible activities may include, amongst others:

- Accounting & Reporting
- Advanced Analytics
- Centres of Excellence
- Compliance & Risk Management
- Financial Management / FP&A
- Global Supply Chain Management
- HR Analytics and Talent Management
- Internal Audit & Controls
- Research & Development
- Strategic Planning
- Treasury Management
- Product Design & Development

BPO operations, call centres, unrelated third-party service delivery and pure sales /marketing/distribution activities are generally outside the GCC framework.

2. GCC Eligibility Classification

A GCC may qualify by satisfying the prescribed threshold of F**ixed Capital Investment (FCI) OR Direct Employment.**

GCC Category	Fixed Capital Investment	Direct Employment
Small	₹50 Cr and above but below ₹100 Cr	100 to below 250
Medium	₹100 Cr and above but below ₹250 Cr	250 to below 500
Large	₹250 Cr and above but below ₹500 Cr	500 to below 750
Mega	₹500 Cr and above but below ₹750 Cr	750 to below 1,000
Ultra-Mega	₹750 Cr and above	1,000 and above

Key Eligibility Conditions

- Eligibility can be based on **FCI or Direct Employment.**
- Minimum prescribed Direct Employment is required to be created within **2 years from commencement of commercial operations.**
- Where eligibility is employment-based, qualifying employment is required to be maintained throughout the relevant year.
- Aggregate State Government fiscal incentives are subject to the prescribed overall **IPS cap of 100% of FCI.**
- For GCCs operating entirely on a rental/lease model without FCI, total fiscal incentives are capped at **two times the annual rent paid in the first year,** subject to continued operation during the prescribed operative period.

3. New GCC and Expansion GCC

The Guidelines provide greater clarity on classification of projects as **New GCC Units and Expansion GCC Units.**

A New GCC should not merely arise from shifting, relocation, transfer, redeployment, re-badging or continuation of existing operations/employees.

An **Expansion GCC Unit** is generally required to result in at least:

- **25% increase in existing Gross Fixed Capital Investment; and**
- **25% additional employment in the non-supervisory category.**

Only incremental eligible investment and incremental employment generated after the prescribed cut-off date are considered for expansion benefits.

The eligible investment period generally commences from **01 April 2025.**

4. Zone Classification

Zone	Coverage
Zone I	Mumbai Metropolitan Region (MMR) and Pune Metropolitan Region (PMR)
Zone II	Rest of Maharashtra

The Zone classification is important since the quantum of several incentives varies depending upon location.

5. Summary of Major Incentives

Incentive	Broad Eligibility	Benefit / Entitlement
Capital Subsidy	Eligible GCCs	Up to 20% of eligible Plant & Machinery FCI, subject to category ceiling
Rental Assistance	New GCC Units	Zone I – 10%; Zone II – 20% of eligible rent
Payroll Subsidy	New & Expansion GCCs	Zone I – 40%; Zone II – 50% of eligible salary component
Interest Subsidy	Zone II GCCs	Up to 5% on eligible term loans
Power Tariff Subsidy	GCC with valid RC	Zone I – ₹1/unit; Zone II – ₹2/unit
Electricity Duty Exemption	GCC with valid RC	Electricity Duty exemption for 10 years
Patent Filing Assistance	Eligible Indian-owned GCC	50% reimbursement subject to prescribed caps
Green Certification Support	GCC obtaining GRIHA/IGBC/LEED	30% reimbursement, maximum ₹50,000
R&D Grant	Eligible R&D GCC	25% reimbursement, subject to prescribed ceilings
Stamp Duty Exemption	Eligible GCC / prescribed instruments	50% / 75% / 100%, depending upon location and transaction

The Guidelines operationalize the above incentives subject to the eligibility conditions, approvals, documentation and claim procedures prescribed therein.

6. Capital Subsidy

Capital Subsidy is available on eligible **Plant & Machinery forming part of FCI and acquired after 01.04.2025.**

GCC Category	Maximum Capital Subsidy
Small	20% or ₹10 Cr, whichever is lower
Medium	20% or ₹10 Cr, whichever is lower
Large	20% or ₹50 Cr, whichever is lower
Mega	20% or ₹100 Cr, whichever is lower, subject to SLEC approval
Ultra-Mega	Customised package, subject to SLEC approval

Capital Subsidy is disbursed in **5 equal annual instalments,** subject to continued eligible GCC operations.

Important: A GCC availing Capital Subsidy is **not eligible for Rental Assistance.**

7. Rental Assistance

Rental Assistance is available only to **New GCC Units**

Location	Assistance
Zone I	10% of actual rent / Ready Reckoner Rate, whichever is lower
Zone II	20% of actual rent / Ready Reckoner Rate, whichever is lower

Annual Ceiling

GCC Category	Maximum Capital Subsidy
Small	₹1 Cr
Medium	₹2 Cr
Large	₹3 Cr
Mega / Ultra-Mega	₹4 Cr

The assistance is available annually for **up to 5 years.**

Rent paid on or after **01.04.2025,** or the applicable Ready Reckoner Rate for 2025, whichever is lower, forms the eligible base.

8. Payroll Subsidy

Available to **New and Expansion GCC Units.**

Particular	Zone I	Zone II
Subsidy	40%	50%
Eligible Component	Basic Salary + HRA above prescribed threshold	Basic Salary + HRA above prescribed threshold
Maximum per employee	₹50,000	₹50,000
Maximum employees	100 per GCC/year	100 per GCC/year
Period	3 years	3 years
Annual GCC cap	₹5 Cr	₹5 Cr

An additional **10% support,** with benefit up to **₹55,000 per employee**, is available where the prescribed diversity-hiring condition is satisfied.

The eligible Indian on-roll employee strength committed for the subsidy is required to be maintained for a continuous period of **3 years**, and disbursement is linked to this retention requirement.

9. Interest Subsidy

Interest Subsidy is available to eligible GCC units in **Zone II.**

Particular	Entitlement
Subsidy	Up to 5% on eligible term loans
Annual Ceiling	₹5 Cr
Overall Ceiling	₹25 Cr per GCC
Additional Cap	Not exceeding 10% of FCI
Period	5 years

Eligible loans broadly include specified term loans from Scheduled Commercial Banks, eligible RBI-registered NBFCs and All India Financial Institutions for acquisition of new fixed assets.

Unsecured loans and private borrowings are excluded.

10. Power Tariff Subsidy and Electricity Duty Exemption

Benefit	Zone I	Zone II	Period
Power Tariff Subsidy	₹1/unit	₹2/unit	5 years
Annual Ceiling	₹20 lakh	₹20 lakh	Per GCC Unit
Electricity Duty Exemption	Exemption	Exemption	10 years

Electricity Duty Exemption is available for 10 years from the date of issuance of the Electricity Duty Exemption Certificate.

However, implementation of the Electricity Duty Exemption is **subject to a separate notification by the Energy Department under the applicable Electricity Duty law.**

11. Patent, Green Certification and R&D Benefits

Incentive	Entitlement
Domestic Patent Filing	50% reimbursement, maximum ₹5 lakh
International Patent Filing	50% reimbursement, maximum ₹10 lakh
Overall Patent Assistance	Maximum ₹50 lakh per eligible GCC
Green Certification – GRIHA/IGBC/LEED	30% reimbursement, maximum ₹50,000
R&D Grant	25% reimbursement, up to ₹50 lakh per year for 4 years
Overall R&D Ceiling	₹2 Cr per GCC
University Collaboration	Additional 10% subsidy for eligible collaboration with Maharashtra-based Universities

For R&D Grant, the GCC is required to undertake eligible R&D activities in Maharashtra and allocate minimum **2% of FCI in Plant & Machinery towards R&D.**

12. Stamp Duty Exemption

The Operational Guidelines prescribe differential Stamp Duty Exemption depending upon the location and nature of the eligible GCC transaction.

Nature / Location	Exemption
New GCC / Expansion in Public or Private IT Parks – **Zone II**	100%
New GCC / Expansion in Public IT Parks – **Zone I**	75%
New GCC / Expansion in Private IT Parks – **Zone I**	50%
Eligible GCC in IT Parks in SEZ / STPI	100%
Merger / Demerger / Reconstruction of registered GCCs	75%
Purchase of land/premises for setting up New GCC / Expansion throughout Maharashtra	100%

Applications are subject to the prescribed conditions, eligible instruments and documentation under the Operational Guidelines.

13. Approval & Certification Framework

Process	Small GCC	Medium / Large GCC	Mega / Ultra-Mega GCC
LOI / Renewal	Regional Joint Commissioner (Industries & Services)	Commissioner (Services)	Commissioner (Services)*
RC / Renewal	Regional Joint Commissioner	Commissioner (Services)	Commissioner (Services)
Incentive Claim Sanction	Regional Joint Commissioner	Commissioner (Services)	Commissioner (Services)
Disbursement Order	Government as per sanction	Government as per sanction	Government as per sanction
Disbursement Authority	Commissioner (Services)	Commissioner (Services)	Commissioner (Services)

Mega and Ultra-Mega GCCs are required to first approach the Industries, Investment & Services Department for an Offer Letter. Ultra-Mega GCCs may also be considered for a customised package of incentives with prior SLEC approval.

14. LOI, Registration & Incentive Claim Timeline

Particular	Requirement
LOI – Small / Medium / Large	3 years
LOI – Mega / Ultra-Mega	5 years
Registration Certificate	3 years; renewable every 3 years
Incentive Eligibility	RC + Incentive Eligibility Letter (IEL)
Annual Incentive Claim	Within 11 months from close of relevant financial year
Delay – First 6 months	10% deduction
Further 6 months delay	Additional 10% deduction
Thereafter	Claim lapses
Appeal against adverse/recovery order	Within 45 days

Except for **Stamp Duty Exemption**, fiscal incentives are generally admissible only after issuance of the R**egistration Certificate along with the Incentive Eligibility Letter (IEL).** The LOI itself does not confer an automatic right to incentives. Eligible units must commence operations, obtain RC and IEL and thereafter submit the prescribed incentive claim.

15. Broad Approval Flow

Project Evaluation / GCC Structuring
↓
Eligibility Classification – New / Expansion
↓
Determine Zone & FCI / Employment Category
↓
Offer Letter, wherever applicable
↓
Letter of Intent (LOI)
↓
Project Implementation & Commencement of Operations
↓
Registration Certificate (RC) + Incentive Eligibility Letter (IEL)
↓
Annual Incentive Claim
↓
Sanction & Government Disbursement Order
↓
Incentive Disbursement / Exemption
↓
Annual Monitoring & Compliance

16. Continuing Compliance

Units availing incentives are required to maintain prescribed operational, investment, employment and statutory records during the operative period.
Annual reporting covers, amongst others:

- Investment and fixed assets;
- Direct and indirect employment;
- Operational status;
- Electricity and water consumption;
- Statutory compliance;
- Incentives availed;
- Employment records / EPF data;
- GST records;
- Electricity bills; and
- Geo-tagged photographs of operations.

Misrepresentation, suppression of information, failure to remain operational or violation of prescribed conditions can result in **withdrawal/recovery of incentives and cancellation of LOI/RC,** apart from applicable penalties.

17. Reference to Prescribed Formats: For ease of reference, the relevant A**pplication Forms, Annexures, Affidavits, Undertakings and Certificates** prescribed under the Operational Guidelines are compiled. Readers are advised to refer to the respective prescribed formats along with the Operational Guidelines issued on 19th August 2026 while evaluating eligibility, making applications and claiming incentives under the Maharashtra GCC Policy, 2025.

Annexures / Prescribed Forms – Quick Reference

Annexure	Particulars / Purpose
Annexure I	**Application for Letter of Intent (LOI) / Renewal of LOI**
Annexure I(A)	**Affidavit for obtaining LOI / Renewal of LOI** – on ₹500 non-judicial stamp paper, notarized
Annexure I(B)	**Undertaking for LOI / Renewal of LOI**
Annexure II	**Application Form for Registration Certificate (RC)**
Annexure II(A)	**Affidavit for obtaining Registration Certificate (RC) –** on ₹500 non-judicial stamp paper, notarized
Annexure III	**Detailed Project Report (DPR) Format** – covering project profile, parent entity, investment, employment, premises, financing and implementation details
Annexure IV	**Common Application Form for claiming Fiscal Incentives** – Capital Subsidy, Rental Assistance, Payroll Subsidy, Interest Subsidy, Power Tariff Subsidy, Patent Filing, Green Certification and R&D Grant
Annexure IV(A)	**Undertaking for availing Fiscal Incentives**
Annexure V	**Auditor's Certificate for Power Tariff Subsidy**
Annexure VI	**Application for Electricity Duty Exemption**
Annexure VI(A)	**Affidavit for Electricity Duty Exemption Certificate** – on ₹500 non-judicial stamp paper, duly noterised/as applicable
Annexure VII	**CA Certificate for expenditure incurred on Patent Filing / Green Certification Support / R&D Grant**
Annexure VIII	**Application for Stamp Duty Exemption for New GCC Units**
Annexure VIII(A)	**Affidavit for Stamp Duty Exemption Certificate for New Unit** – on ₹500 non-judicial stamp paper, duly notarized/as applicable
Annexure IX	**Application for Renewal of Registration Certificate (RC)**
Annexure IX(A)	**Affidavit for Renewal of Registration Certificate (RC)** – on ₹500 non-judicial stamp paper, notarized
Annexure X	**Annual Report for Units availing Fiscal Incentives** – covering operations, investment/assets, employment, utilities, compliance and incentives availed

18. Key Points for Companies

Companies proposing to establish or expand GCC operations in Maharashtra should undertake an eligibility and incentive assessment at the planning stage itself, particularly before making substantial investments or executing property-related documents.

The following aspects should be reviewed upfront:

Nature of GCC Activities → Captive Structure → New / Expansion Classification → Zone I / Zone II → FCI / Employment Threshold → Eligible Investment from 01.04.2025 → LOI → RC + IEL → Incentive Selection → Claim Documentation → Continuing Compliance

Special attention should be given to:

- Segregation of investment made before and after 01.04.2025;
- Classification as New GCC or Expansion GCC;
- Employment generation and employee retention requirements;
- Property ownership / lease tenure and documentation;
- Parent / group service arrangements;
- Plant & Machinery and eligible FCI;
- Payroll structuring for payroll subsidy;
- Statutory approvals and compliances; and
- Timely filing of incentive claims.

Companies should also carry out a comparative benefit analysis between Capital Subsidy and Rental Assistance, since both cannot be availed simultaneously.

Conclusion

The Operational Guidelines issued vide Government Resolution No. GCC-2025/C.R.320/Industries-2 dated 19 August 2026 are a significant development for companies establishing or expanding Global Capability Centres in Maharashtra.

The Guidelines convert the broad incentive framework under the Maharashtra GCC Policy, 2025 into a structured implementation mechanism covering eligibility, classification, approvals, incentive entitlement, claim procedure and continuing compliance.

Existing and prospective GCCs should therefore undertake a project-specific eligibility and incentive assessment to determine the optimum benefits available and ensure that investments, employment, premises arrangements and documentation are structured in accordance with the Operational Guidelines

Disclaimer: This is a summarized note prepared for general circulation based on the Operational Guidelines issued vide the aforesaid Government Resolution. The contents are intended for general information and reference only. Actual eligibility, applicability and entitlement to incentives shall be determined on a c ase-to-case basis,having regard to the nature and location of the project, investment and employment criteria, applicable terms and conditions, subsequent Government notifications/clarifications, and approval of the competent authorities.

Thank you.
Pravin Arote

GST Refund on Export of Goods – Understanding Adjusted Total Turnover

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Introduction

In the course of handling GST refund matters, a recurring issue that continues to arise is the **computation of "Adjusted Total Turnover"** under Rule 89(4) of the CGST Rules, 2017.

Recently, a notice was received from the GST department seeking clarification on the value adopted in the computation of adjusted total turnover in a refund application filed for export of goods. This highlights the ongoing confusion not only among taxpayers but also at the departmental level.

Statutory Framework

The computation of refund of unutilized Input Tax Credit (ITC) in case of zero-rated supplies is governed by **Rule 89(4) of the CGST Rules, 2017.**

As per **Explanation (4)(E) to Rule 89,** "Adjusted Total Turnover" is defined as:

The sum total of:

- o Turnover in a State or Union Territory (excluding turnover of services), and
- o Turnover of zero-rated supply of services and non-zero-rated supply of services,while excluding the value of exempt supplies (other than zero-rated supplies), during the relevant period.

Value of Export of Goods – Key Amendment

An important clarification was introduced via **Notification No. 14/2022 – Central Tax dated 05.07.2022**, wherein it was provided that:

The value of goods exported out of India shall be taken as:

- FOB value declared in the Shipping Bill / Bill of Export, or
- Value declared in the tax invoice or bill of supply,

  whichever is lower.

This amendment plays a crucial role in determining the value of zero-rated supply of goods for refund purposes.

Departmental Clarification

Subsequently, **Circular No. 197/09/2023–GST dated 17.07.2023** clarified the methodology for computation:

The Circular provides that, for the purpose of calculating Adjusted Total Turnover, including "turnover in a State or a Union Territory", the value of zero-rated supplies must be taken consistently with the value adopted in the numerator, i.e., as determined in accordance with the prescribed method for computation of turnover of zero-rated supply of goods.

Therefore, the value of zero-rated supply considered in the numerator must be **consistently adopted in the denominator**, i.e., in Adjusted Total Turnover.

Practical Implication

In practice, taxpayers often face a mismatch because:

- GSTR-1 reflects invoice value, whereas
- Refund computation may be based on FOB value (if lower)

This difference frequently leads to:

- Departmental queries
- Refund delays
- Issuance of notices

Key Principle – Consistency

The most critical takeaway from the legal provisions and clarifications is:
The value adopted for export turnover must be consistently used in both numerator and denominator while computing refund.
In other words:

- If FOB value is adopted for export turnover,
- The same FOB value must be considered in Adjusted Total Turnover.

Conclusion

The issue of Adjusted Total Turnover is not complex but requires careful attention to statutory provisions and departmental clarifications.
Many disputes arise not due to interpretation of law, but due to inconsistent application of values in the refund formula.

Thank you.
Anuj Gandhi

WHAT'S NEW?

GST

Each CGST Zone will designate a Nodal Officer, periodically receive and analyse mining related intelligence, share it with jurisdictional formations/DGGI and hold review meetings with State Mining Authorities for coordinated GST enforcement. (Instruction No. 01/2026 - GST | Dated:03.08.2026)

CUSTOMS

Customs has provided Nil Basic Customs Duty for import of 10 lakh MT of Raw Sugar (HS 1701) under the TRQ allocated by DGFT. The benefit is available only against valid electronic TRQ authorisation and will remain in force up to 31 October 2026. **(Notification No. 30/2026 - Customs | Dated: 21.08.2026)**

CBIC has notified revised tariff values for gold and silver and other specified goods, while the values for palm oils, soybean oil, brass scrap and areca nuts remain unchanged from the previous notification. The revised tariff values are effective from 11 August 2026.
(Notification No. 69/2026 - Customs (N.T.) | Dated:10.08.2026)

CBIC has revised the tariff values for specified imported goods, including palm oil, crude soybean oil, brass scrap, gold and silver, with effect from 15 August 2026. The revised values will be used for customs duty valuation of the respective imports.
(Notification No. 70/2026 - Customs (N.T.) | Dated:14.08.2026)

CBIC revised tariff values for palm oils, crude soyabean oil, brass scrap, gold and other specified goods, effective 26 August 2026.
(Notification No. 71/2026-Customs (N.T.) | Dated:25.08.2026)

Further revision of tariff values for palm oils, crude soyabean oil, brass scrap, gold and silver, effective 1 September 2026. Areca nut value remains unchanged.
(Notification No. 72/2026-Customs (N.T.) | Dated:31.08.2026)

The anti-dumping duty on Phthalic Anhydride imported from China and South Korea for another 5 years. This is to protect Indian companies from cheap imports and support local manufacturers.
(Notification No. 20/2026 - Customs (ADD) | Dated:05.08.2026)

CBIC has introduced a new Standard Operating Procedure (SOP) for personal imports through Foreign Post Offices (FPOs). Customs will use a digital and risk-based system for checking and clearing these goods. If documents are not submitted within 30 days, Customs may complete the assessment based on available information. Commercial imports will continue under the existing process.
(Circular No. 35/2026 - Customs | Dated: 06.08.2026)

CBIC has extended the facilitative framework for international transhipment due to disruption of shipping routes arising from the Strait of Hormuz/West Asia situation. Liquid bulk, break bulk and dry bulk cargo diverted to Indian ports may be temporarily stored and re-exported under Customs supervision; the facility is available up to 31 October 2026.
(Circular No. 36/2026 - Customs | Dated: 20.08.2026)

CBIC has prescribed the procedure for payment of IGST on Raw Sugar actually imported under Advance Authorisation where the quantity is being converted to the TRQ scheme. Payment has to be made through the Customs EDI system, and interest on such IGST payment is waived. Importantly, ITC can be claimed subject to Sections 16, 17 and 18 of the CGST Act, and payment should not be made through the Voluntary Payment Challan module.
(Circular No. 37/2026 - Customs | Dated:27.08.2026)

Importers of television sets get an additional 6 months i.e. till 26 January 2027 to comply with the applicable BIS/MeitY requirements before the extended implementation date.
(Instruction No. 14/2026 - Customs | Dated:07.08.2026)

EXCISE

The Special Additional Excise Duty (SAED) increased on exports of petrol and diesel. From 3 August 2026, the duty is ₹3.5 per litre for petrol and ₹24 per litre for diesel.
(Notification No. 40/2026 - Central Excise | Dated:03.08.2026)

The Special Additional Excise Duty (SAED) increased on exported Aviation Turbine Fuel (ATF) to ₹22 per litre. The revised rate came into effect from 3 August 2026.
(Notification No. 41/2026 - Central Excise | Dated:03.08.2026)

The Road and Infrastructure Cess (RIC) increased on exported diesel to ₹1.5 per litre from 3 August 2026.
(Notification No. 42/2026 - Central Excise | Dated:03.08.2026)

The Special Additional Excise Duty (SAED) reduced to NIL on exported Petrol / Motor Spirit. The revised rate came into effect from 15 August 2026.
(Notification No. 43/2026 - Central Excise | Dated:14.08.2026)

The Special Additional Excise Duty (SAED) fixed at Rs. 19.50 per litre on exported Aviation Turbine Fuel (ATF). The revised rate came into effect from 15 August 2026.
(Notification No. 44/2026 - Central Excise | Dated:14.08.2026)

The Special Additional Excise Duty (SAED) reduced to NIL on exported High Speed Diesel Oil (HSD/Diesel). The revised rate came into effect from 15 August 2026.
(Notification No. 45/2026 - Central Excise | Dated:14.08.2026)

DGFT

DGFT has introduced a framework allowing an Exporter-on-Record (EOR) to maintain export-only inventory sourced from Indian Sellers-on-Record and sell it to overseas buyers through e-commerce. The framework requires traceable inventory, confirmed export orders and prohibits speculative inventory build-up/domestic diversion.
(Notification No. 27/2026-27 - DGFT | Dated:05.08.2026)

The transition period for mandatory India Conformity Assessment Scheme (i-CAS)-Halal certification for specified meat/meat products exported to Egypt has been extended from 6 months to 9 months from 9 February 2026, giving exporters and certification bodies additional time for system readiness/accreditation.
(Notification No. 28/2026-27 - DGFT | Dated:05.08.2026)

Import policy for Clear Float Glass of 4–12 mm under HS 70051090 and 70052990 has changed from “Free” to “Restricted”, but imports remain free where CIF value is ₹34,000 or more per MT. The restriction/MIP does not apply to Advance Authorisation, EOU and SEZ imports where the goods are not sold into DTA.
(Notification No. 29/2026-27 - DGFT | Dated: 18.08.2026)

DGFT has liberalised the rules for export contracts and realisation of export proceeds in INR. Exports to countries other than Nepal and Bhutan can qualify for FTP benefits where INR proceeds are received through permitted banking channels, subject to FEMA requirements; special provisions continue for Nepal, Bhutan and Iran.
(Notification No. 30/2026-27 - DGFT | Dated: 20.08.2026)

Import of Raw Sugar (HS 1701) has been allowed duty-free under a TRQ of 10 lakh MT up to 31 October 2026. DGFT will allocate the quota electronically, and Customs clearance will be through electronic debit of the authorised quantity. **(Notification No. 31/2026-27 - DGFT | Dated: 20.08.2026)**

DGFT has updated Para 4.63 of FTP 2023 to remove the reference to Compensation Cess, since it was discontinued from 01.02.2026. Imports under Diamond Imprest Authorisation continue to get exemption from applicable customs duties and IGST exemption continues. **(Notification No. 32/2026-27 - DGFT | Dated: 21.08.2026)**

DGFT has relaxed the eligibility for One Star Export House status: exporters other than Gems & Jewellery can now qualify based on export performance in any 2 out of the preceding 3 financial years, instead of requiring performance in all 3 years. This makes Star Export House recognition easier for exporters with uneven year-wise export performance.
(Notification No. 33/2026-27 - DGFT | Dated: 21.08.2026)

Export of Wheat/Meslin Flour, Atta, Maida, Semolina (Rava/Sirgi), Wholemeal Atta and resultant Atta – ITC HS 11010000 has been changed from “Prohibited” to “Free” with immediate effect.
(Notification No. 34/2026-27 - DGFT | Dated: 24.08.2026)

The export policy of specified Wheat (ITC HS 10011900 – Durum Wheat–Other and 10019910 – Wheat) from “Prohibited” to “Free”, with immediate effect**.**
(Notification No. 35/2026-27 - DGFT | Dated: 24.08.2026)

DGFT has invited applications for Tariff Rate Quota (TRQ) under the India–Oman Comprehensive Economic Partnership Agreement (CEPA) for FY 2026–27. Eligible importers can apply from 04.08.2026 to 19.08.2026 for products such as dates, marble, petrochemicals, and aluminium. Required documents must be submitted along with the application for eligible products.
DGFT has integrated license-wise voluntary duty payment data from Customs/ ICEGATE into its portal, so such electronic records will be used for EODC processing under Advance Authorisation and EPCG. Exporters should ensure correct IEC/licence details while making payment and verify payments made from 1 August 2026 before filing EODC.
(Trade Notice No. 15/2026-27 – DGFT | Dated:05.08.2026)

DGFT has expanded the “Source from India” facility on Trade Connect to eligible DPIITrecognised Start-ups, allowing them to showcase products and credentials to global buyers through a dedicated microsite. Even start-ups not meeting the normal exportrealisation criterion may register if they have an active IEC and are not in the DEL.
(Trade Notice No. 16/2026-27 - DGFT | Dated:06.08.2026)

The implementing agency for Interest Subvention under EPM–Niryat Protsahan has shifted from RBI to EXIM Bank with effect from 1 April 2026. Banks will continue to pass the eligible benefit upfront to exporters, but reimbursement claims will now be submitted to EXIM Bank; legacy Jan–Mar 2026 claims remain with RBI. **(Trade Notice No. 17/2026-27 - DGFT | Dated:07.08.2026)**

DGFT is reviewing the utilisation of allocated wheat export quotas under HS 10011900 and 10019910 and has asked exporters to submit CA-certified export utilisation details, Shipping Bill details and requirements for additional/surrender of quota by 31 August 2026. More than 50% utilisation may qualify for further allocation, while unused quota may be moved to a common pool; non-submission can lead to reallocation and restriction from future wheat export authorisations. **(Trade Notice No. 18/2026-27 - DGFT | Dated:10.08.2026)**

DGFT has advised exporters, banks, ECGC and other stakeholders to exercise heightened caution and due diligence while dealing with M/s Legoy Powersports and M/s Druk A-Z Store, Thimphu, Bhutan, following unresolved complaints and lack of cooperation. Businesses should carefully assess payment/contract risks and report any adverse experience or disputes to DGFT.
(Trade Notice No. 19/2026-27 - DGFT | Dated:11.08.2026)

DGFT has proposed a Standard Operating Procedure for reporting Inward Remittance Messages (IRMs) relating to export proceeds received through NBFC Factors, to enable smoother reconciliation and self-generation of eBRCs. NBFC Factors must identify factoring proceeds through the prescribed SWIFT message, while exporters will be able to view the IRMs on the DGFT portal and match them with invoices/Shipping Bills for eBRC self-certification. Stakeholders have 30 days from publication to submit comments on the draft SOP. **(Trade Notice No. 20/2026-27 - DGFT | Dated:12.08.2026)**

DGFT has introduced an automated facility for Export Obligation (EO) extension for Advance Authorisation and EPCG cases approved by the PRC/EPCG Committee. Once the Committee approves the extension, no separate EO-extension application is required; after payment of the prescribed fee, the extension letter is generated automatically.
(Trade Notice No. 21/2026-27 – DGFT | Dated: 21.08.2026)

DGFT has further digitised the Pre-Shipment Inspection Agency (PSIA)/PSIC process. A PSIC must now be generated on the actual date of inspection, with automated signature/stamp insertion and system-populated inspector/instrument details. The photograph limit has increased from 5 to 10, while the mandatory inspection video limit has increased from 10 MB to 50 MB.
(Trade Notice No. 22/2026-27 – DGFT | Dated: 25.08.2026)

DGFT has enhanced the BG Repository module on its portal, including fresh/replacement BG identification, expiry alerts at 60 and 45 days, digital communications and status tracking. BGs linked with AA/EPCG invalidation files will also be updated automatically after approval.
(Trade Notice No. 23/2026-27 – DGFT | Dated: 28.08.2026)

DGFT has introduced automated issuance of Free Sale and Commerce Certificates (FSC) for eligible products not covered under the Drugs & Cosmetics Act, 1940. Eligible applications will be processed through a rule-based, system-driven and risk-based mechanism, while cases requiring verification may still go to the Regional Authority.
(Trade Notice No. 24/2026-27 – DGFT | Dated: 31.08.2026)

DGFT has notified 7 new Standard Input Output Norms (SIONs) for chemical and pharmaceutical products under FTP 2023. This will allow eligible exporters to get Advance Authorisations faster from Regional Authorities without approval from the Norms Committee.
(Public Notice No. 23/2026-27 - DGFT | Dated:03.08.2026)

DGFT has invited applications for Tariff Rate Quota (TRQ) under the India–Oman Comprehensive Economic Partnership Agreement (CEPA) for FY 2026–27. Eligible importers can apply from 04.08.2026 to 19.08.2026 for products such as dates, marble, petrochemicals, and aluminium. Required documents must be submitted along with the application for eligible products.
(Public Notice No. 24/2026-27 - DGFT | Dated:03.08.2026)

DGFT has issued the operating rules for the new Inventory-based E-Commerce Export Framework. Registered exporters must apply through ANF-9A, keep proper digital records, follow export rules, share export benefits with sellers, and maintain records for five years.
(Public Notice No. 25/2026-27 - DGFT | Dated:05.08.2026)

DGFT extended the last date for submitting online applications for Tariff Rate Quota (TRQ) allocation under India-UK CETA for CY 2026 up to 9 August 2026. All other conditions under the earlier TRQ notices remain unchanged.
(Public Notice No. 26/2026-27 – DGFT | Dated:05.08.2026)

DGFT has prescribed the procedure for allocation of 10 lakh MT Raw Sugar TRQ, with applications from eligible mills/refiners during 21–28 August 2026. It also allows one-time conversion of eligible SION E52 Advance Authorisations into TRQ, subject to payment of exempted GST and prescribed domestic sale/processing conditions.
(Public Notice No. 27/2026-27 - DGFT | Dated: 20.08.2026)

DGFT has changed the domestic-sale condition for Raw Sugar imported under the 10 lakh MT TRQ. Instead of requiring sale by 31 October 2026, the importer must convert the Raw Sugar into White/Refined Sugar and sell it domestically within 2 months from the date of filing of the Bill of Entry.
(Corrigendum to Public Notice No. 27/2026-27 - DGFT | Dated: 24.08.2026)

INCOME TAX

CBDT grants Section 10(46) income-tax exemption to Haryana State Board of Technical Education (HSBTE), Panchkula on specified income such as government grants, educational fees, donations, property income and bank interest, effective retrospectively from AY 2024-25.

The exemption is conditional—HSBTE must not undertake commercial activities, maintain the specified nature of its activities/income and continue filing its income-tax return.

(Notification No. 103/2026 – Income Tax | Dated:03.08.2026)

CBDT grants Section 10(46) income-tax exemption to District Legal Services Authority, Charkhi Dadri on specified income such as government/legal services grants, courtawarded amounts, recruitment application fees and bank interest. The exemption applies retrospectively from AY 2023-24 to AY 2026-27, subject to no commercial activity, unchanged nature of activities/income and mandatory return filing. **(Notification No. 104/2026 – Income Tax | Dated:03.08.2026)**

CBDT provides exemption to District Legal Services Authority, Charkhi Dadri under Schedule III, Sl. No. 36 read with Section 11 of the Income-tax Act, 2025 for specified grants, court-awarded amounts, recruitment fees and bank interest.

The exemption is applicable for Tax Year 2026-27, subject to no commercial activity, prescribed return filing and maintaining the same activities and nature of income. **(Notification No. 105/2026 – Income Tax | Dated:03.08.2026)**

CBDT grants Section 10(46) income-tax exemption to Noida Special Economic Zone Authority on specified income such as lease rent, bank interest, fees, allotment/transfer charges, building approval fees, site usage charges and scrap sales. The exemption applies retrospectively from AY 2019-20 to AY 2023-24, subject to no commercial activity, unchanged activities/income and mandatory return filing. **(Notification No. 106/2026 – Income Tax | Dated:04.08.2026)**

CBDT grants Section 10(46) income-tax exemption to Noida Special Economic Zone Authority on specified income such as lease rent, FDR interest, fees, allotment/transfer charges, building approval fees, site usage charges and scrap sales.

The exemption applies retrospectively from AY 2024-25 to AY 2026-27, subject to no commercial activity, unchanged activities/income and mandatory return filing. **(Notification No. 107/2026 – Income Tax | Dated:04.08.2026)**

CBDT provides exemption to Noida Special Economic Zone Authority under Schedule III [Sl. No. 36] read with Section 11 of the Income-tax Act, 2025 for specified income such as lease rent, FDR interest, various fees/charges and scrap sales.
The exemption applies for Tax Years 2026-27 and 2027-28, subject to no commercial activity, prescribed return filing and maintaining the same activities and nature of specified income.
(Notification No. 108/2026 – Income Tax | Dated:04.08.2026)

CBDT grants Section 10(46) income-tax exemption to Odisha Joint Entrance Examination Committee on examination fees, counselling/application processing fees and bank interest.
The exemption applies retrospectively to AY 2026-27 (FY 2025-26), subject to no commercial activity, unchanged activities/income and mandatory return filing.
(Notification No. 109/2026 – Income Tax | Dated:04.08.2026)

CBDT provides exemption to Odisha Joint Entrance Examination Committee under Schedule III [Sl. No. 36] read with Section 11 of the Income-tax Act, 2025 for examination fees, counselling/application processing fees and bank interest. The exemption applies for Tax Years 2026-27 to 2029-30, subject to no commercial activity, prescribed return filing and unchanged activities/nature of specified income.
(Notification No. 110/2026 – Income Tax | Dated:03.08.2026)

CBDT has approved Sir Ganga Ram Trust Society, Delhi for Scientific Research under the category of university, college or other institution. The approval covers Tax Years 2026-27 to 2030-31, subject to prescribed conditions including Form 15 reporting and Form 16 donation certificates.
(Notification No. 111/2026 - Income Tax | Dated:10.08.2026)

CBDT grants Section 10(46) exemption to District Legal Services Authority, Panchkula for specified grants, court-awarded amounts, recruitment fees and bank interest. The exemption is retrospectively applicable for AY 2023-24 to AY 2026-27, subject to prescribed conditions.
(Notification No. 112/2026 – Income Tax | Dated:11.08.2026)

CBDT grants exemption under Schedule III, Sl. No. 36 read with Section 11 of the Incometax Act, 2025 to District Legal Services Authority, Panchkula for similar specified income. It applies for Tax Year 2026-27, subject to no commercial activity, return filing and maintaining the same activities and nature of income.
(Notification No. 113/2026 – Income Tax | Dated:11.08.2026)

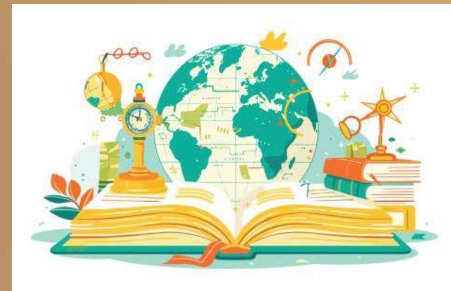
CBDT has introduced the Foreign Assets of Small Taxpayers – Disclosure Scheme, 2026, allowing eligible taxpayers to voluntarily disclose certain undisclosed foreign assets/income. The scheme provides a simplified settlement where eligible cases are within prescribed limits, with 60% payment on specified asset/income value or ₹1 lakh fee for certain foreign assets, and the last date for declaration is 31 December 2026.
(Notification No. 114/2026 – Income Tax | Dated: 14.08.2026)

CBDT has approved the International Institute of Bio Technology and Toxicology, Tamil Nadu as a Research Association for Scientific Research under Section 45(3)(a)(i) of the Income-tax Act, 2025. The approval covers Tax Years 2026-27 to 2030-31, subject to prescribed conditions.
(Notification No. 115/2026 – Income Tax | Dated: 21.08.2026)

Maharashtra Electricity Regulatory Commission (MERC) has been notified under Section 10(46A) of the Income-tax Act, 1961, taking into account the transitional provisions of Section 536 of the Income-tax Act, 2025. The notification is applicable for AY 2026-27.
(CBDT Notification No. 116/2026 – Income Tax | Dated: 25.08.2026)

MERC has also been notified under Schedule VII, Sl. No. 42 read with Section 11 of the Income-tax Act, 2025. The notification applies from Tax Year 2026-27, subject to MERC continuing to satisfy the prescribed conditions.
(CBDT Notification No. 117/2026 – Income Tax – Dated: 25.08.2026)

Beyond The Obvious



GST

- The Supreme Court held that proceedings under Section 74 of the CGST Act must be founded on specific facts indicating fraud, wilful misstatement or suppression of facts. Mere reproduction of statutory language is insufficient. Accordingly, the show cause notice and consequential demand order issued against Tata Steel were quashed.
  [(Supreme Court) { Civil Appeal arising out of SLP (C) No. 16859 of 2026, Judgment dated 25.08.2026}]

- The Orissa High Court quashed the rejection of the taxpayer's rectification application on account of procedural irregularities, inconsistency in records, and non-communication of the order, and remanded the matter for fresh consideration. **[(W.P.(C) No. 5276 of 2026, Judgment dated 26.08.2026}]**

- The Kerala High Court held that the taxpayer's refund claim involving transitional credit required examination in light of statutory requirements relating to TRAN-1 and carry forward of GST credit and considered the taxpayer's entitlement accordingly.
  [(Kerala High Court) { W.P.(C) No. 29756 of 2024, Judgment dated 14.08.2026}]

- The GST Appellate Tribunal, Chennai held that an appeal filed before GSTAT without first obtaining an order from the First Appellate Authority is premature and not maintainable, and the statutory appellate hierarchy under the GST law must be followed before approaching the Tribunal.
  [(GSTAT, Chennai) [2026] 189 taxmann.com 833, Order dated 17.08.2026}]

- The Supreme Court held that an order authorising arrest under Section 69 of the CGST Act must be communicated to the person sought to be arrested and that such communication is a prerequisite for seeking anticipatory bail. The Court further held that once a pre-arrest bail application is dismissed as non-maintainable, interim protection from arrest cannot be granted independently of the substantive relief sought.
  [(Supreme Court) {Criminal Appeal arising out of SLP (Crl.) No. 12535 of 2026, Judgment dated 12.08.2026}]

- The Supreme Court held that the extended limitation period under Section 74 of the CGST Act cannot be invoked merely by reproducing expressions such as "fraud", "wilful misstatement" or "suppression of facts" in the show cause notice. The Court observed that foundational facts supporting such allegations must be specifically stated in the notice. Accordingly, the show cause notice was **set aside.**
  [(Supreme Court) { Citation: 2026 LLBiz SC 281}]

- The Supreme Court stayed proceedings arising from a fresh Show Cause Notice issued under Section 74 of the CGST Act for the same demand which was already the subject matter of a pending statutory appeal. The Court observed that the issue raised a serious jurisdictional question requiring examination.
  [(Supreme Court) SLP (C) No. 24729 of 2026, Order dated 07.08.2026}]

- The Delhi High Court held that the question whether Section 6(2)(b) of the CGST Act bars parallel proceedings by State GST and Central GST authorities depends upon whether both proceedings involve the same subject matter, period, transactions and allegations. Since disputed questions of fact were involved, the Court relegated the petitioner to the statutory appellate remedy.
  [(Delhi High Court) { W.P.(C) 4526/2026, Order dated 29.08.2026}]

- The Bombay High Court admitted a challenge concerning levy of GST on flats allotted free of cost by a developer to landowners under a development agreement and granted protection against coercive action pending adjudication of the issue.
  [(Bombay High Court) {Writ Petition No. 9389 of 2026, Order dated 07.08.2026}]

- The Bombay High Court held that a Show Cause Notice issued to a non-existent entity after amalgamation is void ab initio and cannot be sustained. The Court set aside the GST demand raised against the amalgamating company after its merger.
  [(Bombay High Court) {Writ Petition No. 2586 of 2026, Judgment dated 24.06.2026, reported in August 2026}]

CUSTOMS

- The Supreme Court upheld the validity of the notification approving the Mumbai Port Trust as a custodian under Section 45(1) of the Customs Act, 1962 and held that once approved as a custodian, the Port Trust could be held liable in respect of pilfered imported goods. The Court set aside the Bombay High Court's view that the Commissioner of Customs lacked jurisdiction to issue such approval. **[(Supreme Court) {Civil Appeal No. 4477 of 2010, Judgment dated 25.08.2026; Citation: 2026 LLBiz SC 283}]**

CENTRAL EXCISE

- The Supreme Court held that although valuation of motor vehicles manufactured on a job-work basis must be determined in accordance with the principles prescribed under the Central Excise law, the extended period of limitation cannot be invoked unless the Department establishes suppression of facts, fraud, collusion or wilful misstatement. Since the Revenue was aware of the relevant facts, the demand was held to be time-barred.
[(Supreme Court) { Citation Civil Appeal Nos.10504-10506 of 2017 Judgment dated 13.08.2026}]

- **T**he CESTAT, Ahmedabad quashed a recovery demand of ₹54 lakh against Panasonic Life Solutions India Ltd., holding that recovery of irregular or excess credit under Notification No. 39/2001-CE is governed by the limitation prescribed under Section 11A of the Central Excise Act, 1944. As the Show Cause Notice was issued nearly six years after the credit was availed, the entire proceeding was held to be time-barred.
[(CESTAT, Ahmedabad) {(Final Order No. 10574/2026) Order dated 24.08.2026}]

SERVICE TAX

- The Supreme Court held that an indivisible turnkey contract for supply, installation and commissioning of ATMs could not be artificially split for the purpose of levying Service Tax on a notional service component during the period prior to introduction of the Works Contract Service. The Court observed that, in the absence of a statutory charging and valuation mechanism, Revenue could not vivisect a composite contract and tax a presumed service element. Accordingly, the Service Tax demand was set aside.
[(Supreme Court) {Civil Appeal Nos. 4708-4711 of 2008, Judgment dated 06.08.2026; Citation: 2026 INSC 808}]

- The CESTAT, Allahabad set aside a Service Tax demand of approximately ₹22.84 crore raised against HCL Infosystems Ltd., holding that the demand was not sustainable on the facts and legal position governing the transaction under consideration.
  [(CESTAT, Allahabad) { Final Order No. 70263/2026, dated 10.08.2026}]

- The CESTAT, New Delhi held that a best-judgment assessment cannot be founded on assumptions, estimates and guesswork. Finding the Revenue's quantification unsupported by reliable evidence, the Tribunal set aside a Service Tax demand of approximately Rs. 60 crore.
  [(CESTAT, New Delhi) { Final Order No. 51353/2026, dated 20.08.2026}]

- The CESTAT, New Delhi held that excess Service Tax paid inadvertently partakes the character of a deposit and cannot be denied refund merely on the basis of limitation prescribed under Section 11B where the amount was not legally payable as tax. Accordingly, the refund claim was allowed.
  [(CESTAT, New Delhi) { Final Order No. 51354/2026, dated 20.08.2026}]

- The CESTAT, New Delhi held that exemption claimed in respect of renting of property to an educational institution cannot be granted in the absence of evidence establishing satisfaction of the conditions prescribed under the exemption notification.
  [(CESTAT, New Delhi) {Appeal No. 50266 of 2021, Final Order No. 51355/2026, dated 21.08.2026}]

- The CESTAT, Allahabad held that no Service Tax was leviable on advances received towards sale of plots where the transactions were subsequently cancelled and the advances were refunded to customers. The Tribunal also set aside penalties after noting that tax had been paid before issuance of the show cause notice. **[(CESTAT, Allahabad) {(2026) TaxCorp (ST) 43472, decided on 13.08.2026}]**

INCOME TAX

- The Gujarat High Court upheld the assessee's claim for deduction under Section 80-IE and rejected the Revenue's contention that transfer of the undertaking amounted to business reconstruction. The Court held that the conditions prescribed under Section 80-IE were duly satisfied and the deduction could not be denied on mere presumptions.
  [(Gujarat High Court) {Citation No. TS-1352-HC-2026 (GUJ), Judgment dated 29.08.2026}]

- The Delhi High Court held that a bona fide delay in filing the return of income cannot result in denial of TDS credit where the delay was attributable to the pendency of proceedings before the Authority for Advance Rulings. The Court directed grant of consequential relief to the assessee.
  [(Delhi High Court) {Citation No. TS-1340-HC-2026 (DEL), Judgment dated 29.08.2026}]

- The Mumbai Bench of the ITAT deleted an addition made under Section 68 towards unsecured loans after observing that the assessee had discharged the primary onus of establishing the identity, creditworthiness and genuineness of the lenders and that the loans had been repaid through banking channels.
  [(ITAT Mumbai) { TS-1349-ITAT-2026 (Mum), Order dated 29.08.2026}]

- The Kolkata Bench of the ITAT deleted the addition under Section 69A relating to foreign currency cash deposits, holding that where deposits were recorded as business receipts and the Revenue had not established any bogus purchases or fictitious transactions, the addition was unsustainable.
  [(ITAT Kolkata) Citation No. TS-1351-ITAT-2026 (Kol), Order dated 29.08.2026}]

- The Mumbai Bench of the ITAT held that charitable application of accumulated income under Section 11(2) could not be subjected to tax under Section 115BBI merely on account of a reporting mismatch in the return when substantive compliance with charitable provisions stood established.
  [(ITAT Mumbai) {Citation No. TS-1353-ITAT-2026 (Mum), Order dated 29.08.2026}]

- The Delhi Bench of the ITAT held that pre-school education activities fall within the ambit of 'education' under Section 2(15) and that affiliation with a competent educational authority is not a mandatory pre-condition for grant of charitable registration.
  [(ITAT Delhi) {Citation No. TS-1341-ITAT-2026 (DEL), Order dated 29.08.2026}]

- The Chandigarh Bench of the ITAT held that interest received on enhanced compensation for compulsory acquisition of land is taxable as 'Income from Other Sources' under Section 56(2)(viii) and followed the earlier judicial precedent in Mahendra Pal Narang.
  [(ITAT Chandigarh) {Citation No. TS-1350-ITAT-2026 (CHANDI), Order dated 29.08.2026}]

- The Bangalore Bench of the ITAT held that the date of an assessment order cannot automatically be treated as the date of service for computing limitation. Observing that service of the order required verification, the Tribunal restored the matter for fresh adjudication.
  [(ITAT Bangalore) { ITA No. 758/Bang/2026, Order dated 28.08.2026}]

COMPANY LAW & IBC

- The Supreme Court held that where an order passed by the NCLT is appealable under Section 61 of the Insolvency and Bankruptcy Code, the High Court should ordinarily refrain from entertaining a writ petition. Emphasizing judicial discipline and the statutory appellate framework under the IBC, the Court set aside the Kerala High Court's order entertaining a writ petition against an NCLT order and relegated the parties to the appellate remedy under the Code.
  [(Supreme Court) {(C) No. 18523 of 2026, Judgment dated August 2026; Citation: 2026 LLBiz SC 278}]

- The Supreme Court agreed to examine whether winding-up petitions transferred from the High Court to the NCLT are required to satisfy the minimum default threshold of ₹1 crore prescribed under the IBC. The matter has significant implications for transferred winding-up proceedings pending before the NCLT.
  [(Supreme Court) { Diary No. 40757 of 2026, Order dated August 2026}]

- The Supreme Court upheld the NCLAT's refusal to entertain an allottee's claim seeking refund in the Jaiprakash Associates CIRP and declined to interfere with the appellate order. The Court reaffirmed the limited scope of judicial interference in matters arising from an insolvency resolution process.
  [(Supreme Court) { Civil Appeal No. 9798 of 2026, Order dated August 2026}]

- The Bombay High Court held that personal insolvency proceedings initiated against a director do not automatically result in a stay of cheque dishonour proceedings under Section 138 of the Negotiable Instruments Act. The Court observed that personal insolvency cannot be used as a shield against criminal prosecution arising from dishonoured cheques.
  [(Bombay High Court) {Application No. 1749 of 2024, Citation: 2026 LLBiz HC (Bom) 464, Judgment dated August 2026}]

- The Madras High Court held that pendency of insolvency proceedings against a chit fund company does not prevent the Liquidator from taking action to recover amounts due to the company under the Chit Funds Act. The Court directed authorities to provide investigation materials necessary for recovery proceedings.
  [(Madras High Court) {Crl. OP No. 21824 of 2026, Judgment dated 10.08.2026}]

- The High Court held that the amendment introducing Section 96(4) of the IBC operates retroactively and applies to pending personal guarantor insolvency proceedings. Consequently, the interim moratorium available to personal guarantors stood withdrawn in pending matters as well.
[(High Court) {(2026) ibclaw.in 4732 HC, Judgment dated August 2026}]

- The NCLAT, New Delhi held that former employees of a corporate debtor in liquidation cannot challenge a completed asset sale merely because their claims are to be satisfied through the waterfall mechanism under Section 53 of the IBC. The Tribunal upheld the sale of Jet Airways aircraft assets by the Liquidator.
[(NCLAT, New Delhi) { (Insolvency) No. 1257 of 2026, Citation: 2026 LLBiz NCLAT 329, Order dated 21.08.2026}]

- The NCLAT held that an order directing inspection and measurement of property claimed to form part of the liquidation estate does not determine ownership or possessory rights. Such inspection is merely intended to identify and segregate assets belonging to the corporate debtor.
[(NCLAT, New Delhi) {Company Appeal (AT) (Insolvency) No. 1518 of 2026, Citation: 2026 LLBiz NCLAT 330, Order dated 21.08.2026}]

- The NCLAT held that a personal guarantor cannot rely upon his or her own One-Time Settlement (OTS) proposals to extend the period of limitation under Section 18 of the Limitation Act. The Tribunal reiterated that limitation for i nitiating insolvency proceedings against a guarantor ordinarily runs from the date of invocation of the guarantee.
[(NCLAT, New Delhi) {Company Appeal (AT) (Insolvency) No. 1058 of 2026, Citation: 2026 LLBiz NCLAT 331, Order dated 21.08.2026}]

- The NCLAT upheld approval of the resolution plan of Satellite Cables Pvt. Ltd. and held that suspended directors cannot seek reopening of a resolution plan approval in the absence of demonstrable prejudice. The Tribunal further held that there is no statutory prohibition on a practising Chartered Accountant acting as a Resolution Applicant under Section 29A of the IBC.
[(NCLAT, Principal Bench) {(2026) ibclaw.in 1003 NCLAT, Order dated August 2026}]

- The Bombay High Court held that a Sale Certificate issued by a Liquidator in an auction conducted under the Insolvency and Bankruptcy Code is exempt f rom compulsory registration and stamp duty. The Court observed that a Liquidator acts as an officer authorized by law and separate registration is not required unless the document is used for an independent purpose.
[(Bombay High Court) { Writ Petition No. 3018 of 2026, Judgment dated July/August 2026}]

- The Maharashtra Real Estate Appellate Tribunal (MahaREAT) held that where conciliation proceedings between a promoter and allottees fail, the report of the Conciliation Panel cannot be relied upon for adjudicating the dispute on merits. The Tribunal observed that the role of the panel is limited to facilitating an amicable settlement and its findings cannot form the basis of a judicial determination. Accordingly, MahaRERA was directed to decide the complaints afresh on their own merits.
  [(Maharashtra REAT) {M.A. No. 580/26 in Appeal No. AT006/00517/2026 & connected matters, Citation: 2026 LLBiz REAT (MH) 56, Order dated 05.08.2026}]

- The Karnataka Real Estate Appellate Tribunal held that a developer is liable to compensate homebuyers for delayed possession and non-completion of promised amenities. The Tribunal further observed that consumer law principles can be applied while determining compensation under RERA and directed the promoter to pay interest for the delay.
  [(Karnataka REAT) { Appeal No. (K-REAT) 167 of 2025, Citation: 2026 LLBiz REAT (KA) 57, Order dated 24.08.2026}]

- The Tamil Nadu Real Estate Appellate Tribunal reiterated that allottees are entitled to seek appropriate relief under the RERA framework where possession and project obligations are not fulfilled in accordance with the agreement and statutory requirements.
  [(Tamil Nadu REAT) { Citation: 2026 LLBiz REAT (TN) 58, Order reported in August 2026}]

- The Telangana Real Estate Regulatory Authority held that promoters are obligated to honour commitments made to homebuyers and cannot evade liability arising from delay in project completion and delivery obligations. Relief was granted in favour of the allottees under the provisions of the RERA Act.
  [(Telangana RERA) { Citation: 2026 LLBiz RERA (TS) 131, Order dated August 2026}]

- The Assam Real Estate Regulatory Authority held that an allottee is entitled to statutory remedies under the RERA Act where the promoter fails to discharge obligations under the agreement for sale and the provisions of the Act.
  [(Assam RERA) { Citation: 2026 LLBiz RERA (AS) 132, Order dated August 2026}]

MSME

- The Bombay High Court held that MSME registration under the MSMED Act, 2006 does not automatically override an existing contractual arbitration agreement. The Court observed that a mere intention to approach the Micro and Small Enterprises Facilitation Council (MSEFC) is not equivalent to an actual reference under Section 18 of the MSMED Act. Since the statutory mechanism had not been invoked, the Court appointed a sole arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996.
  [(Bombay High Court), Citation: 2026 LLBiz HC (BOM) 475, Order dated 25.08.2026}]

- The Supreme Court, while dealing with a dispute involving an MSME supplier, referred the parties to arbitration through the Delhi International Arbitration Centre (DIAC) and left open the larger legal question whether a buyer can independently invoke a contractual arbitration clause despite the statutory mechanism under the MSMED Act.
  [(Supreme Court) INSC 804, Judgment dated 05.08.2026}]

INTELLECTUAL PROPERTY RIGHTS

- The Supreme Court issued notice in a challenge to the Bombay High Court's ruling that the two-month period prescribed under Rule 45 of the Trade Marks Rules, 2017 for filing evidence affidavits is directory and not mandatory. The Court also stayed the underlying rectification proceedings pending further consideration.
  [(Supreme Court) { Mumbai & Anr., SLP (C) No. 26470 of 2026, Order dated 24.08.2026}]

- The Supreme Court issued notice on a Special Leave Petition filed by the Embassy of Peru challenging the Delhi High Court's refusal to grant Peru an exclusive standalone Geographical Indication (GI) registration for "PISCO". The matter concerns competing historical claims of Peru and Chile over the geographical indication.
  [(Supreme Court) {SLP (C) No. 26484 of 2026, Order dated 24.08.2026}]

- The Supreme Court asked Matrimony.com Ltd. and FreeElective Network Pvt. Ltd. to explore settlement in a trademark dispute concerning the marks "Jodii" and "Jodi365". The dispute arises from allegations of deceptive similarity between the competing matchmaking brands.
  [(Supreme Court) { SLP (C) No. 28561 of 2026, Order dated August 2026}]

- The Supreme Court stayed the operation of a Calcutta High Court judgment which had held that providing cable television access in hotel rooms amounts to “communication to the public” under the Copyright Act, 1957 and therefore attracts copyright liability.
[(Supreme Court) {SLP (C) No. 28489 of 2026, Order dated August 2026}]

- The Delhi High Court granted an ad interim injunction restraining use of the mark “HOTEL JEROME’S HOLIDAY INN” and directed removal of related online listings and advertisements. The Court held that the impugned mark was deceptively similar to the globally recognized “HOLIDAY INN” trademark.
[(Delhi High Court) {CS (COMM) No. 887 of 2026, Citation: 2026 LLBiz HC (DEL) 861}]

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