

Bizsol Update OCT 2026

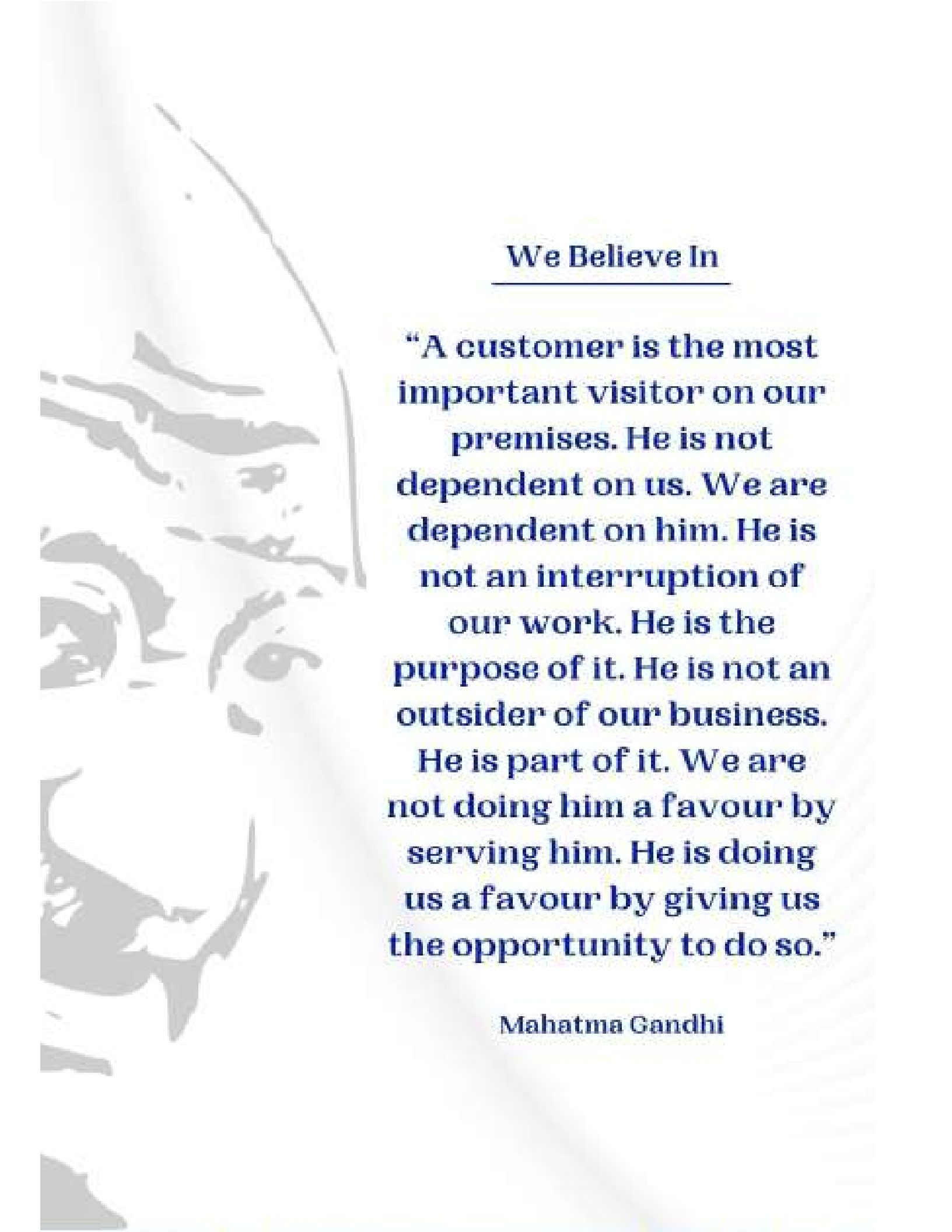
Bizsolindia Monthly Update | Issue 02 | Volume XXII | OCT 2026

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In This Update

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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

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This Month For You - OCT 2026

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

This Month For You - OCT 2026

Date	Law	Particular
20-10-2026	GST	GSTR-3B for September 2026 – monthly filers (including taxpayers for whom the applicable due date is the 20th).
20-10-2026	GST	GSTR-5A for September 2026 – OIDAR service providers, wherever applicable.
20-10-2026	GST	GSTR-5 / GSTR-5A by applicable non-resident / OIDAR taxpayers for September 2026.
21-10-2026	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 21 November 2026 (due date extended from 30.09.2026 vide Circular No. 07/2026 – Income Tax dated 28.09.2026).
21-10-2026	Income Tax	Audit report in Form No. 10B / 10BB by eligible funds, trusts, institutions, universities, educational institutions, hospitals or medical institutions, wherever applicable (date extended from 30.09.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	Income Tax	Form No. 29C under section 115JC for computing Adjusted Total Income and Alternate Minimum Tax, wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	Income Tax	Audit report in Form No. 66 by a tonnage tax company under section 115VW, wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	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 (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	Income Tax	Certificate in Form No. 10-IJ for specified fund / Category III AIF under section 10(23FF), wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	Income Tax	Audit report in Form No. 3AC for deduction under section 33AB, wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	Income Tax	Audit report in Form No. 3AE under section 35D(4), wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	Income Tax	Audit report in Form No. 3AE under section 35E(6), wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).

This Month For You - OCT 2026

Date	Law	Particular
21-10-2026	Income Tax	Audit report in Form No. 3AD for deduction under section 33ABA, wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	Income Tax	Statement in Form No. 3AF containing particulars of expenditure under section 35D(2)(a), wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	Income Tax	Report in Form No. 10DA certifying additional employee cost under section 80JJAA for FY 2025-26, wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
21-10-2026	Income Tax	Audit report in Form No. 10CCB for deductions under sections 80-I, 80-IA, 80-IB or 80-IC, wherever applicable (date extended from 30.09.2026 to 21.10.2026 per Circular No. 07/2026 – Income Tax).
25-10-2026	GST	PMT-06 – payment of GST for September 2026 by taxpayers under QRMP scheme, wherever applicable.
28-10-2026	GST	GSTR-11 for September 2026 – statement by UIN holders.
31-10-2026	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 September 2026, where applicable.

From The Desk Of The Chairman



CS Venkat R Venkitachalam

Chairman, Bizsolindia Services Pvt Ltd

The Tata Trusts–Tata Sons imbroglio is one of the most consequential governance disputes in the history of the Tata group. It is not merely a disagreement about the reappointment of N. Chandrasekaran as the Executive Chairman of Tata Sons. It exposes a deeper tension between the board-led management of Tata Sons and the control rights claimed by Tata Trusts, the charitable bodies that together hold about 66% of Tata Sons. The dispute has acquired urgency because it coincides with questions over a possible public listing of Tata Sons, losses and restructuring pressures at Air India, and the future strategic direction of a group that spans automobiles, information technology, steel, consumer businesses, hospitality and aviation. The immediate controversy concerns the Tata Sons board's decision on 17 September 2026 to reappoint Chandrasekaran as Executive Chairman for a further five-year term after his present tenure ends in February 2027. Chandrasekaran had initially indicated that he would not seek another term, but the Nomination and Remuneration Committee subsequently asked him to reconsider and unanimously recommended his continuation. At the board meeting, he abstained from voting, and the resolution was approved by a 4 - 1 majority with Noel Tata voting against it. Tata Trusts, led by Noel Tata, immediately described the decision as "illegal" and a "legal nullity." The legal issue focusses on the Articles of Association of Tata Sons, that are not publicly available. Tata Trusts contends that, for a decision relating to the chairmanship, both Trust-nominated directors must support the resolution. As per this view, Noel Tata's opposition prevented the resolution from taking effect, notwithstanding the majority vote of the board. Tata Sons and its supporters take a contrary position: directors are obliged to act in the interests of the company, and a properly constituted board decision cannot be overridden merely because a nominee of the controlling shareholder disagrees. The disagreement, therefore, raises a basic corporate-governance question - when a company has a dominant philanthropic shareholder, does that shareholder exercise decisive control over leadership appointments or does the board retain independent authority to determine what is best for the company? The accompanying listing issue simply makes the conflict more serious. Tata Sons has considered a possible stock-market listing, but Tata Trusts has traditionally resisted it arguing that it could alter the distinctive character of a group substantially owned by charitable trusts. The Trusts have stated that they are exploring alternatives to a listing while the Tata Sons board has backed examining the possibility. A public listing could improve transparency, broaden ownership and provide a route for dealing with minority-shareholder interests. Yet it could also expose the holding company to market pressures and complicate the Trusts' ability to preserve long-term control and deploy dividends for philanthropic

inheritance and long-term ethos, but Tata Sons must preserve board autonomy, managerial clarity and decisiveness. The future of the Tata group depends less on choosing between Noel Tata and Chandrasekaran than on creating a transparent governance framework that reconciles ownership control with independent, professional management. As of writing this, Tata Trusts has opened yet another battle front to avoid listing. It has submitted another reorganisation proposal to both Tata Sons and the Reserve Bank of India proposing to merge Tata Electronics System Solutions and Tata Consulting Engineers into Tata Sons. This would make Tata Sons from being a holding company to one that also generate income directly. Tata Trusts believe that it would make the company being a 'non-banking financial company' thereby help it escape being classified as a financial company requiring it to go public. This is a long shot. That is not all. Proving the proverb right yet again, here comes the news that Venu Srinivasan, one of the Trustees has approached the Charity Commissioner seeking an enquiry alleging infirmities in the running of Tata Trusts and necessitating both Noel Tata and Neville Tata to file caveats with the Maharashtra Charity Commissioner.

The Washington Summit between President Xi Jinping and President Donald Trump produced a limited but useful pause in U.S. - China tensions rather than a strategic breakthrough. Its principal achievement was to prevent an immediate deterioration in trade relations and restore channels of dialogue on economic and technological issues. However, its principal failure was the absence of durable agreements on matters that define the rivalry: Taiwan, technology controls, critical supply chains and wider geopolitical competitions. The clearest success of the meeting was diplomatic stabilisation. The two leaders agreed to extend their tariff truce by two months, thereby avoiding a near-term escalation in trade hostilities while negotiations on a broader arrangement continue. They also moved towards formal mechanisms for economic engagement, including trade and investment boards and signalled an AI dialogue, with a proposed channel for managing AI-related incidents. The reported agreement to lower tariffs on \$30 billion worth of non-sensitive goods, along with commitments related to agricultural trade, offered limited but tangible commercial relief. For Trump, the summit provided an opportunity to claim progress for American exporters and manufacturers without surrendering the tariff leverage that remains central to his negotiating approach. For Xi, it demonstrated that Beijing could manage its competition with Washington through dialogue without compromising on core questions of sovereignty and national security. The decision to hold further meetings at APEC in China and the G20 in Florida also ensured that the relationship would continue to receive high-level political attention. However, the Summit achieved considerably less than its ceremony and diplomatic spectacle suggested. The trade truce was extended for only two months, a period too short to provide confidence for businesses, investors and supply-chain planners. The arrangement therefore postpones uncertainty rather than removing it. More significantly, there was no meaningful breakthrough on the central strategic disputes. Neither side announced a substantive understanding on Taiwan, export controls, advanced semiconductors, critical minerals, military risk reduction,

AI governance, Iran or Ukraine. China reiterated its sensitivity over Taiwanese independence, while the United States gave no indication that it would soften its position. The overall consequence of the summit is best described as managed competition. It lowered the immediate risk of a trade rupture and reopened diplomatic communication. It did not establish a new basis for trust or a genuine détente. The economic concessions were narrow, the AI dialogue remains preliminary and the political disagreements structural. Its long-term value will depend on whether the short truce develops into an enforceable trade arrangement and whether new communication mechanisms can prevent miscalculations in technological and security disputes. For the present, the Washington meeting was a tactical pause - useful but fragile between two powers whose rivalry remains the defining feature of contemporary international politics.

An important case was decided by the Supreme Court recently. The dispute concerned approximately 4 acres and 1 cent of land purchased in the name of Poongavana Gounder in 1944. The principal question in this case was whether the property was his separate, self-acquired property or whether it had been acquired by him as the manager (kartha) of the joint family out of joint-family funds. The plaintiffs claimed rights on the property on the basis that it formed part of the joint family estate and that there had subsequently been a partition among the family members. A significant piece of evidence was a Sale Deed executed by one of Poongavana Gounder's brothers in 1961. Poongavana Gounder had signed that document as an attesting witness. The document contained a recital that the property dealt with by the brother had fallen to his share in an earlier partition. The principal issues before the High Court were whether the property purchased in Poongavana Gounder's name was joint-family property and whether his attestation of the 1961 document prevented him, and people claiming through him, from subsequently denying the earlier partition. The High Court examined the surrounding circumstances and the evidence relating to the acquisition of the property. It concluded that the purchase was made by Poongavana Gounder in his capacity as the joint-family manager and that the property therefore possessed the character of joint-family property rather than being his exclusive acquisition. The Court attached considerable significance to his conduct in attesting the 1961 sale deed. Having signed the document as an attesting witness and having regard to the circumstances in which he did so and the recital concerning the earlier partition, the Court found that he was aware of the transaction and its material contents. He could not thereafter adopt a position inconsistent with the representation contained in the document. The principle of estoppel was therefore attracted against him and those claiming under him. The Court, however, made an important observation - there is no universal rule that an attesting witness necessarily knows or admits every term contained in a document merely because he has signed it. Whether such knowledge can be attributed to an attesting witness must depend upon the facts and circumstances of the particular case. This is relevant as a witness to a document is not expected to know contents of the relevant document. A party's attestation of an earlier document may when supported by the surrounding circumstances

and evidence establishing knowledge of its material contents, operate against a subsequent attempt to contradict the factual position represented in that document. The doctrine of estoppel may consequently prevent the party or its successors from taking an inconsistent position in later proceedings. The High Court allowed the second appeal, reversed the judgment of the First Appellate Court and restored the decree of the Trial Court. The decision consequently recognised the rights claimed by the plaintiffs in the relevant portion of the property and rejected the attempt to treat the entire property as the exclusive property of Poongavana Gounder. The judgment is particularly relevant to the evidentiary and estoppel consequences of a party's conduct in earlier property transactions. It demonstrates that title cannot necessarily be determined solely by the name appearing in the original purchase document; the source of consideration, the capacity in which the purchase was made, subsequent family dealings and the conduct of the parties may all be relevant in determining the true character of the title to the property.

Here is a book review of Malcolm Gladwell's *Outliers*. I had kept this best book by the author to the end. *The Story of Success*, as he calls it, is an engaging and thought-provoking examination of why some people achieve extraordinary success while others, apparently equally talented, do not. Gladwell challenges the familiar belief that achievement is simply the product of intelligence, effort and ambition. His central argument is that exceptional success also depends on circumstances beyond an individual's control - family background, culture, opportunity, timing, social networks and access to resources. The book's real strength lies in this shift of attention from the celebrated individual to the conditions that made achievement possible. Gladwell develops this idea through a series of memorable examples. He examines the large number of elite Canadian ice-hockey players born early in the calendar year, showing how a small age advantage at the junior level can lead to better selection, coaching, confidence and, eventually, professional success. He also discusses Bill Gates's early access to computers and the Beatles' extensive performing experience in Hamburg. These cases illustrate that ability is often developed through unusual opportunities as much as through innate talent. The book is best known for the "10,000-hour rule," the idea that mastery in a demanding field requires roughly 10,000 hours of intensive practice. Gladwell's larger point is persuasive: high achievement normally requires sustained practice, discipline and exposure to demanding work. However, the rule should not be treated as a fixed formula. Practice is vital, but it does not alone explain success. The quality of training, motivation, aptitude, mentoring, financial support and chance also play important roles. Gladwell writes with great clarity and narrative skill. He transforms sociological and psychological ideas into compelling stories, making the book accessible to a wide readership. His discussion of cultural legacies—how inherited attitudes toward work, authority, risk and communication can influence performance - is particularly stimulating. For readers interested in business, education, public policy or social mobility, the book offers a useful challenge to the notion that successful people are entirely self-made. Yet *Outliers* has limitations. Gladwell sometimes draws broad conclusions from a limited number of examples, and some arguments seem more definite than the evidence permits. His cultural explanations

can occasionally appear overgeneralised, since societies are diverse and individuals do not always conform to inherited patterns. In seeking to correct the excessive emphasis on individual merit, he may also understate the importance of personal initiative and resilience. Nevertheless, *Outliers* remains an influential and highly readable book. It is best understood not as a scientific formula for success, but as a powerful reminder that talent and hard work flourish most fully when supported by opportunity, timing and social advantage.

Thank you.

Venkat R Venkitachalam



THE POWER DISTANCE INDEX

CULTURAL ACCEPTANCE OF AUTHORITY AND ORGANISATIONAL BEHAVIOUR

CS Venkat R Venkitachalam Chairman, Bizsolindia Services Pvt Ltd

Introduction: Hierarchy is not merely an organisational arrangement in India. It is more often a social language in India's corporate scene. We know how hierarchy influences organisational performance in India's corporate governance. It influences how people address one another, how decisions travel through an institution, who speaks in meetings, how disagreements are expressed and above all, how accountability is understood. In the workplace, hierarchy may be visible in reporting lines, titles, seating arrangements, access to senior executives, and the difference between a "suggestion" and an "instruction". More subtly, it shapes expectations - juniors may wait for directions, managers may be expected to decide, and deference may be regarded as professionalism rather than passivity. The Power Distance Index (PDI), the concept attributed to the Dutch social psychologist Geert Hofstede, offers a useful framework for examining these patterns. It measures the extent to which less powerful members of a society accept and expect unequal distribution of power. The central question is not whether inequality exists. It does. All organisations have some hierarchy - but how legitimate, natural and desirable the inequality associated with such hierarchy is determined by people who occupy different positions within it. India is generally placed among relatively high power-distance societies in Hofstede-based comparative work models. That classification should not be read as a judgement on Indian society or as a fixed description of every Indian employee, enterprise or sector. India's business environment is too diverse for that - a family-run manufacturing concern in a tier-two city, a listed conglomerate, a Mumbai based financial-services firm, a Bengaluru technology start-up, a public-sector undertaking and an Indian subsidiary of a multinational may all display markedly different forms of authority. Yet the PDI remains a valuable starting point for understanding why hierarchy continues to carry unusual weight in Indian business life.

Power Distance Index: Hofstede developed the PDI as part of his broader cultural-dimensions framework based initially on surveys of IBM employees across multiple countries during the late 1960s and early 1970s. He defined power distance as the degree to which less powerful members of institutions and organisations "accept and expect" power to be distributed unequally. This formulation is important. PDI does not measure the legal authority of a chief executive, the gap between executive and worker compensation or the number of management levels in an organisation. It measures a cultural disposition - whether people believe authority should be concentrated, whether junior employees can openly challenge senior people and whether unequal status is viewed as an inevitable feature of organised life.

In a high-PDI setting, managers are expected to lead from the front, set direction and resolve uncertainty. Subordinates may prefer specific instructions, formal approval channels and clarity about who has the final word. In a low-PDI setting, employees are more likely to expect consultation, informal interaction with managers and a meaningful opportunity to question decisions. It is important to note that neither model is inherently superior or inferior. A highly egalitarian organisation can stimulate initiative, speed and candid debate, but it can also create ambiguity, diffuse responsibility and prolong decision-making. A more hierarchical organisation can provide clarity, discipline and accountability, but may inhibit challenge, conceal problems and make senior leaders less accessible to frontline realities. The practical issue for business leaders is, therefore, not whether hierarchy should exist, but whether it is being used constructively.

India and its Corporate Hierarchy: India's relationship with hierarchy is shaped by a long and complex social history. Age, family position, educational status, occupation, community standing, language, class, wealth and institutional rank have historically influenced social interaction. These patterns cannot be reduced to a single explanation, but they have collectively reinforced a broad expectation that seniority deserves acknowledgement and that authority should be exercised with responsibility. In business, this produces a recognisable organisational grammar. The managing director or promoter may be seen not simply as a professional executive but as the ultimate custodian of the enterprise. Department heads are expected to give clear directions. Junior employees may hesitate before bypassing their immediate reporting manager. A disagreement may be expressed privately, cautiously or through an intermediary rather than raised openly in a formal meeting. The effect is particularly visible in promoter-led and family-controlled businesses which remain central to India's corporate economy. In such organisations, ownership, family authority and executive power can often overlap. This could be a source of strength - decisions may be quick, strategic commitment may be long-term and leaders may feel a deep personal responsibility for the business and its workforce. However, it can also create governance vulnerabilities if family preference, informal influence or unquestioned executive authority displace transparent institutional processes. Hierarchy also operates differently across sectors. In traditional manufacturing, construction, logistics, public-sector entities and closely held companies, formal seniority may be especially pronounced. By contrast, technology firms, professional-services organisations and multinational companies may use flatter structures, agile teams and open-door policies. Yet, even in these environments, employees may still look to senior leaders for final validation, particularly where a decision involves risk, reputation, client relationships or career consequences. The result is not the disappearance of hierarchy but its adaptation. An Indian start-up may use first names, informal dress codes and collaborative digital tools, while still operating around a powerful founder whose approvals inevitably remain decisive. A multinational may deploy global policies on employee voice and participative management, but local staff may still avoid contradicting a senior leader in a public forum. Such duality makes India an especially interesting setting for applying the PDI framework.

Leadership – Direction, Authority and Trust: In high power distance environments, leadership is often evaluated not only by openness but also by decisiveness. Employees may expect a manager to provide clear instructions, resolve conflicts and accept responsibility for questionable outcomes. A leader who delegates extensively without defining boundaries may be regarded as indecisive and evasive. This helps explain why paternalistic leadership has had enduring appeal in many Indian businesses. The paternalistic leader is not simply authoritarian; ideally combining authority with personal concern. The manager is expected to guide, protect and develop subordinates while employees demonstrate loyalty, discipline and respect in return. Such a relationship can foster trust, particularly where employment security and personal relationships carry significant weight. However, paternalism becomes problematic when care is confused with control. A manager who decides everything “for the team’s benefit” may unintentionally deprive employees of agency. Equally, a workforce accustomed to seeking approval for routine matters may slow operations, dilute ownership and make innovation dependent on senior’s endorsement. The modern Indian manager must therefore strike a balance. Employees need clarity about authority, escalation and accountability, but they also need genuine discretion within their respective roles. Empowerment cannot be reduced to slogans about flat hierarchies. It must be supported by clearly defined decision rights, adequate information, psychological safety and visible protection for those who raise difficult issues. A useful model is “structured participation”. Senior leadership retains responsibility for strategic direction and final accountability, while teams are given specified domains in which they can recommend, decide or challenge. For example, a compliance head may retain authority to approve the company’s risk policy, but business teams should be able to report emerging concerns without fearing that they are questioning the leadership itself.

Employee Voice and The Cost of Silence: One of the most significant business implications of high-power distance is its effect on employees’ voice. In a strongly hierarchical culture, silence is not always indifference. It may be a rational response by employees to perceived risks. An employee may withhold a concern for several reasons:

- Challenging a senior manager may be viewed as disrespectful.
- A junior employee may assume that leadership already knows best.
- The employee may fear career consequences, exclusion or loss of trust.
- Reporting channels may exist formally but lack credibility in practice.
- The employee may prefer to resolve the issue informally rather than create visible conflict.

These dynamics matter greatly for corporate governance, risk management and compliance. A company may have an ethics policy, whistleblower mechanism, internal audit function and a code of conduct, yet it still fails to receive timely, warning

about misconduct. Policies alone cannot overcome a culture in which people believe that questioning authority is unsafe or futile. This concern is especially relevant to listed companies, regulated entities and businesses operating in high-risk sectors. Financial irregularities, related-party conflicts, safety failures, harassment complaints and data-security breaches are often detected first by employees close to the underlying activity. If those employees cannot speak up candidly, the board and senior management may receive a filtered version of the operational reality. The lesson is straightforward. Formal channels must be accompanied by behavioral reassurance. Leaders must repeatedly demonstrate that respectful disagreement is welcome, that bad news will not be punished and that retaliation has real consequences. Anonymous reporting mechanisms help, but they are not a complete answer. A healthy speak-up culture exists where employees can raise ordinary operational concerns openly not only when they can make confidential allegations through a hotline.

Corporate Governance in a Hierarchical Culture: The PDI has particular relevance in the area of Indian corporate governance because effective governance depends on the ability to question power. Boards must challenge management; Independent Directors must scrutinise promoter influence where necessary, audit committees must investigate anomalies, compliance officers must escalate concerns and employees must feel able to report misconduct. In a high-PDI environment, these roles can become formalistic unless the organisation consciously protects independence. A board may be properly constituted but insufficiently probing. A compliance officer may report to the right committee on paper but lack the practical confidence to escalate an uncomfortable issue. An internal auditor may identify weaknesses but phrase findings so cautiously that their significance gets lost. This does not mean that hierarchy and governance are incompatible. Indeed, a well-designed hierarchy can strengthen governance by making responsibility clear. The chief executive should be accountable for management conduct; the board should know who owns the risk; and employees should understand escalation routes. Problems arise when authority is concentrated without countervailing transparency, documentation and independent review. For businesses, the challenge of governance is, therefore, to distinguish respect for authority from immunity from scrutiny. The former can support orderly decision-making; the latter can permit control failures. Several measures are particularly important in this respect:

- Make escalation of duties explicit in policies, job descriptions and performance evaluations.
- Provide direct and protected access to the audit committee or independent directors for internal audit, compliance and whistleblowing functions.
- Require documented reasons for material deviations from policy or delegated authority.
- Encourage board discussions that invite dissent, rather than merely recording unanimous approval

- Train senior managers to respond constructively when juniors identify errors or risks.
- Assess organisational culture through employee surveys, exit interviews, grievance patterns and whistleblower data.

The objective is not to import a foreign model of constant confrontation. It is to ensure that respect does not become silent and authority does not become unreviewable.

Cross – Border Business and Indian Organisations: PDI is particularly useful in cross-border business because multinational teams frequently carry different assumptions about how authorities should work. A European or North American manager may expect employees to voice dissent in meetings, take independent decisions and approach senior leaders informally. On the contrary an Indian employee may interpret that managerial style as unclear, insufficiently directive or lacking in executive ownership. Conversely, an Indian manager working with low-PDI teams may be perceived as overly formal, controlling or inaccessible if decisions are closely held and instructions are highly prescriptive. These misunderstandings are not necessarily the result of incompetence; they often arise from conflicting cultural expectations. Consider a global project meeting. A senior executive asks whether anyone sees a problem with the proposed plan. Employees from a low-PDI culture may immediately identify risks and debate alternatives. Indian team members, especially junior ones, may remain silent if they believe the meeting is intended to confirm a senior management decision. After the meeting, they may privately tell their manager that the plan is simply impractical. The issue is not a lack of insight; it is that the format did not create a culturally safe way to dissent. Multinational employers can respond by combining formal hierarchy with multiple routes for participation. Written pre-meeting inputs, small-group discussions, anonymous pulse surveys, rotating meeting facilitators and explicit requests for contrary views can surface concerns that a standard open-floor invitation may not elicit. The key is to design voice mechanisms rather than assume they will arise spontaneously.

The Limits of PDI: Despite its enduring usefulness, the PDI should be used carefully. Hofstede's original research was based largely on IBM employees in a particular period, and critics have questioned whether it can represent the full diversity of a national culture. India, in particular, contains immense variation across regions, languages, communities, generations, industries and organisational forms. A single national score cannot explain the difference between a government department and a venture-funded start-up, between a multinational capability centre and a family-managed enterprise or between a young professional in Bengaluru and a factory supervisor in a smaller industrial town. It also cannot capture the changing aspirations of younger workers, who may value access, meritocracy and autonomy while continuing to respect seniority. Further, PDI should not be treated as a justification for poor management. It is inaccurate to say that employees in high-PDI cultures "do not want a voice" or that authoritarian behavior is culturally inevitable. The index describes broad tendencies, not fixed human

preferences. Employees may respect seniority and still expect fairness, dignity, transparency and an opportunity to contribute. The most responsible use of PDI is as a diagnostic lens. It helps leaders ask better questions:

- Do employees understand who has authority to decide?
- Are people able to disagree without reputational or career damage?
- Is seniority being used to provide direction or to prevent scrutiny?
- Are governance channels independent in practice as well as on paper?
- Does the organisation's stated culture match employees' lived experience?

The Conclusion: The Power Distance Index remains a valuable framework for interpreting Indian business culture because it illuminates a reality that organisational charts alone cannot capture that authority operates through social expectations as much as through formal rules. India's hierarchical traditions can support clarity, commitment, speed and long-term stewardship. But without deliberate safeguards, they can also discourage employee voice, weaken internal challenge and allow risk to travel upward too slowly. For Indian businesses, the task is not to dismantle hierarchy or imitate a culturally alien model of flatness. It is to make hierarchy accountable. Senior leaders should remain decisive, but they must also be accessible. Employees should respect authority, but they must be able to question decisions and report concerns. Boards should recognise the value of promoter vision and executive experience, while preserving independent scrutiny. The most resilient organisations will be those that combine the discipline of hierarchy with the confidence of open dialogue. In an increasingly regulated, globalised and knowledge-driven economy, authority that cannot be questioned is not a strength. It is a business risk.

Thank you.

Venkat R Venkitachalam



Note for Trade & Industry : Major Changes Effected from October 2026

CMA Ashok Nawal Founder Bizsolindia Services Pvt Ltd

- **Provident Fund :**

Salary needs to be calculated for the month of Sept 2026 to be paid on or before 7th October 2026 calculating PF as follows:

- o 1st Sept to 15th September : PF deduction to be made on the basic salary actual or Rs 15,000/- whichever is lower.
- o 16th Sept to 30th September : PF deduction to be made on the basic salary actual or Rs 25,000/- whichever is lower.

Thereafter it should be combined and one ECR to be filed before the due date i.e. 15th October 2026.

Each one is advised to read and understand the FAQ published by PF department which is enclosed.

- **FEMA for Export & Import provisions :**

- 1. Export Declaration Form (EDF):**

Exporter needs to file Export Declaration Form (EDF) , which is mandatory FEMA reporting for all export of service invoices raised on overseas customers and to be filed with AD Bank w.e.f. 1st October 2026. This will be applicable to all service exports provider including and not limiting to freight forwarder, logistics, NVOCC operators, shipping agents, applies to third party, / cross trade movements (e.g. China – Germany) where the Indian entity invoices the overseas customer. STPI Authority can certify value of software even for DTA / STPI unit. EDF to be filled in within 30 days from the end of the month in which export invoice is raised. Single consolidated EDF can be submitted for exports made to one or more recipient during the month.

EDF will be deemed to be submitted as part of shipping bill for goods exported through Electronic Data Interchange (EDI) port.

In the case of a non-EDI port for export of goods; or where the specified authority for export of services is other than an Authorised Dealer, the duly authenticated EDF, shall be forwarded by the specified authority to the respective Authorised Dealer.

2. EDPMS / IDPMS Closure :

Export Value less than Rs 10 lacs will have normal and simplified method for EDPMS closure.

An Authorised Dealer shall make a credit or debit to the account of an exporter or an importer, for receipt of export or payment for import, only after having satisfied itself of the genuineness of the transaction, and shall, simultaneously close or update the respective entry in Export Data Processing and Monitoring System or Import Data Processing and Monitoring System (EDPMS or IDPMS).

in the case of export where the shipping bill (for goods) or invoice (for services) is up to ₹10 lakh (or its equivalent in foreign currency), entry in EDPMS may be closed based on a declaration from the exporter to the effect that the payment against the shipping bill / invoice has been realised either in full or otherwise. Alternatively, such declaration may be submitted by an exporter to the Authorised Dealer on a quarterly basis for bulk closure of entries in EDPMS.

In the case of import where the Bill of Entry (for goods) or invoice (for services) is up to ₹10 lakh (or its equivalent in foreign currency), entry in IDPMS may be closed based on a declaration from the importer to the effect that the payment for import has been made either in full or otherwise. Alternatively, such declaration may be submitted by an importer to the Authorised Dealer on a quarterly basis for bulk closure of entries in IDPMS.

Exports from warehouse outside India : Realisation should be 9 months from the date of invoice from the warehouse outside India.

Authorised dealers have been granted powers to extend the period of limitation on correct justification for delay in realization of export proceeds.

3. Realization of Export Proceeds:

Realization of Export Proceeds for services will be within 9 months from the date of invoice. However, if invoice is in INR then realization has to be within 12 months.

Realization of Export Proceeds for goods will be within 9 months from the date of invoice. However, if invoice is in INR then realization has to be within 12 months.

4. Reduction in Export Realisation :

An Authorised Dealer may, on request from the exporter citing reasons for under-realisation or non-realisation of full export value, allow reduction in realisation of export value, provided the Authorised Dealer is satisfied of the reasons cited:

Provided that where the export value is up to ₹10 lakh (or its equivalent in foreign currency) per shipping bill (for goods) or invoice (for services), the reduction of export value (including non-realisation of full export value) may be permitted based on a declaration from the exporter.

5. Set off of export receivables against import payables:

An Authorised Dealer may allow set-off of export receivables against import payables from/to the same overseas buyer or supplier or with their overseas group or associate companies, within the stipulated period for realisation of export proceeds or extended period, if any, allowed by the Authorised Dealer.

6. Third party receipts and payments:

An Authorised Dealer may permit third party (other than the parties undertaking export and import) receipts and payments for export and import transactions provided that the Authorised Dealer is satisfied with the bonafides of the transactions.

7. Unrealised exports:

If the export proceeds of an exporter remain unrealised for a period beyond one year from the due date of realisation or extended period, if any, allowed by an Authorised Dealer, the exporter shall undertake further exports only against receipt of full advance or an irrevocable Letter of Credit.

Provided that the exporters in the Caution List, as on September 30, 2026, as per orders issued by the Reserve Bank under Regulation 16 of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, shall continue to be governed by the said order till such time the exporter is removed from the Caution List.

8. Freight / reimbursement distinction

Do not automatically treat every amount on a freight invoice as export-service value. Where freight charges are true pass-through reimbursements, examine the contract and accounting treatment (principal vs agent). EDF must reflect only the correct service value.

• Income Tax :

1. Purchase from NRI :

CBDT has addressed the Form 141 reporting gap for immovable property purchases from non-resident sellers.

Where a resident individual/HUF pays consideration for the transfer of immovable property to a non-resident [Section 393(2) – Table Sl. No. 17], TDS details will now be reported through the new Schedule E of Form 141. Form 132 has also been correspondingly amended.

Schedule B will continue to apply only where the seller is a resident [Section 393(1) – Table Sl. No. 3(i)].

Key Details Required in Schedule E:

- o Property address and type — non-agricultural land / building / both
- o Details of all buyers — PAN, name and percentage of consideration (total: 100%)
- o Details of all non-resident sellers — PAN, if available; name; status code; contact details; email; overseas address; TRC number; TIN/unique foreign identification number; and percentage share (total: 100%)
- o Agreement/registration dates, Stamp Duty Value (SDV) and total consideration
- o Payment details — lump-sum or instalment basis, including the previous Form 141 acknowledgement for subsequent instalments
- o Seller-wise details — Section 202(1) option, LTCG/STCG character, amounts paid earlier and currently, date of credit, amount liable to TDS, applicable rate, Section 395 certificate details and tax deducted, including surcharge and cess

o Action Points :

- From 01.10.2026: Do not report transactions involving a non-resident seller under Schedule B.
- TDS rate: The applicable rate is not a flat 1%. Deduct tax at the rates in force or as specified in the relevant Section 395 certificate, as applicable.
- Non-resident details: Overseas address, email and contact details of the non-resident deductee are required even where PAN is available.
- PAN not available: TRC and TIN/unique foreign identification details are required; otherwise, higher-rate TDS provisions under Rule 217 may apply.
- Before the first payment on or after 01.10.2026: Collect the required TRC, TIN/foreign identification details, overseas address and Section 395 certificate, wherever applicable.

Please feel free to contact us in case of any clarification needed.

Thank you.

Ashok Nawal



Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 including amendments thereof effective from 1st Oct 2026:

CS Anita Patil Associate Director Bizsolindia Services Pvt Ltd

1. Time period for realization of exports:

Particulars	FEMA Realization Period	
	Earlier	Revised
Export of Goods	15 Months	9 Months: from the date of shipment in case of goods (other than goods exported to a warehouse outside India)
Export of Services	15 Months	9 Months from the date of invoice
Goods exported to a warehouse outside India	15 Months	9 Months from the date of sale of goods from the warehouse
Project exports	As per the payment terms of the contract.	As per the payment terms of the contract.
INR-invoiced / INR-settled exports	18 Months	12 Months

2. Declaration of Exports:

- This is one of the most significant operational changes. The revised framework introduces a **common Export Declaration Form (EDF)** covering for Export of Goods, Services; and Software. This replaces the separate SOFTEX-based reporting architecture for software exports.
- This EDF requirement applies to the export invoices dated on or after 1st Oct 2026.
- The declaration to be furnished to the Authorized Dealer (AD) Bank. For Software exports from DTA to the STPI as specified authority
- **For Export of Goods:** An exporter of goods shall furnish to the specified authority, a declaration in the Export Declaration Form (EDF) specifying the amount representing the full export value of goods, **at the time of export**, Provided that the EDF will be deemed to be submitted as part of shipping bill for goods exported through Electronic Data Interchange (EDI) port;

- o In the case of a non-EDI port for export of goods; or where the specified authority for export of services is other than an Authorised Dealer, the duly authenticated EDF, shall be forwarded by the specified authority to the respective **Authorised Dealer**.
- For Export of Services: An exporter of services shall furnish to the specified authority, a declaration in EDF specifying the amount representing the full export value of services, within 30 days from the end of month in which invoice for services has been raised, provided that:
 - a) the exporter of services who has exported services to one or more recipients in a month, may submit a single EDF for all such exports;
 - b) the exporter of services other than software, may submit an EDF on or before the date of receipt of payment;
 - c) the Authorised Dealer may, on a request from the exporter citing reasons for delay, extend the period for submission of the EDF after satisfying itself about the reasonableness of the request.
- 3. **EDPMS & IDPMS (Export & Import Data Processing and Monitoring System) greater operational flexibility: EDPMS & IDPMS continues to be important. But the 2026 framework gives AD banks more authority to deal with outstanding transactions. For example, AD banks may deal with:**
 - Reduction in export value;
 - Under-realization;
 - Non-realization adjustments;
 - Closure of certain advance transactions; and
 - Other permitted EDPMS matters.

For export invoices & BOEs for imports up to ₹10 lakh per shipping bill/invoice/BOEs, the AD bank may permit reduction based on a self-declaration by the exporter/Importer subject to the applicable conditions and bona fides.

4. Reduction in the export realization:

An Authorised Dealer (AD) Bank may, on request from the exporter citing reasons for under-realization or non-realization of full export value, allow reduction in realization of export value, provided the Authorised Dealer is satisfied of the reasons cited:

Provided that where the export value is up to ₹10 lakh (or its equivalent in foreign currency) per shipping bill (for goods) or invoice (for services), the reduction of export value (including non-realization of full export value) **may be permitted based on a declaration from the exporter.**

5. Set off of export receivables against import payables:

An Authorised Dealer (AD) Bank may allow set-off of export receivables against import payables from/to the same overseas buyer or supplier or with their overseas group or associate companies, within the stipulated period for realization of export proceeds or extended period, if any, allowed by the Authorised Dealer.

6. Third party receipts and payments.-

An AD Bank may permit third party (other than the parties undertaking export and import) receipts and payments for export and import transactions provided that the Authorised Dealer Bank is satisfied with the bonafides of the transactions.

7. Time period for making import payment.-

An Authorised Dealer Bank shall monitor its IDPMS entries and follow up with the respective importer for making payment for its imports within the period specified in the underlying contract. Which was earlier as within six months from the date of imports.

Provided that the Authorised Dealer may, on request from the importer citing reasons for the delay, allow extension of time for making payment, beyond the period specified in the contract, if the Authorised Dealer is satisfied of the reasons cited.

8. Advance payment for exports and imports and delayed payment for imports:

An exporter shall, in case of advance receipt for export, or Advance Payment for Imports route the advance amount, and realization of export proceeds, if any, through the same Authorised Dealer. However, an exporter /importer may route the transactions through any other Authorised Dealer provided the exporter / importer has intimated the change to both the Authorised Dealers.

An Authorised Dealer may permit advance remittance for import after satisfying itself of the genuineness of the requirement for advance remittance. The Authorised Dealer may consider specifying thresholds for advance payment, beyond which, the payment may require a standby Letter of Credit or a guarantee.

An exporter, or an importer, as the case may be, shall ensure that interest payable, if any, on advance payment received for export, or on delayed payment for imports, shall not exceed the all-in-cost ceiling of trade credit in terms of the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time.

9. Import of gold and silver.-

No advance remittance shall be permitted by an Authorised Dealer Bank for the import of gold or silver.

10. Import not materialized:

Where an importer is unable to import within the contract period, or the extended period, the importer shall repatriate the advance payment made, if any.

If the advance payment is not repatriated by the importer within the contract period or extended period, if any, allowed by the Authorised Dealer or where the IDPMS entry has not been marked-off in terms of Regulation 18(1)(j), any future advance payment for imports by the importer shall require an unconditional, irrevocable standby Letter of Credit or a guarantee from an international bank of repute or a guarantee of an Authorised Dealer in India, which is issued against a counter-guarantee of an international bank of repute.

11. Unrealized Exports:

If the export proceeds of an exporter remain unrealized for a period beyond one year from the due date of realization or extended period, if any, allowed by an Authorised Dealer, the exporter shall undertake further exports only against receipt of full advance or an irrevocable Letter of Credit. The September 2026 amendment inserts a specific transitional proviso into Regulation 13 clarifying that **an exporter who is on the Caution List as on 30 September 2026, pursuant to an RBI order under Regulation 16 of the 2015 Regulations, continues to be governed by that order until removal from the Caution List.**

12. Project Export:

- a) An Authorised Dealer may permit receipts/ payments for project exports as per the underlying contract, after satisfying itself of the genuineness of the project.
- b) Subject to monitoring by an Authorised Dealer, a project exporter may deploy temporary cash surplus, generated outside India, from such exports, for investments in short-term instruments (with original or residual maturity of one year or less) including in treasury bills and in deposits with banks, outside India.

13. Merchanting Trade Transactions (MTT)

Under the new provisions, an MTT must be completed with the **outward and inward remittances occurring within six months of each other**. The AD Bank may extend this period if the customer provides satisfactory reasons for the delay. Payments should ordinarily be made only to the overseas seller and received only from the overseas buyer; however, , **third-party payments may be permitted by the AD Bank** where justified and accepted.

The customer must provide adequate documents to establish the genuineness of the MTT. The AD Bank is responsible for verifying the transaction, updating/closing the relevant **EDPMS/IDPMS entries**, and monitoring the transaction to ensure that both legs are completed within the prescribed period.

14. Powers to Authorised Dealer (AD) Bank:

For transactions relating to **exports, imports and merchanting trade carried out before 1 October 2026**, where RBI approval was earlier required under the old FEMA Regulations/Master Directions, the **Authorised Dealer (AD) Bank can now handle and process such matters directly**. In simple terms, pending/legacy transactions under the old regime **do not necessarily need to be referred to RBI for approval**; the AD Bank can deal with them as per the applicable FEMA requirements and its internal procedures.

15. Internal Policy and Standard Operating Procedure (SOP) for handling transactions by AD Bank:

AD Banks role becomes much more important, RBI has shifted several operational decisions toward AD banks. The RBI Directions require AD banks to establish internal policies/SOPs covering, among other things as documentation; timelines; charges; export-realization extensions; import-payment extensions; export-value reductions; set-off; third-party payments; export/import advances; factoring arrangements etc. within the framework of instant guidelines.

Therefore FEMA compliance from 1 October 2026 becomes more bank-policy dependent at the operational level. Companies should not look only at the bare Regulations. They should also obtain their AD bank's October 2026 FEMA Trade SOP's / Internal Policies for smooth functioning and all required compliances.

Thank you.
Anita Patil

WHAT'S NEW?



CUSTOMS

CBIC has cut the Basic Customs Duty on several categories of crude and refined edible oils (such as palm, soybean and sunflower oil) — crude oil duty comes down from 10% to 5%, and refined oil duty from 32.5% to 27.5% (with a couple of specific lines going further, to Nil and 22.5%). This should make cooking oil cheaper to import and should benefit oil importers, refiners and, eventually, consumers. Effective from 24 September 2026.

(Notification No. 31/2026 - Customs | Dated: 23.09.2026)

CBIC has revised the tariff values used to compute import duty on gold, silver, edible oils, brass scrap and areca nuts, effective 16 September 2026. Gold is now valued at USD 1,373 per 10 grams and silver at USD 2,028 per kg for customs purposes; the areca nut value remains unchanged.

(Notification No. 75/2026 - Customs (N.T.) | Dated: 15.09.2026)

CBIC has notified Campbell Bay and Car Nicobar in the Andaman & Nicobar Islands as customs locations, permitting import and export cargo to be handled there. This will benefit businesses looking to trade or set up logistics operations in these islands as infrastructure develops.

(Notification No. 76/2026 - Customs (N.T.) | Dated: 23.09.2026)

The anti-dumping duty on Calcined Gypsum Powder (gypsum plaster) imported from Iran, Oman, Saudi Arabia and the UAE has been extended up to 16 March 2027, continuing protection for domestic gypsum plaster manufacturers from cheap imports from these countries.

(Notification No. 22/2026 - Customs (ADD) | Dated: 14.09.2026)

The anti-dumping duty on Decor Paper imported from China has been extended up to 26 March 2027. This affects importers of decor paper used in laminates and furniture manufacturing.

(Notification No. 23/2026 - Customs (ADD) | Dated: 22.09.2026)

CBIC has revised the anti-dumping duty rates on Jute Products imported from Bangladesh and Nepal, amending the duty table under Notification No. 33/2022-Customs (ADD). Importers and traders of jute goods from these two countries should check the updated rates applicable to their specific products.

(Notification No. 24/2026 - Customs (ADD) | Dated: 24.09.2026)

CBIC has begun a phased rollout of the Sea Cargo Manifest and Transshipment Regulations (SCMTR), 2018 from 1 September 2026, encouraging shipping lines and cargo agents to file manifests electronically. No penalties will be levied during this transition period while technical issues are resolved.

(Circular No. 38/2026 - Customs | Dated: 01.09.2026, read with Notification No. 73/2026 - Customs (N.T.), also dated 01.09.2026)

CBIC has simplified the paperwork required under the Eligible Manufacturer Importer (EMI) Scheme, which allows manufacturers to defer payment of import duty, amending the earlier Circular No. 08/2026-Customs. This should ease compliance for manufacturer-importers using this deferment facility.

(Circular No. 39/2026 - Customs | Dated: 03.09.2026)

CBIC has issued mandatory compliance checklists that customs officers must verify at the Bill-of-Entry stage for imports of Cosmetics, Drugs and Medical Devices. Importers in these sectors should ensure all regulatory approvals and documents are in order to avoid clearance delays.

(Circular No. 40/2026 - Customs | Dated: 03.09.2026)

CBIC has launched the National Assessment Centre (NAC) Portal, a common online platform where trade and customs officers can access past assessment decisions, rulings and audit observations. This is meant to bring more consistency and transparency to how customs duty assessments are made.

(Circular No. 41/2026 - Customs | Dated: 03.09.2026)

Exporters of certain specified textile products will need to include additional qualifiers/details in their export declarations from 1 November 2026. Textile exporters should start updating their export documentation and ICEGATE filing process well before that date.

(Circular No. 42/2026 - Customs | Dated: 24.09.2026)

CBIC has clarified how the rules for establishing the true 'origin' of imported goods (Section 28DA of the Customs Act and CAROTAR, 2020) apply alongside India's various Free Trade Agreements — confirming that the trade agreement's own provisions will prevail, and that Form-I is not compulsory for claiming preferential duty under the India-UK trade agreement (CETA). Relevant to importers claiming lower duty rates under FTAs.

(Circular No. 43/2026 - Customs | Dated: 24.09.2026)

CBIC has approved a new Special Notified Zone at the Surat International Diatrade Centre (Surat Diamond Bourse), allowing rough diamonds to be imported and traded there directly. This is expected to boost Surat's position as a global diamond-trading hub and should benefit gem & jewellery sector clients.

(Circular No. 44/2026 - Customs | Dated: 28.09.2026)

CBIC has directed customs officers to verify that importers of plastic packaging are registered on the Centralised EPR (Extended Producer Responsibility) Portal before allowing clearance. Importers of plastic packaging material should ensure their EPR registration is in place.

(Instruction No. 15/2026 - Customs | Dated: 09.09.2026)

CBIC has added ICD Dhanakya, Jaipur (Rajasthan) as a new authorised entry point for food imports under food safety rules, taking the total number of notified food-import entry points to 172. Relevant to food importers routing consignments through Rajasthan.

(Instruction No. 16/2026 - Customs | Dated: 18.09.2026)

CBIC has clarified the process customs officers should follow while deciding cases where import/export benefits were fraudulently obtained using DGFT duty-credit scrips (Section 28AAA of the Customs Act). Relevant to importers/exporters involved in ongoing proceedings of this nature.

(Instruction No. 17/2026 - Customs | Dated: 21.09.2026)

EXCISE

The Special Additional Excise Duty (SAED) on exported Petrol was raised to ₹1.50 per litre (from Nil), effective 1 September 2026.

(Notification No. 46/2026 - Central Excise | Dated: 01.09.2026)

The Special Additional Excise Duty (SAED) on exported Aviation Turbine Fuel (ATF) was reduced to ₹19 per litre (from ₹19.50), effective 1 September 2026.

(Notification No. 47/2026 - Central Excise | Dated: 01.09.2026)

The Road and Infrastructure Cess (RIC) on exported Diesel was reduced to ₹1 per litre (from ₹3), effective 1 September 2026.

(Notification No. 48/2026 - Central Excise | Dated: 01.09.2026)

The Special Additional Excise Duty (SAED) was cut further from mid-month: on exported Petrol to ₹0.50 per litre, and on exported Diesel (HSD) to ₹20 per litre, both effective 16 September 2026.

(Notification No. 49/2026 - Central Excise | Dated: 16.09.2026)

The Special Additional Excise Duty (SAED) on exported Aviation Turbine Fuel (ATF) was reduced further to ₹15 per litre, effective 16 September 2026.

(Notification No. 50/2026 - Central Excise | Dated: 16.09.2026)

The Special Additional Excise Duty (SAED) on exported Aviation Turbine Fuel (ATF) was reduced further to ₹15 per litre, effective 16 September 2026.

(Notification No. 50/2026 - Central Excise | Dated: 16.09.2026)

DGFT

DGFT has exempted low-value export consignments — where the FOB value does not exceed ₹3,00,000 — from the requirement to hold a Registration-cum-Membership Certificate (RCMC). This should ease compliance for small exporters and those using postal/courier channels; the exemption does not apply to consignments above ₹3 lakh or to goods classified as 'Restricted'.

(Notification No. 36/2026-27 - DGFT | Dated: 15.09.2026)

DGFT has laid down the process for allocating the remaining, unallocated quantity of the 10 lakh MT duty-free Raw Sugar import quota (TRQ). Relevant to sugar importers/refiners still applying for a share of this quota.

(Public Notice No. 28/2026-27 - DGFT | Dated: 01.09.2026)

DGFT extended, to 7 September 2026, the deadline for Advance Authorisation holders under SION E-52 to opt for a one-time conversion of their authorisation into the Raw Sugar TRQ scheme.

(Public Notice No. 29/2026-27 - DGFT | Dated: 03.09.2026)

DGFT extended, to 30 September 2026, the deadline for Raw Sugar TRQ holders to surrender any unused quota quantity so it can be reallocated to other importers.

(Public Notice No. 30/2026-27 - DGFT | Dated: 14.09.2026)

DGFT has introduced an Open API for Certificate of Origin (CoO) applications through its Trade Connect e-Platform, allowing exporters (or their software providers) to apply for both preferential and non-preferential CoOs directly from their own systems instead of the portal.

(Trade Notice No. 25/2026-27 - DGFT | Dated: 07.09.2026)

DGFT has proposed suspending 544 Standard Input Output Norms (SIONs) that have not been used under the Advance Authorisation/DFIA schemes for the past three financial years, and invited exporters to submit justification within 15 days if they still rely on any of these norms. Exporters should check whether a SION they use is on this list.

(Trade Notice No. 26/2026-27 - DGFT | Dated: 07.09.2026)

DGFT has invited comments on a proposed change to the procedure for non-preferential Rules of Origin (used to certify where goods are genuinely manufactured, for general/non-FTA trade). This is at the consultation stage; no change is final yet.

(Trade Notice No. 27/2026-27 - DGFT | Dated: 14.09.2026)

Pre-Shipment Inspection Agencies must now issue the Pre-Shipment Inspection Certificate (PSIC) within 2 days of inspection, and a one-time 7-day window has been given to clear any backlog of PSICs for inspections carried out before 25 August 2026. Relevant to exporters/importers requiring pre-shipment inspection.

(Trade Notice No. 28/2026-27 - DGFT | Dated: 16.09.2026)

INCOME TAX

CBDT has extended the due date for filing the Tax Audit Report for AY 2026-27 from 30 September 2026 to 21 October 2026, and correspondingly extended the income-tax return filing deadline for audit cases from 31 October 2026 to 21 November 2026 — giving taxpayers and auditors an extra 21 days. This applies to all assessees (companies, firms, individuals) whose accounts require a tax audit.

(Circular No. 07/2026 – Income Tax | Dated: 28.09.2026)

CBDT has simplified TDS compliance for resident individuals/HUFs buying immovable property from non-resident (NRI) sellers — a separate TAN is no longer needed; buyers can now deposit and report the TDS using just their PAN, through a new Form 141 with a new 'Schedule E' capturing property and NRI-seller details. This change is effective from 1 October 2026 and is directly relevant to anyone buying property from an NRI.

(Notification No. 121/2026 – Income Tax | Dated: 22.09.2026)

CBDT has extended, from 30 September 2026 to 31 March 2027, the deadline for existing registered valuers and authorised income-tax practitioners to complete their registration under the new Income-tax Act, 2025. It has also removed arrest and detention as a mode of tax recovery. Relevant to registered valuers and tax practitioners, and to clients who rely on them.

(Notification No. 120/2026 – Income Tax | Dated: 17.09.2026)

CBDT has authorised the Information Technology, Electronics & Communications Department, Government of Andhra Pradesh, to receive specified income-tax information from the Income Tax Department, to help identify eligible beneficiaries under the state's welfare schemes. This is a government-to-government data-sharing notification and does not directly affect private taxpayers' compliance.

(Notification No. 118/2026 – Income Tax | Dated: 09.09.2026)

COMPANIES ACT (MCA)

MCA has publicly cautioned investors against putting money into 'Nidhi Companies' promising unusually high returns without proper verification, noting that many Nidhi Companies have not filed the mandatory Form NDH-4 declaration and that only 395 companies are currently recognised as Nidhis by the Central Government. Importantly, deposits with Nidhi Companies are not insured by DICGC, so investors have limited recourse if such a company runs into trouble. Worth sharing with any client (or their family) approached by a Nidhi Company for investment. **(MCA Public Advisory | Dated: 24.09.2026)**

SEBI

SEBI has reissued a consolidated Master Circular for Debenture Trustees, tightening timelines for security-cover certificates, standardising the Recovery Expense Fund at 0.01% of issue size (capped at ₹25 lakh per issuer), and refining the process for notifying investors of a default. Relevant to clients who have issued or hold listed non-convertible debentures (NCDs), and to debenture trustees.

(Master Circular No. HO/17/11/12(2)2026-DDHS-POD1/I/22420/2026 - SEBI | Dated: 28.09.2026)

SEBI has revised client-level position limits for commodity derivatives trading and capped the penalty for breaching these limits (₹2 lakh for larger breaches, ₹10,000 for smaller ones). Relevant mainly to clients who trade in commodity derivatives.

(Circular No. HO/47/16/13(5)2026-MRD-POD1/I/20735/2026 - SEBI | Dated: 09.09.2026)

SEBI has extended, from 8 September 2026 to 31 March 2027, the deadline for existing Angel Funds to move fully to accredited investors; such funds may not induct more than 200 non-accredited investors in the meantime. Relevant to Angel Fund managers and their investors.

(Circular No. HO/19/34/11(7)2025-AFD-POD1/I/20626/2026 - SEBI | Dated: 07.09.2026)

Foreign Portfolio Investors (FPIs) that invest only in Indian Government Securities no longer need to furnish 'investor group' details — an exemption earlier available only under the Fully Accessible Route has now been extended to the General Route as well. Relevant to FPI clients and the custodians/depository participants who service them.

(Circular No. HO/(485)2026-AFD-POD2/I/20296/2026 - SEBI | Dated: 07.09.2026)

At its Board Meeting on 24 September 2026, SEBI approved a large package of reforms, including a complete overhaul of Portfolio Manager Regulations (allowing PMS into IPOs, unlisted debt and foreign securities), new settlement rules for enforcement proceedings, a common advertisement code across all market intermediaries, easier REIT/InvIT unitholder-approval norms, and relief from listing all outstanding NCDs once an issuer's first NCD is listed. These are Board-approved decisions only — they will take effect once the formal amended regulations/circulars are notified, likely over the coming months. We will cover the notified changes in a future edition once issued.

(SEBI Press Release No. 59/2026 | Board Meeting Dated: 24.09.2026 — reforms approved, formal notification awaited)

LABOUR LAW

The government has raised the monthly wage ceiling for compulsory EPF/EPS/EDLI coverage from ₹15,000 to ₹25,000 — the first increase in 12 years. This brings employees earning between ₹15,001 and ₹25,000 a month into mandatory PF, pension and insurance coverage, and raises the statutory PF contribution on such wages from ₹1,800 to ₹3,000 per month. Employers should review payroll for staff in this wage band.

(Notification No. S.O. 5109(E) – Ministry of Labour & Employment | Dated: 17.09.2026)

Following the wage-ceiling increase above, the Employees' Pension Scheme has been amended so that PF members who were earlier excluded from the pension scheme (because their wages exceeded the old ₹15,000 ceiling) are now automatically covered if their wages are within the new ₹25,000 ceiling — no fresh application is needed. Effective retrospectively from 17 September 2026.

(Notification No. G.S.R. 847(E) – Ministry of Labour & Employment | Dated: 25.09.2026)

RBI / FEMA

RBI has replaced its 2015 export/import regulations with a new, consolidated FEMA 23(R) framework, effective 1 October 2026. The key change for clients: export proceeds must now be realised and repatriated within 9 months (down from 15 months) for goods/services, and within 12 months (down from 18) for Rupee-invoiced exports. EDPMS/IDPMS closure has also been simplified for smaller (up to ₹10 lakh) declarations, and set-off of export receivables against import payables is now expressly permitted. Relevant to all exporter/importer clients, especially those with old outstanding dues.

(Notification No. FEMA 23(R)/(1)/2026-RB - RBI | Dated: 22.09.2026)

RBI has formally withdrawn seven old FEMA circulars covering INR-denominated External Commercial Borrowings, earlier infrastructure-sector ECB norms, rupee bonds, service-imports/technical know-how payments and the Money Transfer Service Scheme. This is a clean-up of the rulebook rather than a relaxation — if any client's cross-border structuring still relies on one of these older circulars, the current applicable framework should be checked.

(A.P. (DIR Series) Circular No. 21 - RBI | Dated: 08.09.2026)

RBI has extended the facility of accepting KYC documents certified by an authorised overseas bank official, notary, court or Indian embassy abroad — earlier available only to NRIs/PIOs — to Foreign Portfolio Investors (FPIs) as well. Relevant mainly to clients whose banks onboard FPI-linked accounts.

(Circular No. RBI/2026-27/257, and parallel directions for other categories of banks - RBI | Dated: 18.09.2026)

IBBI

IBBI has directed Insolvency Professionals to exercise due diligence to prevent misuse of the IBC framework, tightening the standard of care expected of IPs handling insolvency cases. Relevant to any client acting as an Insolvency Professional/Resolution Professional, or currently undergoing CIRP.

(Circular No. IBBI/CIRP/105/2026 | Dated: 09.09.2026)

IBBI has clarified the cessation of the interim moratorium available to personal guarantors of corporate debtors, in light of recent High Court judgments. Relevant to clients who are personal guarantors, or who advise them, in insolvency proceedings.

(IBBI Circular | Dated: 21.09.2026)

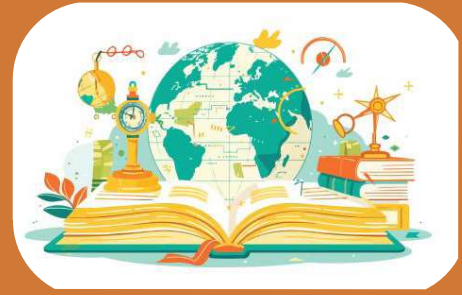
IBBI has introduced a fee for delayed filing of Forms under Regulation 47B of the Liquidation Process Regulations. Relevant to clients acting as liquidators, who should ensure timely filing to avoid this new fee.

(IBBI Circular | Dated: 24.09.2026)

IBBI has further extended the time for filing Forms to monitor insolvency resolution processes for personal guarantors to corporate debtors. Relevant to Insolvency Professionals handling such cases.

(IBBI Circular | Dated: 24.09.2026)

Beyond The Obvious



GST

- The Delhi High Court held that advocate–client privilege is not an absolute immunity against a GST search or investigation under Section 67(2) of the CGST Act if there is prima facie evidence of the advocate’s personal involvement in the client’s entity. However, to protect unrelated confidential client data, the Court mandated strict procedural safeguards for the examination, cloning, and segregation of seized electronic devices.
[(Delhi High Court) W.P.(C) 11021/2025, Judgment dated 18.09.2026]
- The Kerala High Court held that a composite Show Cause Notice covering multiple assessment years (FY 2020-21 to FY 2024-25) is legally unsustainable under the GST regime, requiring separate year-wise notices. The Court quashed the composite notice while granting Revenue liberty to issue fresh individual notices, excluding the period spent in litigation for limitation purposes
[(Kerala High Court) WP(C) No. 30522 of 2026, Judgment dated 08.09.2026]
- The Madras High Court held that once a demand is confirmed under Section 73 of the CGST Act, the statutory penalty of 10% of tax cannot be waived unless tax and interest are paid within thirty days of the show cause notice. The Court ruled that the statutory framework contains no discretionary power to waive penalties on grounds of COVID-19 pandemic delays, finding no infirmity in the penalty order where statutory waiver timelines were missed.
[(Madras High Court) W.P. No. 33634 of 2026 and W.M.P. No. 37028 of 2026, Judgment dated 02.09.2026]
- The GST Appellate Tribunal, Kolkata Bench, held that refund of unutilised input tax credit accumulated under an inverted duty structure cannot be denied merely because the input and output goods share the same HSN classification. The Tribunal clarified that Section 54(3)(ii) of the CGST Act requires the existence of an inverted tax rate structure rather than manufacturing status, and that Circular No. 135/05/2020-GST does not apply when higher-taxed inputs are actually used to supply lower-taxed outputs.
[(GSTAT, Kolkata Bench) [2026] 190 taxmann.com 451 (GSTAT – Kolkata), Appeal No. APL/43 & 44/KLK/2026, Order dated 10.09.2026]

- The Supreme Court held that adjudicatory orders founded upon non-existent, fabricated, or AI-hallucinated judicial precedents cannot be sustained in law. The Court independently verified the authorities cited in the customs adjudication order and found that certain decisions were non-existent or inaccurately relied upon. Reiterating that AI may function only as an assistive aid and not as a substitute for judicial or quasi-judicial decision-making, the Court set aside both the Order-in-Original and the High Court's affirming order, remanding the matter for fresh adjudication by an equivalent-rank officer. **[(Supreme Court of India), 2026 INSC 947, Judgment dated 02.09.2026]**
- The Delhi High Court held that the bar against parallel proceedings under Section 6(2)(b) of the CGST Act applies only when earlier and subsequent proceedings share the exact same subject matter, not merely the same assessee, tax period, or ITC claim. The Court upheld central proceedings initiated on independent intelligence regarding bogus transactions, ruling that separate investigations based on distinct allegations fall outside the prohibition of Section 6(2)(b). **[(Delhi High Court) [2026] 190 taxmann.com 626 (Delhi), Judgment dated 18.09.2026]**
- The Supreme Court held that the statutory phrase "fails to pay" denotes complete non-payment and cannot be expanded to cover cases of mere delayed payment. Interpreting Section 38(3) of the Finance Act, 1979 in relation to Foreign Travel Tax, the Bench (comprising Justice J.B. Pardiwala and Justice Ujjal Bhuyan) observed that fiscal and penal laws must be construed strictly, and automatic penalties cannot be levied where payment has eventually been remitted. This ruling carries strong persuasive value under GST jurisprudence, particularly while interpreting the term "fails to pay" under the second proviso to Section 16(2) of the CGST Act regarding ITC reversal for supplier non-payment within 180 days. **[(Supreme Court of India) 2026 INSC 933, Judgment dated 01.09.2026]**

CUSTOMS

- The Bombay High Court held that the extended period of limitation under Section 28 of the Customs Act, 1962 cannot be invoked merely on account of incorrect tariff classification when the importer had disclosed all relevant product facts. The Court affirmed that findings of fact by CESTAT regarding absence of suppression are final and binding unless perverse.
[(Bombay High Court) {Custom Appeal No. 5 of 2021, 2026 LawText (BOM) (09) 102, Judgment dated 21.09.2026}]
- The CESTAT held that gold cannot be treated as smuggled merely on the basis of suspicion, purity or possession where it bears no foreign markings and the Revenue fails to establish its foreign origin or illicit importation. The Tribunal observed that, in the absence of material establishing a reasonable belief that the gold was smuggled, the burden under Section 123 of the Customs Act, 1962 cannot automatically be shifted to the assessee, and confiscation on such basis is unsustainable
[(CESTAT, New Delhi) {Service Tax Appeal No. 51919 of 2016, Final Order No. 51428/2026, decided on 07.09.2026}]

CENTRAL EXCISE

- The CESTAT, Mumbai held that where manufactured goods are cleared to related parties for captive consumption, assessment under Rule 8 of the Central Excise Valuation Rules must be applied based on actual cost of production plus standard markup, and extended period cannot be invoked in the absence of intentional concealment.
[(CESTAT, Mumbai) {Final Order No. A/86120/2026, Order dated 11.09.2026}]
- The CESTAT held that CENVAT credit on supplementary invoices cannot be denied under Rule 9(1)(b) of the CENVAT Credit Rules where the differential duty paid by the supplier was not attributable to fraud, collusion, wilful misstatement or suppression of facts.
{ 2026 taxguru.in 14008}
- The CESTAT allowed CENVAT credit on inputs contained in work-in-process that were destroyed due to a power outage during the manufacturing process, holding that the credit could not be denied merely because the goods were subsequently destroyed.
2026 taxguru.in 12721}

- The CESTAT held that, after 1 March 2011, CENVAT credit attributable to inputs or capital goods subjected to partial write-off/provision for diminution in value was required to be reversed in accordance with Rule 3(5B) of the CENVAT Credit Rules. The extended period was also upheld on the facts of the case.
{2026 taxguru.in 14137}

SERVICE TAX

- CESTAT Delhi held that a refund of service tax paid on ocean freight cannot be granted when the refund application is filed beyond the one-year limitation prescribed under Section 11B of the Central Excise Act, 1944. JK Tyre had paid ₹22.07 lakh on 24.07.2018 but filed the refund claim only on 23.09.2020. Accordingly, the Tribunal upheld the rejection of refund as time-barred and dismissed the appeal.
[CESTAT, New Delhi, Final Order No. 51469/2026, decided on 18.09.2026]
- CESTAT Ahmedabad held that hiring vehicles fitted with Hydrogen Cylinder Skids on a per-trip basis cannot be classified as “Supply of Tangible Goods Service.” The per-trip charging indicated transportation activity rather than renting of vehicles. Since, in earlier remand proceedings involving the same assessee, the adjudicating authority had also held that the activity was not taxable as GTA service, the Tribunal set aside the service tax demand of ₹8.44 lakh and allowed the appeal
[CESTAT, New Delhi, Final Order No. 51469/2026, decided on 18.09.2026]
- CESTAT Delhi held that renting immovable property for use as a hostel/residence qualifies as renting of a “residential dwelling for use as residence” and was outside the service-tax net under Section 66D of the Finance Act, 1994. The Tribunal further held that trading/sale receipts are outside the definition of “service” under Section 65B(44) and that a service-tax demand cannot be sustained merely on the basis of Form 26AS/Income-tax data without establishing the taxable service, service provider, recipient and consideration. Accordingly, the ₹19.72 lakh demand was set aside.
[CESTAT, New Delhi {Final Order No. 51465/2026; 2026 taxguru.in 14129, Service Tax Appeal No. 51065/2021, decided on 15.09.2026}]
- The CESTAT, New Delhi held that service tax cannot be levied under ‘Business Auxiliary Service’ on purely post-sale promotional discounts and volume rebates received from manufacturers under trade schemes where no independent service was rendered.
[(CESTAT, New Delhi) {Final Order No. 51410/2026, Order dated 09.09.2026}]

- The CESTAT, Kolkata held that reimbursement of out-of-pocket expenses incurred on a principal-to-principal basis cannot form part of the gross value for service tax levy, affirming that non-taxable receipts and statutory exemptions must be excluded while computing taxable turnover.
[(CESTAT, Kolkata) {Final Order No. 75812/2026, Order dated 18.09.2026}]
- The CESTAT, New Delhi held that excess service tax paid inadvertently partakes the character of a deposit and cannot be denied refund on the ground of limitation under Section 11B of the Central Excise Act, 1944, as the amount was not legally payable as tax.
[(CESTAT, New Delhi) {Final Order No. 51432/2026, Order dated 22.09.2026}]
- The CESTAT, Allahabad held that where an assessee has continuously disclosed transactions in its financial records, the extended period of limitation under Section 73(1) of the Finance Act, 1994 cannot be invoked in the absence of explicit proof of intentional suppression or misstatement with intent to evade tax.
[(CESTAT, Allahabad) {Final Order No. 70312/2026, Order dated 25.09.2026}]

INCOME TAX

- The ITAT Bangalore held that a reassessment notice issued under Section 148 of the Income-tax Act is invalid where it is issued beyond the “surviving period” contemplated by the Supreme Court in *Union of India v. Ashish Agarwal and Rajeev Bansal v. Union of India*. The Tribunal observed that the notice dated 13.07.2022 was issued after the expiry of the permissible limitation period and was therefore time-barred. It further held that where more than three years have elapsed from the end of the relevant assessment year, approval under Section 151 must be obtained from the authority specified in Section 151(ii), and approval obtained from an incompetent authority vitiates the assumption of jurisdiction. Accordingly, the reassessment proceedings and consequential assessment order were quashed as void ab initio.
[(ITAT Bangalore Bench) ITA No. 1539/BANG/2026, Judgment dated 04.09.2026]
- The ITAT Ahmedabad held that reassessment proceedings initiated during the transition to the new regime are invalid if the Assessing Officer fails to comply with the procedure mandated in *Union of India v. Ashish Agarwal and Rajeev Bansal*. The Tribunal observed that a reassessment notice issued on 01.04.2021 had to be treated as a deemed notice under Section 148A(b)—requiring the Revenue to provide underlying information, consider the assessee’s reply, pass an order under Section 148A(d), and issue a fresh Section 148 notice within the surviving limitation period. Failing these mandatory steps, the reassessment proceedings and consequential assessment order were quashed as invalid.
[(ITAT Ahmedabad Bench) Ward 5(3)(2), Ahmedabad, ITA No. 911/AHD/2026, Order dated 24.09.2026]

- The ITAT Delhi held that management and consultancy fees received by a Chinese tax resident from its Indian group company for services rendered entirely from China are not taxable in India as Fees for Technical Services (FTS) under Article 12(4) of the India–China DTAA. The Tribunal observed that Article 12(4) requires managerial, technical, or consultancy services to be rendered within the source State, and mere utilization of services in India is insufficient to attract tax. Following the High Court precedent in the assessee’s own case, the Tribunal ruled that services rendered via email, teleconference, and virtual platforms from outside India cannot be treated as services rendered in India, leading to the deletion of the FTS additions.

[(ITAT Delhi Bench) (International Taxation)-1(1)(2), ITA Nos. 7767/DEL/2019, 1006/DEL/2022 & 1007/DEL/2022, Order dated 18.09.2026]
- The Punjab & Haryana High Court held that applications for condonation of delay in filing returns for claiming deduction under Section 80P of the Income-tax Act must be evaluated specifically under CBDT Circular No. 13/2023, rather than the general Circular No. 09/2015. The Court emphasized that Circular No. 13/2023 was issued as a specialized framework governing Section 80P claims for AYs 2018–19 to 2022–23. Setting aside the Chief Commissioner’s order for failing to apply the governing circular, the Court remanded the matter for fresh consideration in accordance with the specific CBDT guidelines.

[(Punjab & Haryana High Court) CWP No. 24673 of 2026 (O&M), Citation not available, Judgment dated 18.09.2026]
- The Delhi ITAT held that a Mauritius entity was the beneficial owner of interest income and entitled to Article 11 benefits under the India–Mauritius DTAA, having established sufficient control over its funds rather than acting as a mere conduit. However, the Tribunal clarified that Non-Convertible Debentures (NCDs) cannot be classified as “rupee-denominated bonds” for the purposes of Section 194LD of the Income-tax Act, while directing the Assessing Officer to examine the applicability of DTAA benefits on the interest derived from such NCDs.

[(Delhi ITAT (IT)A Nos. 37 & 38/Del/2026, AY 2023-24, Judgment dated 09.09.2026]

COMPANY LAW AND IBC

- The NCLAT held that GNIDA and NOIDA cannot claim the status of secured creditors merely on the basis of a statutory charge. The Tribunal observed that the lease deeds did not create a security interest securing the outstanding lease dues, and the “first charge” contemplated therein was limited to the authorities’ share in the unearned increase in land value upon sale or foreclosure. Applying the amended Section 3(31) of the Insolvency and Bankruptcy Code, which excludes an interest created merely by operation of law from the definition of “security interest”, the NCLAT upheld the treatment of GNIDA and NOIDA as unsecured operational creditors and dismissed their appeals.
[(NCLAT) {Company Appeal (AT) (Insolvency) Nos. 184/2023 & 1107/2023}]
- The NCLAT held that an arbitration clause does not bar initiation of CIRP under Section 9 of the IBC, as the IBC provides an independent statutory remedy. In the absence of a genuine pre-existing dispute, the Section 9 application was directed to be admitted.
[(NCLAT) (AT) (Ins.) No. 1228 of 2019, Judgment dated August 27, 2026}]
- The NCLT held that a genuine pre-existing dispute regarding entitlement to an outcome-based professional fee is sufficient to reject a Section 9 IBC application. Since the success fee itself was disputed before the demand notice and the underlying GST proceedings had not attained finality, the petition was dismissed.
[(NCLT Chennai) { CP(IBC)/370(CHE)/2025, Judgment dated August 25, 2026}]
- The NCLT held that a corporate guarantee is an independent and continuing obligation and is not extinguished merely by demerger, transfer of secured assets, or proceedings against other guarantors. Accordingly, CIRP against the corporate guarantor was admitted.
[(NCLT Mumbai) {(IB)/6(MB)2023, Judgment dated August 24, 2026}]
- The NCLAT held that an appeal challenging rejection of an impleadment application in a Section 7 proceeding becomes infructuous when the underlying Section 7 petition itself is withdrawn. Accordingly, the appeal was disposed of as infructuous with no costs.
[(NCLAT Chennai) {(AT) (CH) (Ins.) No. 319/2026, Order dated September 23, 2026}]

MSME

- The Delhi High Court held that statutory interest payable under Section 16 of the MSMED Act, 2006 for delayed payments is mandatory and cannot be waived or negated by conflicting terms in a commercial contract. **[(Delhi High Court) {W.P.(C) 9182/2026, Judgment dated 21.09.2026}]**
- The Delhi High Court upheld an arbitral award enforcing statutory interest under Section 16 of the MSMED Act against a premier educational institution, reiterating that the liability to pay compound interest at three times the RBI bank rate on delayed payments to registered MSME suppliers is mandatory, non-negotiable, and cannot be waived by private contractual terms. **[(Delhi High Court) {2026:DHC:8387-DB, Judgment dated 30.09.2026}]**
- The Delhi High Court held that where statutory conciliation proceedings before the MSEFC fail, the subsequent reference to arbitration under Section 18(3) operates as a statutory arbitration, and conflicting provisions in standard-form commercial contracts must yield to the non-obstante provisions of Section 24 of the MSMED Act. **[(Delhi High Court) {W.P.(C) 9182/2026, Judgment dated 21.09.2026}]**

INTELLECTUAL PROPERTY

- The Delhi High Court granted an ex-parte ad-interim injunction restraining the unauthorized use of registered trademark and trade dress in domain names, ruling that domain name registrar entities must block infringing website URLs within 48 hours. **[(Delhi High Court) {CS (COMM) 912/2026, Order dated 14.09.2026}]**

Bizsol Corner



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



Event – As part of our Training and Development initiatives, we organized a session on EOU by CMA Amit Devdhe

Bizsol Corner

Event –Training session on EOU by CMA Amit Devdhe



Bizsol Corner

Event – As part of our Employee Engagement initiatives, we celebrated the month-end birthdays with a cake-cutting celebration



Bizsol Corner

**Event – Training session on Advance Authorisation
by CA Preeti Kulkarni**



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