Bizsol Update NOV 2026

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Bizsolindia Monthly Update |Issue 03 |Volume XXII| NOV 2026



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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 - NOV2026

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

This Month For You - NOV 2026

Date	Law	Particular
20-11-2026	GST	GSTR-3B for October 2026 – monthly filers.
20-11-2026	GST	GSTR-5A for October 2026 – OIDAR service providers, wherever applicable.
20-11-2026	GST	GSTR-5 / GSTR-5A by applicable non-resident / OIDAR taxpayers for October 2026.
21-11-2026	Income Tax	Return of Income for AY 2026-27 for assessees whose accounts are subject to audit (due date extended from 31.10.2026 vide Circular No. 07/2026 – Income Tax dated 28.09.2026).
25-11-2026	GST	PMT-06 – payment of GST for October 2026 by taxpayers under QRMP scheme, wherever applicable.
28-11-2026	GST	GSTR-11 for October 2026 – statement by UIN holders.
30-11-2026	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 October 2026, where applicable.

From The Desk Of The Chairman



CS Venkat R Venkitachalam
Chairman, Bizsolindia Services Pvt Ltd

Across continents, the past few months have been marked by a troubling surge in violent demonstrations, each rooted in local grievances yet collectively reflecting a world grappling with economic strain, political distrust, and social fragmentation. In Europe, protests over rising living costs and housing shortages spilled into the streets of Paris, Milan and Lisbon where peaceful marches quickly descended into clashes with police, fires and vandalism. What began as calls for relief from inflation and unaffordable rents quickly turned into symbols of frustration with governments perceived as indifferent to everyday struggles. Bangladesh's garment workers, long the backbone of its export economy, clashed with authorities over stagnant wages while in Pakistan administered Kashmir, election announcements triggered deadly unrests. These episodes underscore how democratic processes and labour rights remain volatile arenas where discontent can erupt into violence. Latin America and the Caribbean have been no less turbulent. Ecuador's spiralling gang violence spilled into public demonstrations while Haiti's capital continued to reel under the grip of armed groups, with protests merging into chaos. Argentina and Colombia saw crowds rally against austerity and social rights curtailments with sporadic clashes reminding observers of the fragility of political consensus in the region. North America has not been immune. In the United States, extremist groups exploited anti LGBTQ+ demonstrations, leading to violent confrontations. Canada, meanwhile, was shaken by an incel motivated shooting that sparked nationwide protests, highlighting how ideological extremism can ignite broader unrest. In Africa and the Middle East, political strains remain acute: Somalia's extension of presidential terms triggered clashes in Mogadishu, while jihadist violence in Niger and Nigeria blurred the line between insurgency and protest. Lebanon and Gaza, though quieter than in earlier months, still saw sporadic demonstrations amid ongoing military pressures. Taken together, these eruptions reveal a common thread - when institutions fail to deliver fairness, security or relief, citizens increasingly turn to the streets, and peaceful protest often gives way to violence. Whether driven by inflation, disenfranchisement, gang control or ideological extremism, the demonstrations of 2026 remind us that global stability is fragile, and the grievances of ordinary people, if left unaddressed, can quickly transform into flames that cross borders and echo across societies. Young people are angry and voicing that anger out on the streets. All over Europe protesters are taking to the streets, often in dramatic scenes of confrontation with the police. All of these phenomena is distinct, but it is clear that all over the world young people, traditionally a hopeful demographic, are perceiving a future that they fear will be more

crowded and impoverished. Historically, it has only been broad based economic growth, growth that is inclusive and creates high quality jobs that dampens these anxieties and fulfils youthful aspirations.

By the time you get the current issue of Update you would be aware of the election in the United States. The midterm elections in the United States are traditionally seen as a referendum on the sitting president's performance, and 2026 is no exception. With President Donald Trump in office, the contests for control of Congress and key governorships have drawn intense national and international attention. Several dynamics are shaping the electoral landscape. First, economic concerns remain front and centre. Inflationary pressures, debates over taxation, and anxieties about job growth are fuelling campaign rhetoric. Voters are weighing whether current policies have stabilized household finances or exacerbated inequality. Second, polarization on social issues - from abortion rights to LGBTQ+ protections has sharpened partisan divides. State legislatures have become battlegrounds for cultural debates, and these issues are expected to mobilize both conservative and progressive bases. Third, foreign policy and security loom large. With ongoing conflicts abroad and questions about America's global role, candidates are framing their positions around national strength and international credibility. Immigration policy also continues to be a flashpoint, particularly in border states. Fourth, trust in institutions is a recurring theme. Allegations of voter suppression, concerns about election integrity, and debates over judicial rulings have heightened scrutiny of democratic processes. This environment has energized grassroots movements, making turnout a decisive factor. Early polling and analysis suggest a highly competitive contest. Some outlets report close races in swing districts, with control of the House and Senate potentially hinging on a handful of states. Analysts caution, however, that midterms often produce surprises, especially when turnout patterns shift late in the cycle. In sum, the 2026 midterms are less about predicting a clear winner than recognizing the stakes: economic stability, cultural identity, and institutional trust. Whatever the outcome, the elections will shape the trajectory of U.S. governance heading into the latter half of Trump's presidency. For Trump it would be remarkable pivot from being a President to a lame-duck President!

Going by any standard, the blockbuster headline for last month was the Initial Public Offering of Reliance Jio. Reliance Jio's parent, Jio Platforms Limited, launched its much anticipated initial public offering in October 2026, raising over ₹30,000 crore through a fresh issue of shares. The offering was met with strong investor enthusiasm and was oversubscribed, reflecting confidence in India's largest digital connectivity provider. The IPO was priced in the range of ₹1,065 to ₹1,119 per share, with. Reliance Industries Limited, which held a majority stake prior allotments finalised on October 26 and listings on both the NSE and BSE. . Reliance Industries Limited, which held a majority stake prior to the issue, used the opportunity to strengthen Jio's balance sheet and reduce debt, while also funding expansion into new digital services. Jio Platforms has built a formidable presence with over 524 million

subscribers as of March 2026, making it the country's largest telecom operator. Its ecosystem spans mobile services, broadband, entertainment, cloud, IoT, private 5G, and enterprise solutions, positioning it as more than just a telecom provider. The company operates one of the world's largest VoLTE networks outside China and has nearly 268 million 5G subscribers, while also commanding over two thirds of India's fixed broadband market. These strengths, combined with its aggressive push into digital services, made the IPO particularly attractive to investors seeking exposure to India's fast growing digital economy. At the same time, the offering highlighted the challenges of the sector. Telecom remains capital intensive, requiring continuous investment in spectrum, towers, and technology upgrades. Regulatory pressures, pricing competition, and cybersecurity risks add layers of uncertainty. Yet the oversubscription of the IPO suggests that investors are willing to bet on Jio's scale, technological edge, and ability to innovate. In essence, the Reliance Jio IPO marks a milestone in India's capital markets, signalling both the maturity of its digital infrastructure and the appetite of investors for companies that can bridge connectivity with comprehensive digital services. It is a bold step toward consolidating Jio's role as the backbone of India's digital future.

Here is a silent economic story, albeit an important one. It is seldom noticed that the subscription economy in India has moved beyond streaming platforms and software services to become a defining feature of consumer and business behaviour. What began with entertainment giants offering monthly access to films and music has now spread into sectors as diverse as food delivery, fitness, education, and even automobiles. Its appeal lies in convenience, affordability, and predictability - consumers prefer paying smaller recurring amounts rather than making large upfront purchases, while companies benefit from steady cash flows and long term customer relationships. This shift is particularly visible in urban India, where younger demographics are more comfortable with digital payments and less attached to ownership. Subscription models for groceries, curated meal kits, and health supplements are gaining traction, reflecting lifestyle changes and the desire for personalised services. At the same time, businesses are experimenting with hybrid models - combining subscriptions with one time purchases to cater to varied consumer preferences. For enterprises, the subscription economy offers a chance to deepen engagement. Data collected through recurring interactions allows firms to tailor offerings, predict demand, and upsell premium services. Telecom operators, for instance, are bundling connectivity with entertainment and cloud storage, while ed tech platforms are offering tiered subscriptions for skill development. Yet challenges remain. High churn rates, regulatory scrutiny over auto debit mechanisms, and the need to constantly innovate to retain subscribers are pressing concerns. Moreover, in a price sensitive market like India, companies must strike a balance between affordability and profitability. . The broader implication is that the subscription economy is reshaping the very idea of consumption. Ownership is giving way to access, and loyalty is being redefined through continuous value delivery rather than one time transactions. For businesses, this means rethinking product design, , marketing and customer service around sustained engagement. For consumers, it signals a

cultural shift toward flexibility and choice. As India's digital infrastructure expands and disposable incomes rise, the subscription model is poised to become a cornerstone of the country's economic landscape, blending convenience with innovation in ways that could redefine business strategies for years to come.

The Supreme Court of India, in Lakshmi v. Gopi & Ors. (July 2026), delivered a significant ruling on the proof and validity of Wills, reaffirming the long standing principles while clarifying their modern application. The case arose from a dispute over a Will that excluded certain natural heirs, raising questions about suspicious circumstances and the evidentiary burden required to establish testamentary validity. The Court reiterated the essentials for proving a Will under the Indian Succession Act and the Evidence Act - the testator's capacity, due execution, proper attestation, absence of coercion, and credible witness testimony. Importantly, it emphasised that exclusion of heirs, by itself, does not render a Will invalid. . Suspicion must rest on tangible irregularities such as active involvement of beneficiaries in drafting, inconsistencies in execution or lack of attesting witnesses - not merely on the fact that close relatives were left out of the Will. In doing so, the Court reaffirmed the "prudent mind test" laid down in H. Venkatachala Iyengar v. B.N. Thimmajamma (1959), which requires that the evidence surrounding a Will must satisfy the conscience of the court. The judgment also drew upon Shashi Kumar Banerjee v. Subodh Kumar Banerjee (1964), underscoring that probate proceedings are limited to determining the genuineness of the Will, not resolving ownership disputes. The verdict carries some practical implications too. For practitioners, it highlights the need for meticulous proof of attestation and capacity. For families, it signals that challenges cannot succeed on suspicion alone; concrete evidence of irregularity is essential. By narrowing the scope of "suspicious circumstances," the Court has strengthened testamentary freedom while preserving safeguards against fraud. In essence, Lakshmi v. Gopi reflects continuity with classic precedent but sharpens the doctrine for contemporary realities, reinforcing that the sanctity of a valid Will must be respected unless compelling evidence dictates otherwise.

The other day when I was walking on the sidewalks of New York, it started raining suddenly. As if on cue, a street vendor appeared with a rack of umbrellas. That set me thinking. Most of what we had possessed have changed over the year except for the simple contraction called the umbrella. Come to think of it, the umbrella itself is a masterclass in kinetic poetry, hiding an elegant dance of geometry in plain sight. It solves a beautiful, everyday puzzle - how to turn a flat sheet of fabric into a lightweight, protective dome that opens and closes at a moment's notice
As you push the slider up the shaft, a network of metal stretchers stretching outward like a blooming flower. Because the main ribs are anchored at the top, they cannot move further upward; instead, they gracefully bend under the pressure. This creates a perfect tension, arching the fabric into a sleek, parabolic canopy. This curve is pure functional art. It cuts through blustering winds whistling between skyscrapers and guides rainwater into effortless, cascading runoffs. What makes the umbrella truly extraordinary is its stubborn timelessness. . This ingenious folding mechanism traces back over three thousand years to ancient Egypt and China. . We have swapped bamboo

and oiled paper for fiberglass and Teflon, yet the fundamental geometry remains completely untouched. Modern engineering has built spaceships and supercomputers, but it has never found a better way to fold a roof. The umbrella in one sense is a beautiful compromise between strength and vulnerability. To fit in your bag, it must be light; to shield you from a storm, it must be strong. When a violent gust flips it inside out on a city block, it should prove itself. It bends gracefully so that it does not snap. In the end, it remains our most intimate piece of architecture, a loyal, pocket-sized sanctuary that relies entirely on tension and angles to keep the world at bay.

Thank you.
Venkat R Venkitachalam



THE ECONOMICS OF EXPECTATION

NOBEL LAUREATS (2026) SHOW INDIA THAT GROWTH STARTS IN MINDS AND NOT IN SPREADSHEETS

CS Venkat R Venkitachalam Chairman, Bizsolindia Services Pvt Ltd

This year the coveted Nobel Prize in Economics went to economists Robert Hall and Michael Woodford. After a long time, these honours generated a great deal of interest in India where the economic theories propounded by them are not merely abstract academic exercises, but much more. For India in particular, it is a guide as to how the policy makers, banks and the government can manage expectations in an economy where confidence often matters as much as credit. The 2026 Nobel Memorial Prize in Economic Sciences was awarded jointly to American economists Robert E. Hall (Stanford University) and Michael Woodford (Columbia University). They were honoured for providing credible microeconomic foundations for macroeconomic stabilisation. Their work fundamentally seeks to change how central banks and governments anticipate human behaviour and manage economic crises like recessions, inflation, and energy shocks. Robert E Hall is a professor at Stanford University. Born in 1943 in Palo Alto, California he earned his PhD from the Massachusetts Institute of Technology (MIT) in 1967. Hall transformed macroeconomics from the demand side by rethinking consumer behaviour. In a seminal 1978 paper, he introduced the "Random Walk Hypothesis" of consumption. He demonstrated that when forward-looking households make decisions based on expected lifetime income (consumption smoothing), changes in their spending are driven entirely by unpredictable new information rather than past trends. His subsequent research integrated how liquidity-constrained households (those living paycheck-to-paycheck) react uniquely to sudden financial shocks. Michael Woodford is a Professor at Columbia University. Born in 1955 in Chicopee, Massachusetts. He earned his PhD from the Massachusetts Institute of Technology (MIT) in 1983. Woodford rebuilt macroeconomics from the supply side, serving as a primary architect of modern New Keynesian Economics. He integrated forward-looking behaviour with "nominal rigidities" - the concept that businesses cannot adjust prices continuously or instantaneously due to underlying costs. *This friction opens a crucial window for policy intervention. Furthermore, Woodford revolutionised central banking through his work on forward guidance, demonstrating how a central bank's transparent communication about future interest rates can actively shape public expectations and stabilise turbulent markets.*

Introduction:

When the Royal Swedish Academy of Sciences awarded the 2026 Sverige's Riksbank Prize in Economic Sciences to Robert E. Hall and Michael Woodford "for microeconomic foundations of macroeconomic stabilisation," the citation may have sounded quite obscure. But behind it lies one of the most consequential shifts in modern Economics - the recognition that economies are driven not only by money, wages and production, but also by what households, firms and investors expect to happen next. For India, this is not an abstract celebration. The work done by these eminent economists to governments and central bankers, especially refers to the Reserve Bank of India's (RBI) struggle to contain inflation without choking growth, to the banks' difficulty in transmitting policy rates smoothly to borrowers, and to the country's need for deeper, more credible financial markets. Hall and Woodford's work offers India an impactful lesson - monetary policy is not only about setting interest rates. It is about shaping beliefs.

From Aggregates to Individuals

For much of the twentieth century, macroeconomics dealt in large aggregates - national income, employment, inflation, investment and government expenditure. Policymakers could observe that inflation had risen or output had fallen but often lacked a credible explanation of how individual decisions produced those outcomes. Hall and Woodford helped change all that. Their contribution was to build macroeconomic models from the behaviour of individual households, workers, firms and investors. The Nobel Committee recognised their work for showing how microeconomic foundations can explain macroeconomic stabilisation and how economies respond to shocks and above all how policy can moderate booms and recessions. This may sound technical, but it has an important implication. A central bank cannot understand inflation merely by looking at the consumer price index. It must ask why firms raise prices, why workers demand higher wages, why households spend or save and why investors reprice assets after a policy announcement. The answers lie in expectations. The New Keynesian framework associated with Woodford, in particular, rests on a few premises that now seem quite intuitive. People look ahead; prices and wages do not adjust instantly; institutions must be credible; and monetary policy works through both actions and communication.

Hall's Lesson for Indian Households

Robert Hall's most influential contribution concerned with consumption. Traditional models often treated household spending as a fairly direct response to current income. If income rose, consumption rose; if income fell, consumption fell. Hall argued that many households are forward-looking. They consider not only what they earn today but also what they expect to earn tomorrow. His work on consumption

showed that households may try to keep consumption relatively stable over time, adjusting saving and borrowing in response to expected income paths. This has important implications for India. A one-time cash transfer, tax rebate or festival-season stimulus may not necessarily generate a proportionate surge in consumption if households regard it as temporary. Some may save it, repay debt or build a buffer against future uncertainty. Conversely, durable improvements in employment, real wages and confidence can support consumption more powerfully than a short-lived boost. India's consumption story is, however, more layered than the standard model assumes. A large section of households remains liquidity-constrained and may spend additional income quickly. Others, particularly urban, salaried and financially included households may behave more like Hall's forward-looking consumers. Policy designs must recognise this heterogeneity. A universal stimulus may have vastly different effects on a daily-wage worker in Bihar, a salaried professional in Bengaluru and a small time trader in Gujarat. The broader point is that expectations are not a luxury of rich economies. In India too, confidence about jobs, incomes and inflation shapes spending decisions. When households fear future shocks, they save more and consume less. When they feel secure, they spend, invest in education and housing and take credit. Economic policy succeeds when it strengthens not just current incomes but confidence in future incomes.

Woodford's Lesson for the RBI

When Hall transformed the understanding of consumers, Woodford transformed the understanding of central bank's thinking itself. For decades, monetary policy was often discussed in terms of money supply. Woodford shifted this attention to interest rates, inflation expectations and credibility. His research showed that the effect of monetary policy depends heavily on what people believe will happen in the future - expected borrowing costs, future inflation, future income and the likely trajectory of policy itself. This insight explains why a central bank's words can move markets as much as its actions. If the RBI credibly signals that it will not tolerate persistent inflation, firms may moderate price increases and workers may temper wage demands. If investors believe that the central bank will maintain stability, bond yields may become less volatile and long-term lending may become easier. This is the logic of forward guidance. By communicating its assessment of inflation, growth and risks, a central bank can influence present behaviour without changing rates at every meeting. Woodford's framework. helped make communication, transparency and credibility central instruments of modern monetary policy. India has already entered this world. Ever since 2016, the RBI has operated under a flexible inflation-targeting framework, with a headline CPI inflation target of 4 per cent and a tolerance band of plus or minus 2 percentage points. The framework explicitly seeks to anchor inflation expectations while allowing flexibility for growth and supply shocks. The RBI's task, therefore, is not simply to react to last month's inflation print. It is to convince house-holds, firms and financial markets that inflation will pivot to target over the medium term.

India's Inflation Problem

India's inflation dynamics make the Hall-Woodford framework both more necessary and more difficult to apply. In advanced economies, inflation is often driven by demand, wages and expectations. In India, food and fuel carry a heavy weight in household budgets. A weak monsoon, a spike in vegetable prices, global energy shocks or supply-chain disruptions can push inflation above target even when underlying demand is moderate. Monetary policy cannot make rain fall or reduce global crude prices. But this does not make expectations irrelevant. It makes them more important. If households believe a food-price shock is temporary and that the RBI will restore stability, wage demands and price-setting behaviour may remain contained. If they believe inflation is becoming entrenched, temporary shocks can feed into broader expectations, creating second-round effects. The difference between a passing supply shock and a persistent inflation problem often lies in the credibility of the Central Bank. India's flexible inflation-targeting regime recognises this tension. It allows a tolerance band to accommodate shocks, but its purpose is not to excuse persistent failure. It is to preserve a credible nominal anchor while acknowledging the realities of an emerging economy. The RBI must therefore communicate with precision. It should distinguish between supply-driven inflation, which requires time and targeted administrative action and demand-driven inflation, which requires monetary tightening. Vague messaging risks confusing markets; excessive messaging risks creating noise. The RBI has itself acknowledged that communication must be carefully calibrated: too much can confuse, while too little can leave markets guessing.

Implications for Indian Banking

The implications for India's banking sector are substantial. One of the enduring challenges of Indian monetary policy is in its transmission. When the RBI changes the repo rate, the effect on deposit rates, lending rates and credit growth is often uneven. Banks may hesitate to cut lending rates quickly, while depositors may demand higher returns when inflation expectations rise. A credible inflation-targeting regime can improve this process. When banks have a clearer view of the future policy path, they can price loans and deposits with greater confidence. This can improve credit allocation, particularly for housing, infrastructure and industry where long-tenure funding depends on stable expectations of inflation and interest rates. The benefits extend beyond banks. Predictable policy communication can make the government bond yield curve more informative, improve corporate bond pricing and support the development of India's corporate debt market. A deeper bond market would reduce the economy's excessive reliance on bank credit and provide firms with a broader set of financing options. Modern banks also depend on forecasting, stress-testing and risk management. The Hall-Woodford framework offers tools for modelling inflation expectations, interest-rate paths and macroeconomic shocks. These capabilities can strengthen financial stability, improve capital planning and make banks more resilient to sudden changes in the policy environment.

The Limits of Expectations

None of this means that communication can substitute for sound economics. Expectations matter, but they are not magic wands. Investors can panic. Consumers can behave inconsistently. Firms may raise prices because of input costs, market power or uncertainty rather than because of a failure of central-bank communication. The global financial crisis of 2008 demonstrated that financial fragilities can overwhelm even sophisticated macroeconomic models. India also faces constraints that no amount of forward guidance can solve. Poor agricultural logistics, fragmented food markets, energy import dependence, weak competition and fiscal slippage can all affect inflation and growth. Monetary policy can anchor expectations, but it cannot repair supply chains, raise farm productivity or replace structural reforms. There is also a distributional issue. Hall's forward-looking consumer is not every consumer. Millions of Indian households live close to subsistence, have limited access to credit and cannot smoothen consumption across months. For them, a food-price spike is not a forecasting problem; it is an immediate survival crisis. Policy must combine expectation management with targeted protection for vulnerable groups.

A New Grammar of Policy

The deeper message of Hall and Woodford is that economic stability begins in the minds of households, businesses and investors before it appears in official statistics. For India, this should change the way policymakers think. A budget is not only a set of expenditure and tax numbers; it is a signal about future fiscal discipline. A monetary policy statement is not only a decision on the repo rate; it is a statement about the RBI's view of the economy and its commitment to stability. A bank's lending rate is not merely a price; it reflects expectations about risk, inflation and future policy. India's policymakers should, therefore, ask a more sophisticated question: not only "What action should we take?" but "What will people believe after we take it?" The answer will determine whether a rate cut revives investment, whether a fiscal announcement boosts confidence, whether an inflation forecast calms markets and whether a welfare scheme changes consumption behaviour. Hall and Woodford did not give India a ready-made solution to address poverty, inequality or infrastructure deficits. But they gave its policymakers a sharper lens. In an economy as large, diverse and expectation sensitive as India's, that lens may prove invaluable. The future of Indian monetary policy may depend less on dramatic interest-rate changes and more on the RBI's ability to build trust, anchor expectations and communicate clearly. That is the quiet revolution behind this Nobel Prize - and it may shape India's economic future for years to come.

Thank you.
Venkat R Venkitachalam



Expansion of GST E-Invoicing to Recipient-Generated Self-Invoices under RCM

Effective 1 January 2027

CA Anuj Gandhi, Assistant Manager – Advisory & Assurance Bizsolindia Services Pvt Ltd

The Central Board of Indirect Taxes and Customs (CBIC), vide Notification No. 04/2026–Central Tax dated 26 October 2026, has introduced an important amendment to the GST e-invoicing framework by extending its applicability to certain recipient-generated self-invoices issued under the Reverse Charge Mechanism (RCM). The amendment, which will come into effect from **1 January 2027,** is aimed at bringing specified RCM transactions within the ambit of the e-invoicing mechanism.

This development will have a significant impact on businesses covered under the existing e-invoicing provisions, particularly in relation to purchases from unregistered suppliers and import of services. Accordingly, businesses will need to revisit their existing purchase-side accounting, self-invoicing and GST compliance processes to ensure timely compliance with the revised requirements.

1. What is the Key Change?

Under the existing GST e-invoicing framework, the requirement to generate an Invoice Reference Number (IRN) primarily applies to specified B2B supplies and exports.

With the issuance of the above notification, the scope of e-invoicing is being expanded to cover certain self-invoices generated by registered recipients in respect of the following transactions:

- **a.** Purchases from unregistered suppliers: Supplies received from unregistered persons where GST is payable by the registered recipient under the Reverse Charge Mechanism (RCM).
- **b.** Import of services: Services received from suppliers located outside India where the registered recipient is liable to discharge GST under RCM.

Consequently, registered recipients covered under the existing e-invoicing provisions will also be required to obtain an IRN for such self-invoices, subject to the prescribed conditions and exemptions.

This marks an important shift in the e-invoicing compliance framework, as the requirement will now extend to specified recipient-generated invoices in addition to supplier-generated invoices.

2. Applicability and Turnover Threshold

The extended e-invoicing requirement will apply to registered taxpayers whose aggregate turnover has exceeded ₹5 crore in any preceding financial year from FY 2017–18 onwards, subject to the exemptions available under the existing e-invoicing provisions.

It is important to note that the latest notification does not introduce any change in the existing turnover threshold of ₹5 crore. Instead, it expands the categories of transactions for which IRN generation will be required for taxpayers already covered under the e-invoicing framework.

Accordingly, businesses should evaluate their applicability based on their aggregate turnover history and the existing exemption provisions.

3. Introduction of New Supply Types – RCMDOM and RCMIMP

To facilitate reporting of the newly covered transactions under the e-invoicing framework, two additional supply types are being introduced.

Supply Type	Description
RCMDOM	Recipient-generated self-invoices for specified domestic supplies received from unregistered persons, where the registered recipient is liable to pay GST under RCM.
RCMIMP	Recipient-generated self-invoices for import of services from suppliers located outside India, where the registered recipient is liable to pay GST under RCM.

These new supply types will enable the appropriate identification and reporting of recipient-generated self-invoices on the Invoice Registration Portal (IRP).

Businesses will therefore need to ensure that their invoicing systems and ERP platforms are appropriately configured to identify the nature of the transaction and select the relevant supply type while generating IRNs.

4. Key Action Points for Businesses

In view of the upcoming implementation, businesses should proactively assess the impact of this amendment on their existing accounting and GST compliance processes.

The following key areas require attention:

a. Identification of RCM Transactions

Businesses should undertake a detailed review of their purchase transactions to identify supplies attracting GST under RCM, particularly purchases from unregistered suppliers and import of services.

b. Review of Self-Invoicing Procedures

Existing procedures for issuing self-invoices under RCM should be reviewed to ensure that the invoicing process is aligned with the extended e-invoicing requirements.

c. ERP and Accounting System Readiness

Businesses should evaluate whether their existing accounting software and ERP systems can support IRN generation for recipient-generated self-invoices and capture the additional information required for reporting.

d. Integration with the Invoice Registration Portal

Necessary changes should be identified and implemented to facilitate seamless integration with the IRP for IRN generation, including appropriate testing of the revised invoicing workflows.

e. Incorporation of New Supply Types

The new supply types, namely RCMDOM and RCMIMP, should be incorporated into the relevant invoicing configurations, accounting processes and internal compliance procedures to ensure accurate transaction classification.

5. Implementation Readiness and GSTN Advisory

The Goods and Services Tax Network (GSTN), through its advisory dated 16 October 2026, has announced the availability of sandbox testing for this facility.

The availability of the sandbox environment provides businesses and technology service providers with an opportunity to evaluate the functionality, test system integrations and identify potential implementation challenges before the actual rollout.

Businesses should actively monitor further communications and advisories issued by GSTN regarding the production rollout, technical specifications and operational requirements.

Early testing and validation will be particularly important for organisations having high volumes of RCM transactions and complex ERP environments.

6. Our Recommendations

Although the amendment is scheduled to become effective from 1 January 2027, businesses should not defer their preparation until the effective date.

We recommend that businesses initiate a structured impact assessment and implementation exercise well in advance, with particular focus on the following:

- Conduct a comprehensive review of existing RCM transactions, including purchases from unregistered suppliers and import of services
- Evaluate the applicability of the extended e-invoicing requirement based on the existing turnover threshold and exemption provisions.
- Review and strengthen existing self-invoicing procedures.
- Assess the need for modifications to ERP, accounting and invoicing systems to facilitate IRN generation.
- Undertake sandbox testing and validate integration with the IRP.
- Establish appropriate internal controls to ensure timely and accurate generation of IRNs for the newly covered transactions

7. Conclusion

The extension of GST e-invoicing to specified recipient-generated self-invoices represents a significant development in the GST compliance framework. By bringing domestic RCM transactions involving unregistered suppliers and imports of services within the e-invoicing mechanism, the amendment seeks to enhance transaction-level reporting and strengthen compliance.

For businesses already covered under the e-invoicing provisions, the change will require attention not only from the GST and tax teams but also from finance, accounts, procurement and IT functions.

Timely assessment, appropriate system modifications and effective coordination between the relevant departments will be essential to ensure a smooth transition and avoid last-minute compliance challenges ahead of 1 January 2027.

We recommend that businesses undertake an early review of their existing RCM transactions, self-invoicing practices and import-of-services arrangements to assess the implications of this amendment and ensure complete implementation readiness.

Thank you.
Anuj Gandhi

WHAT'S NEW?



GST

- **Advisory on "Multistate Registration" Facility for GST Registration:**
  A new "Multistate Registration" facility introduced which allows Normal Taxpayers to apply for GST registration in multiple States/UTs under the same PAN through a single process.
  - The applicant selects the required States/UTs and receives a Master TRN.
  - Common information such as business details, promoters/partners, authorised signatory, and goods/services is entered once through the Common Registration Information (CRI).
  - After submission, separate TRNs are generated for each State/UT, with the common information auto-populated.
  - The applicant then provides State-specific details, such as PPoB (Principal Place of Business), APoB (Additional Place of Business), State-specific information and Aadhaar authentication.
  - The Master TRN must be submitted within 15 days.
  - Key benefit of this is it eliminates repetitive entry of common information for each State registration, thereby simplifying GST registration and improving ease of doing business.

  [GST Advisory dated 1st Oct 2026]

- FAQs issued on the 57th GST Council Meeting provide clarifications on key GST recommendations, procedural changes and their implications for taxpayers and businesses. They cover GST registration and amendments, cancellation procedures, simplified registration for eligible e-commerce sellers, faster and automated refund processing, and proposed changes to ITC refund calculations, including eligible input services and capital goods from specified dates.

  The FAQs also clarify GST treatment and classification of certain goods, provisions relating to specified waste and scrap transactions, and changes concerning services such as helicopter passenger transport, hotel and restaurant services, and research and development. **These FAQs are intended to improve clarity and ease of compliance; however, they are for educational and guidance purposes and do not have independent legal validity.** The applicable notifications, circulars and effective dates should be referred to before implementing any recommendation or clarification.

  [FAQs published 12th October 2026]

- Annual Returns in the form of GSTR-9/9C for FY 2025-26 have been enabled on the GST portal from 8th October 2026. Taxpayers to ensure that all returns (GSTR 1 and GSTR 3B) for FY 2025-26 are filed to enable the tile of GSTR-9/9C. **[Dated 13th Oct 2026]**

- **Introduction of e-Invoicing Facility for Recipient Generated Self Invoices under Reverse Charge Mechanism for Domestic Supplies from Unregistered Persons (RCMDOM) and Import of Services (RCMIMP):**

  The GST Council, in its 57th meeting has recommended **extending e-invoicing to domestic supplies received from an unregistered person where the tax is payable under reverse charge mechanism, as well as to the import of services, for taxpayers having aggregate annual turnover of Rs. 5 crore and above.** Accordingly, the e-Invoicing system is being enhanced to facilitate the reporting of recipient generated self-invoices under the Reverse Charge Mechanism (RCM). Accordingly, two new supply types, namely RCMDOM (Reverse Charge Mechanism on Domestic) and RCMIMP (Reverse Charge Mechanism on Import of Services), are being introduced to enable reporting of self-invoices for specified domestic supplies received from unregistered persons under RCM and import of services from suppliers located outside India.
  The new functionality would enable eligible registered taxpayers to generate Invoice Reference Numbers (IRNs) for such self-invoices in accordance with the applicable provisions of GST law.
  The scope, applicability and effective date of the requirement would be governed by the applicable notifications and provisions of GST law.
  [Dated 16th Oct 2026]

Notifications

Central Tax

- Provisions of Sections 153 to 155 of the Finance Act, 2026 has been notified and shall come into force w.e.f. **1st day of November, 2026 w.r.t. amendments to CGST Act, 2017 details as under:**

- **Section 15:** The substitution of Section 15(3)(b) significantly liberalises the treatment of post-supply discounts under GST. By removing the rigid requirement that such discounts must be pre-agreed and invoice-linked, the amendment aligns the statutory provision with commercial realities, where discounts are often determined based on post-sale performance, targets, or market conditions.

  - The amendment to section 15(3)(b) is a clear legislative harmonization, by expressly linking valuation adjustment for post-supply discounts to section 34 compliance, the law now ensures that both provisions operate in tandem rather than in isolation

- **Section 34:** Earlier, while section 15 permitted reduction in taxable value for post-supply discounts, section 34 did not explicitly acknowledge such discounts, resulting in uncertainty regarding the legitimacy of credit notes issued for this purpose. Post-amendments, the law establishes a unified framework where post-supply discounts, credit note issuance, ITC reversal, and taxable value adjustment are seamlessly integrated.

- **Section 54:** Considering amendments to this section provisional refund of 90% shall be available in cases of zero-rated supply of goods or services or both, as well as refund of unutilised input tax credit allowed under section 54(3)(ii) i.e. Inverted Tax Structure Refund also, subject to prescribed conditions.
  [Notification No.3/2026-Central Tax dated 26th Oct 2026]

- Now w.e.f. 1st Jan 2027, E-invoicing and IRN generation also covers for the following additional categories in addition to earlier categories as B2B & Exports:

  A. Supplies received from unregistered persons where GST is payable by the recipient under the Reverse Charge Mechanism (RCM).
  B. Import of services.

  [Notification No.4/2026-Central Tax dated 26th Oct 2026]

- **Central Goods and Services Tax (Amendment) Rules, 2026,** The notification introduces wide-ranging amendments to the CGST Rules, 2017, primarily impacting GST registration, e-commerce operations, refund processing, ITC and compliance procedures. Key impacts on businesses as under due to these amended rules:
  - **New GST registration facility (Rule 14B):** E-commerce sellers can obtain GST registration in other States without physical presence by declaring an e-commerce operator's warehouse as their principal place of business, subject to prescribed conditions, including a monthly output tax liability limit of ₹2.5 lakh and operator consent.
  - **GST refund processing:** The refund application acknowledgement timeline is reduced from 15 days to 10 days. If neither acknowledgement nor deficiency memo is issued within 10 days, the application will be deemed acknowledged.
  - **Provisional refunds:** The process is made more system-driven, with risk-based generation of provisional refund orders within three working days of acknowledgement.
  - **ITC and refund computation:** Changes have been introduced in the formula and eligibility criteria for refunds under the inverted duty structure, including treatment of eligible input services and capital goods.
  - **GST registration and cancellation:** Changes have been made to registration particulars, cancellation applications, suspension and revocation procedures

- **GST scrutiny and notices:** Changes to prescribed forms, including DRC-01A, provide greater categorization of proceedings and grounds for tax demands.
- **E-way bill and other procedural changes:** Certain amendments have also been made to transportation documentation, electronic credit ledger utilisation and GST compliance forms.

[Notification No.5/2026-Central Tax dated 26th Oct 2026]

- Amendment to the basic Notification No. 05/2017–Central Tax, by restricting the exemption from GST registration available to persons exclusively making supplies on which the entire GST liability is payable under the Reverse Charge Mechanism (RCM). Now the registration exemption will no longer be available to persons who are also engaged in the supply of the following goods though their entire GST liability is payable under the Reverse Charge Mechanism:
  - Used cooking oil – HSN 1518.
  - Waste and scrap of plastics – HSN 3915.
  - Waste and scrap of tyres – HSN 4004.
  - Metal scrap – Chapters 72 to 81.
  - Electrical and electronic waste and scrap – HSN 8549.

  [Notification No.6/2026-Central Tax dated 28th Oct 2026]

- W.e.f. 1st Nov 2026, Registered Recipients purchasing the following specified goods from registered suppliers will be covered under the amended GST TDS provisions.
  - **Used cooking oil – HSN 1518.**
  - **Plastic waste and scrap – HSN 3915.**
  - **Waste and scrap of tyres – HSN 4004.**
  - **Metal scrap – Chapters 72 to 81.**
  - **Electrical and electronic waste and scrap – HSN 8549.**

  Accordingly Registered Recipients /Buyers should review their TDS applicability and ensure appropriate deduction and deposit of GST TDS, wherever applicable.
  [Notification No.7/2026-Central Tax dated 28th Oct 2026]

Central Tax Rate / Integrated Tax Rate/ UT Tax Rate

- GST rate changes effective from 1st Nov 2026 detailed as under:

  - **Fertilizers and bio-stimulants:** The 2.5% CGST rate entry is clarified to cover all pre-packaged and labelled animal, vegetable and organic fertilizers. It specifically includes seaweed extract-based bio-stimulants registered under the Fertilizers Control Order, 1985.
  - **Retreaded tractor** Tyres: A specific entry is introduced for retreaded Tractor Tyres under HSN 4012, attracting 2.5% CGST.

- **Other Rubber Tyres:** Retreaded or used pneumatic rubber Tyres (other than retreaded Tractor Tyres), solid or cushion tyres, tyre treads and tyre flaps continue to attract 9% CGST.

[Notification No.02/2026-Central Tax Rate/ Integrated Tax Rate/ UT Tax Rate dated 28th Oct 2026]

- W.e.f. 1st Nov 2026, **GST exemption granted to specified psyllium seeds (Isabgol) falling under HSN 1211 90 13** vide provisions of notification No. 10/2025- Central Tax (Rate) dated 17th September, 2025

[Notification No.03/2026-Central Tax Rate/ Integrated Tax Rate/ UT Tax Rate dated 28th Oct 2026]

- **W.e.f. 1st Nov 2026,** Reverse Charge on certain specified supplies of goods under section 9 (3) on following goods when these goods are purchased by registered buyer from unregistered supplier:

HSN Code	Description of goods
1518	Used cooking oil
3915	Waste and scrap of plastics
4004	Waste and scrap of tyres
8549	Electrical and electronic waste and scrap

Registered buyers purchasing the above goods from unregistered suppliers must discharge GST under RCM and avail its ITC.

[Notification No.04/2026-Central Tax Rate/ Integrated Tax Rate/ UT Tax Rate dated 28th Oct 2026]

- Amendment to the definition of **"Nominated Agency"** under Notification No. 26/2018-Central Tax (Rate) as under:

"(c) 'Nominated Agency' means entities mentioned in Appendix 4B of Handbook of Procedures, as amended by the Directorate General of Foreign Trade from time to time;"

[Notification No.05/2026-Central Tax Rate/ Integrated Tax Rate/ UT Tax Rate dated 28th Oct 2026]

- **Changes in GST rates and Input Tax Credit (ITC) conditions for specified services** vide amendments to Notification No. 11/2017-Central Tax (Rate) dated 28 June 2017 detailed as under w.e.f. 1st Nov 2026:

A. Hotel accommodation services

- ITC is permitted on input services procured from another hotel accommodation service provider operating in the same line of business.
- Other ITC on goods and services used for providing the outward service remains restricted.
- Where the supplier charges CGST at a rate higher than 2.5%, ITC is restricted to 2.5% of the value of the same-line input service.

Example:

- Hotel B procures accommodation service from Hotel C for ₹10,000.
- Hotel C charges CGST at 9% = ₹900.
- Hotel B supplies the service at 2.5% CGST.
- Hotel B can claim ITC of only ₹250 (2.5% of ₹10,000), not ₹900.

B. Restaurant services

- ITC on input services procured from another restaurant service provider in the same line of business is permitted.
- ITC on other goods and services used for providing the restaurant service continues to be restricted.
- This applies to restaurant services other than those provided at specified premises.

C. Food supply in trains and at railway platforms

- ITC is permitted on inputs and input services relating to food or other articles for human consumption and drinks procured from:
- Indian Railways;
- IRCTC; or Their licensees.
- Other ITC restrictions continue to apply.

D. Outdoor catering services

- ITC is permitted on outdoor catering services procured from another outdoor catering service provider.
- Where the input service provider charges CGST above 2.5%, ITC is restricted to 2.5% of the value of the input service.

Example:

- Caterer B receives outdoor catering services from Caterer C for ₹60,000.
- Caterer C charges CGST at 9% = ₹5,400.
- Caterer B supplies the outward service at 2.5% CGST.
- Eligible ITC is restricted to ₹1,500 (2.5% of ₹60,000).

E. Transportation of passengers through electric vehicles

- A new entry has been introduced for transportation of passengers through electrically operated vehicles.

Particulars	CGST rate
Passenger transportation through electric vehicles, including battery charging cost	2.5%
Alternative rate	9%

- **Under the 2.5% CGST option:**
  - Battery charging cost must be included in the consideration.
  - ITC on other goods and services is restricted.
  - ITC on same-line input services is permitted, subject to the 2.5% restriction.

F. Renting of electric vehicles for passenger transportation

- A new entry covers renting of electrically operated vehicles designed to carry passengers.
- Battery charging cost must be included in the consideration.
- CGST rate: 2.5%.
- Alternative rate: 9%.
- ITC is subject to the prescribed restrictions and same-line input service credit limitation.

G. Renting of electric vehicles for transportation of goods

- A new entry has also been introduced for renting electrically operated vehicles for transportation of goods.
- CGST rate: 2.5%.
- Alternative rate: 9%.
- Battery charging cost must be included in the consideration.
- ITC is restricted as prescribed under the notification.
- The above CGST rates correspond to 5% and 18% total GST respectively, assuming the corresponding SGST rate.

H. Delivery services through e-commerce operators

- The notification substitutes the entry relating to specified delivery services under Serial No. 12(iii).
- Delivery services supplied through an Electronic Commerce Operator (ECO), where the service provider is not liable for registration under Section 22(1) of the CGST Act.
- Delivery services in relation to goods supplied through an Electronic Commerce Operator.

Particulars	CGST rate
Specified delivery services	2.5%
Total GST (assuming corresponding SGST)	5%
ITC	Not permitted

The no-ITC condition applies to goods and services used in providing the delivery service.

I. **Amendment in definition of Goods Transport Agency (GTA):**
A Goods Transport Agency means any person who provides service in relation to transportation of goods by road and issues a consignment note, by whatever name called.
The revised definition clarifies the requirement of issuing a consignment note.

J. **A new definition has been inserted as:**

"An electrically operated vehicle means a road vehicle which:
- Runs solely on electrical energy;
- Derives energy from an external source or one or more electrical batteries fitted to the vehicle; and
- Includes E-bicycles.

[Notification No.06/2026-Central Tax Rate/ Integrated Tax Rate/ UT Tax Rate dated 28th Oct 2026]

- **Changes in GST exemptions for specified services, vide amendments to Notification No. 12/2017-Central Tax (Rate), dated 28 June 2017 as under:**

Sr. No.	Particulars	Amendment
1	Helicopter transportation	Exemption for passenger transportation on seat-share basis in specified North-Eastern States and Bagdogra
2	Existing exemption – Entry 18	Explanation omitted
3	GTA services – Entry 21A	Excludes specified GTA services relating to goods supplied through ECO
4	Storage and warehousing – Entry 24B	Expanded coverage to cereals, pulses, fruits, vegetables and seeds meant for sowing

5	Seamen's Provident Fund	New exemption
6	Toll collection rights	New exemption for specified government entities
7	Coffee curing	New exemption for curing services supplied to coffee cultivators
8	Definition of GTA	Definition substituted as "A Goods Transport Agency means any person who provides service in relation to transportation of goods by road and issues a consignment note, by whatever name called."
9	Definition of Seed	New comprehensive definition introduced as ""Seed" includes any plant material used or intended for use in propagation or sowing, including: • Seedlings; • Tubers; • Bulbs; • Rhizomes; • Roots; • Cuttings; • All types of grafts; • Tissue culture plantlets; • Other vegetatively propagated material; and • Planting material.

[Notification No.07/2026-Central Tax Rate/ Integrated Tax Rate/ UT Tax Rate dated 28th Oct 2026

- The RCM applicability condition for renting of passenger motor vehicles supplied to body corporates with the revised 18% GST rate. W.e.f. 1 November 2026, where a non-body corporate supplier provides passenger vehicle rental services (including fuel cost) to a body corporate:
    - If the supplier charges 5% GST or 12% GST, RCM applies to the recipient, subject to the prescribed conditions.
    - If the supplier charges 18% GST, no RCM applies, the supplier pays GST under forward charge.

[Notification No.08/2026-Central Tax Rate/ Integrated Tax Rate/ UT Tax Rate dated 28th Oct 2026]

- Rationalise the GST payment mechanism for delivery services provided through e-commerce platforms as under:
- Delivery services supplied through ECOs, other than postal and courier services, are covered under the revised provision.
- Where the actual delivery service provider is not liable for registration under Section 22(1), the ECO continues to pay GST under Section 9(5).
- Where the actual service provider is liable for registration under Section 22(1), the ECO is excluded from Section 9(5) liability.
- The amendment shifts the compliance responsibility to the appropriate person depending on the supplier's registration liability.

[Notification No.09/2026-Central Tax Rate/ Integrated Tax Rate/ UT Tax Rate dated 28th Oct 2026]

- A special GST payment procedure for concessionaires operating under the Toll-Operate-Transfer model as under:
  - The notification applies to specified concessionaires providing O&M services to concessioning authorities.
  - GST is payable on the amount charged or debited from the Escrow Account towards O&M expenses incurred.
  - GST liability arises in the tax period in which the expenditure is charged or debited from the Escrow Account.
  - Concessionaires must strengthen their Escrow Account reconciliation and GST compliance procedures.

[Notification No.10/2026-Central Tax Rate/ Integrated Tax Rate/ UT Tax Rate dated 28th Oct 2026]

Circulars

- **Guidelines issued for the handling applications for GST registration as under:**
  1. **Documentary requirements:** Provides detailed checklists for documents required based on the constitution of business and ownership or possession of the principal place of business.
  2. **Proof of business premises:** Clarifies documentation requirements for owned, rented, leased, consent-based, inherited and co-working premises.
  3. **Restriction on unnecessary queries:** Officers should not demand irrelevant documents such as Udyam certificates or reject applications merely because the applicant's residential address is in another city or State.
  4. **REG-03 notices:** Additional queries should be restricted to specified deficiencies relating to incomplete or illegible documents and discrepancies or inadequacies in business address proof.

5. Registration timelines: Prescribes timelines of:
    - 7 working days for normal processing in applicable cases.
    - 30 days where physical verification is required.
    - 3 working days for eligible applicants under the simplified registration scheme.
6. Deemed approval: Provides for deemed approval where the prescribed processing timelines are not followed, subject to applicable statutory conditions.
7. Grievance mechanism: Applicants facing unnecessary queries or delays can approach the jurisdictional senior GST authorities through the prescribed grievance mechanism.
8. FAQs and formats: Provides 51 FAQs, document checklists and prescribed formats for consent letters, undertakings and affidavits

[Circular No. 257/03/2026-GST dated 26th Oct 2026]

- **Clarification on issues relating to demand, adjudication and appeal proceedings under the CGST Act, 2017 as under:**
    a. **Show Cause Notices (SCNs):** Provides guidelines for proper drafting, issuance and service of notices, ensuring that allegations and legal grounds are clearly specified.
    b. **Pre-SCN intimation:** Clarifies the procedure for issuing pre-show cause notice intimation in FORM GST DRC-01A.
    c. **Personal hearing:** Personal hearing must be granted where requested in writing or where an adverse decision is contemplated under Section 75(4).
    d. **Adjournments:** A maximum of three adjournments may be granted during adjudication, subject to recording reasons.
    e. **Speaking orders:** Adjudication orders must be reasoned, deal with taxpayers' submissions and evidence, and clearly explain the basis of the demand.
    f. **No demand beyond SCN:** Under Section 75(7), the final demand cannot exceed the amount specified in the SCN or introduce grounds different from those mentioned in the notice.
    g. **Rectification of errors:** Provides procedural clarification regarding rectification of errors apparent on the face of records under Section 161.
    h. **First appeals:** Clarifies procedures relating to filing, limitation, withdrawal, additional evidence, personal hearings and disposal of appeals under Section 107.
    i. **Appeal disposal:** Emphasizes reasoned appellate orders and timely disposal of appeals.

[Circular No. 258/04/2026-GST dated 26th Oct 2026]

- **Clarification regarding pre-deposit requirements for GST appeals under Sections 107(6) and 112(8) of the CGST Act, 2017 as under:**
    1. **Admitted liability:** The taxpayer must pay the full amount of tax, interest, penalty, fine and fee admitted by them.
    2. **First appeal –** Section 107(6): Pre-deposit of 10% of the disputed tax is required, subject to the prescribed statutory limits.
    3. **Second appeal** – Section 112(8): An additional 10% pre-deposit is required on the tax liability confirmed by the Appellate Authority and disputed before the Tribunal, in addition to the first appeal deposit.
    4. **Calculation of disputed amount:** The taxpayer must clearly identify admitted and disputed amounts while filing the appeal in FORM GST APL-01 or APL-05.
    5. **Refund of pre-deposit:** Refund can be claimed through FORM GST RFD-01 under the category "On account of order", even if the favorable appellate order does not specifically mention refund.
    6. **Departmental appeal:** Refund cannot be withheld merely because the department intends to file or has filed a further appeal, unless the favorable order is stayed by the Tribunal or Court.
    7. **Interest on refund:** Interest is calculated from the actual date of payment of each pre-deposit, separately for each appellate stage.
    8. **Remand cases:** In a full remand by the Tribunal, the pre-deposit is refundable within the prescribed time. In a partial remand, the confirmed demand and applicable interest are adjusted first, and the balance is refunded.

    [Circular No. 259/05/2026-GST dated 26th Oct 2026]

- **Clarifications on issues pertaining to Input Service Distributor (ISD) under GST:**
    1. **Separate ISD registration:** Each separately registered business vertical or place of business receiving common input service invoices for distribution to distinct persons must obtain ISD registration.
    2. **ITC eligibility:** The recipient of distributed ITC, and not the ISD, must satisfy the conditions prescribed under Sections 16 and 17 of the CGST Act.
    3. **Distribution of ITC:** ITC becomes available for distribution when the ISD determines that the credit is prima facie eligible. Such credit must be distributed in the relevant month.
    4. **ITC reversal:** Any reversal required under Section 17(1), 17(2) or 17(4), read with Rules 38, 42 and 43, must be undertaken by the recipient of ITC and not by the ISD.

5. **Cross-charge invoices:** Invoices issued under Rule 54(1A) for transferring ITC to an ISD are not considered turnover for calculating the ISD distribution ratio.
6. **Refund calculation:** ITC transferred through Rule 54(1A) invoices is not included in Net ITC for refund calculations under Rule 89(4) and Rule 89(5).
7. **Full ITC distribution:** The entity transferring RCM-related ITC to the ISD under Rule 54(1A) must transfer the full eligible credit. Applicable reversals are subsequently undertaken by the recipient.

   [Circular No. 260/06/2026-GST dated 26th Oct 2026]

- **Clarification issued regarding applicability of Section 17(4) of the CGST Act, 2017 – 50% ITC mechanism for Banks, Financial Institutions and NBFCs as under:**
  1. **Eligibility for 50% ITC:** Banking companies, financial institutions and NBFCs engaged in accepting deposits or extending loans and advances can opt for the 50% ITC mechanism under Section 17(4).
  2. **Applicability across registrations:** If one GST registration of an entity opts for Section 17(4), all other registrations of the same entity engaged in accepting deposits or extending loans and advances must also follow this option.
  3. **Registrations not eligible:** GST registrations engaged exclusively in activities other than accepting deposits or extending loans and advances cannot opt for Section 17(4).
  4. **Same PAN transactions:** The relaxation allowing full ITC on supplies between registrations under the same PAN is available only where both the supplier and recipient registrations have opted for Section 17(4).
  5. **ITC reversal in GSTR-3B:** The inadmissible 50% portion of eligible ITC must be permanently reversed in Table 4(B)(1) of GSTR-3B.
  6. **Temporarily ineligible ITC:** ITC which is not currently eligible due to non-fulfilment of Section 16 conditions must be temporarily reversed in Table 4(B)(2). It can be reclaimed when the conditions are fulfilled, subject to Section 16(4).
  7. I**nvoice Management System (IMS)**: The circular clarifies the procedure for handling invoices and reporting eligible and ineligible ITC through IMS and GSTR-3B.
  8. **Past-period relief:** Different methods of reporting ITC in earlier GSTR-3B returns should not attract adverse action if the actual ITC claimed is consistent with the principles clarified in this circular.

     [Circular No. 261/07/2026-GST dated 26th Oct 2026]

- **Clarification on Input Tax Credit (ITC) admissibility on demonstration vehicles purchased by authorised agents appointed by manufacturers for the sale of motor vehicles.**
    1. **Withdrawal of earlier clarification:** Paragraph 4.6 of Circular No. 231/25/2024-GST dated 10 September 2024 has been withdrawn w.r.t. Blockage of ITC on demo vehicles.
    2. **ITC eligibility:** ITC on demonstration vehicles is not blocked under Section 17(5)(a) of the CGST Act, even where the authorised dealer operates merely as an agent of the vehicle manufacturer.
    3. **Dealer-agency model:** Authorised dealers providing marketing and facilitation services to manufacturers can also claim ITC on demo vehicles used for customer test drives.
    4. **Parity between business models:** The circular recognises that demo vehicles serve the same purpose of promoting further supply of similar motor vehicles, whether the dealer sells vehicles on its own account or acts as an agent.
    5. **Section 17(5)(a):** The restriction on ITC for motor vehicles does not apply to such demo vehicles because they are used for further supply of similar motor vehicles.

    [Circular No. 262/08/2026-GST dated 26th Oct 2026]

- **Clarification in respect of receipt of payment for export of goods or services as under:**
    1. **Payment in SNRR accounts:** Export proceeds received in Special Non-Resident Rupee (SNRR) accounts are treated as satisfying the payment condition for export of services, subject to RBI regulations.
    2. **Nostro accounts:** Payment received through INR Nostro or other permitted repatriable INR accounts is also recognised as valid consideration for export of services.
    3. **Set-off transactions:** Adjustment of export receivables against import payables is accepted as receipt of export consideration, subject to applicable RBI regulations.
    4. **Reinsurance brokers:** Net retention of commission from reinsurance premiums, where permitted under FEMA/RBI regulations, is recognised as receipt of consideration.
    5. **Realization period for export of goods:** The time limit for realization of export proceeds will be governed by the applicable RBI Master Directions, including extensions permitted by RBI.
    6. **Relief under Rule 96B:** Refund recovery will not be initiated where the Reserve Bank of India or the Authorised Dealer (AD) bank has permitted write-off of unrealized export proceeds, subject to applicable conditions.

    [Circular No. 263/09/2026-GST dated 26th Oct 2026]

- **Clarification in respect of the omission of rule 96(10) of the Central Goods and Services Tax Rules, 2017 as under:**
    1. **Retrospective applicability:** Omission of Rule 96(10) is to be given effect from 23 October 2017, i.e. the date on which the rule was originally introduced.
    2. **Supreme Court judgment:** The clarification follows the Supreme Court decision in Goodluck India Limited, dated 6 August 2026.
    3. **Pending proceedings:** Proceedings relating to Rule 96(10) pending on the date of its omission cannot continue merely on the basis of the omitted provision, in accordance with the Supreme Court ruling.
    4. **Other related rules:** The same legal treatment applies to omission of Rules 89(4A) and 89(4B) of the CGST Rules.
    5. **Refund claims:** Exporters facing refund rejections or pending demands under these provisions may seek relief in accordance with the circular and applicable judicial directions.

    [Circular No. 264/10/2026-GST dated 26th Oct 2026]

- Clarification regarding classification and applicability of GST on the supply of certain goods based on the recommendations of the GST Council in its 57th meeting held on 8th October 2026, at New Delhi:
    1. **Sublimation Paper:** Classified under HSN 4809 and attracts 18% GST. Past classification disputes are regularized on an "as is where is" basis.
    2. **Toys (HSN 9503):** The concessional toy entries cover all categories of toys under HSN 9503, not merely tricycles, scooters and pedal cars.
        a. **Non-electronic toys:** 5% GST.
        b. **Electronic toys:** 18% GST.
    3. **ITC under Margin Scheme for Used Vehicles:** The restriction on ITC applies only to tax paid on the purchase of second-hand vehicles. Dealers can claim ITC on other eligible business expenses, such as:
        a. Spare parts.
        b. Repairs and maintenance.
        c. Technology services.
        d. Rent.
        e. Marketing and advertising expenses.

    Such ITC is subject to the normal conditions under the CGST Act.
    4. **Seaweed Extract-based Bio-stimulants:** Products registered under Schedule VI of the Fertilizer Control Order, 1985, are classified under HSN 3101 (fertilizers). Past classification disputes are regularized on an "as is where is" basis.

    [Circular No. 265/11/2026-GST dated 28th Oct 2026]

- **Clarifications regarding applicability of GST on certain services as under:**
    1. **R&D services against grants:** For claiming exemption under Entry 44A of Notification No. 12/2017-Central Tax (Rate), a certificate from the head of the eligible institution confirming that the activity is R&D and not consultancy may suffice.
    2. **Foreign shipping companies:** Import of services without consideration by an Indian establishment of a foreign shipping company from its related overseas entity is exempt from 1 November 2026. GST liability for the period 1 July 2017 to 31 October 2026 is regularized on an "as is where is" basis.
    3. **Motor vehicle leasing:** Road tax, registration charges, insurance premiums, FASTag charges and other incidental expenses recovered by the lessor form part of the value of the composite leasing service and attract GST at the applicable leasing rate.
    4. **TRAI:** The Telecom Regulatory Authority of India (TRAI) is a statutory regulatory authority and does not qualify as "Government" under Section 2(53) of the CGST Act, 2017.
    5. **Bank Fund Transfer Pricing (FTP):** Notional interest recorded under the Fund Transfer Pricing mechanism for loans and advances is covered under the definition of interest and is exempt from GST.
    6. **NBFC co-lending arrangements:** Lending-related services provided by NBFCs to banks under co-lending arrangements, including customer sourcing, KYC, credit appraisal, servicing and recovery, are taxable. Value will be determined according to the agreement between the NBFC and the bank.

       [Circular No. 266/12/2026-GST dated 28th Oct 2026]

Instructions

- **Implementation of certain recommendations of the 57th GST Council Meeting held on 8 October 2026, prior to legislative amendments: CBIC has issued instructions directing**

  Central GST field formations to immediately implement three major GST reforms, without waiting for the corresponding amendments to the CGST Act, 2017.

    1. **No further GST arrests:** Central GST officers have been directed not to carry out any further arrests under GST, pending the proposed omission of Section 69 of the CGST Act.

2. **Restrictions on e-way bill inspections:**
    - Conveyances can be intercepted only on the basis of specific intelligence.
    - Written authorisation by an officer not below the rank of Joint Commissioner is required.
    - Reasons for interception must be recorded in writing.
    - Detention or seizure of goods and conveyances is restricted to the specified circumstances.
    - Goods and conveyances in transit cannot be confiscated under Section 130.
3. **Minimum ₹10,000 threshold for SCN:** No Show Cause Notice should be issued under Sections 73, 74 and 74A where the aggregate amount involved is below ₹10,000. The threshold is calculated by aggregating CGST, SGST, IGST, UTGST and Compensation Cess, rather than applying ₹10,000 separately to each tax component

    [Instruction No. 02/2026-GST dated 30th Oct 2026]

CUSTOMS

Notifications

Tariff

- **Reduction in the Basic Customs Duty (BCD) on specified edible oils.** It amends Notification No. 45/2025-Customs dated 24th Oct 2025 and is effective **from 24 September 2026, change in BCD rates are as under:**

Edible oil	Earlier BCD	Revised BCD
Crude Palm Oil	10%	5%
Refined Palm Oil	32.5%	27.5%
Crude Soybean Oil	10%	5%
Refined Soybean Oil	32.5%	27.5%
Crude Sunflower Oil	10%	Nil
Refined Sunflower Oil	32.5%	22.5%

[Notification No.31/2026-Cus dated 23rd Sept 2026]

- The notification provides preferential customs duty concessions for specified goods imported into India from New Zealand, subject to prescribed conditions and rules of origin to give effect to the first tranche of tariff concessions under India - New Zealand Free Trade Agreement.

  [Notification No.32/2026-Cus dated 16th Oct 2026]

- The validity of the customs duty exemption on import of 10 lakh Metric Tonnes of raw sugar (HSN 1701) has been extended from earlier deadline of 31 October 2026 to 31 December 2026.
  [Notification No.33/2026-Cus dated 22nd Oct 2026]

- **W.e.f. 1st Nov 2026 Customs makes four important changes to the consolidated customs exemption framework under Notification No. 45/2025-Customs as under:**

  1. Removal of the specified precious-metal import exemption entry and associated lists.
  2. Revision of vessel tariff classification to heading 8906.
  3. Revised coverage of parts and accessories relating to specified Defence Equipment.
  4. Sunset date of 30 June 2029 for the amended defense-related exemption entry.

  [Notification No.34/2026-Cus dated 28th Oct 2026]

Non-Tariff

- Substitution of the existing entry for Dabhol Port in Maharashtra so as to specify the permitted customs-related activities w.r.t. Ratnagiri Gas and Power Private Limited Power Project & M/s. Square Port Shipyard Private Limited.
  [Notification No.81/2026-Cus (NT) dated 7th Oct 2026]

- The Customs Tariff (Determination of Origin of Goods under the Free Trade Agreement between India and New Zealand) Rules, 2026 has been issued. These rules will be effective from 20th oct 2026.
  [Notification No.82/2026-Cus (NT) dated 12th Oct 2026]

- Identification and addition of Mandalgarh & Bhilwara in the state of Rajasthan as Port of Customs for 'Unloading of imported goods and the loading of export goods or any class of such goods'.
  [Notification No.83/2026-Cus (NT) dated 14th Oct 2026]

- Assignment of SCNs pending before Commissioner of Customs, NS-1 Commissionerate, Mumbai Customs Zone-II to Commissioner of Customs (Adjudication), Mumbai for adjudication purpose and disposing of the show cause notices as specified in the notification.
  [Notification No.84/2026-Cus (NT) dated 15th Oct 2026]

- Revision of AIR of Duty Drawback of Gold jewellery and silver jewellery/ articles as specified in the notification.
  [Notification No.85/2026-Cus (NT) dated 15th Oct 2026]

- Updated tariff values for Edible oils, gold, silver, and areca nuts have been notified. Changes as under effective from 31st Oct 2026:

TABLE-1

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $Per Metric Tonne)
1	**2**	**3**	**4**
1	1511 10 00	Crude Palm Oil	1174
2	1511 90 10	RBD Palm Oil	1200
3	1511 90 90	Others – Palm Oil	1187
4	1511 10 00	Crude Palmolein	1204
5	1511 90 20	RBD Palmolein	1207
6	1511 90 90	Others – Palmolein	1206
7	1507 10 00	Crude Soya bean Oil	1291
8	7404 00 22	Brass Scrap (all grades)	8242

TABLE-2

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $)
1	2	3	4
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 194 of the Notification No. 45/2025-Customs dated 24.10.2025 is availed	1295 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 195 of the Notification No. 45/2025-Customs dated 24.10.2025 is availed	1711 per kilogram
3	71	(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92; (ii) Medallions and silver coins having silver content not below 99.9% or semi manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	1711 per kilogram
4	71	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units; (ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place	1295 per 10 grams

TABLE-3

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $Per Metric Tonne)
1	**2**	**3**	**4**
1	080280	Areca nuts	10,433

[Notification No. 89/2026-Cus (N.T.) Dated 30th Oct 2026]

Anti-Dumping Duty

- Rescind Notification No. 12/2025-Customs (ADD), dated 10th May, 2025 imposing anti-dumping duty on imports of Titanium Dioxide originating in or exported from China PR. And fresh revised Anti-Dumping Duty imposed on imports of 'Titanium Dioxide' originating in or exported from China PR. **[Notification No. 25 & 26 /2026-CUS (ADD) dated 24th Oct 2026]**

Countervailing Duty (CVD)

- Levy of countervailing duty on imports of "Calcium Carbonate Filler Masterbatch" originating in or exported from Vietnam for a period of five years, pursuant to the final findings of DGTR.
  [Notification No. 4/2026 - Cus (CVD) Dated: 23rd Sept 2026]

Circular

- It is clarified that for the purpose of Sr. No.325 of Table I of Notification No.45/2025-Cus dated 24th Oct 2025 (Corresponding to Sr. No.528Cof the erstwhile Notification No.50/2025-Cus dated 30th June 2017) the term 'Power Bank' applies only to such lithium-ion battery devices with charging /discharging ports designed for use as an external charging device for cellular mobile phones or portable electronic devices. Accordingly stationary or grid-scale or industrial lithium-ion BESS falling under tariff item 85076000 are not covered by the exclusion applicable to 'Power Bank' under the said entry.
  [Circular No. 45/2026-Cus Dated 9th Oct 2026]

- Circular issued stating procedural clarity for implementing Anti-Dumping Duty on 'Titanium Dioxide' imports from China while protecting specified end-use categories from ADD. The importers claiming the specified exclusions must make an appropriate declaration and undertaking in the Bill of Entry. Any subsequent use contrary to the declared purpose can attract ADD along with interest and differential duty.
  [Circular No. 46 /2026-Cus dated 27th Oct 2026]

Instructions

- Requirement of Import Permit for non-insecticidal use of insecticides: It is clarified that, since the import permit requirement has now been stipulated in the Insecticide Rules, 1971 by way of the Gazette Notification dated 08.07.2026, the requirement of obtaining an import permit is a statutory requirement and is required to be complied with by all applicants for substances proposed to be imported for non-insecticidal uses, including acrylonitrile.
  [Instruction No.18/2026-Cus Dated 1st Oct 2026]

- CBIC has prescribed the procedure for handling, authentication and forwarding of Export Declaration Forms (EDFs) at Non-EDI Customs locations in line with the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, effective from 1 October 2026.
  [Instruction No. 19/2026-Cus Dated 5th Oct 2026]

- Inclusion of item 'smartphone screen protectors' under the Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021. Accordingly this products must comply with the prescribed standard and applicable compulsory registration requirements w.e.f. 1st April 2027.
  [Instruction No. 20/2026-Cus Dated 7th Oct 2026]

- Instruction issued w.r.t. implementation of the India–New Zealand FTA by formally recognizing electronic Certificates of Origin and simplifying verification procedures. The importers can claim preferential customs duty benefits using valid electronic Certificates of Origin, subject to prescribed documentation, e-Sanchit uploading and origin requirements.
  [Instruction No.21/2026-Cus dated 19th Oct 2026]

CENTRAL EXCISE

- **Special Additional Excise Duty (SAED)** applicable on **exports of diesel** revised from **₹20 per litre to ₹16 per litre,** effective **1 October 2026.**
  [Notification No. 52/2026-Central Excise Dated 30th Sept 2026]

- Revision of Special Additional Excise Duty (SAED) rate on exports of Aviation Turbine Fuel (ATF) outside India from ₹15 per litre to ₹10.50 per litre, effective **1 October 2026.**
  [Notification No. 53/2026-Central Excise Dated 30th Sept 2026]

- Special Additional Excise Duty (SAED) applicable on exports of petro & diesel revised as Rs.2.5 per litre & Rs.8.5 per litre respectively, effective 16th October 2026.
  [Notification No. 54/2026-Central Excise Dated 15th Oct 2026]

DGFT

Notification

- The eligibility timelines under Component II of the EPM RELIEF intervenion are extended up to 31st Mar 2027 to support Indian Exporters and mitigate ligistics challenges arising out of the continuing West Asia Crisis.
  [Notification No.37/2026-27 dated 30h Sept 2026]

- IMP (Minimum Import Price)@ INR 67220 per MT on CIF value imposed on import of Virgi Multi-Layer Paper Board (VPB) has been extended for the period of six months i.e. up to 31st Mar 2027.
  [Notification No.38/2026-27 dated 30h Sept 2026]

- Extension of Minimum Import Price (MIP) Condition of specific items covered under Chapter 29 of ITC HS, 2022, Schedule -I (Import Policy) extended up to 30th Nov 2026.
  [Notification No.39/2026-27 dated 30h Sept 2026]

- Extension of Minimum Import Price (MIP) Condition on Sulfadiazine API covered under Chapter 29 of ITC HS, 2022, Schedule -I (Import Policy) extended up to 30th Nov 2026.
  [Notification No.40/2026-27 dated 30h Sept 2026]

- The RoDTEP Scheme is extended and shall apply to eligible exports from DTA, AA, SEZ, and EOU units up to 31st Dec 2026.
  [Notification No.41/2026-27 dated 30h Sept 2026]

- Para 4.49 of FTP 2023 relating to Special Notified Zones (SNZs) has been amended to enable eligible foreign entities as covered under Entry 13F of the Schedule IV of the Income Tax Act, 2025 to undertake permitted activities.
  [Notification No.42/2026-27 dated 9th Oct 2026]

- The Minimum Import Price (MIP) condition on the import of Glufosinate and its salts falling under specific HS codes as stated in notification of chapter heading 38 stands extended till 12th April 2027.
  [Notification No.43/2026-27 dated 12th Oct 2026]

- The export policy of 'Prepared Culture Media under ITC HS Code 38210000 has been amended to enable issuance of Shipment Clearance Certificate and Health Certificate wherever required or mandatory by the importing country.
  [Notification No.44/2026-27 dated 12th Oct 2026]

- The timeline for duty-free import of raw sugar under the TRQ is extended from 31.10.2026 to 31.12.2026**.**
  [Notification No.45/2026-27 dated 19th Oct 2026]

- The Export of Aganruood oil and Agarwood chips (and allied products) has been permitted from LGBI (Lokpriya Gopinath Bordoloi International) Airport, Guwahati, subject to all applicable statutory and regulatory requirements.
  [Notification No.46/2026-27 dated 30th Oct 2026]

Public Notice

- Further extension of timeline for surrender of un-utilized TRQ quantity allocated for the import of 10 Lakh MT of Raw Sugar up to 15th Oct 2026 which was earlier 30th Sept 2026 subject to payment of an amount equivalent to 0.5% of the CIF value of the surrendered quantities.
  [Public Notice No.30 & 31/2026-27 dated 14th Sept 2026]

- The quantity of 5,841 MT Sugar to be exported to EU from India under TRQ for the year 2026-27 (Oct 2026 to Sept 2027) has been notified.
  [Public Notice No.32/2026-27 dated 9th Oct, 2026]

- Amendment under Para 2.92 and Appendix 2A of the Handbook of Procedures, 2023 for inclusion of Tariff Rate Quotas (TRQs) under the India–New Zealand Free Trade Agreement (Ind-NZ FTA).
  [Public Notice No.33/2026-27 dated 17th Oct, 2026]

- As there is extension of timelines prescribed for surrender of the unutilized TRQ quantity allocated to import of Raw Sugar, accordingly TRQ holders may surrender any unutilized TRQ quantity allocated under said TRQ up to 15th Nov 2026 subject to payment if an amount equivalent to 0.5% of the CIF value pf the surrendered quantity.
  [Public Notice No.34/2026-27 dated 19th Oct, 2026]

- Para 2.51 (d)(v)(iv) of HBOP 2023 is amended to set out in more precise terms the scope of the PSIC exemption for metallic waste and scrap imported from safe countries / regions, including its applicability to eligible consignments cleared through an Inland Container Depot subject to the conditions specified.
  [Public Notice No.35/2026-27 dated 21st Oct, 2026]

- Fixation of four new Standard Input-Output Norms (SIONs) at SION Nos. A-3715, A-3716, A-3717 & A-3718 under "Chemical and Allied Product" (Product Code-'A') to facilitate expeditious issuance of Advance Authorizations by Regional Authorities and ensure uniformity in the application of norms.
  [Public Notice No.36/2026-27 dated 23rd Oct, 2026]

Trade Notice

- Simplified procedure for expedited issuance of import authorizations for silver bullion under ITC(HS) 7106 is issued: To facilitate trade and improve ease of doing business, a simplified procedure is being introduced for expedited issuance of import authorizations, based on self-declaration and trust, for import of silver items falling under the ITC(HS) codes listed in para 1 above, excluding silver dore, with a view to reducing processing time for genuine applicants. Applications accompanied by a self-declaration that the proposed imports shall be made on payment of customs duty at the generally applicable rate, without availing concessions, may be considered for expedited disposal under this procedure. Applications not covered under this category shall be subject to detailed scrutiny and examination on merits in accordance with the applicable policy provisions.
  [Trade Notice No.30/2026-27 dated 13th oct 2026]

- Advisory issued against M/s Julfikar Fashions Limited, Bangladesh as per para 8.07 (d) of Foreign Trade Policy- 2023. Accordingly, all stakeholders are advised to:
  - **i. E**xercise enhanced caution and undertake comprehensive due diligence before entering into any commercial arrangement or transaction with the aforesaid entity;
  - ii. Sensitize and appropriately advise exporters, importers, and other trade participants regarding the concerns associated with this entity;
  - iii. Carefully assess the risk

  [Trade Notice No.31/2026-27 dated 21st Oct 2026]

- Amendments and Clarifications to the Guidelines for Support for Alternative Trade Instruments under Export Promotion Mission (EPM) – Niryat Protsahan as under:
  - **a. Discontinuation of UIN:** The requirement of submitting a declaration of intent and obtaining a Unique Identification Number (UIN) prior to availing the factoring facility is discontinued. Exporters shall henceforth be identified through their Importer Exporter Code (IEC) at all stages of application, claim, and disbursal.
  - **b. Eligible factoring modalities and data filing triggers:** The export factoring modalities and the corresponding data filing triggers are specified at Annexure-I to this Trade Notice.
  - **c. Claim and disbursal procedure:** The step-wise procedure for data upload by the Factor and claim filing by the exporter is elaborated at Annexure-I to this Trade Notice.
  - **d. Eligibility –** Date of export as the relevant event: For the purposes of para 4(i) of Annexure-II to Trade Notice No. 25/2025-26, the relevant event for determining eligibility shall be the date of export as evidenced by the date of filing of the EGM containing the said shipping bill. All eligible claims in respect of export factoring transactions on or after February 20, 2026 may be filed from the date of operationalization of the portal for this intervention.
  - **e. Concurrent availability with Interest Subvention:** For the avoidance of doubt, an eligible MSME exporter availing Interest Subvention for Pre- and Post-Shipment Export Credit (Trade Notice No. 20/2025-26 dated January 02, 2026) may concurrently avail support under this intervention, and vice versa, subject to the conditions specified at Annexure-I to this Trade Notice.

  [Trade Notice No.32/2026-27 dated 26th Oct 2026]

- Constitution of Sub-Committee for Resilience & Logistics Intervention for Export Facilitation (RELIEF) under EXPORT PROMOTION MISSION.
  [Trade Notice No.33/2026-27 dated 30th Oct 2026]

Circular

- It is clarified that import through IIBX is not mandatory for import of items under ITC(HS) 71069221 unless the Import Authorisation specifically imposes such condition. Accordingly Customs Authorities are requested to process clearance of consignments under ITCHS 71069221 in line with this clarification and the conditions of the respective Import Authorisations, as per the extant procedure.
  [Circular No.02/2026-27 dated 9th Oct 2026]

INCOME TAX

Notifications

- Approval to The Schizophrenia Research Foundation (I), Chennai (PAN: AABTS1181R) for Scientific Research as 'other institution' under the category of University, college or other institution, for the purposes of section 45(3)(a)(i) of the said Act of 2025 and rules 32 and 34 of the Income-tax Rules, 2026.
  [Notification No.122/2026 dated 28th Sept 2026]

- Approval to Ashoka Trust for Research in Ecology and the Environment, Bengaluru (PAN: AAATA3176D) for Scientific Research as 'other institution' under the category of University, college or other institution, for the purposes of section 45(3)(a)(i) of the said Act of 2025 and rules 32 and 34 of the Income-tax Rules, 2026.
  [Notification No.123/2026 dated 28th Sept 2026]

- Approval to the Zandu Foundation for Health Care, Mumbai, (PAN: AAATZ1289L) for Scientific Research under the category of Research Association, for the purposes of section 45(3)(a)(i) of the said Act of 2025 and rules 32 and 33 of the Income-tax Rules, 2026.
  [Notification No.124/2026 dated 28th Sept 2026]

- Substitution of FORM NO. 161 vide rule 231 w.r.t. Application for seeking waiver of penalty under section 440(2) of the Income-tax Act, 2025.
  [Notification No.134/2026 dated 8th Oct 2026]

- The Government of the Republic of India and the Government of the Republic of Mauritius, Desiring to amend the Convention between the Government of the Republic of India and the Government of Mauritius for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains, and for the encouragement of mutual trade and investment, signed at Port Louis on 24th August, 1982, as amended by the Protocol signed at Port Louis on 10th May 2016. The same has been notified to give effect to these protocol.
  [Notification No.135/2026 dated 13th Oct 2026]

- **No TDS on Interest Paid by New Development Bank on Maharajah INR Bonds**
  The Central Government has notified that no TDS shall be deducted on interest paid by the New Development Bank on Maharajah INR Bonds under the Income-tax Act, 2025. This benefit is available to Indian residents and Foreign Institutional Investors (FIIs) for bonds issued during tax year 2026-27 and subsequent years. The New Development Bank is required to furnish the prescribed information to the Income Tax Department to avail this exemption.
  [Notification No. 136/2026 dated 19th October 2026]

- **Introduction of Form No. 173A for Exemption on Government Securities**
  The Central Government has introduced Rule 281A and a new Form No. 173A under the Income-tax (Seventh Amendment) Rules, 2026. Taxpayers claiming exemption on interest and capital gains from specified Government securities are required to furnish details of the investor, securities held, purchases, sales, interest earned and capital gains through this form. The form must be duly signed by the Principal Officer. BIS is exempt from providing TIN and SEBI registration details.
  [Notification No. 137/2026 dated 19th October 2026]

- **Non-Applicability of Chapter XIX Provisions to Payments Received by IRRI**
  The Central Government has notified that the provisions of TDS and TCS (Chapter XIX) of the Income-tax Act, 2025 shall not apply to payments received by the International Rice Research Institute (IRRI). This exemption is subject to the conditions prescribed under the United Nations (Privileges and Immunities) Act, 1947, and is to be read along with the Ministry of External Affairs Notification S.O. 3230(E) dated 3rd October 2017.
  [Notification No. 138/2026 dated 28th October 2026]

COMPANY LAW

- Relaxation of additional fees and extension of time for filing of Financial Statements and Annual Returns under the Companies Act, 2013 detailed as under:

  a. the financial statements in e-forms AOC-4, AOC-4 (CFS), AOC 4 (XBRL), AOC-4 NBFC (Ind AS) and AOC-4 CFS NBFC (Ind AS) for the financial year 2025-26 **up to 31st December, 2026 without payment of additional fees.**

  b. for filing annual returns in e-Forms MGT-7 and MGT-7A for the financial year 2025-26 **up to 31st January, 2027, without payment of additional fees.**

  [General Circular No. 05/2026 dated 24th Oct 2026]

- Relaxation of additional fees and extension of time for filing CRA-4 (Cost Audit Report in XBRL format) for FY 2025-26 up to 31st Dec 2026.
  [General Circular No. 06/2026 dated 27th Oct 2026]

FEMA

Notifications

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

  A. Time period for realization of exports:

	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

B. 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 tot eh 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;

- 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.

C. 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. W.r.t. 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.

[Notification No. FEMA 23(R)/(1)/2026-RB dated 22nd Sept 2026]

Circulars

- Master Circular issued for guidelines of Credit Facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs), Banks should take the measures indicated below to step up their advances to SCs/STs.

  [Circular No. RBI/2026-27/272 FIDD.CO.GSSD.BC.No.11/09.09.001/2026-27 dated 1st Oct 2026]

- Online submission of Form A2: Removal of limits on amount of remittance: It has now been decided that Authorised Dealers shall frame appropriate internal guidelines with the approval of their Board or any Board Committee / Management Committee to which powers have been delegated by the Board, for the purpose of online submission of Form A2 and removal of limits on amount of remittance.

  [Circular No. RBI/2026-27/279 A.P. (DIR Series) Circular No. 23]

SEBI

- As part of Project Jagrook SEBI's nationwide investor awareness initiative and as part of Project Jagrook-SEBI's nationwide investor awareness initiative and the upcoming World Investor Week 2026, SEBI has decided to introduce display of investor-centric messages by stock brokers, for the benefit, safety, and education of investors.3.Accordingly, all stock brokers shall be required to prominently display the "investor awareness message(s)", as shared by SEBI, on their websites and trading apps, in the manner prescribed the upcoming World Investor Week.
  [Circular No.: HO/38/24/(15)2026-MIRSD-PODMMC/I/22872/2026 dated 1st Oct 2026]

- Extension of timeline for compliance with terms and conditions by Debenture Trustees (DTs) for carrying out activities outside the purview of SEBI so as to grant an additional period of six months (i.e. upto April 27, 2027) to DTs for ensuring compliance with the said requirements.
  [Circular No. HO/(201)2026 -DDHS-POD1/I/24467/2026 dated 27th Oct 2026]

- Rationalization of periodicity of KYC review for FPIs to reduce compliance burden and promote Ease of Doing Business, it has been decided to increase the periodicity of KYC review of FPIs. The provisions related to periodicity of KYC review applicable to GS-FPIs and SWAGAT-FI FPIs to remain unchanged. Also to dispense with the requirements relating to intimation of change in information at the time of continuance of registration**.**
  [Circular No. HO/19/34/14(10)2026-AFD-POD3/I/24814/2026 dated 30th Oct 2026]

- Extension of timeline with respect to compliance of Digital Accessibility Circulars: Based on the representations received and review of the status of compliance of REs, the extension is granted for "Appointment of IAAP Auditor, Conduct of Accessibility Audit for the digital platforms and Remediation of findings from the Audit" by January 31, 2027 in order to ensure compliance.
  [Circular No. HO/53/12/13(2)2026-ITD5-M2IPC/I/24856/2026 dated 30th Oct 2026]

Beyond The Obvious



GST

- The Calcutta High Court held that once a resolution plan is approved under the Insolvency and Bankruptcy Code, 2016, GST dues for the pre-resolution period that were not lodged as claims during the CIRP stand extinguished and the GST authorities cannot thereafter raise or pursue such dues against the corporate debtor. The Court accordingly quashed an IGST demand of about Rs. 1.68 crore for FY 2021-22.
  [(WPA No. 6268 of 2026, 2026 LLBiz HC(CAL) 240, Judgment dated 01.10.2026]

- The Punjab & Haryana High Court upheld the constitutional validity of Section 16(2)(c) of the CGST Act, but held that the provision cannot be applied in isolation or mechanically. Input tax credit of the recipient cannot be reversed merely because the supplier failed to deposit the tax or its registration was subsequently cancelled.
  [(CWP-34296-2024 (O&M), 2026 LLBiz HC(PNH) 58, Judgment dated 01.10.2026]

- The Bombay High Court held that an appeal under Section 107 of the CGST Act cannot be dismissed for a shortfall in the mandatory pre-deposit without first putting the taxpayer to notice and giving it an opportunity to cure the defect. The Court set aside the rejection of the appeal against a demand of about Rs. 14.77 crore and restored it for decision.
  [(Writ Petition No. 9256 of 2026, 2026 LLBiz HC(BOM) 562, Judgment dated 12.10.2026]

- The Calcutta High Court quashed penalty orders totalling Rs. 25.23 lakh imposed on two detained trucks under Section 129 of the CGST Act, holding that the orders were passed after expiry of the time limit prescribed under Section 129(3) and were therefore without jurisdiction.
  [(WPA No. 3350 of 2026, 2026 LLBiz HC(CAL) 257, Judgment dated 14.10.2026]

- The Madras High Court held that although uploading a show cause notice on the GST portal is a valid mode of service, where the taxpayer does not respond the authority must explore the other statutory modes of service, preferably RPAD. An assessment confirmed without serving the original notice or granting a personal hearing was held to be an empty formality; the assessment order and DRC-07 summary were set aside and remitted, subject to deposit of 25% of the disputed tax.
  [([2026] 191 taxmann.com 448 (Madras), Judgment dated 07.10.2026]

- The Andhra Pradesh High Court held that orders determining tax, interest or penalty passed against a proprietary concern after the death of its proprietor have no legal efficacy, as an order against a dead person is a nullity. The orders were set aside, with liberty to the authority to initiate fresh proceedings only after issuing due notice to the petitioner and affording a hearing.
  [([2026] 191 taxmann.com 516 (Andhra Pradesh), Judgment dated 14.10.2026]

- The Gujarat High Court quashed an IGST demand of Rs. 43.43 crore raised under Section 74 of the CGST Act on common head-office expenses (advertising, IT, audit, legal fees and salaries) that were not cross-charged to branches. The Court held that failure to cross-charge does not by itself establish fraud or suppression; where no invoice is issued and the recipient branch is eligible for full ITC, the value of such services may be treated as nil under Rule 28 of the CGST Rules as clarified by CBIC and the department cannot determine value by proportionate allocation of expenses. The exercise was also held to be revenue neutral.
  [(Gujarat High Court) Gujarat Co-operative Milk Marketing Federation Ltd. (Amul) v. Union of India & Ors., R/Special Civil Application No. 7085 of 2025, 2026 LLBiz HC(GUJ) 151; 2026 TAXSCAN (HC) 1702, reported on 15.10.2026]

- The Bombay High Court set aside a GST demand of Rs. 62.42 lakh where the show cause notices had been uploaded only under the "Additional Notices and Orders" tab of the GST portal instead of the regular section, holding that the taxpayer was thereby denied an effective opportunity to respond.
  [(Writ Petition No. 2968 of 2024, 2026 LLBiz HC(BOM) 586, Judgment dated 16.10.2026]

- A Full Bench of the Telangana High Court held that GST notices and orders are not invalid merely because the PDF downloaded from the portal does not display a visible digital signature. Such documents are valid if they have been electronically authenticated by the proper officer and uploaded on the common GST portal.
  [(W.P. No. 20397 of 2025 & batch, 2026 LLBiz HC(TEL) 76]

- The GST Appellate Tribunal, Thiruvananthapuram Bench, allowed refund of about Rs. 19.79 lakh of IGST that had been paid twice owing to a clerical error in the return, holding that the department cannot retain tax which the taxpayer was not legally required to pay.
  [(Appeal No. APL/52/TVP/2026, 2026 LLBiz GSTAT(THIR) 56, Order dated 16.10.2026]

- The GST Appellate Tribunal, Lucknow Bench, held that a Chartered Accountant's certificate supporting an ITC claim cannot be rejected merely because it was issued after the transactions, where its contents can be verified against contemporaneous records. The appeal for FY 2017-18 was allowed.
  [(Appeal No. APL/1/LCK/2026, 2026 LLBiz GSTAT(LCK) 55, Order dated 06.10.2026]

CUSTOMS

- The CESTAT, Chennai held that where the evidence shows that a single motorcycle (Suzuki Hayabusa) was imported in dismantled parts through two different ports, the consignments are to be treated as one complete vehicle for the purposes of assessment. The appeal against the duty demand of about Rs. 10.36 lakh was partly allowed.
  [(Customs Appeal No. 263 of 2011, 2026 LLBiz CESTAT(CHE) 602, Order dated 06.10.2026]

- The CESTAT, Chennai held that merely introducing an importer to a freight forwarder does not establish involvement in duty evasion and set aside the penalty of Rs. 1 lakh imposed on the employee concerned under the Customs Act, 1962.
  [(Customs Appeal No. 40978 of 2013, 2026 LLBiz CESTAT(CHE) 617, Order dated 15.10.2026]

- The Madras High Court held that disputes regarding confiscation of a vehicle and currency seized in a gold smuggling case are appealable to the CESTAT and not by way of a revision application to the Central Government. The **W.P.(MD) No. 22231 of 2026, 2026 LLBiz HC(MAD) 303, Judgment dated 01.10.2026]**

- The Bombay High Court held that the new restrictions on import of platinum jewellery do not apply to goods that had already arrived in India before the notification was published. Relying on Viraj Impex, the Court held that s uch a notification operates only on goods dispatched after its publication. **[(Writ Petition No. 3274 of 2026, 2026 LLBiz HC(BOM) 582]**

CENTRAL EXCISE

- The CESTAT, Chennai held that the Explanation to Rule 3 of the CENVAT Credit Rules does not bar credit on duty-paid capital goods transferred in the course of a works contract, as the value of such goods falls outside the service tax levy. The denial of credit, along with interest and penalties, was set aside.
  [(Excise Appeal Nos. 40612 and 40613 of 2018, 2026 LLBiz CESTAT(CHE) 609, Order dated 09.10.2026]

- The CESTAT, Chennai held that the absence of a separate Input Service Distributor (ISD) registration does not, by itself, bar CENVAT credit on otherwise eligible input services. The demands for reversal of credit and the related penalties were set aside.
  [(Excise Appeal No. 42248 of 2017, 2026 LLBiz CESTAT(CHE) 622, Order dated 15.10.2026]

- The CESTAT, Chennai held that services for installation and repair of machinery are not excluded from the definition of input service merely because they relate to a plant expansion. The CENVAT credit demand was set aside and remanded for contractor-wise examination and quantification within the normal period of limitation.
  [(Excise Appeal No. 41539 of 2019, 2026 LLBiz CESTAT(CHE) 618, Order dated 15.10.2026]

- The CESTAT, Chennai held that Section 5A(1A) of the Central Excise Act, 1944 does not bar CENVAT credit of service tax paid by job workers and set aside the denial of credit of Rs. 3,91,207 together with interest and penalty.
  [(Excise Appeal No. 41315 of 2016, 2026 LLBiz CESTAT(CHE) 621, Order dated 22.10.2026]

SERVICE TAX

- The CESTAT, Allahabad held that service tax paid by mistake on an exempt service cannot be retained by the Revenue and directed refund of Rs. 36,92,166 along with interest at 12% per annum within three months.
  [(Service Tax Appeal No. 70004 of 2025, 2026 LLBiz CESTAT(ALL) 595, Order dated 01.10.2026]

- The CESTAT, Mumbai held that a refund of about Rs. 5.92 crore cannot be claimed merely on the basis of a subsequent departmental clarification without first challenging or modifying the self-assessment. The assessee's appeals were dismissed and the Revenue's appeals allowed.
  [(Service Tax Appeal No. 87176 of 2018 & connected appeals, 2026 LLBiz CESTAT (MUM) 605, Order dated 08.10.2026]

- The Madras High Court held that payment of VAT on fit-out charges does not take the transaction outside the service tax net, as a part of the lease consideration is attributable to the fit-outs. CENVAT credit on the input services was upheld and the department's appeal against the CESTAT order was dismissed.
  [(CMA No. 1374 of 2018, 2026 LLBiz HC(MAD) 319, Judgment dated 12.10.2026]

- The CESTAT, New Delhi held that fees collected on sale of tender documents are not consideration for a taxable service and set aside the service tax demand along with interest and penalty.
  [(Service Tax Appeal No. 50014 of 2020, 2026 LLBiz CESTAT(DEL) 614,
  Order dated 13.10.2026]

- The CESTAT, Kolkata held that royalty paid to partners for allowing the firm to use a jointly owned trademark is not liable to service tax in the absence of a service provider–service recipient relationship and allowed the partners' appeals.
  [(Service Tax Appeal No. 75208 of 2020, 2026 LLBiz CESTAT(KOL) 625,
  Order dated 14.10.2026]

- The CESTAT, New Delhi upheld a service tax demand on hiring of transit mixers, holding that the arrangement was not a Goods Transport Agency service. Following K.P. Mozika v. ONGC, the Tribunal distinguished between transfer of the right to use goods and provision of a service.
  [(Service Tax Appeal No. 51146 of 2022, 2026 LLBiz CESTAT(DEL) 623,
  Order dated 16.10.2026]

- The CESTAT, Mumbai held that overseas Local Area Representatives engaged for film production acted as intermediaries and the place of provision of their services was outside India. The service tax demand of about Rs. 46.41 crore raised under reverse charge was set aside.
  [(Service Tax Appeal No. 85323 of 2023, 2026 LLBiz CESTAT(MUM) 620]

INCOME TAX

- The Andhra Pradesh High Court declared Section 147A of the Income-tax Act, 1961 (inserted retrospectively by the Finance Act, 2026 to empower Jurisdictional Assessing Officers to issue notices under Sections 148 and 148A) unconstitutional. The Court held that the amendment did not remove the basis of the earlier judgments, as Section 148 continued to be covered by the faceless scheme under Section 151A and that a provision could not be inserted into the repealed 1961 Act. The reassessment proceedings were set aside as without jurisdiction.
  [(WP No. 28520 of 2023, 2026 LLBiz HC(APH) 55, Judgment dated 12.10.2026]

- The Bombay High Court held that the difference between the subscription price and the fair market value of rights shares allotted proportionately cannot by itself be taxed under Section 56(2)(x) where the shareholding percentage remains unchanged and no disproportionate benefit is shown. The reassessment over an alleged benefit of about Rs. 329 crore from Vodafone Idea rights shares was quashed.
  [(Writ Petition No. 4298 of 2026, 2026 LLBiz HC(BOM) 591, Judgment dated 22.10.2026]

- The Gujarat High Court quashed a reassessment notice under Section 148 for AY 2022-23, holding that an entry in a seized broker's register having no live link with the assessee and at best reflecting an asking rate for land, does not prove a concluded transaction and cannot constitute information suggesting escapement of income.
  [(R/Special Civil Application No. 13210 of 2026, 2026 LLBiz HC(GUJ) 155, Judgment dated 08.10.2026]

- The Karnataka High Court held that before reopening an assessment on the allegation of undisclosed turnover of Rs. 13.39 crore, the department must disclose its computation and supporting material to the assessee. The order under Section 148A, the related approval and the reassessment notice were quashed.
  [(Writ Petition No. 28400 of 2026 (T-IT), 2026 LLBiz HC(KAR) 203, Judgment dated 07.10.2026]

- The Telangana High Court set aside directions issued under the General Anti-Avoidance Rules (GAAR) against an LLP and allowed set-off of a short-term capital loss of Rs. 49.32 crore against long-term capital gain arising from the sale of a business.
  [(Writ Petition No. 21210 of 2022, 2026 LLBiz HC(TEL) 77, Judgment dated 13.10.2026]

- The Sikkim High Court quashed reassessment proceedings for three assessment years, holding that an audit objection merely expressing a contrary opinion on an issue already examined in the original assessment cannot alone justify reopening, since Section 149(1)(b) concerns new evidence and not a change of opinion.
  [(W.P.(C) Nos. 39/2022, 13/2024 & 50/2025, 2026 LLBiz HC(SIK) 4, Judgment dated 14.10.2026]

- The ITAT Ahmedabad held that cash received from customers by a petrol pump owner during demonetisation cannot be treated as unexplained money under Section 69A merely because customer confirmations were not furnished and deleted the addition of Rs. 34.40 lakh for AY 2017-18.
  [(ITA No. 3130/AHD/2026, 2026 LLBiz ITAT(AHM) 294, Order dated 19.10.2026]

- The Calcutta High Court held that a respondent may file a cross-objection in an appeal under Section 260A of the Income-tax Act proposing additional substantial questions of law, as the relevant provisions of the Code of Civil Procedure apply; such cross-objection is maintainable subject to the respondent satisfying the Court that the questions framed are substantial questions of law within the scope of Section 260A.
  [(ITA No. 124 of 2019, [2026] 191 taxmann.com 401 (Calcutta), Judgment dated 14.10.2026]

- The Delhi High Court set aside a best judgment assessment under Section 144 read with Section 144B, holding that the Assessing Officer, after allowing only four days to reply to a show cause notice, viewed the assessee's reply and request for a video-conference hearing on the portal but passed the order without considering the reply, without closing the assessee's right to reply and without granting the hearing, in violation of natural justice.
  [(W.P.(C) 6249/2026, [2026] 191 taxmann.com 576 (Delhi), Judgment dated 14.10.2026]

- The ITAT Jaipur held that although TDS is deductible on Leave Travel Concession reimbursed for journeys involving a foreign leg, a bank that was prevented from deducting such TDS by an order of the Madras High Court cannot be treated as an assessee in default under Section 201 for AY 2017-18.
  [([2026] 191 taxmann.com 434 (Jaipur - Trib.), Order dated 13.10.2026]

- The ITAT Ahmedabad held that late fee paid under GST for delayed filing of returns is allowable as business expenditure and is not hit by Explanation 1 to Section 37(1). On the addition under Section 69, the Tribunal held that bank reconciliations, confirmation from the borrower who repaid the loan and documents evidencing LIC maturity and FD/OD withdrawals would sufficiently substantiate the source of capital introduced and remanded the matter to the Assessing Officer for verification.
  [(, [2026] 191 taxmann.com 560 (Ahmedabad - Trib.), Order dated 16.10.2026]

COMPANY LAW AND IBC

- The Supreme Court held that for an appeal under Section 62 of the IBC, limitation runs from the date the NCLAT pronounces its order and not from the date the certified copy is collected. Under Section 12(2) of the Limitation Act only the time requisite for obtaining the copy is excludable and time spent before applying for it cannot be excluded. The appeal, filed beyond the 60-day outer limit, was dismissed as time-barred.
  [(Civil Appeal No. 7882 of 2023, 2026 SCC OnLine SC 2150, Judgment dated 14.10.2026]

- The Supreme Court held that a company's profitability is irrelevant to whether a default has occurred for admission under Section 7 of the IBC. The test at the admission stage is a summary, prima facie one based on the documentary record; disputes over the quantum do not prevent admission and a record of default from an Information Utility carries a strong presumption that can be displaced only by clear and cogent material.
  [(Civil Appeal No. 12195 of 2025, 2026 INSC 1134, Judgment dated 15.10.2026]

- The NCLAT upheld admission of CIRP under Section 9 of the IBC, holding that TDS records, input tax credit claims and ledger entries together established both the supply of goods and the existence of an outstanding operational debt.
  [(Company Appeal (AT) (Insolvency) No. 1571 of 2025, 2026 LLBiz NCLAT 399, Judgment dated 14.10.2026]

- The NCLAT held that once the bankruptcy estate vests in the Bankruptcy Trustee, a bankrupt personal guarantor cannot withdraw or deal with the funds in her bank account and dismissed her appeals against orders directing return of Rs. 19,17,500.
  [(Company Appeal (AT) (Insolvency) Nos. 1172 & 1173 of 2026, 2026 LLBiz NCLAT 393, Judgment dated 07.10.2026]

- The NCLT held that a dissenting financial creditor is entitled to receive at least the liquidation value of its security interest and the Committee of Creditors cannot cap that entitlement by reference to the total value of the resolution plan.
  [(A(I.B.C)/480(MB)/2026 in CP (IB) 783 (MB) of 2021, 2026 LLBiz NCLT(MUM) 1006, Order dated 07.10.2026]

- The NCLT held that a government company incorporated under the Companies Act is not exempt from the IBC merely because it performs public welfare functions and admitted the insolvency petition against it.
  [(CP (IB) No. 306/BB/2025, 2026 LLBiz NCLT(BEN) 1025, Order dated 12.10.2026]

MSME

- The Delhi High Court held that registration as a micro or small enterprise after execution of the contract does not bar the supplier from invoking Section 18 of the MSMED Act, relying on NBCC (India) Ltd. v. State of West Bengal. Since the Facilitation Council had only referred the dispute to arbitration after failed conciliation without adjudicating the claims, no prejudice was caused and the parties were left to raise their contentions before the arbitral tribunal.
  [(2026:DHC:9282, Judgment dated 19.10.2026]

- The Calcutta High Court held that under Section 19 of the MSMED Act, a challenge to a Facilitation Council award by a party other than the supplier cannot be entertained unless 75% of the awarded amount is deposited. This bar operates independently of the limitation under Section 34 of the Arbitration Act and the Section 34 petitions restored without a valid deposit were dismissed as not entertainable.
  [((2026) ibclaw.in 5810 HC, reported on 22.10.2026]

INTELLECTUAL PROPERTY RIGHTS

- The Delhi High Court granted an ex-parte ad-interim injunction restraining the use of the registered EXPERION marks (including "EXPERION EMERELLE RESERVE") on a website falsely posing as an authorised channel partner and directed the domain name registrar to take down and block the infringing website within 72 hours of notice and to disclose the registrant's details in a sealed cover.
  [(CS(COMM) 1152/2026, Order dated 16.10.2026]

- A Division Bench of the Bombay High Court held that novelty and infringement under the Designs Act, 2000 are to be assessed by the visual "eye" test, comparing the designs as a whole rather than dissecting minute differences. Setting aside the Single Judge's refusal of interim relief, the Court restored the injunction restraining Stove Kraft from dealing in its Pigeon ceiling fan deceptively similar to Atomberg's registered fan design.
  [(Commercial Appeal (L) No. 14941 of 2026, 2026 LLBiz HC(BOM) 597, Judgment dated 16.10.2026]

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