Month -OCT 2026 | Volume-388

Bizsol
...partners in strategy

WEEKLY UPDATE



Bizsolindia Services Pvt. Ltd.
Business Advisory & Assurance | Taxes and Regulatory Outsourcing | IT Solutions

Whastapp Update
+91 77 090 41000

Email
corporate@bizsolindia.com

Website
www.bizsolindia.com

Table of Content

WEEKLY UPDATE

PARTICULARS	PAGE NO
GST	03-19
CUSTOMS	20-23
DGFT	24-26
INCOME TAX	26-27
COMPANY LAW	27
SEBI	28

GST

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. **Invoice 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

- 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

- 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.	1187
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 Ton)
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]

Circular

- 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.
  [Notification No. 46 /2026-Cus dated 27th 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]

DGFT

Notification

- 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

- 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

- 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. Exercise 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.32/2026-27 dated 30th Oct 2026]**

INCOME TAX

Notifications

- **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]

SEBI

- 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]



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

Periodic Stock Audit | Perpetual Stock Audit | Asset Tagging | Asset Verification

Verification of Assets and Inventory

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

Call us on +919860051518 | Email us on :- corporate@bizsolindia.com

“

A strong mind transforms positive thoughts into meaningful actions, and when intelligence is combined with genuineness, it leads a person not only to the heights of success but also to the highest level of respect and admiration.

“Trusted Partners in Strategy Offering Creative Tax, Legal & Business Solutions - Concept to Completion.”

Bizsol

...partners in strategy

Whastapp Update
+91 77 090 41000

Email
corporate@bizsolindia.com

Website
www.bizsolindia.com