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GGi INDEPENDENT MEMBER



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EDITORIAL

Dear Readers

During the month of October 2026 Mr. Raghu Marwah, CEO attended a NIRC Conference on 'Roadmap towards Indian Big Firms' and a Roundtable with the Dubai Department of Economy and Tourism (DET).

On the Regulatory front, the Reserve Bank of India (RBI) has introduced a revised Export Declaration Framework (EDF) under the Foreign Exchange Management (Export and Import of Goods and Services) Regulation 2026 effective from 1 October 2026. The EDF replaces the earlier SOFTEX form used by software exporters and integrates the EDPMS.

On the Assurance front, the National Financial Reporting Authority (NFRA) has published Series 6 of its "Auditor-Audit Committee Interactions" on Going Concern Assessment under SA 570 (Revised). The NFRA lays down 35 potential questions from the Audit Committee to identify how the auditor has dealt with the six reporting situations under SA 570 (Revised) while evaluating the managements analysis of the going concern assumption.

RNM Capital Trust, an Alternative Investment Fund (AIF) category 3 based out of Gift City catering to Non Residents continues its outperformance compared to the Nifty, inspite of heightened volatility and correction during the month in the broader markets.

RNM Tower, our green certified commercial leasing building in Mohan Co-operative, New Delhi during the month signed a floor with a global leader in hybrid working for a new co-working centre. We are very thankful to the real estate broker community for supporting our initiatives.

We would like to take this opportunity of wishing all our readers Happy Diwali on 08 November. On this day we celebrate the spiritual triumph of light over darkness when Lord Rama returned back to Ayodhya after exile.

U N Marwah
Chairman - RNM India

Direct Tax



Diya — The Light of New Perspectives

Important Circulars / Notification

1. NOTIFICATION G.S.R. 871(E). [NO. 134/2026/F. NO. 370142/33/2026-TPL] DATED 8-10-2026

The CBDT revises Form No. 161 to enable applications for waiver of penalty under section 440(2) of the Income Tax Act, 2025.

2. NOTIFICATION NO. S.O. 5694(E) [NO. 136/2026/F. NO. 400/01/2026-IT(B)], DATED 19-10-2026

The CBDT exempts interest on New Development Bank's Maharajah INR Bonds from TDS.

3. CBDT prescribes conditions for merger of registered non-profit organisations and notifies Form No. 112A [NOTIFICATION NO. 139/2026 dated 30.-10-2026]

The CBDT has inserted Rule 189A prescribing conditions under sections 352(4) and 354A of the Income-tax Act, 2025 for merger of a registered non-profit organisation with another having the same or similar objects. The Board has also notified Form No. 112A for intimating the merger of registered non-profit organisations within one month from the end of the month in which the merger takes effect.



Important Circulars / Notification

Part-A. Domestic Tax - Case Law

1. Late fee paid under GST for delayed filing allowable as business expenditure; not hit by Explanation 1 to sec. 37(1): ITAT

[2026] 191 taxmann.com 560 (Ahmedabad - Trib.) Smit Navnitlal Soni v. Income-tax Officer

Where assessee paid late fee under GST law, such payment was not for an offence or act prohibited by law within meaning of Explanation 1 to section 37(1), and is therefore an allowable business expenditure.

2. GAAR can't be invoked where share losses resulted from market movements beyond the assessee's control: HC

[2026] 191 taxmann.com 514 (Telangana-HC) EKGE Retail LLP v. Assistant Commissioner of Income-tax

Where petitioner purchased listed company shares before bonus issue and sold equivalent shares post-bonus, resulting in short-term capital loss set off against long-term capital gains from slump sale, such transactions did not qualify as impermissible avoidance arrangements under section 96 and petitioner was entitled to set off short-term capital loss against long-term capital gains under section 70(2).

3. Reassessment proceedings invalid as approval u/s 151 was granted mechanically without independent application of mind: ITAT

[2026] 191 taxmann.com 27 (Chandigarh - Trib.) Nahar Industrial Enterprises Ltd. v. ACIT

Where approval under section 151 for reopening assessment was granted mechanically by merely recording "fit case" without independent examination of reasons recorded by Assessing Officer or material relied upon for reopening, such approval suffered from non-application of mind and could not constitute valid statutory sanction, rendering reassessment proceedings invalid.

4. Addition based solely on uncorroborated sec. 132(4) search statement unsustainable; CIT(A) deletion upheld: ITAT

[2026] 190 taxmann.com 517 (Indore - Trib.) Texmo Pipes and Products Ltd. v. Deputy Commissioner of Income-tax, Central-1

Where addition of Rs. 13.24 crores was made solely on basis of director's statement during search without any corroborative evidence or documents directly linking amount, and further, discrepancies cited were either duplicative or already explained in disclosed income, such addition could not be sustained on uncorroborated statement alone and deletion of addition was justified.

5. Fresh claims barred under sec. 264 if no revised return filed : SC

[2026] 191 taxmann.com 492 (SC) Orissa Rural Housing Development Corporation Ltd. v. Assistant Commissioner of Income-tax

Where assessee failed to file revised return within prescribed time and did not claim deductions in original or revised return, such deductions could not be claimed later through revisional jurisdiction under section 264.

6. SLP dismissed: reassessment to tax sec.54F exempt capital gains as business income on mere change of opinion was invalid

[2026] 191 taxmann.com 268 (SC) Assistant Commissioner of Income-tax v. Dignesh Pramukhlal Patel

SLP dismissed against order of High Court that where assessee's claim of capital gains exemption under section 54F was accepted in scrutiny under section 143(3), reassessment proceedings initiated to tax said income as business income solely on ground of change in control and directorship of company whose shares were sold, constituted mere change of opinion and thus, orders under sections 148A and 148 were not permissible.

7. Penalty proceedings to be kept in abeyance during pendency of quantum appeal u/s 275(1)(a): HC

[2026] 191 taxmann.com 203 (Delhi-HC) Isha Travels and Tours (P.) Ltd v. Assistant Commissioner of Income

Where assessee's appeal against quantum assessment was pending before Commissioner of Income Tax (Appeals), Assessing Officer could not proceed with penalty proceedings or issue demand due to embargo under section 275(1)(a), making any penalty proceedings initiated during pendency of quantum appeal without jurisdiction and to be kept in abeyance till disposal of such appeal.

8. ESOP discount allowable as revenue expenditure : HC

[2026] 190 taxmann.com 1001 (Kerala -HC) Principal Commissioner of Income-tax v. Geojit Financial Services Ltd

Where assessee incurred discount on shares allotted under ESOPs, such discount was allowable as revenue expenditure.



Part-B. International Tax - Case Law

1. Foreign live broadcasting rights payments not taxable as royalty absent use of a process under section 9(1)(vi): HC

[2026] 191 taxmann.com 617 (Delhi-HC) Principal Commissioner of Income-tax-4 v. Lex Sportel Vision (P.) Ltd

Where assessee-company made foreign remittances to an overseas rights holder for broadcasting services and such payments were not for use of any process, those payments could not be treated as royalty and were not chargeable to tax in India in hands of overseas rights holder.

2. No TDS on sales commission paid to foreign agents having no business connection or PE in India: HC

[2026] 191 taxmann.com 742 (Gujarat-HC) Commissioner of Income-tax v. Asiatic Colour Chem Inds. Ltd

Where assessee paid sales commission to non-resident foreign agents who operated entirely outside India and had no business connection or establishment in India, such income did not accrue or arise in India, so assessee was not liable to deduct tax at source on these payments and corresponding TDS default provisions were not attracted.

3. Assessment quashed as AO failed to implement DRP directions to exclude certain comparables u/s 144C: ITAT

[2026] 190 taxmann.com 1019 (Bangalore - Trib.) Cardinal Health International India (P.) Ltd. v. Deputy Commissioner of Income-tax

Where Assessing Officer, after DRP directed exclusion of specific comparables from transfer pricing computation, failed to give effect to these binding directions and instead retained the adjustment as proposed by TPO, non-compliance with section 144C(13) constituted a legal violation, making such final assessment order liable to be quashed.

4. Reassessment on TDS default unenforceable once ITAT holds assessee not in default under section 201: SC

[2026] 191 taxmann.com 337 (SC) Principal Officer LG Electronics India (P.) Ltd. v. Assistant Commissioner of Income-tax

Where reassessment notices were issued alleging failure to deduct tax at source under section 195 on remittances to associated enterprises and consequent disallowance under section 40(a)(i), but ITAT held that no tax liability arose in hands of payee and assessee could not be treated as an assessee-in-default under section 201, no disallowance could be made and reassessment proceedings initiated solely on that ground were unenforceable.



Indirect Tax



Phooljhadi — Sparks of Insight

GST Calendar – Compliance for the month of October 2026.

Nature of Compliances	Due Date
GSTR-7 (Tax Deducted at Source 'TDS')	Nov 10, 2026
GSTR-8 (Tax Collected at Source 'TCS')	Nov 10, 2026
GSTR-1	Nov 11, 2026
IFF- Invoice furnishing facility (Availing QRMP)	Nov 13, 2026
GSTR-6 Input Service Distributor	Nov 13, 2026
GSTR-2B (Auto Generated Statement)	Nov 14, 2026
GSTR-3B	Nov 20, 2026
GSTR-5 (Non-Resident Taxable Person)	Nov 20, 2026
GSTR-5A (OIDAR Service Provider)	Nov 20, 2026
PMT-06 (who have opted for QRMP scheme)	Nov 25, 2026



Key Highlights of October 2026

57th GST Council Recommendations

GST BEYOND COMPLIANCE: HOW DATA, TECHNOLOGY AND ENFORCEMENT ARE RESHAPING TAX GOVERNANCE IN INDIA

Introduction

The introduction of the Goods and Services Tax marked a defining milestone in the evolution of India's indirect taxation system. Over the years, however, the framework has progressed considerably beyond its original objective of consolidating the indirect tax structure. The increasing deployment of digital infrastructure, analytical capabilities and interconnected information systems has fundamentally transformed the manner in which tax compliance is monitored and enforced.

The contemporary GST framework operates in an environment of extensive digital information, wherein commercial transactions, statutory disclosures and financial records generate interconnected data trails. This has enabled tax authorities to adopt more sophisticated methods of identifying potential irregularities, evaluating compliance behaviour and initiating targeted verification proceedings. Consequently, the traditional understanding of GST compliance, largely centred on return filing and timely discharge of tax liabilities, is steadily giving way to a broader framework of regulatory accountability and organisational tax governance.

Reorientation of GST Compliance Towards Institutional Governance

The initial phase of GST implementation required businesses to navigate legislative uncertainties, procedural complexities and substantial changes to their accounting and reporting systems. During this period, the principal emphasis remained on establishing statutory compliance mechanisms and ensuring operational alignment with the newly introduced tax structure.

The present regulatory environment demands a considerably wider approach. The adequacy of a taxpayer's compliance framework is increasingly assessed through the reliability of its internal processes, consistency of statutory disclosures and ability to substantiate the tax treatment adopted for commercial transactions. This has effectively elevated indirect taxation from a functional responsibility of the finance department to an organisational governance consideration, requiring coordinated oversight by finance, legal, procurement, technology and senior management teams.



Data Analytics as an Instrument of Regulatory Oversight

The expanding availability of digital information has significantly strengthened the analytical capabilities of GST authorities. Information generated through GST returns, e-invoicing, e-way bills, customs transactions and other statutory reporting mechanisms provides a substantial foundation for examining taxpayer behaviour and identifying potential areas of non-compliance.

More importantly, the ability to correlate information across different reporting platforms has introduced a new dimension to departmental scrutiny. Variations in turnover disclosures, unusual patterns of input tax credit accumulation, inconsistencies in transaction reporting and discrepancies between financial records and statutory returns can be identified through analytical examination. Accordingly, departmental intervention is increasingly influenced by identifiable data patterns and risk indicators rather than being confined to conventional audit procedures.

For businesses, this development necessitates greater attention to the accuracy, consistency and traceability of information furnished across regulatory platforms.

E-Invoicing: Transforming the Dynamics of Transaction Verification

The e-invoicing framework has materially strengthened the digital architecture supporting GST administration. The availability of structured invoice-level information enables systematic verification of reported transactions and facilitates comparison with corresponding GST returns and other transaction records.

This has reduced the time lag between the occurrence of a transaction and its visibility within the tax administration system. Discrepancies relating to invoice reporting, tax classification, taxable value and return disclosures can consequently become apparent at an earlier stage. For organisations operating through multiple business locations or complex ERP environments, the integration of accounting systems, invoicing processes and statutory reporting has therefore assumed considerable importance.

The emphasis is no longer restricted to the correctness of tax computation; the integrity of the underlying transaction data has become equally significant.

Input Tax Credit: Increasing Emphasis on Transactional Authenticity

The entitlement to Input Tax Credit remains one of the most consequential and extensively contested aspects of GST. The assessment of ITC claims has increasingly involved examination of the underlying commercial transaction, the conduct of the supplier and the supporting documentary trail maintained by the recipient.

Departmental enquiries frequently extend to supplier registration particulars, return filing patterns, tax payment compliance and the commercial substance of the transactions undertaken. This has brought the recipient's entitlement to credit into closer scrutiny, particularly in circumstances involving supplier default, suspected non-genuine entities or alleged irregularities within the supply chain.

The resulting compliance challenge is twofold: businesses must ensure adherence to the statutory conditions governing ITC entitlement while maintaining sufficient contemporaneous evidence to substantiate the genuineness of their purchases. Vendor assessment and periodic compliance monitoring have consequently become integral elements of indirect tax risk management.

Technology-Led Enforcement and Identification of Tax Risks

The growing use of digital information has enabled tax authorities to identify potential irregularities through a more targeted enforcement mechanism. Analytical examination of transactional information may reveal inconsistencies such as disproportionate credit accumulation, unusual movement of goods, variations in declared turnover or unexplained differences between accounting records and GST disclosures.

Such information may provide the basis for further verification, scrutiny or investigation by the competent authorities, subject to the applicable statutory provisions and procedural requirements. The increasing role of the Directorate General of GST Intelligence and other enforcement formations in examining complex transactional arrangements further illustrates the changing character of GST administration.

Businesses must therefore recognise that information disclosed through one statutory mechanism may be examined alongside information furnished under another. Maintaining consistency between financial statements, GST returns, e-invoice records and supporting commercial documentation is essential to addressing potential regulatory concerns.

Judicial Oversight and the Preservation of Taxpayer Rights

The increasing sophistication of tax administration must necessarily operate within the boundaries established by the GST legislation and constitutional principles. Technological capabilities may facilitate the identification of potential tax irregularities; however, the exercise of statutory powers remains subject to jurisdictional requirements, procedural safeguards and the principles of natural justice.

Judicial intervention in matters concerning ITC restrictions, provisional attachments, investigative proceedings and the invocation of fraud-related provisions demonstrates the importance of maintaining this balance. Courts have consistently examined whether departmental actions are supported by the necessary statutory conditions and whether the prescribed procedural requirements have been observed.

The evolving judicial landscape reinforces an important proposition: the effectiveness of tax enforcement cannot be measured independently of its legality. A robust GST administration must combine technological efficiency with procedural fairness and accountability.

Recalibrating Business Processes for the Emerging Regulatory Environment

The changing nature of GST administration requires businesses to reconsider the adequacy of their existing compliance arrangements. Periodic return reconciliation, examination of vendor credentials, verification of ITC eligibility and review of contractual tax positions should form part of a continuous internal monitoring process rather than being undertaken exclusively at the time of annual compliance.

Equally important is the maintenance of appropriate documentation, internal approval mechanisms and clearly defined responsibilities for tax-related decisions. Organisations with multiple establishments, extensive procurement networks or complex contractual arrangements should place particular emphasis on identifying potential exposure areas before they develop into departmental disputes.

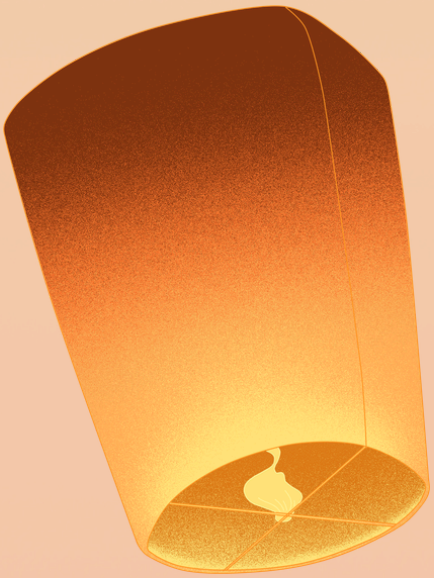
An effective GST framework must therefore integrate statutory compliance with internal assurance, operational discipline and management oversight.

The Emerging Direction of GST Administration

The trajectory of GST administration indicates a continuing movement towards greater digitisation, information integration and analytical scrutiny. Developments in artificial intelligence, advanced data processing and automated compliance systems are likely to further enhance the capacity of tax authorities to identify anomalies and undertake targeted verification.

This transformation will require businesses to place greater reliance on integrated technology systems and structured compliance processes. At the same time, the increasing availability of information presents an opportunity for organisations to strengthen their own internal monitoring mechanisms, identify discrepancies at an early stage and minimise avoidable tax exposure.

The ability to anticipate regulatory concerns, rather than merely respond to departmental communications, is likely to become an important differentiator in the management of indirect tax risks.



CBIC ISSUES COMPREHENSIVE CLARIFICATIONS FOLLOWING THE RECOMMENDATIONS OF THE 57TH GST COUNCIL MEETING

Based on CBIC Circular Nos. 257 to 264/2026-GST, all dated 26 October 2026

Executive Summary

Pursuant to the recommendations of the 57th Goods and Services Tax (GST) Council Meeting, the Central Board of Indirect Taxes and Customs (CBIC) has issued eight circulars addressing several interpretational, procedural and compliance-related matters under the GST framework. These clarifications seek to promote consistency in the administration of GST law, streamline compliance requirements and provide greater certainty to taxpayers.

The principal clarifications issued by the CBIC cover the following areas:

- **Realisation of export proceeds:** Consideration received for export of services in convertible foreign exchange or through repatriable Indian Rupee (INR) accounts, including Special Non-Resident Rupee (SNRR), INR Nostro or other similar accounts facilitating repatriation of foreign exchange, will satisfy the requirement prescribed under Section 2(6)(iv) of the Integrated Goods and Services Tax Act, 2017 (IGST Act).
- **Adjustment of export and import obligations:** Adjustment of export receivables against import payables is recognised as an acceptable mode of settlement for the purpose of Section 2(6)(iv), subject to compliance with the applicable directions issued by the Reserve Bank of India (RBI).
- **Input Service Distributor (ISD) transfers:** Amounts or credits transferred to an ISD under Rule 54(1A) are to be excluded from both turnover and Net ITC for the purpose of refund calculations. Further, the transferring GST registration is not required to reverse such credits under Section 17 of the Central Goods and Services Tax Act, 2017 (CGST Act).
- **Refund of appellate pre-deposits:** Where an Appellate Authority or the Appellate Tribunal passes an order in favour of the taxpayer, the refund of the pre-deposit cannot be withheld merely on the ground that the Department proposes to file, or has already filed, a further appeal, unless the favourable order has been stayed.
- **Invocation of fraud and suppression provisions:** In cases involving subsequent tax periods founded on substantially identical facts, proceedings should ordinarily be initiated under Section 73 or Section 74A(5)(i) of the CGST Act. Invocation of provisions relating to fraud, wilful misstatement or suppression would require fresh and independent grounds.



Background

During its 57th meeting, the GST Council considered several measures intended to simplify the GST compliance framework, achieve greater consistency in the implementation of the law and address practical and interpretational difficulties encountered by taxpayers as well as departmental authorities.

Following these recommendations, the CBIC issued eight circulars on 26 October 2026. These circulars provide detailed guidance on registration, demand and adjudication proceedings, appellate procedures, pre-deposit requirements, ISD-related matters, ITC availment by specified financial institutions, ITC on demonstration vehicles and the realisation of export proceeds.



Key Clarifications

1. Guidelines for Processing GST Registration Applications

Circular No. 257/03/2026-GST dated 26 October 2026

The circular prescribes a more structured and standardised approach for processing applications seeking GST registration. It emphasises the need for appropriate documentation, objective scrutiny and time-bound disposal of applications.

Standardised documentation requirements: Applicants are expected to ensure that the particulars furnished in FORM GST REG-01 are complete, accurate and legible. The application should appropriately disclose the constitution of the business and details of its principal and additional places of business. The circular also lays down specific documentary requirements for premises that are owned, inherited, rented, leased or occupied with consent. Separate guidance has been provided for co-working spaces and premises situated in Special Economic Zones (SEZs), supported by model formats and a comprehensive checklist.

Objective and taxpayer-oriented scrutiny: The jurisdictional proper officer should restrict the examination of registration applications to genuine discrepancies, missing particulars, inconsistencies or documents that are unclear or illegible. Any clarification required from the applicant should be sought through FORM GST REG-03. The circular discourages unnecessary or presumptive objections, including insisting upon Udyam registration, questioning the applicant merely because the residential address is different from the business premises, or treating a residential property as inherently unsuitable for conducting business. An application should not be rejected without first providing the applicant an opportunity to rectify the identified deficiencies.

Time-bound and risk-based processing: The circular provides indicative processing timelines based on the applicable verification requirements. Applications where Aadhaar authentication has been successfully completed are ordinarily required to be processed within seven working days. Where physical verification is necessary, the prescribed processing period is 30 days. Further, registration applications falling under Rules 9A and 14A of the Central Goods and Services Tax Rules, 2017 (CGST Rules) may be granted through an automated process within three working days.

2. Guidelines for Demand, Adjudication and Appeal Proceedings

Circular No. 258/04/2026-GST dated 26 October 2026

The circular provides detailed procedural guidance for the issuance of notices, adjudication of demands and disposal of appeals. It seeks to improve transparency, ensure adherence to principles of natural justice and promote consistency in departmental proceedings.

Pre-SCN communication and comprehensive notices: Wherever practicable, the proper officer may issue a pre-show cause notice intimation through Part A of FORM GST DRC-01A before issuing the show cause notice (SCN). The SCN should contain a clear and comprehensive statement of the taxpayer's profile, relevant factual background, supporting evidence, applicable statutory provisions alleged to have been contravened, specific allegations and period-wise computation of the proposed liability. It should also explain the procedural requirements relevant to the proceedings. The prescribed electronic summary must be uploaded in FORM GST DRC-01 or FORM GST DRC-02, as applicable.

Fraud and suppression must be supported by evidence: The circular clarifies that Sections 74 and 74A(5)(ii) of the CGST Act should not be invoked merely because tax has remained unpaid or a discrepancy has been identified during scrutiny. The SCN must specifically disclose the material and evidence establishing fraud, wilful misstatement or deliberate suppression of facts with an intention to evade tax. Further, where subsequent-period proceedings are based on the same set of facts, the Department should ordinarily proceed under Section 73 or Section 74A(5)(i), unless new and independent circumstances justify invoking the provisions relating to fraud or suppression.

Separate identification and quantification of demands; avoidance of parallel proceedings: Where a notice contains allegations involving both fraud and non-fraud elements, the respective factual foundations, legal provisions and quantification of the proposed demands must be distinctly identified. The CGST and SGST authorities are expected to coordinate with one another to avoid initiation of parallel proceedings concerning the same subject matter. Further, notices should, to the extent reasonably possible, be issued sufficiently in advance of the applicable limitation period.

Compliance with principles of natural justice and personal hearing: A personal hearing is required to be provided where the taxpayer makes a written request or where the authority proposes to pass an order adverse to the taxpayer. Virtual hearings may also be conducted, subject to appropriate recording and documentation of the proceedings. The circular further clarifies that where the adjudicating authority is transferred after conducting a hearing, the successor authority should provide a fresh hearing. Having regard to the statutory limitation on adjournments, up to four hearing opportunities may be granted.
reviewing authority.

Reasoned and evidence-based adjudication: Adjudication orders should reflect an independent consideration of the available evidence, submissions made by the taxpayer and relevant judicial precedents. The adjudicating authority should record distinct findings on each issue and ensure that the final order remains within the scope of the allegations and amounts proposed in the SCN. Where artificial intelligence or other technology-based tools are used in the adjudication process, their output must be subjected to human supervision and independent verification. The responsibility for the correctness and validity of the final decision continues to rest with the authority issuing the order.

Transparent computation and timely passing of orders: The tax, interest and penalty proposed or confirmed should be calculated separately for each issue and, wherever feasible, on a financial-year-wise and tax-head-wise basis. Any payments already made should be appropriately adjusted, with the outstanding amount payable or refundable clearly specified. Imposition of penalty should be supported by a reasoned explanation. Authorities should also avoid delaying adjudication until the last stage of the statutory limitation period. The summary of the adjudication order is required to be uploaded electronically in FORM GST DRC-07.

Restricted application of rectification provisions: Rectification under Section 161 of the CGST Act is intended to correct errors or omissions that are apparent from the record. Such rectification must be undertaken by the authority that issued the relevant document. The provision cannot be used as a mechanism to review the merits of an order, reconsider evidence or determine issues involving debatable questions of law or fact. Applications for rectification should be disposed of promptly through FORM GST DRC-08, with the outcome also being communicated to the reviewing authority.

Structured disposal of first appeals: Appellate Authorities should independently examine limitation and procedural compliance rather than rejecting matters summarily on merits at the preliminary stage. Where additional grounds or evidence are admitted, the reasons for doing so should be recorded. Hearings should be properly documented, and appeals should ordinarily be disposed of within one year. Where cross-appeals arise from the same adjudication order, they should be heard together and decided through a common order. The corresponding summary is required to be uploaded in FORM GST APL-04.



3. Pre-Deposit Requirements for Filing Appeals

Circular No. 259/05/2026-GST dated 26 October 2026

The circular clarifies various aspects concerning the determination, payment and refund of pre-deposits required for filing appeals under the GST law.

Meaning of admitted amount and tax in dispute: The term "admitted amount" refers to that portion of the tax, interest, fine, fee and penalty arising from the impugned order which the taxpayer accepts as payable and does not intend to contest. This amount is required to be paid in full before filing the appeal. The remaining portion of the disputed tax liability constitutes the "tax in dispute", on which the prescribed pre-deposit of 10% is required to be calculated.

Computation of pre-deposit before the Appellate Tribunal: Where the Appellate Authority modifies the tax liability confirmed by the adjudicating authority, the additional pre-deposit of 10% required for filing an appeal before the Appellate Tribunal under Section 112 of the CGST Act should be calculated with reference to the tax liability confirmed by the Appellate Authority and challenged by the appellant. Refund does not require an express direction in the appellate order: Where the taxpayer becomes entitled to a refund of the pre-deposit as a consequence of an order passed by the Appellate Authority or the Appellate Tribunal, the appellate order need not contain a specific direction expressly ordering the refund of such amount.

Refund cannot be withheld merely because the Department proposes a further appeal: If the Appellate Authority or the Appellate Tribunal decides the matter in favour of the taxpayer, the pre-deposit becomes refundable in accordance with the applicable provisions. Such refund should not be withheld solely because the Department intends to file, or has already filed, a further appeal. The only exception is where the favourable appellate order has been stayed by the Appellate Tribunal or a competent Court.

Determination of payment date for interest purposes: Where separate pre-deposits are made before the Appellate Authority under Section 107(6) and before the Appellate Tribunal under Section 112(8), the date of payment for calculating interest under Section 115 should be determined independently for each appellate stage. The actual date on which the respective pre-deposit was paid will be relevant for this purpose.

Refund of pre-deposit in cases remanded for fresh adjudication: Where the Appellate Tribunal remands a matter to the original Adjudicating Authority, the appellant is eligible to receive a refund of the pre-deposit within the prescribed period. In cases involving a partial remand, however, the refund should be released only after the demand confirmed in favour of the Revenue, along with the applicable interest, has been recovered or adjusted against the pre-deposit. The remaining balance is then required to be refunded to the taxpayer.



4. Input Service Distributor – Registration and Distribution of ITC

Circular No. 260/06/2026-GST dated 26 October 2026

The circular addresses certain practical aspects of the ISD mechanism, including registration requirements, distribution of credit and responsibility for compliance with ITC eligibility conditions.

Multiple ISD registrations for different business verticals or locations: The circular clarifies that there is no restriction on obtaining more than one ISD registration within a State or Union territory for separate business verticals or different places of business.

Responsibility for compliance with ITC conditions: An ISD is required to distribute input tax credit in accordance with Section 20 of the CGST Act. However, the responsibility for satisfying the eligibility conditions prescribed under Sections 16 and 17 rests with the recipient of the distributed credit. Any contravention by the ISD may attract penalty under Section 122(1)(ix), whereas excess credit distributed and availed is recoverable from the recipient in accordance with Section 21 of the CGST Act.

Identification of credit available for distribution during a month: ITC reflected in FORM GSTR-6A becomes available for distribution once the ISD has examined the relevant credit and established that it is prima facie eligible for availment. Such credit should be distributed in the same month through FORM GSTR-6, with eligible and ineligible credit being separately identified in accordance with Rule 39(1)(g) of the CGST Rules.

Reversal of ITC distributed by the ISD: Where reversal is required under Section 17(1), Section 17(2) or Section 17(4), read with Rules 42, 43 or 38, as applicable, the obligation to make the corresponding reversal lies with the recipient of the distributed credit and not with the ISD.

Treatment of transfers under Rule 54(1A): The amounts or credits transferred to an ISD under Rule 54(1A) are not to be considered either as turnover or as Net ITC while calculating refund eligibility. Further, the GST registration transferring such amounts or credits is not required to undertake reversals under Section 17 of the CGST Act in relation to those transfers.



5. Applicability of Section 17(4) to Banking Companies and Financial Institutions

Circular No. 261/07/2026-GST dated 26 October 2026

The circular clarifies the applicability and operational requirements of the special ITC availment mechanism prescribed under Section 17(4) of the CGST Act for banking companies, financial institutions and non-banking financial companies.

6. ITC on Demonstration Vehicles under the Dealer-Agency Model

Circular No. 262/08/2026-GST dated 26 October 2026

The CBIC has revised its earlier clarification concerning the availability of ITC on demonstration vehicles used by authorised dealers operating under the dealer-agency model.

Earlier position: Circular No. 231/25/2024-GST had clarified that, under the dealer-agency arrangement, an authorised dealer essentially performs marketing, promotion or facilitation functions for the vehicle manufacturer and does not independently supply motor vehicles on its own account. On this basis, demonstration vehicles used for customer test drives were not considered to be used for making further supplies of such motor vehicles. Consequently, ITC on these vehicles was treated as blocked under Section 17(5)(a)(A) of the CGST Act.

Revised clarification: The CBIC has now recognised that demonstration vehicles perform an equivalent commercial function in both the traditional dealership structure and the dealer-agency model, namely, facilitating and promoting the further supply of similar motor vehicles.

The expression "such motor vehicles" appearing in Section 17(5)(a)(A) is to be understood as covering vehicles used for facilitating the further supply of similar motor vehicles, rather than being restricted only to the particular vehicle on which ITC is claimed.

Accordingly, ITC on demonstration vehicles is not blocked under the said provision merely because the dealer operates under the dealer-agency model.

7. Receipt and Realisation of Export Proceeds

Circular No. 263/09/2026-GST dated 26 October 2026

The circular provides important clarifications on the manner in which export proceeds may be received or settled for determining whether the condition prescribed under Section 2(6)(iv) of the IGST Act has been fulfilled.

Receipt of consideration through repatriable INR accounts: Consideration received for export of services in convertible foreign exchange or through repatriable Indian Rupee accounts will satisfy the relevant condition under Section 2(6)(iv) of the IGST Act. The recognised modes include Special Non-Resident Rupee (SNRR) accounts, INR Nostro accounts and other similar arrangements through which foreign exchange can be repatriated.

Payments received by stock brokers from overseas clients: Payments made by overseas clients to stock brokers through repatriable INR accounts, including SNRR and Non-Resident External (NRE) accounts, are recognised as satisfying the requirement under Section 2(6)(iv). However, payments received through Non-Resident Ordinary (NRO) accounts should be routed through repatriable INR accounts to meet the prescribed condition.

Adjustment of export receivables against import payables: The circular recognises the adjustment or set-off of export receivables against import payables as a valid method of settling cross-border obligations. Such adjustment will satisfy the condition under Section 2(6)(iv), provided it is carried out in accordance with the applicable directions and regulatory framework prescribed by the RBI.

Net commission retained by Indian reinsurance brokers: Where an Indian reinsurance broker retains its commission from the funds received before remitting the net premium outside India, the foreign exchange regulations treat such retention as payment made by the foreign reinsurer or broker. Since the corresponding obligation to realise the export consideration stands extinguished through this arrangement, the requirement under Section 2(6)(iv) of the IGST Act is considered to have been met.

Time period for realisation of export proceeds in respect of goods: For the purpose of Rule 96B of the CGST Rules, the period within which export proceeds are required to be realised will be the time limit prescribed under the applicable RBI directions, including any extension granted under such directions, as amended from time to time. Recovery of refund should not be initiated where the authorised dealer bank has written off the relevant realisation requirement, either fully or partially.

8. Retrospective Omission of Rule 96(10)

Circular No. 264/10/2026-GST dated 26 October 2026

In view of the ruling of the Hon'ble Supreme Court in Special Leave Petition (Civil) No. 24550 of 2025, the omission of Rule 96(10) of the CGST Rules is to be treated as effective retrospectively from 23 October 2017.

This retrospective treatment is also applicable to proceedings that are currently pending. The same position will apply, with necessary modifications, to the omission of Rules 89(4A) and 89(4B) of the CGST Rules.





Practical Implications and Key Considerations for Taxpayers

The clarifications issued through the above circulars have implications extending beyond routine GST compliance. Businesses should evaluate their existing positions, documentation and litigation strategies in light of the revised guidance.

1. Export transactions and foreign exchange settlement arrangements: Businesses adopting cross-category, multilateral or group-level netting arrangements should carefully examine the relevant FEMA and RBI requirements before relying on the clarification concerning export realisation. Although the circular recognises specified methods of settlement, the underlying transaction structure and compliance with the applicable foreign exchange framework remain important.

2. Refund of pre-deposits following appellate remand: Taxpayers who obtain remand orders may examine their entitlement to seek refund of pre-deposits in accordance with the clarified position. This may help release funds otherwise remaining blocked during fresh adjudication and subsequent appellate proceedings. The applicable time limits and the treatment of any portion of the demand sustained in favour of the Revenue should, however, be examined separately.

3. Section 17(4) and entities carrying on non-lending activities: The clarification concerning the applicability of Section 17(4) may provide relief to separately registered entities that are exclusively engaged in activities other than accepting deposits or extending loans and advances. Such entities should review their registration-wise business activities and the basis on which the 50% ITC mechanism has been adopted.

4. Reassessment of ITC on demonstration vehicles: Dealers who had reversed ITC on demonstration vehicles in accordance with the earlier CBIC clarification may evaluate whether the credit can now be reclaimed in view of the revised position. Such an exercise should be undertaken after examining the applicable conditions under Section 16(4), the relevant tax periods and other statutory requirements governing ITC eligibility.

5. Subsequent-period proceedings involving allegations of fraud or suppression: Where the relevant facts have already been disclosed or examined in earlier proceedings, the Department's invocation of fraud or suppression provisions for subsequent periods may require closer scrutiny. The revised clarification indicates that such invocation should be supported by genuinely new and independent grounds rather than being based merely on repetition of previously examined facts.



Corporate Finance



Rangoli — Connecting the Dots

Canada's Fairfax To Buy Majority Stake In IDBI Bank for $5.56 Bn

Canada-based Fairfax Financial Holdings is set to acquire a 60.7% stake in IDBI Bank for $5.56 billion (around INR 52,878 crores), in a transaction involving the Government of India and Life Insurance Corporation of India (LIC). The acquisition, which has been in the works for over four years, is expected to mark India's largest cross-border banking deal. Fairfax will offer INR 81 per share, above the government-determined benchmark price of INR 75.99 per share. The government and LIC will collectively sell their 60.7% stake while retaining a combined 34% holding, with the transaction subject to approval from the Reserve Bank of India (RBI). The deal comes amid growing foreign investor interest in India's financial services sector, following major investments such as Emirates NBD's proposed $3 billion (around INR 28,560 crores) investment in RBL Bank and MUFG's $4.4 billion (around INR 41,886 crores) investment in Shriram Finance. The acquisition also marks a significant milestone in India's public-sector privatisation programme. IDBI Bank reported total assets of approximately $46.66 billion (around INR INR 4.44 lakh crores) as of June 2026, with its gross non-performing asset ratio declining to 2.3% from nearly 32% in September 2018. Fairfax already has exposure to India's financial services sector through investments in IIFL Capital and 5paisa.

(Source: VC Circle, 14th October 2026)



Private Equity

LeapFrog, FMO Top Up Investments In NeoGrowth

NeoGrowth, an Indian non-banking financial company (NBFC) focused on lending to micro, small and medium-sized enterprises (MSMEs), has raised $8.8 million (around INR 85 crores) in a funding round led by existing investors FMO and LeapFrog Investments. The company will utilise the proceeds to expand its loan book, strengthen its digital-lending capabilities and deepen its market presence. NeoGrowth is also leveraging proprietary AI-powered solutions to enhance underwriting, portfolio monitoring and risk management.

(Source: VC Circle, 09th October 2026)

TPG-Backed Tessolve Raises $75 Mn From Another US-Based Investor

Tessolve Semiconductor, a chip-engineering services firm owned by Hero Electronix, has raised $75 million (around INR 718 crores) from US-based semiconductor-focused investor Vector Line Capital, marking the investor's maiden investment in India. The company will deploy the funds towards strategic acquisitions to expand its service offerings, strengthen technical capabilities and broaden its global presence. Tessolve is in advanced discussions to close multiple acquisitions over the next few quarters.

(Source: VC Circle, 12th October 2026)



Norwest Backs Sila's Property Arm To Deepen Mumbai Metropolitan Region Presence

Sila, a business services and real estate development platform founded by Rushabh and Sahil Vora, has raised $32 million (around INR 300 crores) from Norwest for its real estate arm, Sila Properties. The funds will support land acquisitions and new project development, with a focus on luxury residential projects in South Mumbai and Alibaug, alongside commercial developments across Mumbai. Since entering real estate development in 2019, Sila Properties has built a portfolio of over 1.5 million sq. ft. under development, with a gross development value exceeding $ 315 million (around INR 3,000 crores).

(Source: VC Circle, 14th October 2026)

Premji Invest, Norwest Back Vegafin's NBFC Acquisition

Vegafin Capital, an MSME lending platform founded by former ICICI Bank executive Bijith Bhaskar, has raised $106 million (around INR 1,000 crore) from Premji Invest, Norwest Venture Partners and Lok Capital. The funding will support the acquisition of a majority stake in Gurugram-based NBFC Bizloan and the development of an AI-first MSME lending platform. The platform will leverage AI-driven underwriting, digital workflows and data-led credit decisioning to expand access to secured credit for underserved MSMEs. EY Investment Banking acted as the exclusive financial advisor on the transaction.

(Source: VC Circle, 21st October 2026)

ICICI Prudential Alts to Invest In Raymond Realty's Redevelopment Project

ICICI Prudential Alternate Investments has agreed to invest $22 million (around INR 210 crores) in a redevelopment project of Mumbai-listed Raymond Realty through its ICICI Prudential Real Estate Development Fund. The investment will be made jointly with Raymond Realty in its wholly owned subsidiary, Ten X Realty West Ltd, to finance a residential redevelopment project in the Mumbai Metropolitan Region (MMR). The funding is expected to improve capital efficiency and accelerate project execution. The investment aligns with ICICI Prudential's focus on Mumbai's residential redevelopment market and Raymond Realty's asset-light expansion strategy.

(Source: VC Circle, 27th October 2026)



Venture Capital

Vectorial Raises Funding

Vectorial, a startup building human behaviour-simulation infrastructure for software products and digital experiences, has raised $3 million (around INR 28.4 crores) in a round led by SenseAI Ventures, with participation from Smilegate, Berkeley SkyDeck, Berkeley AI Research Lab, Dent Capital, Motus Ventures, SUM Ventures and angel investors including product leaders from Meta, Shopify and Mastercard. Founded by Taranveer Singh, Rahul Garg and Jasmine Kaur, the company claims to have modelled over 2.5 million people globally, including 500,000 in India, and run more than 30,000 simulations for customers such as boAt, GoodRx, Suki AI, Everkind and Concrete Software across healthcare, gaming and e-commerce.
(Source: VC Circle, 21st October 2026)

TravClan Raises $5 Mn in Funding

TravClan, a travel platform, has raised $5 million (around INR 47.5 crores) from Flipkart, August One and debt financing from Trifecta Capital, taking its total funding to over $11 million (around INR 105 crores) The company will use the capital to expand its global supply network, strengthen its technology and AI capabilities, and enhance destination operations across key international markets. Backed by investors including Leo Capital, The Ventures, Hashed, August One, Flipkart and angel investors, TravClan enables over 15,000 travel agents across India to plan and price complex international itineraries through an integrated platform offering global inventory, pricing, booking, AI-powered workflows and destination fulfilment services.
(Source: VC Circle, 22nd October 2026)

Karta AI Raises $3 Mn in Funding

Karta AI, a Bengaluru-based agentic voice AI platform founded in 2024 by Vijaypal Singh and Abhishek Kushwaha, has raised $3 million (around INR 25.5 crores) in a funding round led by PeerCapital and Cedar Hill Capital, with participation from Wyser VC, CDM Capital and Seedstars. The company develops AI voice agents for financial institutions across India, automating inbound customer calls for banks, lenders and fintech companies through enterprise-integrated workflows. The funds will be used to strengthen its voice AI platform, enhance end-to-end automation and multilingual capabilities, expand deployments with financial institutions, and scale its engineering and go-to-market teams.
(Source: VC Circle, 22nd October 2026)

Harajuku Raises $3 Mn in Pre-Series A Funding

Harajuku Tokyo Café, a Japanese food and beverage business operating Harajuku Tokyo Café and Harajuku Bakehouse, has raised $3 million (around INR 25.5 crores) in a pre-Series A funding round led by Zero W, with participation from existing seed investors Indian Angel Network and Samved VC, alongside new investors Blume Founders Fund, Brijesh Parekh Family Office and Rahul Jain, co-founder of Epigamia. Founded in 2021 by Gaurav Kanwar and operated by Craftpac Hospitality, Harajuku has a presence across Delhi-NCR and Mumbai, offering a full-service Japanese dining experience featuring conveyor-belt sushi and Tokyo-inspired interiors.

(Source: VC Circle, 22nd October 2026)

CureBay Raises Funding in Pre-Series C

Rural healthcare platform CureBay has raised about $10.5 million (around INR 100 crores) in a pre-Series C round led by IvyCap Ventures, including about $7.2 million (around INR 69 crores) in equity from IvyCap and existing investors and about $3.2 million (around INR 30 crores) in venture debt from Trifecta Capital, Alteria Capital and VentureSoul Partners. The round follows its $21 million (around INR 179.4 crores) Series B led by Bertelsmann India Investments about 18 months ago. Founded in 2021, CureBay will use the funds to strengthen its AI capabilities and delivery network, and plans to expand beyond Odisha into seven more states, including Chhattisgarh, Jharkhand, Telangana and West Bengal, over the next two to three years.

(Source: VC Circle, 22nd October 2026)

Mergers & Acquisitions

AkzoNobel To Sell Southeast Asia Paints Business To Nippon Paint For $1.35 Bn

Dutch paints manufacturer AkzoNobel has agreed to sell its Southeast Asian decorative paints business to Japan-based Nippon Paint for $1.35 billion (around INR 12,848 crores), completing its review of its Asian decorative paints portfolio. The transaction covers operations across Vietnam, Indonesia, Malaysia, Thailand, Singapore, Papua New Guinea and Australia, with net cash proceeds expected to be approximately $1 billion (around INR 9,500 crores). The Indonesia transaction is expected to close separately in late 2026, while the remaining transactions are anticipated to close around mid-2027. The divestment follows AkzoNobel's earlier sale of its decorative paints businesses in India and Pakistan as it sharpens its portfolio focus and prioritises its planned merger with US-based Axalta.

(Source: VC Circle, 05th October 2026)

Brookfield Enters India's Industrial, Logistics Segment With ESR Portfolio Buy

Canadian alternative investment firm Brookfield has acquired a 100% interest in ESR India's 10.5 million sq. ft. industrial and logistics portfolio for $444 million (around INR 4,300 crores), marking its entry into India's industrial and logistics real estate segment. The portfolio comprises eight Grade-A parks spread across approximately 400 acres in six metropolitan clusters, with a 98% occupancy rate. The acquisition includes existing assets and future development opportunities, while ESR will continue managing the properties in the near term. The transaction strengthens Brookfield's Indian real estate presence and provides exposure to growing demand for modern logistics and industrial facilities.

(Source: VC Circle, 07th October 2026)

Mankind Pharma Buys Armed Cell for $54 Mn

Mumbai-listed Mankind Pharma has entered the cell and gene therapy segment for cancer treatment by acquiring Belgium-incorporated Armed Cell Therapeutics BV, which develops CAR-T (chimeric antigen receptor T-cell) therapies for certain lymphomas and lung cancers. Its subsidiary Mankind Netherlands will buy a 70% stake in Armed Cell for $54 million (around INR 513 crores or €48 million), according to a stock market disclosure, funded through Mankind's €50 million investment in the Netherlands subsidiary.
(Source: VC Circle, 16th October 2026)

Zen Technologies to Acquire Majority Stake in Cognkit Semantics for $14.2 Mn

Mumbai-listed defence technology company Zen Technologies has approved the acquisition of a 51.98% stake in Bengaluru-based Cognkit Semantics for up to $14.2 million (around INR 135.15 crores) in cash, through the purchase of equity shares from an existing shareholder and a subscription to Series A compulsorily convertible cumulative preference shares (CCCPS). Founded in 2009, Cognkit develops indigenous AI-based battlefield management and situational-awareness systems for the armed forces, complementing Zen's defence training, simulation and anti-drone businesses. Subject to closing conditions, the deal is expected to be completed by December 13, 2026, after which Cognkit will become a Zen subsidiary.
(Source: VC Circle, 19th October 2026)

Tech Mahindra Buys Finastra's Cash Management Suite

Pune-based Tech Mahindra has acquired Finastra's cash management product suite, comprising Fusion Cash Management, Fusion Virtual Accounts and Fusion Liquidity Management, for an undisclosed amount. The products will join Tech Mahindra's banking, financial services and insurance (BFSI) solutions portfolio, and the deal includes the transfer of experienced product engineering and customer success staff to ensure continuity of platform access, services and support for existing customers. Anil Venuturupalli, senior vice president, banking group, and chief product officer, financial services, said the company will focus on evolving these capabilities to help banks meet rising demand for intelligent, connected and efficient cash management solutions.
(Source: VC Circle, 23rd October 2026)



Transaction & Regulatory Advisory Services



Mangal Kalash — Foundations for Growth

Key Regulatory & Legal Updates in October 2026

1.MCA

- **Extension of Time for Filing Financial Statements and Annual Returns for FY 2025–26 – General Circular No. 05/2026 dated 24 October 2026**

The Ministry of Corporate Affairs (MCA), vide General Circular No. 05/2026 dated 24 October 2026, has extended the timelines for filing annual financial statements and annual returns for the financial year 2025–26 without payment of additional fees. Companies are permitted to file 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) up to 31 December 2026. Further, annual returns in e-Forms MGT-7 and MGT-7A may be filed up to 31 January 2027 without additional fees. The extension has been granted in response to representations received from stakeholders seeking additional time to complete their statutory annual filing requirements for FY 2025–26. However, the MCA has clarified that this relaxation does not extend the statutory timelines for holding Annual General Meetings (AGMs), and companies are required to comply with the applicable provisions of the Companies Act, 2013.

Read More: https://www.mca.gov.in/

- **Companies (Indian Accounting Standards) Amendment Rules, 2026 notified**

MCA continues to operate the **MCA21 V3 filing framework**, with stakeholders being advised to use the updated filing processes, FAQs and functionality available on the MCA portal. The Ministry has also continued issuing stakeholder guidance relating to company and LLP forms, including incorporation, annual filing and other statutory forms.

Read More: https://www.mca.gov.in/



2. FEMA / RBI

- **Delegation of Compounding Powers under FEMA, 1999 to RBI Regional Offices**

The RBI, vide A.P. (DIR Series) Circular No. 28 dated 23 October 2026, has delegated powers to specified Regional Offices to compound certain contraventions relating to Overseas Investment, Borrowing and Lending, and Guarantees. Applications will be handled by the relevant Regional Office based on the prescribed jurisdictional criteria, including the overseas entity's UIN for overseas investment matters and the Indian entity's registered office for specified borrowing, lending and guarantee matters. The change is intended to improve customer service and streamline FEMA compounding procedures.

Read More: https://www.rbi.org.in

- **Introduction of Foreign Exchange Risk Reserve (FERR)**

The RBI, vide A.P. (DIR Series) Circular No. 26 dated 10 October 2026, has required Authorised Dealers to maintain a Foreign Exchange Risk Reserve for specified INR-linked foreign exchange derivative contracts undertaken with users. The requirement applies to contracts exceeding the equivalent of USD 2 million for hedging current-account transactions where the user purchases foreign currency against INR. The reserve is fixed at 20% of the INR equivalent of the contract's notional amount, is to be maintained in cash with the RBI, and is subject to daily reporting through CIMS. The directions apply to derivative contracts entered into after issuance of the circular.

Read More: https://www.rbi.org.in

- **Online Submission of Form A2 – Removal of Limits on Amount of Remittance**

The RBI, vide A.P. (DIR Series) Circular No. 23 dated 1 October 2026, revised the requirements governing online submission of Form A2 for outward foreign exchange remittances. Authorised Dealer Category-I banks and Category-II entities must establish appropriate internal guidelines, approved by their Board or a duly authorised Board or Management Committee, for processing such remittances using online or physical Form A2 submissions and related documents. Other instructions under the earlier circular remain unchanged.

Read More: https://www.rbi.org.in

3. Securities and Exchange Board of India (SEBI)

- **SEBI (LODR) (Third Amendment) Regulations, 2026**

SEBI has amended Regulation 62A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, concerning the listing of non-convertible debt securities. Under the revised provision, a listed entity whose non-convertible debt securities are listed on or after the amendment's publication must list all non-convertible debt securities issued by it after that date on the stock exchange(s). The earlier sub-regulations 62A(2) and 62A(3) have been omitted.

Read More: https://www.sebi.gov.in/

- **Relaxation of Call-Recording Requirements for Institutional Investors by Research Analysts**

SEBI has relaxed the requirement for registered Research Analysts (RAs) and Research Entities (REs) to maintain call recordings of communications with institutional-investor clients. The amendment to Regulation 25(1)(vii) of the SEBI (Research Analysts) Regulations, 2014, makes such recordings non-mandatory for institutional investors. The requirement to maintain records of client interactions otherwise continues, and the prescribed retention period remains five years, subject to applicable requirements concerning disputes and records specifically required to be preserved by SEBI.

Read More: https://www.sebi.gov.in/

- **Introduction of Credit Risk-o-Meter for Debt Securities**

SEBI has introduced a Credit Risk-o-Meter as an additional disclosure mechanism for debt securities. The framework is intended to provide investors with an additional indicator of credit risk and support more informed investment decisions. The circular is relevant to entities involved in the issuance, listing and monitoring of debt securities, as well as the applicable market intermediaries.

Read More: https://www.sebi.gov.in



- **Exemption from Mandatory Merchant Banker Appointment for Certain Private-Placement Debt Issues**

SEBI has issued a circular providing an exemption from the mandatory appointment of a merchant banker for specified debt securities issued through private placement by certain listed issuers. The change is intended to reduce procedural and compliance requirements for eligible issuers, subject to the conditions prescribed in the circular.

Read More:https://www.sebi.gov.in

- **Review of ISIN Requirements for Privately Placed Debt Securities**

SEBI has reviewed the provisions relating to the International Securities Identification Number (ISIN) for debt securities issued on a private-placement basis. The circular addresses the applicable framework governing ISINs for such securities, with implications for issuers, depositories and other market participants involved in debt-security issuance and servicing.

Read More: https://www.sebi.gov.in

- **Display of Investor Awareness Messages by Stock Brokers under Project Jagrook**

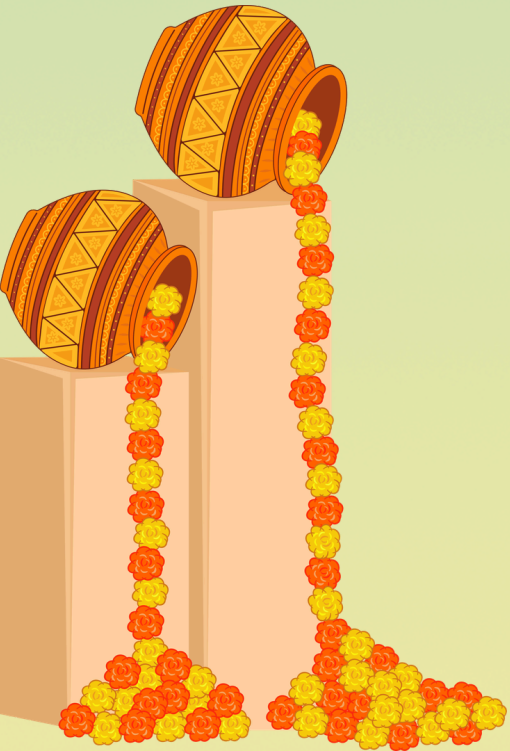
SEBI has directed stock brokers to display investor-awareness messages on their websites and trading applications as part of Project Jagrook, its investor-awareness initiative. During 5–31 October 2026, the specified messages must be displayed on broker websites alongside existing risk disclosures, while display on trading applications is voluntary. From 1 November 2026, the prescribed messages and risk disclosures must be displayed on trading applications on alternate days, and the messages must appear on the landing pages of websites.

Read More: https://www.sebi.gov.in

- **SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2026.**

SEBI has notified the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2026, establishing a revised regulatory framework for the settlement of administrative and civil proceedings. The regulations are relevant to persons and entities seeking settlement of proceedings initiated or proposed by SEBI, subject to the applicability, eligibility criteria and procedures prescribed under the new framework.

Read More: https://www.sebi.gov.in



GIFT City Update



Aakash Kandil — A Brighter Outlook

05 OCT 2026: IFSCA Focuses on AI-Driven Financial Fraud Prevention and Strengthening Investor Protection at GIFT IFSC



IFSCA organised a full-day conference on Consumer Awareness and Protection in the Digital Era at GIFT City, as part of IOSCO World Investor Week 2026. The conference brought together regulators, financial institutions, law-enforcement agencies and industry participants to discuss emerging risks from AI-enabled financial fraud and digital scams.

IFSCA Chairperson K. Rajaraman outlined five key expectations from regulated entities: consumer-centric product design, transparent risk disclosures, stronger cybersecurity and data privacy, effective grievance redressal, and accountability for technology and outsourced service providers.

Discussions highlighted rising threats from deepfakes, voice cloning, digital impersonation, fraudulent investment advertisements and mule accounts. Regulators and industry participants emphasised stronger identity verification, AI-based fraud detection, information sharing and investor education.

Key institutional developments: IFSCA Academy launched three certification programmes in partnership with:

- NISM: Cybersecurity and Cyber Resilience (Basic and Advanced).
- ICSI: Corporate Governance in IFSC.
- Insurance Institute of India: Certification for Insurance Professionals in IFSC.

IFSCA is increasingly focusing on strengthening the institutional framework around cybersecurity, governance, investor awareness and fraud prevention as GIFT IFSC expands. The emphasis is on ensuring that financial institutions remain accountable for consumer protection, even when technology and third-party service providers are involved.

12 OCT 2026: IFSCA Sets Up Technical Working Group to Develop Credit Information Infrastructure at GIFT IFSC

IFSCA has constituted a Technical Working Group (TWG) on Credit Information Companies (CICs) to develop an efficient, secure and globally aligned credit information ecosystem within GIFT IFSC.

The working group will examine technical, operational, legal and regulatory issues relating to the establishment and functioning of credit information companies in IFSC.

Its key responsibilities include standardising credit-data reporting formats, establishing procedures for correcting erroneous credit information, addressing data reconciliation and submission challenges, and improving coordination between banks, finance companies and credit information companies.

The committee will include representatives from the four CICs, IFSC-based banks and IFSCA-registered finance companies, with an IFSCA representative serving as an observer. The four CICs will take turns convening the group annually.

This is an important institutional development towards strengthening GIFT IFSC's financial infrastructure. Standardised credit reporting, improved data quality and better information-sharing mechanisms can support more efficient credit assessment, risk management and lending activity as the IFSC banking and finance ecosystem expands.

16 OCT 2026: IFSCA Introduces Good Delivery Guidelines 2026 to Promote Responsible Gold Sourcing and Strengthen GIFT IFSC Bullion Market

IFSCA has issued the Good Delivery Guidelines, 2026 to establish internationally aligned standards for gold quality, traceability and responsible sourcing within the India International Bullion Exchange (IIBX) at GIFT IFSC.

The guidelines go beyond conventional requirements such as gold purity, weight and refining standards. They require refiners to undertake supply-chain due diligence, ensure traceability of gold, assess risks relating to human rights, conflict financing and environmental practices, and obtain independent assurance of compliance. The framework draws on international benchmarks, including the OECD's responsible mineral sourcing guidance and standards followed by LBMA and other global institutions.

Importantly, the guidelines create a transparent pathway for eligible domestic and international refiners to have their gold accepted for delivery on IIBX, subject to prescribed technical and responsible sourcing requirements.
Key implications:

- Domestic refiners: Opportunity to benchmark against international standards and access an organised exchange-based bullion market.
- Global refiners: A transparent route to participate in India's large gold market.
- IIBX: Potential to increase refiner participation, improve competition and strengthen confidence in gold provenance.
- Indian bullion ecosystem: Better integration of refining, vaulting, trading and delivery infrastructure with global markets.

This is a structural step towards positioning GIFT IFSC as an international bullion trading and refining hub. Beyond facilitating gold imports, IFSCA aims to build an organised, transparent and globally aligned bullion ecosystem, potentially strengthening India's role in international gold price discovery.





16 OCT 2026: IFSCA Introduces Algorithmic Trading Guidelines to Strengthen Market Integrity at GIFT IFSC

IFSCA has issued new guidelines governing algorithmic trading on stock exchanges in GIFT IFSC, aimed at ensuring orderly market operations, transparency and stronger risk management as technology-driven trading expands.

Under the new framework, market participants must obtain prior stock exchange approval and complete conformance testing before deploying or facilitating algorithmic trading.

Key requirements include:

- Governance: Stronger oversight and risk-management frameworks, including for AI- and machine-learning-based trading.
- Risk controls: Automated checks on price, quantity and order value, along with mandatory kill switches and system-capacity monitoring.
- Traceability: Unique identification of algorithmic orders down to the individual client and trading strategy.
- Audit requirements: Annual system audits by eligible auditors, with auditor rotation and time-bound corrective action.

Stock exchanges have been given three months to establish the required infrastructure, while existing algorithmic trading systems must also complete conformance testing within this period.

IFSCA is strengthening the regulatory framework for technology-driven trading at GIFT IFSC, with greater emphasis on algorithmic accountability, operational resilience and systemic risk management. This supports the development of a more transparent and institutionally robust international capital market ecosystem.

Tax Calendar



Mithaas & Uphaar — A Celebration of Sweetness and Joy

November 2026 - Tax Calendar

7TH NOV	Due date of Deposit of TDS/ TCS for the Month of Oct, 2026
7TH NOV	Uploading of declarations received in **Form No. 127** (Income-tax Rules, 2026) from the buyer in the month of October, 2026
14TH NOV	Issue of certificate in **Form No. 132** (Income-tax Rules, 2026) under section 395(4) of the Income-tax Act 2025 for tax deducted at source under section 393(1) of the Income-tax Act 2025 [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] in the month of September, 2026
15TH NOV	Issuance of TDS certificate in **Form No. 131** (Income-tax Rules, 2026) for TDS other than on salary, pension or interest income of specified senior citizen under section 393(1) of the Income-tax Act, 2025 for the quarter ending September 30, 2026 *Note: The due date for filing of report has been extended from September 30, 2026, to October 21, 2026 vide Circular No. 07/2026, dated 28-09-2026*
15TH NOV	Issuance of TCS certificate in **Form No. 133** (Income-tax Rules, 2026) under section 395(4) of the Income-tax Act, 2025 for tax collected at source for the quarter ending September 30, 2026
21ST OCT [EXTENDED]	Due date for furnishing the return of income for the Assessment Year 2026–27 by the following assessees:- • A company to whom the provisions of Section 92E of the Income-tax Act, 1961 do not apply; • An assessee whose accounts are required to be audited, to whom the provisions of Section 92E of the Income-tax Act, 1961 do not apply; • A partner of a firm whose accounts are required to be audited, or the spouse of such partner (where Section 5A of the Income-tax Act, 1961 applies), to whom the provisions of Section 92E of the Income-tax Act, 1961 do not apply; Note: The due date for furnishing of return of income for Assessment Year 2026-27 has been extended from October 31, 2026, to November 21, 2026, vide Circular No. 07/2026 dated 28-09-2026
30TH NOV	Due date for furnishing the return of income for the Assessment Year 2026–27 by an assessee, including a partner of a firm or the spouse of such partner (where Section 5A of the Income-tax Act, 1961 applies), who is required to furnish a report under Section 92E of the Income-tax Act, 1961.
30TH NOV	Furnishing of challan-cum-statement in **Form No. 141** (Income-tax Rules, 2026) in respect of deduction of tax under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-tax Act, 2025 for the month of October 2026



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