DJAS & Co.
Chartered Accountants

November 2026

Monthly compliance newsletter
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Due this month

7	Payment of TDS/TCS	Saturday
10	GSTR-5, GSTR-7 & GSTR-8	Tuesday
11	GSTR-1 (Monthly)	Wednesday
20	GSTR-3B (Monthly)	Friday
21	ITR 1–7 (audit cases)	Saturday
29	MGT-7 / MGT-7A (FY 2025-26)	Sunday
30	ITR-TP (Transfer Pricing)	Monday

All 13 due dates are on the next page.

Major GST overhaul from 1 November 2026 (CGST Amendment Rules, Finance Act 2026 provisions, RCM on scrap and ten CBIC circulars), MCA extends AOC-4, MGT-7 and CRA-4 filing without additional fees, and CBDT notifies Form 173A.

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AOC-4 and MGT-7 Filing for FY 2025-26 Extended Without Additional Fees

Additional Time for Filing Cost Audit Report in Form CRA-4

Income tax

Form 173A Notified for Exemption on Government Securities Income

Compliance dates for November

Every statutory due date in November 2026 from the DJAS compliance calendar, grouped by area

Income tax

7 Sat — **Payment of TDS/TCS**
Payment of TDS/TCS deducted for October 2026.

21 Sat — **ITR 1–7 (audit cases)**
Due date for filing Income-tax Returns (ITR-1 to ITR-7) for AY 2026–27 (FY 2025–26) by taxpayers liable to tax audit (extended from 31 October 2026 by CBDT Circular No. 07/2026).

30 Mon — **ITR-TP (Transfer Pricing)**
Due date for filing Income-tax Return by taxpayers having international or specified domestic transactions (liable to transfer pricing audit under Section 92E).

GST

10 Tue — **GSTR-5, GSTR-7 & GSTR-8**
Filing of GSTR-5 (NRTP), GSTR-7 (GST TDS) and GSTR-8 (GST TCS) for October 2026.

11 Wed — **GSTR-1 (Monthly)**
Filing of GSTR-1 (monthly) showing outward supplies for October 2026.

13 Fri — **IFF**
Optional filing of Invoice Furnishing Facility (IFF) for reporting B2B outward supply invoices of October 2026 by taxpayers under the QRMP scheme (Q3, FY 2026–27), to enable recipients to avail ITC in the same month.

13 Fri — **GSTR-6**
Filing of GSTR-6 by an Input Service Distributor (ISD) for distribution of ITC pertaining to October 2026.

14 Sat — **Generation of GSTR-2B**
Auto-generation of GSTR-2B, the static Input Tax Credit (ITC) statement, for October 2026.

20 Fri — **GSTR-3B (Monthly)**
Filing of GSTR-3B (monthly) along with payment of GST for October 2026.

25 Wed — **Payment for M1 of QRMP**
Payment of GST under the QRMP scheme for the 1st month of the quarter – October 2026 (Q3, FY 2026–27), to be paid through Form GST PMT-06.

30 Mon — **ITC/Credit Note Reconciliation**
Last date to avail Input Tax Credit (ITC) and to declare Credit Notes pertaining to FY 2025–26, in the GSTR-3B for October 2026.

Secretarial

29 Sun — **PAS-6**
Filing of Form PAS-6 (Reconciliation of Share Capital Audit Report) by an unlisted public company for the half-year ended 30 September 2026 (H1 of FY 2026–27).

29 Sun — **MGT-7 / MGT-7A (FY 2025-26)**
Maximum period to file Form MGT-7 / MGT-7A (Annual Return) for companies for the financial year 2025–26 (within 60 days of the AGM; 29 November 2026 for an AGM held on 30 September 2026). MCA General Circular No. 05/2026 allows filing without additional fees up to 31 January 2027.

GST Updates

Goods & Services Tax

Notification No. 05/2026–Central Tax

26 October 2026

GST Registration Through E-Commerce Operator's Warehouse

Option enabled for GST registration by small suppliers who are supplying through E-Commerce Operators (ECO) by declaring ECO's warehouse as their place of business. A fully automatic trust-based process has been laid down whereby upon receiving consent from the ECO, the GST registration would be granted.

Notification No. 05/2026–Central Tax

26 October 2026

Automatic Amendment of GST Registration

Amendment in GST registration, apart from amendment in principal place of business, has been made automatic - which will be effected without intervention of the GST Officer. For such amendments, only online verification of mobile and email ID of the Primary Authorised Signatory and one selected Promoter would be mandatory.

Notification No. 05/2026–Central Tax

26 October 2026

Automated Cancellation of GST Registration

Cancellation of GST registration has also been automated. The only requirement is that there shall be no pending returns to be filed and all undisputed liability should have been paid. Further, Final Return in Form GSTR-10 must be filed within 3 days of due date of returns.

Notification No. 05/2026–Central Tax

26 October 2026

Grounds for Cancellation Reduced from 10 to 5; Form GST REG-17 Substituted

Instances where GST registration can be cancelled has been reduced from 10 to 5 - whereby all reasons are for violation in filings of returns / non-furnishing of bank account details. Accordingly FORM GST REG-17 has also been substituted to allow only such anomalies to be included as reason for issuance of notice for cancellation of registration by Proper Officer.

Notification No. 05/2026–Central Tax

26 October 2026

Automatic Revocation of Cancelled Registration

Where the GST registration has been cancelled for violation in filings of returns / non-furnishing of bank account details, such cancellations can be revoked automatically upon curing of the defects within 180 days from the date of cancellation. All pending returns from the date of cancellation till the date of revocation shall be furnished within 30 days of revocation of cancellation.

Notification No. 05/2026–Central Tax

26 October 2026

Order Mandatory for Blocking Electronic Credit Ledger

Proper Officers are now required to issue an order to BLOCK the Electronic Credit Ledger of a taxpayer. The taxpayer can raise his objection to such blocking - which shall then be heard by the Proper Officer and he may pass an appropriate order.

Notification No. 05/2026–Central Tax

26 October 2026

Refund for Penultimate Sales under Rule 89(2)(ha)

Refund for ITC accumulated on account of penultimate sales (sales made under N/N 40/2017 - CTR) has been carved out from IDS refund. Such refunds shall be made under Rule 89(2)(ha).

Notification No. 05/2026–Central Tax

26 October 2026

Refund of Accumulated ITC on Input Services and Capital Goods

Refund of accumulated ITC on input services shall be allowed w.e.f 1st November, 2026 for IDS refunds and refund of accumulated ITC on capital goods shall be allowed w.e.f 1st April, 2027 for IDS and zero rated supply (without payment of taxes). Such refund of accumulated ITC would be staggered over a period of 60 months.

Notification No. 05/2026–Central Tax

26 October 2026

Order of Debit of ITC While Claiming Refund

While claiming refund of accumulated ITC, the ITC shall be debited by an equal amount in following order:

- IGST - to the extent available
- CGST and SGST - to the extent available
- In case of shortfall in CGST or SGST - it can be adjusted with each other to the extent of balance available.

Notification No. 05/2026–Central Tax

26 October 2026

1.5 Times Cap on Export Value Removed

The cap of 1.5 times on value of export goods of the value of like goods sold domestically has been removed. Now there is no such cap.

Notification No. 05/2026–Central Tax

26 October 2026

Refund Timelines Reduced; 90% Provisional Refund Within 3 Working Days

Timelines to grant refunds has been reduced and made mandatory. The refund application must be acknowledged by the GST Officer within 10 days (earlier 15 days), else it will be auto-acknowledged. A system-generated provisional refund order of 90% of the claimed amount shall be sanctioned within 3 working days of acknowledgement of refund and also issue a payment order automatically. This is not required to be validated by the GST Officer.

Notification No. 05/2026–Central Tax

26 October 2026

Refund of Electronic Cash Ledger Balance Issued Directly by Portal

For refund of balance lying in Electronic Cash Ledger, the refund sanction order would directly be issued by the portal without any intervention of GST Officer.

Notification No. 05/2026–Central Tax

26 October 2026

Form GST DRC-22 Amended for Provisional Attachment

Under provisional attachment of property, Form GST DRC-22 has been amended to allow to reject the objection filed by the taxpayer. Earlier, the option to reject the objection was not available to the Commissioner.

Notification No. 05/2026–Central Tax

26 October 2026

Form GST REG-01 Revamped

Form GST REG-01 for new GST registration has been revamped. The new features include:

- Registration of small taxpayers selling through ECO
- Exhaustive list of documents have been enlisted for various categories of premises.
- Top 5 goods / services has been changed to provide full list of goods / service. Whether this is mandatory / recommendatory or prospective / retrospective, is yet to be clarified.
- Consent to use Aadhaar details have been amended to comply with DPDP Act, 2023.
- Authorisation Format has changed

Notification No. 05/2026–Central Tax

26 October 2026

Form GST REG-14 Changed for Automatic Amendments

Form GST REG-14 for amendments of GST registration details has also been changed to enable automatic amendment of all fields, apart from change in principal place of business. Verification of mobile and email ID of Primary Authorised Signatory and one Promoter has been made mandatory.

Notification No. 05/2026–Central Tax

26 October 2026

Form GST REG-16 for Cancellation Largely Amended

Form GST REG 16 for GST cancellation has been largely amended. The taxpayer will have to upload invoice wise details of inputs held in stock, WIP, finished goods and capital goods on which ITC is required to be reversed and paid back to the Government. Where such details are not available, the amount shall be estimated on the basis of prevailing market price of the goods.

Notification No. 05/2026–Central Tax

26 October 2026

GSTR-9 and GSTR-9C Re-notified

GST Annual Return and Reconciliation Statement in Form GSTR-9 and GSTR-9C has been re-notified and also made available in GST portal for filing. However, Table 8A of GSTR-9 is yet to be finalised.

Notification No. 05/2026–Central Tax

26 October 2026

Form GST RFD-01 Revamped

Form GST RFD-01 has been revamped. The salient features of the new form are as follows:

- Details of CA along with UDIN to be mentioned in the application form, along with attaching the signed certificate
- Brief profile of the business to be provided (currently optional)
- Various statements and declarations have been re-done to comply with the changes proposed.
- Additional statement titled 'Statement 10' has been introduced to claim refund of ITC availed on capital goods.
- Annexure B as per Circular 125 has been replaced with Annexure 3 - whereby statement of inward supplies shall be submitted along with application of refund for accumulated ITC.

Notification No. 05/2026–Central Tax

26 October 2026

Form GST DRC-01, DRC-01A and DRC-07 Revamped

Summary of show-cause notice issued in Form GST DRC-01 has also been revamped to streamline and categorise the proceedings as well as grounds of show cause notice into pre-determined dropdown tabs. Accordingly, Form GST DRC-01A and Form GST DRC-07 has been modified.

Notification No. 05/2026–Central Tax

26 October 2026

Form GST INV-01 Amended for E-Invoicing on RCM Purchases

Form GST INV-01 for e-invoicing has been amended to include e-invoice to be generated on purchases from unregistered suppliers upon which RCM is payable (RCMDOM) and on import of services (RCMIMP). E-invoicing system has also been upgraded to incorporate such change. Accordingly, Rule 48(4) of CGST Rules has also been amended to incorporate this change.

Notification No. 03/2026–Central Tax

26 October 2026

Finance Act, 2026 Provisions Notified from 1 November 2026

Provisions of Finance Act, 2026 has been notified from 1st November, 2026, which states:

- GST credit note can be issued for post sale discount, effectively within 31st October of subsequent financial year, and the supplier shall be allowed to reduce his output tax liability provided the recipient has reversed its ITC to that extent.
- GST Officers must sanction provisional refund of 90% of the amount claimed as refund mandatorily.
- Refund for even less than Rs. 1,000/- shall be allowed for export of goods outside India. This is for facilitation of small exporters.

Rate Notifications

27 October 2026

RCM and GST TDS on Used Cooking Oil and Specified Waste & Scrap

In addition to purchase of metal scrap falling under chapters 72 to 81, RCM would be applicable on unregistered purchases of

- used cooking oil (Ch heading - 1518)
- plastic waste and scrap (Ch heading - 3915)
- tyre waste and scrap (Ch heading - 4004)
- electrical / electronic waste and scrap (Ch heading - 8549)

Apart from these, upon registered purchases of the above items, GST TDS @ 2% shall be deducted by the purchaser where the contract value of such supplies exceeds Rs. 2.5 lakhs.

Further, suppliers of such goods are not exempted from obtaining registration u/s 23 of the Act.

Rate Notifications

27 October 2026

ITC for Re-sellers of Hotel Accommodation, Restaurant Service and Outdoor Catering

Earlier, ITC was not available to re-sellers of hotel accommodation, restaurant service and outdoor catering. However, with effect from 1st November, 2026, this position has changed. Now, the re-sellers of hotel accommodation, restaurant service and outdoor catering will be eligible for ITC of only input service of same line of business, capping it at maximum 5% ITC.

Rate Notifications

27 October 2026

GST Rate on Electric Vehicle Passenger Transport and Renting

For transport of passengers in any electric vehicle or renting of electric vehicle for transport of passengers or goods, where cost of battery charging is included in the price, the GST rate shall be 5%, provided only input service of same line of business is availed. In all other cases, the GST rate would be 18%.

Rate Notifications

27 October 2026

GTA Definition Expanded to Include ECO Local Delivery

Definition of GTA has been changed to include ECO by whom and / or through whom local delivery is provided. Further, GST rate on delivery services through such ECO shall be 5%. provided no ITC of goods or services has been taken for providing such services. The GST shall be paid by such ECO on RCM basis, except where the delivery agents are themselves liable to be registered.

Rate Notifications

27 October 2026

Upfront Concession Fees for Toll Rights Exempted

Upfront concession fees paid by Concessionaire for entering into a Concession Agreement with Government Entity for exclusive rights of way or access, license and authority to demand, collect and appropriate toll fee has been exempted from GST. However, GST shall be paid by the Concessionaire on operation and maintenance services on the amount charged or debited from the Escrow Account in the month in which such expenses are charged or debited from the Escrow Account.

GSTN Advisory

1 October 2026

New “Multistate Registration” Facility

GSTN has introduced a new “Multistate Registration” facility for convenience of taxpayers where they wish to obtain new GST registrations, under the same PAN, for multiple states simultaneously through advisory dated 01.10.2026. This removes the repetitiveness of submitting common data and documents in the process of GST registration, such as details of business, KMP, Authorised signatory, etc. A master TRN will be generated subsequent to which the applicant will provide the remaining information corresponding to each state such as details of Principal Place of Business, Additional Place of Business, Aadhaar Authentication, etc.

Circular No. 257/03/2026-GST

26 October 2026

Guidelines for GST Registration Applications

In coincidence with parallel amendments in procedure of GST registration, the CBIC has issued this circular furnishing guidelines to GST officers to be complied with respect to applications for such GST registrations. These guidelines provide clarity towards taxpayers for requisite details, documents to be submitted, etc for making GST applications. Simultaneously, these guidelines provide clarity to departmental authorities for streamlined, easy processing and handling of GST registrations.

Circular No. 258/04/2026-GST

26 October 2026

Guidelines on Demand, Adjudication and Appeal Proceedings

In consonance to pre-GST Master Circular No. 1053/02/2017-CX dated 10.03.2017, the CBIC has now issued this circular laying conclusive clarity on all disputes concerning demand, adjudication and appeal proceedings. In light of several judicial pronouncements underlining the fundamentals and legal nitty-gritties for comprehensive, respectable litigation and to ensure uniformity and transparency in the implementation of the law, the Board has provided requisite guidelines to be followed from the onset till the closure of each case. Certain facets such as structure and drafting of SCN/Adjudication Order, adherence to natural justice, justification for invoking demands on grounds of fraud, wilful misstatement or suppression of facts, examination of evidence, first appeal proceedings, reliance and usage of artificial intelligence (AI) etc, have been explained and stressed upon. Consistently, it concludes with an unambiguous instruction that the guidelines are illustrative, non-exhaustive and are not to be cited by GST officers in the show-cause notices, demand or appellate orders.

Circular No. 259/05/2026-GST

26 October 2026

Payment and Refund of Pre-Deposit

This Circular has been issued by the CBIC, throwing clarity on several, unclear interpretations and concerns of taxpayer with respect to payment and refund of pre-deposit stipulated under Section 107(6) or Section 112(8) of the CGST Act, 2017. Removing this unambiguity, the Board puts a rest to the following queries:

- **Distinction between "Admitted Amount" and "tax in dispute":** It is clarified that "Admitted Amount" includes such part of tax, interest or penalty which is acknowledged as payable, which will not be challenged in appeal and which shall be paid in full before filing an appeal. The remaining amount of tax, interest or penalty covering the dispute which the taxpayer intends to challenge in appeal, is referred to as "disputed amount". Further, as mandated under the provisions, the taxpayer has to pay 10% of such remaining amount of tax in dispute i.e., pre-deposit while filing the appeal.
- **Quantum of pre-deposit where the tax liability is modified by the Appellate Authority:** This refers to cases where a further appeal needs to be preferred before the GST Appellate Tribunal, for which pre-deposit under Section 112(8) of the Act has to be paid by the taxpayer while filing an appeal. It is elucidated that in event of filing such appeals before the GSTAT, 10% of the remaining tax in dispute is to be paid as pre-deposit. Further, the remaining tax in dispute, is to be construed with reference to the liability confirmed by the Appellate Authority, but which is disputed by the appellant before the GSTAT.
- **Whether the Appellate Authority/Appellate Tribunal is required to explicitly state in their order that the pre-deposit paid by the appellant must be refunded?:** No. The Circular states that the Order need not explicitly specify the refund of such pre-deposit, paid earlier by the appellant. It further specifies after receipt of the order, the refund claim for such pre-deposit needs to be filed under Sl. No. 7 of Form GST RFD-01 i.e., 'on account of order' category.
- **Eligibility of refund of pre-deposit to taxpayer in cases where a favourable order has been issued by the Appellate Authority/Appellate Tribunal but the Department is contemplating further appeal against the order:** In such matters, the appellant would be entitled to and should be paid the refund of pre-deposit on actual merits, unless such order has been specifically stayed by the Appellate Tribunal or Court. In a final stance, it states that the pre-deposit cannot be denied to the appellant simply because the department is contemplating or has filed an appeal against the order of the Appellate Authority.
- **Date of payment of pre-deposit for refund and interest on such refund:** Where a taxpayer is entitled to refund of pre-deposit, subsequent to a favourable order from the Appellate Authority/Appellate Tribunal, Section 115 grants interest on such refund of pre-deposit from the date of payment of pre-deposit. Thus, the Circular clarifies that for pre-deposits paid at both levels of appeal, before the Appellate Authority or the Appellate Tribunal, as applicable, the interest computation shall be made separately for each level, based upon the actual date of payment of pre-deposit.
- **Procedure for refund of pre-deposit paid, where the matter is remanded by the Appellate Tribunal:** In such cases where the matter is remanded back to the Original Adjudicating Authority, the appellant will be eligible for the refund of pre-deposit as per prescribed provisions and timeline. In case, there is a partial remand and a part of the tax demand is upheld, the refund of pre-deposit will only be made after ensuring that such affirmed liability has been paid by the appellant, or after adjustment with the tax demand with applicable interest, as the case may be.

Circular No. 260/06/2026-GST

26 October 2026

Mandatory ISD Registration and Distribution of ITC

This Circular has been issued by the CBIC, for furnishing clarity on various practical issues relating to mandatory ISD registration and distribution of ITC. It hereby provides the following clarifications:

- **Requirement of ISD registration for each business vertical/place of business within same state/UT:** Separate ISD registrations can be obtained for different business verticals or places of business within the same State. There is no restriction on obtaining more than one ISD registration for each business vertical/place of business in a state. However, each separately registered person receiving common input service invoices for distinct persons, is required to obtain ISD registration.
- **Mandatory compliance with conditions of Section 16 of the CGST Act, 2017 for availment of ITC:** The Circular clarifies that the ISD is responsible for distributing ITC correctly as per the manner prescribed under Section 20, while the recipient entity is responsible for complying the eligibility conditions under Section 16, Section 17 and rules thereunder for availing ITC. Further, in case of contravention, the ISD is liable to penalty under Section 122(1)(ix) of the CGST Act, 2017 and where the same results in distribution of excess credit, the same may be so recovered from the relevant recipients under Section 21 of the Act.
- **Meaning of "input tax credit available for distribution in a month":** ITC is required to be distributed in the month in which the ISD ascertains that the credit is prima facie eligible for availment, after receiving the details thereof in Form GSTR-6A on behalf of its distinct persons. Accordingly, the ISD needs to distribute the said credit separately as eligible and ineligible credit in Form GSTR-6.
- **Requirement of reversal of ITC as per Section 17(1), Section 17(2) or Section 17(4) of the CGST Act, 2017:** The ISD must distribute the entire attributable credit, including eligible and ineligible credit separately. Any reversal under Sections 17(1), 17(2) or 17(4), read with the relevant rules, is to be undertaken by the recipient entity.
- **Inclusion of amount declared in invoice, credit note or debit note issued by registered person having same PAN and state code as an ISD, to an ISD, in computation of "turnover":** The CBIC clarifies that such invoices or credit notes or debit notes issued under Rule 54(1A) for transferring ITC to an ISD will not be treated as outward supplies or included in the turnover of the issuing entity. Correspondingly, such transferred credit will not qualify as Net ITC for refund calculations under Rule 89 for the recipient entity.

Circular No. 261/07/2026-GST

26 October 2026

50% ITC Option for Banks, Financial Institutions and NBFCs

This Circular has been issued by the CBIC, for furnishing clarity on mechanism allowed under Section 17(4) of the CGST Act, 2017 to banking companies, financial institutions and NBFCs to opt for 50% availment of ITC. It hereby provides the following clarifications:

- **Requirement w.r.t opting of such mechanism by all registrations of banking companies, financial institutions and NBFCs, even if they are not engaged in supplying of services by way of accepting deposits, extending loans and advances:** Registrations not engaged in accepting deposits or extending loans and advances such as entities exclusively undertaking bullion trading, do not have the option and are not even required to follow Section 17(4). However, where one eligible registrant, i.e., one registrant engaged in supplying of services by way of accepting deposits, extending loans and advances, in addition to other services, opts for this mechanism, all other eligible registrations of the same entity engaged in the same activities, whether or not rendering other services alongside, must also opt for it.
- **Applicability of relaxation under second proviso to Section 17(4) for services from a registered person, which has not opted for Section 17(4) of the Act:** It is clarified that the said relaxation allowing full ITC is only available in respect of supplies received from another registration of the same PAN who has also opted for the Section 17(4) mechanism.
- **Correct manner for reporting of availment and reversal of ITC in Form GSTR-3B, to be followed by such banking companies, financial institutions and NBFCs, who are engaged in supplying of services by way of accepting deposits, extending loans and advances:** In relevance to Circular No. 170/02/2022-GST dated 06.07.2022 and subsequent introduction of Invoice Management System (IMS), this FAQ provides clarity on the correct reporting and filing of GSTR-3B for such registrants, opting for such mechanism of 50% ITC.

Circular No. 262/08/2026-GST

26 October 2026

ITC on Demo Vehicles

This Circular has been issued in subsequence to Circular No. 231/25/2024-GST dated 10.09.2024 with respect to admissibility of ITC for demo vehicles. The aforesaid circular specifically disallowed ITC on demo vehicles purchased in order to provide facility of vehicle test drive for authorized agents/dealers appointed by vehicle manufacturers. This was because the agents were not supplying motor vehicles on their own account and were merely providing marketing or facilitation services to the vehicle manufacturer. The Board has re-examined this issue, referring back to Section 17(5)(a) of the CGST Act, 2017, which conditionally allows ITC as hereunder:

"...(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely: -

- further supply of such motor vehicles; or.."

Further, delving into the ongoing industry practise in case of demo vehicles, the Board identified that there were two models in the sector i.e., the dealer-agency model and the traditional dealership model. The basic difference between both models is that in the traditional model, the sale of vehicles is done by the dealer on its own account while in the dealer-agency model, the sale of vehicle to customers is done directly by the Original Equipment Manufacturer (OEM) and the dealer only keeps demo vehicles for the purpose of demonstration and for demo test drive purposes. Whilst identifying this distinction, the Board identified the common accounting treatment of such demo vehicles in books of accounts of agents in both scenarios. Thus, all such agents purchase motor vehicles against tax invoices, report the same as capital assets, and then after holding the vehicles for a certain mandatory period, sell the same at a written-down value on which applicable tax is paid. Further, the vehicles are treated at par under the Central Motor Vehicle Rules, 1989.

Adding to the above, interpreting the wording of the referred clause which states "such motor vehicles" rather than "said motor vehicle", it is interpreted that ITC is allowed on vehicles used for further supply of similar motor vehicles.

Thus, relying on the above factors, the Board has conclusively overturned the denial of ITC as stated in para 4.6 of Circular No. 231/25/2024-GST dated 10.09.2024, and now has clarified that ITC on demo vehicles is not blocked under Section 17(5)(a) to any such authorized agents/dealers.

Circular No. 263/09/2026-GST

26 October 2026

Receipt of Payment for Exports

This Circular has been issued by the CBIC with respect to receipt of payments for export of goods or services. It gives clarity as to when export proceeds count as received for GST refund purposes. For export of services, payment in convertible foreign exchange or in repatriable INR accounts (SNRR, INR Nostro/Rupee Vostro or similar) satisfies the condition under Section 2(6)(iv) of the IGST Act, 2017. Stock brokers serving overseas clients (FPIs, NRIs, OCIs) are covered if paid through SNRR or NRE accounts, while NRO payments qualify only if routed through those repatriable accounts first. Set-offs of export receivables against import payables are also accepted if they follow RBI directions, and reinsurance brokers who retain their commission under the net retention mechanism are treated as having met the condition. For export of goods, the time limit for realising proceeds under Rule 96B of the CGST Rules, 2017 is as prescribed under RBI's Master Direction No. 16/2015-16 (as amended), including extensions, and no refund recovery will be made to the extent the AD Bank or RBI has written off the realisation requirement.

Circular No. 264/10/2026-GST

26 October 2026

Omission of Rule 96(10) Applies Retrospectively

This Circular has been issued by the CBIC to shed light on the omission of Rule 96(10) of the CGST Rules, 2017 with respect to its date of application. The CBIC earlier had issued Notification No. 20/2024-Central Tax on 08.10.2024, prospectively omitting Rule 96(10), thereby removing the restriction of refund on exports wherein taxpayers were availing benefits of the specified concessional/exemption notifications on procurement. Subsequently, the Hon'ble Apex Court has pronounced in Special Leave Petition (Civil) No. 24550 of 2025, in the matter of M/s Goodluck India Limited & Anr. v. Union of India & Ors., dated 06.08.2026, that in the absence of any saving/sunset clause, the said omission of the rule applied to all proceedings pending as on date of omission. This was adjudged after relying upon "the Constitution Bench judgment in Kolhapur Canesugar Works Ltd. v. Union of India[(2000) 2 SCC 536], wherein it was held that section 6 of the General Clauses Act, 1897 does not apply to the omission of a rule." Accordingly, this decision of the Supreme Court, has been transcribed by the CBIC in the form of this Circular, which explicitly states that "the said omission of rule 96(10) of the CGST Rules will be effective retrospectively from 23.10.2017." Concluding the circular, the Board further clarifies that mirroring such application, the treatment will, mutatis mutandis, apply for omission of Rule 89(4A) and Rule 89(4B) of the CGST Rules, 2017 as well.

Circular No. 265/11/2026-GST

28 October 2026

Classification of Certain Goods (57th GST Council)

This is a Circular for classification and applicability of GST on supply of certain goods, in compliance with the recommendations of the 57th GST Council Meeting dated 08.10.2026. The following clarifications have been provided:

- **Sublimation Paper:** There was ambiguity as to whether the same was classified under heading 4809 or under sub heading 4810 22 of the Customs Tariff Act, 1975. It is explicitly stated that the sublimation paper is classifiable under heading 4809 attracting 18% GST. Further, for past cases, regularisation on “as is where is” basis has been recommended.
- **Toys:** Queries were received as to whether all toys classifiable under heading 9503 of the Customs Tariff Act, 1975, were covered under Sl No. 497 of Schedule I and Sl No. 616 of Schedule II of Notification No. 09/2025- Central Tax (Rate) dated 17.09.2025, as applicable. This is because the relevant entries under the said notification only spelt out toys like “tricycles, scooters, pedal cars” while referring to the remaining toys under “etc”. Due to wording of the said entries, restrictive interpretations were made by certain field formations, who excluded various toys from the categories simply they were not expressly stated. Bringing a closure to this argument, the Board has stated that said entries under the Notification, refer to all other categories of toys covered under heading 9503 of the Customs Tariff Act, 1975, “such as dolls’ carriages, dolls, other toys, reduced-size (“scale”) models and similar recreational models, working or not, and puzzles of all kinds.”
- **Margin Scheme:** Clarity has been provided with respect to eligibility of ITC on input goods and input services for dealers under the Margin Scheme. Such taxpayers are eligible to levy concessional rate of GST and compensation cess on supply of old and used motor vehicles as per Notification No. 08/2018- Central Tax (Rate) (and allied notifications). As per said notification, availment of ITC has been restricted on such goods. There was confusion amongst taxpayers as to whether such restriction is narrowed to only the old and used vehicles or towards all input goods and input services used in the course of business of such second-hand motor vehicles. The CBIC has cleared that, subject to the provisions of the CGST Act, 2017, the restriction of ITC applies only towards tax paid on procurement of second-hand vehicles. Thus, taxpayers under such margin scheme, may avail ITC on various other inputs and input services.
- **Sea-weed Extract Based Bio-stimulants:** There was ambiguity as to whether the same was classified as fertilizers under heading 3101 or as plant-growth regulators under heading 3808 22 of the Customs Tariff Act, 1975. It is explicitly stated that such sea-weed extract based bio-stimulants, registered under Schedule VI to the Fertiliser (Inorganic, Organic or Mixed) (Control) Order, 1985, are classifiable under heading 3101. Correspondingly, an explanation in this regard has also been inserted at Sl No. 237 of Schedule I of Notification No. 09/2025- Central Tax (Rate) dated 17.09.2025. Further, for past cases, regularisation on “as is where is” basis has been recommended.

Circular No. 266/12/2026-GST

28 October 2026

Classification of Certain Services (57th GST Council)

This is a Circular for classification and applicability of GST on supply of certain services, in compliance with the recommendations of the 57th GST Council Meeting dated 08.10.2026. The following clarifications have been provided:

- **Distinction between "research and development" and "consultancy services" based on a self-certification mechanism:** This is in continuance to the decisions of the 54th GST Council Meeting as per which exemption was hereby granted towards research and development services provided by Government entities or research associations, universities, colleges or other institutions, notified under Section 35(1)(ii) or (iii) of the Income Tax Act, 1961 against considerations in the form of grants. It was also recommended to clarify the definition of "research and development" and distinguish the same from "consultancy services". The Board has accordingly examined this issue and recognized that no specific definition of either ambit of services is given under the CGST Act, 2017, rules or notifications issued thereunder. Due to intersecting nature of both category of services, there might be scope for misclassification. Putting a rest to such dispute, the CBIC states that where any such exemption for research and development services is availed, a certificate issued by the head of the concerned government entity, research association, university, college or institution notified under applicable clause of the Income Tax Act, 1961, certifying the services rendered as in the nature of "research and development" and not in the nature of "consultancy" may suffice.
- **Payment of GST on import of services by an Indian establishment of a foreign shipping company from a related person or any of its establishment outside India, when made without consideration:** The GST Council has recommended in their 57th Council meeting, to exempt import of services by an Indian establishment of a foreign shipping company from a related person or any of its establishment outside India, when made without consideration. This has been given effect to, from 01.11.2026, vide Notification No. 07/2026 – Integrated Tax (Rate) dated 27.10.2026. As per further recommendation of the GST Council, the CBIC hereby issues this clarification further, to regularize the payment of GST in such cases of import of services by an Indian establishment of a foreign shipping company from a related person or any of its establishment outside India, when made without consideration, for the period from 01.07.2017 to 31.10.2026.
- **GST treatment upon statutory and ancillary recoveries made in addition to lease rent in motor vehicle leasing transactions:** In such transactions, there are various expenses borne by the lessor, such as registration charges (including road tax), insurance premium, FASTag charges, etc in relation to the leased vehicle, which is subsequently recovered from the lessee. It is determined by the Board that these expenses are incurred by the lessor and are incidental to, and closely connected with the service of leasing the vehicle. Thus, recovery of such expenses shall be included in the value of composite supply of leasing service and it shall be taxed at the same rate applicable.
- **Inclusion of Telecom Regulatory Authority of India (TRAI) within the meaning of "Government":** The question being examined here is whether such body is "Government" under GST law, on grounds that TRAI is a statutory authority established under Telecom Regulatory Authority of India Act, 1997 to perform statutory regulatory functions and is funded through Government grants. Placing reliance on the definition of "Government" under Section 2(53) of the CGST Act, 2017, which means Central Government, and upon Point No. 6 of CBIC's Sectoral FAQs on Government Services, the Board has clarified that 'regulatory bodies and other autonomous entities do not fall within the definition of "Government"'. Thus,

TRAI, whilst being a statutory regulatory authority, is not a “Government” under GST law.

- **Applicability of GST on notional interest recorded in books of accounts by Head Office, w.r.t Fund Transfer Pricing (FTP) mechanism in banks:** FTP is a banking mechanism which includes the notional transfer of funds between different branches of a bank through its head office. Interpreting the same as a financial service rendered by the Head Office to its branches, applying the meaning of Section 25(4) of the CGST Act, 2017 and deeming the units as “distinct persons”, it is questioned whether GST should be applicable on such notional amount/interest. The Board has clarified that such notional amount represents the cost of funds, is akin to interest and is covered under the definition of “interest”, thereby rendering the same to be exempt from GST by way of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017.
- **GST treatment on services provided by NBFCs to banks in co-lending arrangements:** The RBI has recently issued directions recognizing services rendered by NBFCs to banks in co-lending arrangements. These arrangements aim at extending credit jointly by NBFCs and banks to borrowers in a pre-agreed ratio, which comprise several services such as customer sourcing, KYC, credit appraisal, underwriting, servicing, monitoring, collection of repayments and recovery, etc, expectedly to be rendered by NBFCs. Thereby, such lending services by an NBFC to a bank under such arrangements are taxable under GST and shall be valued as per the value specified in the contractual agreement between the NBFC and the bank.

What to do

Review discount schemes and credit note processes under the post-sale discount rules from 1 November 2026, and check that recipients reverse ITC. Buyers of used cooking oil, plastic, tyre and e-waste scrap must pay GST under reverse charge on unregistered purchases and deduct 2% TDS on registered purchases above ₹2.5 lakh. Exporters and IDS claimants should plan refunds under the 10-day acknowledgement and input-service ITC rules, and the revised RFD-01 (CA certificate with UDIN) from 1 December 2026. Dealers can now claim ITC on demo vehicles, and exporters with pending Rule 96(10) demands should seek their withdrawal. GSTR-9 and GSTR-9C for FY 2025-26 are due 31 December 2026.

Secretarial Updates

Companies Act, 2013 — MCA

General Circular No. 05/2026

24 October 2026

AOC-4 and MGT-7 Filing for FY 2025-26 Extended Without Additional Fees

The Ministry of Corporate Affairs has relaxed the levy of additional fees for filing Financial Statements and Annual Returns for FY 2025-26. Companies can file Form AOC-4 and its variants (AOC-4 CFS, AOC-4 XBRL, AOC-4 NBFC (Ind AS) and AOC-4 CFS NBFC (Ind AS)) on or before 31 December 2026, and Forms MGT-7 and MGT-7A on or before 31 January 2027, without additional fees. The relaxation applies only to filing these forms and does not extend the statutory timeline for holding the Annual General Meeting. Any filing made after the extended dates will attract additional fees calculated from the original statutory due dates.

General Circular No. 06/2026

27 October 2026

Additional Time for Filing Cost Audit Report in Form CRA-4

The MCA has also relaxed the levy of additional fees for filing the Cost Audit Report in Form CRA-4 (XBRL format) for FY 2025-26. Companies covered by the cost audit provisions can file Form CRA-4 up to 31 December 2026 without additional fees. Any filing made after this date will attract fees, including additional fees, calculated from the original statutory due date under Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014.

What to do

File AOC-4 (and its variants) and CRA-4 for FY 2025-26 by 31 December 2026, and MGT-7/MGT-7A by 31 January 2027, to avoid additional fees. The extension does not cover the AGM itself, so companies that missed the AGM deadline remain exposed to penalties. Companies under cost audit should coordinate with their Cost Auditors now. PAS-6 for the half-year ended 30 September 2026 is due 29 November.

Income Tax Updates

Income Tax Act, 2025

Notification No. 137/2026

19 October 2026

Form 173A Notified for Exemption on Government Securities Income

Through the Income-tax (Seventh Amendment) Rules, 2026, the CBDT has inserted Rule 281A and a new Form No. 173A in the Income-tax Rules, 2026. Anyone claiming exemption on interest or capital gains from Government securities under Sl. Nos. 13D and 13E of Schedule IV of the Income-tax Act, 2025 must furnish the prescribed information in Form 173A. Part A captures basic details such as name, country of residence, PAN, foreign Tax Identification Number, SEBI FPI/FII registration number and the tax year of the claim. Part B captures security-wise details: ISIN, type of security (Treasury Bills, fixed or floating rate bonds, State Development Loans or others), tenor, holding value on 1 April and 31 March, purchases and sale consideration during the year, gross interest received or accrued, and capital gains. The form is signed by the principal officer. For the Bank for International Settlements, the TIN and SEBI registration fields are optional. The rules took effect on publication in the Official Gazette.

What to do

Foreign investors, FPIs and their custodians holding Indian Government securities should identify holdings that qualify under Sl. Nos. 13D and 13E and start capturing ISIN-wise opening and closing values, purchases, sales, interest and capital gains for Form 173A. ITRs for audit cases are due 21 November 2026 and ITRs for transfer pricing cases 30 November 2026.

DJAS & Co.
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Talk to us about these changes

We can review how this month's updates affect your business and handle the filings before they fall due.

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